
RAILROAD RETIREMENT BOARD
JUSTIFICATION OF
BUDGET ESTIMATES



FISCAL YEAR 2023



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

BOARD MEMBERS:

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

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

Dear Madam Speaker:

In compliance with the Office of Management and Budget (OMB) Circular No. A-11, enclosed is our Congressional Justification of Budget Estimates for Fiscal Year 2023, which includes our Performance Plan for the year. This budget complies with OMB guidance and is in accordance with the President's proposals. The President's proposed budget provides for \$131.666 million for the Railroad Retirement Board's (RRB) administrative expenses in fiscal year 2023. We estimate that the proposed funding will provide for a staffing level of 756 full-time equivalents (FTEs).

We are grateful to the Congress for providing funding through annual and supplemental appropriations for RRB's IT Modernization program. Even though we are progressing with our modernization efforts, operational costs are rising as we shift into a hybrid or transitional IT environment. In this hybrid IT environment, RRB must simultaneously allocate staffing and funding to sustain critical benefits administration operations via legacy applications and IT systems, maintain early-modernized components of the IT program, and persist through RRB's ongoing IT Modernization Program. Operating in this transitional state requires sufficient staffing investment to sustain benefit determination and payment operations, which still rely heavily on manual processing, while ensuring that the agency retains the knowledge of our laws and systems critical to modernizing benefit payment systems. At present, the RRB is operating at 14 percent below its minimum staffing level, with nearly a quarter (24 percent) of agency employees retirement eligible, and this percentage climbs to nearly one-third (32 percent) within the next two years. The RRB requests direct funding of \$151.409 million for fiscal year 2023 to support 880 FTE employees and manage the rising operational costs of the hybrid IT environment. The RRB believes that staffing investment is critical to the success of the agency over the next several years to address both current staffing deficits and overall attrition risk across the enterprise, until the RRB is able to realize the benefits of IT modernization.

In addition to the requests for administrative expenses, the President's Budget includes \$9 million to fund the continuing phase-out costs for vested dual benefits. An additional amount, not to exceed 2 percent, would also become available if projected dual benefit payments for the year exceed the amount available for payments.

Also, presented in the budget is a request for \$150,000 for interest related to uncashed railroad retirement checks. The \$150,000 is being requested for a 2-year period, and would be available through September 30, 2024. All of the amounts presented in this letter exclude funding for the RRB's Office of Inspector General, which submits separate budget and performance information.

Finally, included in the RRB's justification of budget estimates are three agency legislative proposals. The first would amend the Railroad Retirement Act to allow the Railroad Retirement Board to utilize various hiring authorities available to other Federal agencies. The second would amend the Railroad Retirement Act to allow the Railroad Retirement Board to utilize student and recent graduate hiring authorities available to other Federal agencies. The third would amend the Railroad Retirement Act and the Railroad Unemployment Insurance Act to include a felony charge for individuals committing fraud against the Agency.

Thank you for your support of this proposed budget.

Sincerely,

Original signed
FOR THE BOARD
Stephanie Hillyard
Secretary to the Board
March 28, 2022

Enclosure

cc: The Honorable Shalanda D. Young
Director, Office of Management and Budget



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

BOARD MEMBERS:

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

The Honorable Kamala Harris
President of the Senate
S-212 Capitol Building
Washington, D.C. 20510

Dear Madam President:

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FOR THE BOARD
Stephanie Hillyard
Secretary to the Board
March 28, 2022

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cc: The Honorable Shalanda D. Young
Director, Office of Management and Budget

JUSTIFICATION OF BUDGET ESTIMATES
FISCAL YEAR 2023

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RAILROAD RETIREMENT BOARD

SUMMARY OF APPROPRIATION ESTIMATES
FOR FISCAL YEARS 2022 and 2023

Account	Fiscal Year 2022 Estimate		Fiscal Year 2023 President's Budget		Page
	FTEs	Amount	FTEs	Amount	
Limitation on Administration	756	\$123,500,000 <u>a/</u>	756	\$131,666,000 <u>b/</u>	9
Dual Benefits Payments Account	—	\$13,000,000 <u>a/</u>	—	\$9,000,000 <u>c/</u>	55
Federal Payments to the Railroad Retirement Accounts	—	\$150,000 <u>a/</u>	—	\$150,000 <u>d/</u>	63
Limitation on the Office of Inspector General	54	\$11,500,000 <u>a/</u>	56	\$13,269,000 <u>e/</u>	—

a/ A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended), which provided funding for the RRB based upon P.L. 116-260, Consolidated Appropriations Act, 2021. The amounts included for 2022 reflect the annualized level provided by the continuing resolution. For fiscal year 2021, P.L. 116-260 provided \$114,500,000 for RRB's base operations and \$9,000,000 for RRB's Information Technology Modernization Program.

b/ This amount reflects the President's proposed budget amount for the RRB's Limitation on Administration request level for Fiscal Year 2023 is \$131,666,000 which would support 756 FTEs. The RRB requests \$151,409,000 for direct obligations to support 880 FTE employees. RRB's budget request at both the President's proposed budget amount and Agency Request Level includes \$30,863,269 estimated for reimbursable and transfer funding.

c/ The proposed appropriation language provides for \$9,000,000 to fund vested dual benefits from general revenues of which \$1,000,000 is expected from income taxes on vested dual benefits. An additional 2 percent reserve will become available only if the product of recipients and the average benefit received exceeds the amount available to pay vested dual benefits.

d/ This amount reflects our latest estimate for interest related to uncashed railroad retirement checks and will remain available through September 30, 2024.

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

AGENCY OVERVIEW

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

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

During fiscal year 2021, the benefit payments totaled \$13.5 billion, net of recoveries and offsetting collections. Of this amount, payments for the retirement and survivor benefits program totaled \$13.3 billion to about 519,000 beneficiaries. The RRB also paid benefits on behalf of the Social Security Administration (for which the RRB is reimbursed) amounting to \$2.0 billion to about 126,400 a/ beneficiaries. The RRB also paid unemployment-sickness benefits totaling \$156.9 million, CARES Act benefits totaling \$112.7 million, and vested dual benefits totaling \$11.7 million, net of recoveries and offsetting collections. About 17,200 railroad workers received unemployment insurance benefits, approximately 24,500 received sickness insurance benefits, and about 5,000 beneficiaries received vested dual benefits.^{a/} The unemployment and sickness beneficiaries were also paid under the Coronavirus Aid, Relief, and Economic Security Act of 2020.

^{a/} Reflects updated data not available for use in the 2021 Performance and Accountability Report.

Programs Administered by the RRB

Railroad Retirement Act

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

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

The RRB also administers certain vested dual benefits financed by annual appropriations from general funds. As of September 30, 2021, about 5,000 beneficiaries received vested dual benefits.

Railroad Unemployment Insurance Act

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

Financing of Railroad Retirement Benefits

The primary source of income for the railroad retirement/survivor benefit program is payroll taxes paid by covered employers and their employees. By law, railroad retirement taxes are coordinated with social security taxes. Employees and employers pay Tier I taxes at the same rate as social security taxes. In addition, both employees and employers pay Tier II taxes, which are used to finance railroad retirement benefit payments over and above social security benefit levels.

Other sources of income currently include Federal income taxes on railroad retirement annuities, appropriations from general funds of the Department of the Treasury (Treasury) provided to phase-out vested dual benefits, interest on investments, and the financial interchange with the social security trust funds. The financial interchange places the social security trust funds in the same position they would be in if railroad service were covered by the Social Security program instead of the Railroad Retirement program. In effect, through the financial interchange, the

portion of railroad retirement annuities that is equivalent to social security benefits is reinsured through the social security system, thereby extending social security protection to railroad workers. The Social Security Equivalent Benefit Account is charged with railroad retirement benefit payments equivalent to social security benefits, and credited with taxes and transfers associated with those benefits.

Vested dual benefits are funded by annual appropriations from general funds of the Treasury and paid from a separate account, the Dual Benefits Payments Account. Since October 1, 1988, revenue from income taxes on these benefits has also been credited to the Dual Benefits Payments Account. If the appropriation in a fiscal year does not cover total benefits, individual payments must be reduced by proration.

Amounts needed to administer these programs are authorized by the Congress in annual appropriation acts. In addition, the Centers for Medicare and Medicaid Services and others transfer and reimburse the RRB for certain activities. Beginning in fiscal year 2013, a contractor provides Specialty Medicare Administrative Contractor (SMAC) Services to the RRB and Railroad Medicare beneficiaries and their medical services providers, nationwide, for Part B Medical Services. In fiscal year 2023, it is estimated that the RRB will be transferred and reimbursed about \$30.4 million for such costs. The estimate includes \$17.5 million for SMAC.

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

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

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

The RRB transferred \$1.502 billion, \$19.188 billion, and \$586 million to the Trust in fiscal years 2002, 2003, and 2004, respectively. The Trust has invested the transferred funds and the results of these investments are reported to the RRB and posted periodically on the RRB's website. The net asset value of Trust-managed assets on September 30, 2021, was approximately \$28.5 billion. From its inception through September 30, 2021, the Trust transferred approximately \$29.774 billion to the RRB to pay railroad benefits, including approximately \$2.838 billion in fiscal year 2021.

Payroll taxes. Under the RRSIA, Tier II taxes on both employers and employees are based on the ratio of certain asset balances to the sum of benefits and administrative expenses (the average

account benefits ratio). Depending on the average account benefits ratio, Tier II taxes for employers can range between 0 percent and 4.9 percent, while the Tier II tax rate for employees can be between 8.2 percent and 22.1 percent. The calendar year 2022 Tier II tax rates are 13.1 percent and 4.9 percent for rail employers and employees, respectively. The maximum amount of earnings subject to Tier II taxes is \$109,200.00 in 2022.

The RRSIA does not affect Tier I social security equivalent tax rates, which are the same as for social security covered employers and employees. The Tier I payroll tax rate for the year 2022 on covered rail employees and employers is 7.65 percent.

For withholding and reporting purposes, the employer tax rate is divided into 6.20 percent for retirement and 1.45 percent for Medicare hospital insurance. The maximum amount of an employee's earnings subject to the 6.20 percent rate is \$147,000.00 in 2022, but there is no maximum on earnings subject to the Medicare tax rate.

Supplemental annuities. The RRSIA also repealed the railroad retirement supplemental annuity tax paid by covered employers, and eliminated the separate Railroad Retirement Supplemental Account. While supplemental railroad retirement annuities provided by the Railroad Retirement Act continue to be due and payable, they are now funded from the Railroad Retirement Account.

Financing of Unemployment and Sickness Insurance Benefits

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

For calendar year 2022, the minimum employer contribution rate is 4.15 percent. New employers in 2022 will pay a tax of 2.62 percent, which represents the average rate paid by all employers in the period 2018 - 2020. For 79 percent of covered employers, the unemployment insurance rate assessed will be 4.15 percent in 2022, while 7 percent of employers will pay the maximum of 12.5 percent.

The 2022 rate is applied to the first \$1,755 earned monthly by each employee. In accordance with Public Law 100-647, the wage base is indexed each year to approximately two-thirds of the cumulative growth in average national wages since 1984. An employer's overall rate under the system cannot exceed 12 percent, or 12.5 percent if the maximum surcharge described below is in effect. These rates include a component to cover costs shared by all employers and 0.65 percent of the employers' taxable payroll is permanently appropriated to the RRB for administrative expenses. In addition, a surcharge is added to employers' unemployment contributions for any calendar year when the balance in the Railroad Unemployment Insurance Account on the previous June 30 is less than a certain amount. Depending on the account balance, the surcharge rate may be 1.5, 2.5, or 3.5 percent of the wage base.

Description of Appropriation Requests

Limitation on Administration

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

Dual Benefits Payments Account

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

Federal Payments to the Railroad Retirement Accounts

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

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

Limitation on the Office of the Inspector General

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

The Board Members

<u>Incumbent's name</u> <u>(Title)</u>	<u>Term expiration</u> <u>Date</u>	<u>Compensation</u>
Erhard R. Chorlé (Chairman)	08-28-22	\$168,400
John Bragg (Labor Member)	08-28-24	\$158,500
Thomas Jayne (Management Member)	08-28-23	\$158,500



CHIEF ACTUARY *
BUREAU OF THE ACTUARY AND RESEARCH
 Keith T. Sartain

THE BOARD
 Chairman, Erhard R. Chorlé
 Labor Member, John Bragg
 Management Member, Tom Jayne

OFFICE OF INSPECTOR GENERAL
 Martin J. Dickman

OFFICE OF EQUAL OPPORTUNITY
 Shiri Ndiang

EXECUTIVE COMMITTEE			
MEMBER Shawna R. Weekley	MEMBER Ana M. Kocur	SENIOR EXECUTIVE OFFICER Daniel J. Fadden	MEMBER Arturo Cardenas
MEMBER Terryne F. Murphy	MEMBER Mark E. Blythe		

CHIEF FINANCIAL OFFICER

BUREAU OF FISCAL OPERATIONS
 Shawna R. Weekley

OFFICE OF GENERAL COUNSEL
 Ana M. Kocur

OFFICE OF LEGISLATIVE AFFAIRS
 Beverly Britton Fraser

BUREAU OF HEARINGS AND APPEALS
 Spiridoula Mavrothalasitis

SECRETARY TO THE BOARD
 Stephanie Hillyard

OFFICE OF ADMINISTRATION
 Daniel J. Fadden

ACQUISITION MANAGEMENT
 Paul T. Ahern

BUILDING AND SUPPORT OPERATIONS
 Scott Rush

BUREAU OF HUMAN RESOURCES
 Nancy L. Bitzer

PUBLIC AFFAIRS
 Michael P. Freeman

OFFICE OF PROGRAMS
 Arturo Cardenas

POLICY AND SYSTEMS
 VACANT

PROGRAM EVALUATION AND MANAGEMENT SERVICES
 Janet M. Halliman

RETIREMENT/ SURVIVOR BENEFITS
 Letitia Carthans

DISABILITY BENEFITS
 Sherita Boots

UNEMPLOYMENT AND PROGRAMS SUPPORT
 Micheal T. Pawlak

BUREAU OF FIELD SERVICE
 Mark E. Blythe

CHIEF INFORMATION OFFICER

BUREAU OF INFORMATION SERVICES
 Terryne F. Murphy

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

* Non-voting member of the Executive Committee

JUSTIFICATION OF ESTIMATES

The Administration's Proposed Appropriation Language

LIMITATION ON ADMINISTRATION

For necessary expenses for the Railroad Retirement Board ("Board") for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, \$131,666,000 to be derived in such amounts as determined by the Board from the railroad retirement accounts and from moneys credited to the railroad unemployment insurance administration fund: Provided, That notwithstanding section 7(b)(9) of the Railroad Retirement Act this limitation may be used to hire attorneys only through the excepted service: Provided further, That the previous proviso shall not change the status under Federal employment laws of any attorney hired by the Railroad Retirement Board prior to January 1, 2013: Provided further, That notwithstanding section 7(b)(9) of the Railroad Retirement Act, this limitation may be used to hire students attending qualifying educational institutions or individuals who have recently completed qualifying educational programs using current excepted hiring authorities established by the Office of Personnel Management.

Note: A full-year 2022 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

Explanation of Proposed Appropriation Language

Appropriation language

For necessary expenses for the Railroad Retirement Board ("Board") for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, \$131,666,000 to be derived in such amounts as determined by the Board from the railroad retirement accounts and from moneys credited to the railroad unemployment insurance administration fund: Provided, That notwithstanding section 7(b)(9) of the Railroad Retirement Act this limitation may be used to hire attorneys only through the excepted service: Provided further, That the previous proviso shall not change the status under Federal employment laws of any attorney hired by the Railroad Retirement Board prior to January 1, 2013: Provided further, That notwithstanding section 7(b)(9) of the Railroad Retirement Act, this limitation may be used to hire students attending qualifying educational institutions or individuals who have recently completed qualifying educational programs using current excepted hiring authorities established by the Office of Personnel Management.

Notes: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended), which provided funding for the RRB based upon P.L. 116-260, Consolidated Appropriations Act, 2021. The amounts included for 2022 reflect the annualized level provided by the continuing resolution. For fiscal year 2021, P.L. 116-260 provided \$114,500,000 for RRB's base operations and \$9,000,000 for RRB's Information Technology Modernization Program.

Explanation

This budget request is for funds to administer the railroad retirement/survivor and unemployment/sickness insurance benefit programs under a single administrative account. The Limitation on Administration Account draws on the following trust fund accounts for funding: Railroad Retirement Account, Social Security Equivalent Benefit Account, and the Railroad Unemployment Insurance Administration Fund.

Legislation

Legislation	Fiscal Year 2022			Fiscal Year 2023	
	Authorized	Estimate	Authorized	President's Budget Request	Agency's Budget Request
<u>AUTHORIZING</u>	Indefinite	\$123,500,000	Indefinite	\$131,666,000	\$151,409,000

Railroad Retirement Act:

Sections 15(a) and 15A(c)

Railroad Unemployment Insurance Act:

Section 11(a)

BYPASS AUTHORITY

Railroad Retirement Act:

Section 7(f)

- a/ A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended), which provided funding for the RRB based upon P.L. 116-260, Consolidated Appropriations Act, 2021. The amounts included for 2022 reflect the annualized level provided by the continuing resolution. For fiscal year 2021, P.L. 116-260 provided \$114,500,000 for RRB's base operations and \$9,000,000 for RRB's Information Technology Modernization Program.
- b/ Includes direct and no-year funding requested only. Excludes, amounts associated with reimbursements and transfers, estimated at \$30,863,000 for fiscal year 2023.

Section 15(a) of the Railroad Retirement Act:

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

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

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

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

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

Section 7(f) of the Railroad Retirement Act:

"Whenever the Board submits or transmits any budget estimate, budget request, supplemental budget estimate, or other budget information, legislative recommendation, prepared testimony for congressional hearings, or comment on legislation to the President or to the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Board to submit its budget requests or estimates, legislative recommendations, prepared testimony for congressional hearings, or comments on legislation to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress."

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

	FY 2021 (A)	CHANGE (B)	FY 2022 ESTIMATE (C)	CHANGE (D)	PRESIDENT'S BUDGET (E)	CHANGE (F)	FY 2023 AGENCY REQUEST (G)
TOTAL FTEs (INCLUDING REIMBURSABLE)	777	(21)	756	0	756	124	880
TOTAL RRB DIRECT PROGRAM OBLIGATIONS							
11.1 FULL-TIME PERMANENT	64,569	(2,200)	62,369	4,845	67,214	12,488	79,701
11.3 OTHER THAN FULL-TIME PERMANENT	888	(409)	479	109	588	114	702
11.5 OTHER PERSONNEL COMPENSATION	1,765	110	1,876	(58)	1,818	404	2,222
11.9 TOTAL PERSONNEL COMPENSATION	67,222	(2,499)	64,724	4,896	69,620	13,005	82,625
12.1 PERSONNEL BENEFITS: CIVILIAN	23,755	73	23,828	1,904	25,732	4,938	30,670
13.0 BENEFITS FOR FORMER PERSONNEL	113	8	121	9	130	0	130
21.0 TRAVEL AND TRANSPORTATION OF PERSONS	57	243	300	50	350	200	550
22.0 TRANSPORTATION OF THINGS	51	6	57	(24)	33	0	33
23.1 RENTAL PAYMENTS TO GSA	3,500	200	3,700	0	3,700	0	3,700
23.3 COMMUNICATIONS, UTILITIES, & MISC. CHARGES	6,479	(522)	5,957	630	6,587	0	6,587
24.0 PRINTING AND REPRODUCTION	225	44	269	21	290	0	290
25.0 OTHER SERVICES	12,331	2,452	14,783	9,243	24,027	550	24,577
26.0 SUPPLIES AND MATERIALS	359	191	550	53	603	50	653
31.0 EQUIPMENT	409	(197)	212	384	596	1,000	1,596
TOTAL RRB DIRECT OBLIGATIONS	114,500	(0)	114,500	17,166	131,666	19,743	151,409
REIMBURSABLE AND TRANSFER OBLIGATIONS	33,206	6,372	39,578	(8,715)	30,863	0	30,863
PLUS: NO-YEAR FUNDING FOR IT INITIATIVES (TRUST FUND)	9,000	0	9,000	(9,000)	0	0	0
TOTAL RRB OBLIGATIONS AND NO YEAR	156,706	6,372	163,078	(549)	162,529	19,743	182,272
DIRECT OBLIGATIONS AND NO YEAR	123,500	(0)	123,500	8,166	131,666	19,743	151,409

Details may not add to totals due to rounding.

1 In a separate justification document, the Office of Inspector General is requesting \$13,269,000 for administrative expenses in fiscal year (FY) 2023.
2 Salary and benefit estimates for FY 2023 President's Budget and FY 2023 Agency Request reflect a 2.7 percent in January 2022, and 4.6 percent pay increase in January 2023.
3 FTE cost for FY 2021 is \$131,085, FY 2022 Estimate FTE cost is \$135,232, and FY 2023 President's Budget and FY 2023 Agency Request FTE cost is \$141,177.
4 The amounts included for 2022 reflect the annualized continuing resolution level authorized by the Extending Government Funding and Delivering Emergency Assistance Act, P.L. 117-43.
5 The 2021 CMS Reimbursable and Transfer includes \$13,031,280 for Medicare Parts B, C, and D, \$19,660,397 for SMAC Transfer and \$514,306 miscellaneous; SMAC transfer is not included in BOC 25.0.
6 The 2022 CMS Reimbursable and Transfer includes \$12,851,963 for Medicare Parts B, C, and D, \$26,214,849 for SMAC Transfer and \$511,306 miscellaneous; SMAC transfer is not included in BOC 25.0.
7 The 2023 CMS Reimbursable and Transfer includes \$12,851,963 for Medicare Parts B, C, and D, \$17,500,000 for SMAC Transfer and \$511,306 miscellaneous; SMAC transfer is not included in BOC 25.0.
8 In FY 2021, the RRB received General Fund (GF) no-year funding from P.L. 117-2 (ARPA) of \$21,175,000 for IT Investment Initiatives and \$6,800,000 for staffing. Also, for FY 2021 the RRB received GF funding of \$8,300 from P.L. 116-260.
9 The \$6,800,000 of no-year funding from P.L. 117-2 (ARPA) provided for additional staffing to administer the Railroad Unemployment Insurance Act. This provided about 5 FTEs in FY 2021 at an average cost of \$64,548 and an estimated 37 FTEs in FY 2022 at an average cost of \$67,881.

Continued Need for Additional Funding: Fiscal Year 2023 Agency Request Level

RRB's fiscal year 2023 budget request at both the President's proposed and RRB's Agency Request Level (ARL) include estimates for rising information technology (IT) costs as RRB shifts into a hybrid or transitional IT environment as well as the impact of the 4.6% cost of living adjustment (COLA). In this hybrid IT environment, RRB must simultaneously allocate staffing and funding to sustain critical benefits administration operations via legacy applications and IT systems, maintain early-modernized components of the IT program, and persist through RRB's ongoing IT Modernization Program. Estimates indicate that the COLA of 4.6% would increase staffing costs by \$4.1 million and when coupled with rising non-personnel operating costs, would leave the RRB unable to significantly increase staffing levels. Therefore, for fiscal year 2023, the RRB requests \$151.409 million to provide funding for an estimated 880 full-time equivalent (FTE) employees. At this level, the RRB would be able to manage the rising hybrid IT environment costs and acquire staffing resources to sustain critical benefits administration operations, until the RRB is able to realize the benefits of IT modernization.

Continued Need for Staffing Investment:

Persistent Administrative Workload

The RRB needs a minimum of 880 FTE employees to sustain its critical benefits administration operations, while progressing through the modernization effort, until it is able to realize the benefits of IT modernization. The RRB administers benefits under the Railroad Retirement Act (RRA) and the Railroad Unemployment Insurance Act (RUIA). Under these laws, the RRB provides a wide range of benefits including retirement, survivor, disability, unemployment, sickness and vested dual benefits, to rail workers and their families. Unlike some industries, for which a decline in employment is indicative of future employment numbers, a decline in rail employment has not necessarily been an indicator of future employment numbers. Railroad employment levels tend to fluctuate from year to year based upon market demands. Equally important is the fact that non-active employees vested in RRB benefits and their eligible family members will ultimately apply to the RRB for benefits. As such, the RRA and RUIA administrative workload does not directly correlate to rail employment levels or to the average number of annuitants.

In fact, while the RRB's staffing levels, average rail employment, and average number of annuitants have all declined over the years, RRB's administrative workload has not due to increased need for unemployment and sickness benefits as well as the accrual of backlogged retirement, survivor, and/or disability cases. For example, in 2011, railroad employment averaged 229,000 employees and there were 12,756 unemployment and 20,797 sickness applications filed for the year under the RUIA. In 2021, rail employment fell to an average of 188,000 employees, there were 18,484 unemployment and 33,770 sickness applications filed but 16 percent fewer staff to process them due to attrition. Likewise, while the average number of RRA annuitants has declined from 540,080 in 2012 to an estimated 477,600 for 2023, the corresponding estimated administrative workload in 2023, including the backlogs discussed below, is closer to 2012 levels at about 134,000 (excluding payment counts and Medicare enrollments), where with 769 FTEs (RRA only) RRB processed a workload of 139,745.¹ For fiscal year 2023 and considering FTEs attributable only to RRA, Please note that the RRB requests fiscal year 2023 funding for 880 FTEs, where historical trends indicate

¹ Total (RRA & RUIA) FTE counts for fiscal year 2012 were 884. The numbers referenced equate to RRA only or 87% of the total FTE.

that 87 and 13 percent of RRB's administrative workload pertains to RRA and RUIA, respectively. While a sustained decline in employment and annuitant numbers could influence the RRB's workload levels in the distance future, current workload levels, including the backlogs continue to support the need for increased staff levels.

Enterprise-wide Staffing Deficits and Attrition Risk

The RRB was appropriated \$113.5 million in fiscal years 2017-2020 and \$114.5 million in fiscal year 2021 for personnel and general operating costs to support benefits administration, exclusive of funding for IT modernization, reflecting successive years of unfunded cost of living adjustment (COLA) increases in salary and associated benefits. The COLAs the RRB had to fund with its stagnant budget include \$1.398 million in 2017, \$1.389 million in 2018, \$1.364 million in 2019, \$2.060 million in 2020, \$1.134 million in 2021, as well as an estimated \$1.668 million in 2022 and \$4.106 million in 2023. Consequently, the RRB has strained to absorb the impact of increases over the years in civilian pay and benefits costs.

A stagnant budget over the years has impeded RRB's ability to efficiently succession plan across the enterprise, which involves both building redundancy in duties and knowledge transfer a few years prior to the individual retiring. Principally, the RRB has been unable to create job duty redundancies or even replace many positions timely due to absorbing rising personnel and operational costs into a relatively flat annual budget, budgetary uncertainties under continuing resolutions, and attrition across the enterprise, particularly within mission support organizations (i.e. human resources). At present, the RRB is operating at 14 percent below its minimum staffing level, with nearly a quarter (24 percent) of agency employees retirement eligible, and this percentage climbs to nearly one-third (32 percent) within the next two years.³² RRB requests \$151.409 million for fiscal year 2023, which would allow the RRB to reach the minimum 880 FTE employees to ensure continuity of critical benefits administration operations, until it is able to realize the benefits of IT modernization.

Over the years, insufficient staffing levels forced the RRB to focus its limited staffing resources on core mission activities (i.e. processing initial claims and related payments timely) and the IT Modernization Program. To date, processing initial claims and related payments timely are RRB's most visible performance metrics and generally, with the exception of disability decisions, RRB has been successful in this regard. Additionally, as discussed in more detail in the Information Technology Modernization Program Realizations section below, the RRB has made significant progress in the first phase of its IT Modernization Program. However, sustained low staffing levels across the enterprise have nevertheless reduced RRB's performance in less visible ways. Particularly, inadequate staffing levels have created backlogs of initial disability decisions and post adjudicative actions that serve to ensure ongoing retirement/survivor, disability, and unemployment/sickness benefit payments are accurate as well as reduced customer service quality. Further, insufficient staffing and lack of job duty redundancy across the enterprise has led to allocating resources to satisfy Federal mandates or short-term agency priorities, rather than to activities that have a long-term agency benefit or satisfy a strategic goal.

² Retirement eligibility information presented throughout this section is based upon data as of February 1, 2022, excluding the OIG.

Core Mission Organizations:

Office of Programs

The Office of Programs (Programs) is responsible for carrying out provisions of the RRA and RUIA. Over the past six years Programs has been operating at reduced capacity as near flat funding has resulted in an inability to backfill positions lost to attrition. As of February 1, 2022, over one quarter (27 percent) of staff within the Office of Programs (Programs) can retire within the next year and this percentage climbs to over one third (34 percent) within the next three years. The attrition risk is alarmingly high in the Policy and Systems Division (PSD), where 40 percent of PSD are retirement eligible and this percentage climbs to 50 percent within the next two years. PSD staff are critical to the continued success of the on-going IT Modernization Program, because these employees are responsible for developing, maintaining and overseeing policy and procedures for effective benefits administration, which includes determining business requirements for and leading user system testing to ensure proper calculation and payment of RRA and RUIA benefits. Likewise, the attrition risk is high for the Program Evaluation and Management Services Division (PEMS), where over one-third (35 percent) of PEMS employees are retirement eligible and climbs to over half (52 percent) within the next two years. Lack of sufficient staffing in PEMS will hinder program integrity efforts, as these employees are responsible for evaluating and measuring the quality level of the agency's benefit payments and processes.

The sustained low staffing levels in areas not focused on timely processing of most initial applications, claims, and related benefit payments, has led to backlogs in cases that require post award adjustments. Post award adjustments serve to ensure ongoing retirement/survivor, disability, unemployment or sickness benefit payments are accurate. Currently, the Retirement and Survivor Benefits Division (RSBD) has 41,962 cases (37,429 retirement and 4,533 survivor) pending post award adjustment. Additionally, the Disability Benefits Division (DBD) has 1,784 cases pending an initial disability decision as well as 2,700 early Medicare (Disability Freeze) cases pending decisions.

Bureau of Field Services

The Bureau of Field Services (BFS) handles all customer inquiries covering retirement benefits (Age & Service and Disability), survivor benefits, Medicare, Social Security benefits for railroad workers and their families, tax withholding and statements, and sickness and unemployment benefits. Additionally, BFS has primary responsibility for handling unemployment application claims. The RRB is grateful for the \$6.8 million provided under P.L. 117-2, *American Rescue Plan Act of 2021* (ARPA) for staffing in the Bureau of Field Services (BFS) in order to better manage increased customer service support pursuant to the pandemic. Starting in August 2021, the BFS onboarded forty-eight claims representatives, of whom thirty were ARPA-funded; however, BFS experienced fifty-seven separations through calendar year 2021 into February 2022, leaving a net decrease of nine BFS claims representatives. The ARPA funds have been, and while available, will continue to be instrumental as the RRB attempts to keep pace with attrition. It bears mentioning that without the ARPA funds RRB's net loss would have been thirty-nine claims representatives, which would have further worsened our customer service capabilities.

Limited funding for RRB's base operations over the years presented challenges with staffing and keeping pace with attrition well before the pandemic and as a result, weakened our customer service capability, and overall effectiveness. Prior to receipt of ARPA funds, BFS was operating well below

staffing level needs and lacked the capacity to handle the increased call volumes resulting from delays in processing both initial disability annuities and post adjustments to retirement and survivor annuities. Therefore, over the years, BFS total number of calls answered declined from 54 percent for 2015 to 38 percent for 2021, and the average wait time increased from 2.5 minutes to 40 minutes during the same time. Recognizing that the ARPA funds are temporary, RRB will need additional funding to attain and then maintain increased staffing levels necessary, so that RRB can begin addressing customer service deficiencies that existed before and were exacerbated by the pandemic.

Mission Support Organizations:

As discussed above, over the years due to persistent budgetary constraints, the agency prioritized filling vacate mission centric positions within the Office of Programs and the Bureau of Field Services as well as IT positions in the Bureau of Information Services (BIS) to advance and sustain IT modernization efforts. However, RRB support organizations are straining to do more with less as limited budgetary resources prohibit the backfilling of most positions. RRB's mission support organizations are also at risk of significant attrition within the next 3 years and need staffing investment to ensure continuity of vital functions.

Bureau of Actuary and Research

The Bureau of Actuary and Research (BAR) actively characterizes the health of the railroad retirement system through short and long-term projections to the Office of Management and Budget (OMB) and Congress and recommends changes in tax rates when needed. BAR conducts analyses on various programs to aid the decision and policymaking processes and provides valuable information to RRB management and the public on the viability of the retirement and unemployment/sickness insurance programs. BAR is also solely responsible for calculating the annual financial interchange between RRB, Social Security Administration and Centers for Medicare and Medicaid Services, which accounts for a substantial portion of the revenue for paying benefits to railroad retirement annuitants.

At present, one-third (33 percent) of BAR staff can retire within the next year, and this percentage climbs to 50 percent within the next 3 years. Significant attrition risk within BAR may hinder efforts to develop an algorithm to help identify new disability applications that may require additional review. Additionally, realized attrition could delay planned improvements to the financial interchange determination and establishment of new processes to reflect recent Supreme Court decisions that result in difference between Social Security Act (SSA) and RRA taxable earnings.

Bureau of Fiscal Operations

The Bureau of Fiscal Operations (BFO) employees are the primary stewards for the railroad retirement trust funds system and in this regard perform a wide range of financial activities to include developing the agency's budget, satisfying federal accounting and financial reporting requirements as well as managing the agency's financial management system. Additionally, BFO coordinates with the U. S. Department of the Treasury and the Internal Revenue Service (IRS) to receive and record the tax receipts per the Railroad Retirement Tax Act, recovers benefit overpayments and collects railroad unemployment insurance contributions. In furtherance of our stewardship responsibilities, BFO conducts compliance audits of railroad employers to assess the accuracy of reported compensation as well as reconciles compensation as reported to the RRB to that which the employers reported to the IRS. The results of the compliance audits and reconciliations identify discrepancies between reported compensation that may affect the employer's tax liability.

As of February 1, 2022, nearly one-third (31 percent) of BFO staff are retirement-eligible, and this percentage climbs to 47 percent within the next three years. The attrition risk is disturbingly high in the Debt Recovery Section (DRS), where 50 percent of DRS employees are retirement-eligible and this percentage escalates to 63 percent within the next two years. If DRS were to realize this significant level of attrition, without the ability to timely backfill these positions, then RRB's ability to collect overpayments and process waiver requests timely would be in jeopardy. Further, considerable attrition over the years in the Audit Affairs and Compliance Division (AACD) led to significantly reduced employer compliance audits as the same resources also ensured RRB's compliance with federally mandated requirements to establish an agency-wide Enterprise Risk Management (ERM) program. In this case, BFO management stretched its available limited resources to satisfy the Federal ERM mandate to the detriment of BFO's compliance audit function that, while not statutorily mandated, directly supports the agency's stewardship strategic goal.

Office of Administration

The Office of Administration (OA) supports the RRB mission through human resources, public affairs, procurement as well as managing the operations and maintenance of RRB's headquarters facility. One-third (33 percent) of OA staff are retirement eligible, and this percentage climbs to 42 percent within the next three years. Most concerning within OA is that 24 percent of the Human Resources (HR) employees are retirement eligible and this percentage increases to 29 percent within the next year. Past attrition and future attrition risk for HR employees threaten the agency's recruitment, employee training and development efficiency, and effectiveness. This is especially troublesome as the agency has significant current staffing needs enterprise-wide and will depend on HR to support continued modernization efforts as discussed below, in the Information Technology Modernization Program Realizations section.

Office of General Counsel

The Office of General Counsel (OGC) supports the RRB mission through providing legal, legislative and library services, liaison services to the Administration and members of Congress, and reviewing appeals and conducts hearings for individuals who disagree with the decisions reached in their case, as well as maintains the office record of proceeding and actions by the three-member Board.

Due to the limited budgetary resources over the years, support offices such as OGC have had to do more with less when faced with attrition of their own staff. One specific example of the adverse effect this has had on offices such as OGC relates to the past attrition of paralegal and support staff in OGC. An analysis conducted in the last year of the incoming and outgoing work completed by the OGC attorneys indicates that between 75-85 percent of the work they complete is GS-11 paralegal-level work. Although that is a poor use of GS-14 attorney resources, OGC has been forced to assign such work to the attorneys because paralegal-level work tends to have short deadlines that must be met, and due to past attrition the office does not have sufficient paralegals to complete the work. If the office was able to assign the paralegal-level work to non-attorneys, the attorneys could spend more time on attorney-level work, both increasing quality and timeliness.

Nearly one-third (30 percent) of OGC staff are retirement-eligible, and this percentage climbs to 52 percent by 2025. Past attrition in OGC and upcoming future retirements pose various problems for the effective and efficient functioning of OGC, which at this point can only be addressed by additional staff.

Bureau of Information Services

The Bureau of Information Services (BIS) manages all aspects of information technology and information management for the agency and leads RRB's IT Modernization Program. While over one-third (36 percent) of the Bureau of Information Services (BIS), employees are retirement eligible, and this percentage escalates to 50 percent within the next three years, BIS has acquired a number of resources in recent years to support the Modernization effort.

Information Technology (IT) Modernization Program Realizations

As background, the RRB's IT Modernization Program consists of three phases: *Stabilize*, *Modernize*, and *Perform*. In the Stabilize Phase, RRB's goal is to ensure that the components of its information systems and the ecosystem in which they reside use current, sustainable technologies that will allow the RRB to secure and maintain the systems in today's world. The Modernize Phase shifts RRB's focus to optimization of mission-essential functions across people, process, and technology areas. Lastly, in the Performance Phase RRB ensures successful integration and transition of applications and systems capabilities to system operations.

Since 2018, the RRB has received incrementally appropriated IT modernization funds for its IT Modernization Program as well as funding provided under Public Laws (P.L.) 116-136, *CARES Act* and P.L. 117-2, *American Rescue Plan Act of 2021* (ARPA) and with these funds has made significant progress to stabilize the RRB enterprise. Specifically, RRB successfully established its cloud presences and modernized its commercial productivity applications, as well as awarded Enterprise Infrastructure Solutions (EIS) contracts for enterprise telecommunications and data networks, which positioned the agency to continue its mission during an ongoing global pandemic. As the RRB shifts to the Modernize Phase and turns its attention to the modernization of its IT systems and its legacy applications, written in both COBOL and open-systems frameworks such as .NET, it is clear that the modernization will both take longer and cost more.

Preparing for the Modernize Phase across the RRB Enterprise:

Staffing Needs

The RRB will utilize an agile or iterative approach in the Modernize Phase to rationalize and reduce the footprint in the cloud from 2000+ legacy applications and streamline core business processes. As mentioned above, an agile approach relies on the input, guidance, and ownership of the business users more so than RRB's current IT environment and once fully implemented shifts a significant portion of the responsibilities and ultimate ownership from the IT organization to the business (mission) units. Due to the cumulative impact of past and anticipated attrition on staffing levels across the agency, the RRB needs staffing investment across the agency to ensure the continued success of the RRB's Modernization Program. An overview of how RRB's non-IT organizations (i.e. excludes the Bureau of Information Services) will contribute to the Modernize Phase follows.

Office of Programs

The Office of Programs (Programs) is responsible for carrying out provisions of the RRA and RUIA. In the Modernize Phase, Programs will lead the analysis of legacy applications, streamline existing siloed business processes, inform the design of new applications, and reduce the current application footprint. Due to Programs' staff specialized knowledge of RRB's retirement, survivor, disability, unemployment and sickness insurance benefit paying programs, we will need to devote our most

talented and experienced staff from these distinct components to inform the modernization of the new applications in support of the agile approach. We will need to increase claims examiners and analysts staffing levels in advance, to ensure continued improvement and sustainment of benefit payment operations, while modernizing legacy applications.

Bureau of Field Service

The Bureau of Field Service (BFS) employees possess specialized customer service knowledge and represent the RRB to our citizens. To support the Modernize Phase, BFS will need to dedicate senior level resources to focus on the enhancement of the customer and employee experience as we modernize the applications. Like Programs, BFS faces the same constraints and supporting an agile approach will necessitate increasing staffing levels in advance to maintain customer service and engagement while devoting some of its most experienced managers and staff to the Modernize Phase.

Office of Administration

The Human Resources (HR) component of the Office of Administration (OA) would develop a recruiting strategy and lead efforts to acquire employees throughout the RRB enterprise to both maintain current cross-organizational business operations and acquire employees with the appropriate skills, expertise, and experience to support an agile approach and operate in the cloud environment. Simultaneously, HR would lead the effort to create training and development programs to upskill RRB employees, IT and business unit employees alike, as necessary to assure success through the Modernize Phase. The Acquisition Management (AM) component of OA would provide procurement support throughout the Modernize Phase. Lastly, the Property Management component of OA will analyze and streamline legacy mail, file and records storage, and printing business processes to inform the business rules underlining the modernized applications. To support the Modernize Phase, OA would need to dedicate subject matter experts (SMEs) from each of these components, providing such significant assistance will require increasing staffing levels in advance to ensure continuity of agency-wide services.

Office of General Counsel

The primary support the Office of General Counsel (OGC) would provide to the RRB's IT modernization effort would be in the following areas: 1) providing legal review and support pertaining to the many procurement issues that would arise in an IT modernization effort; and 2) providing legal interpretation related to the business rules that would form the backbone of updated business processes and applications. To be able to dedicate a sufficient number of SMEs to this effort, OGC would need to create a new unit within the office to centralize the processing of some of the more routine, short deadline work currently being handled across the office related to FOIA, the Privacy Act, and divorce partition orders. Centralization would create efficiencies in processing the work and would free up the SMEs in the office from having to complete such routine work. While OGC already has some staff members who would be assigned to this new unit, the office would need to add new positions to this unit.

Bureau of Actuary and Research

The Bureau of Actuary and Research (BAR) actively characterizes the health of the railroad retirement system through short and long term projections to OMB and Congress and recommends changes in tax rates when needed. BAR conducts analyses on various programs to aid the decision

and policymaking processes and provides valuable information to RRB management and the public on the viability of the retirement and unemployment/sickness insurance programs. BAR is also solely responsible for calculating the annual financial interchange between RRB, Social Security Administration and Centers for Medicare and Medicaid Services, which accounts for a substantial portion of the revenue for paying benefits to railroad retirement annuitants. All of these data-centric functions mean that BAR will heavily participate in the analysis of legacy applications and streamline existing business processes, inform the design and participate in tests of the new modernized applications. Additionally, BAR will significantly inform the establishment of an agency-wide data-centric automation capability to support evidence-based decision-making and scientific integrity. This will include the digitization of sources currently received on paper as well as ensuring that data sources provide the information needed to address the needs of end users and technical experts for the benefit to the agency as a whole. Subsequently, throughout the Modernize Phase, BAR will require additional staff to ensure continuity of actuarial and analytical services pertinent to regularly assessing the health of railroad retirement system and viability of the retirement and unemployment/sickness insurance programs.

Bureau of Fiscal Operations

The Bureau of Fiscal Operations (BFO) primarily supports the IT Modernization Program through dedication of subject matter experts to (1) advise on applicable Federal accounting or financial reporting requirements that may influence benefit application business rules (2) inform business rules affecting the RRB's collection programs, and (3) ensure proper integration of modernized applications with the agency's financial management system. To support the modernization effort effectively, BFO would need to dedicate a wide range of senior BFO staff to include accountants, debt specialists, financial management analysts, and IT specialists and others as necessary. Redirecting resources to the IT Modernization effort will require staffing investment in advance to ensure continuity and accuracy of financial operations.

ADMINISTRATIVE EXPENSES

Budget Authority by Strategic Goal

Limitation on Administration	Fiscal Year 2021 Actual			Fiscal Year 2022 Estimate			Fiscal Year 2023 President's Budget			Fiscal Year 2023 Agency's Request					
	FTEs	%	Amounts (\$)	FTEs	%	Amounts (\$)	FTEs	%	Amounts (\$)	FTEs	%	Amounts (\$)	%		
<u>Program by strategic goal</u>															
Strategic goal:															
1. Modernize information technology	129	16	\$21,731,874	25	112	\$22,405,039	26	113	15	\$26,766,970	20	131	15	\$30,889,841	20
2. Customer service	473	61	64,555,173	52	454	58,266,580	47	460	61	67,941,734	52	536	61	77,941,488	52
3. Stewardship	175	23	28,212,953	23	190	33,828,381	27	183	24	36,957,296	28	213	24	42,577,671	28
Total, direct program obligations	777		114,500,000		756	114,500,000		756		131,666,000		880		151,409,000	
No Year Funding for IT Initiatives			2,350,988			9,000,000				0				0	
Unobligated balance			6,649,012			0				0				0	
Total budget authority	777		\$123,500,000		756	\$123,500,000		756		\$131,666,000		880		\$151,409,000	

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

1. Modernize information technology (IT) operations to sustain mission essential services.
2. Provide excellent customer service.
3. Serve as responsible stewards for our customers' trust funds and agency resources.

Notes: 1/ Average FTE Costs: \$131,085 for FY 2021 and \$135,232 for FY 2022.

2/ The \$6,649,012 represents the unobligated balance from \$9,000,000 provided for the Board's Information Technology Investment Initiatives, provided pursuant to P.L. 116-260

Further Consolidated Appropriations Act, 2021.

3/ A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

STAFFING HISTORY

Actual Full-Time Equivalent Employment

<u>Fiscal year</u>	<u>Total FTEs</u>		<u>Change from previous year</u>	<u>Percent change from previous year</u>	<u>Cumulative FTE reduction</u>	<u>Cumulative percent change since fiscal year 1993</u>
1993	1,698	<u>a/</u>	---	---	---	---
1994	1,615	<u>b/</u>	-83	-4.9%	83	-4.9%
1995	1,483	<u>b/</u>	-132	-8.2%	215	-4.9%
1996	1,401	<u>b/</u>	-82	-5.5%	297	-17.5%
1997	1,297		-104	-7.4%	401	-23.6%
1998	1,227		-70	-5.4%	471	-27.7%
1999	1,196		-31	-2.5%	502	-29.6%
2000	1,136		-60	-5.0%	562	-33.1%
2001	1,101		-35	-3.1%	597	-35.2%
2002	1,099		-2	-0.2%	599	-35.3%
2003	1,079		-20	-1.8%	619	-36.5%
2004	1,048		-31	-2.9%	650	-38.3%
2005	957		-91	-8.7%	741	-43.6%
2006	940		-17	-1.8%	758	-44.6%
2007	927		-13	-1.4%	771	-45.4%
2008	918		-9	-1.0%	780	-45.9%
2009	897		-21	-2.3%	801	-47.2%
2010	908		11	1.2%	790	-46.5%
2011	903		-5	-0.6%	795	-46.8%
2012	884		-19	-2.1%	814	-47.9%
2013	865		-19	-2.1%	833	-49.1%
2014	825		-40	-4.6%	873	-51.4%
2015	835		10	1.2%	863	-50.8%
2016	824		-11	-1.3%	874	-51.5%
2017	853		29	3.5%	845	-49.8%
2018	816		-37	-4.3%	882	-51.9%
2019	799		-17	-2.1%	899	-52.9%
2020	794		-5	-0.6%	904	-53.2%
2021	777		-17	-2.1%	921	-54.2%
2022	756	<u>c/</u>	-21	-2.7%	942	-55.5%
2023	756	<u>d/</u>	0	0%	942	-55.5%

a/ Excludes staffing for the Office of Inspector General.

b/ Includes Special Management Improvement Fund FTEs for fiscal years 1993-1996 of 80, 58, 30 and 10, respectively.

c/ Reflects an adjusted projection as of January 2022. Reflects the estimated staffing allowable, pursuant to the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended).

d/ The estimated 756 FTEs is 124 FTEs fewer than what is needed to sustain the agency's mission essential functions.

Funding for Major Contracts

This chart shows contracts of \$100,000 and over that are planned for fiscal year 2023 in the following Budget Object Class (BOC) categories: consulting services (BOC 251), government contracts (BOC 253), medical fees (BOC 256), maintenance of facilities (BOC 254), contractual services (BOC 252), and equipment and equipment maintenance (BOC 310/257).

The major contracts are represented in the FY2023 President's Budget Level.

BOC	Title and Description	Estimated FY 2023 Funding
<u>Information Technology</u>		
252	• <u>IT Operations Support and Memberships</u> . Requested funding includes Core research services for CIO, and IT Research Services.	300,000
252	• <u>Help Desk Contract</u> . Funding for help desk staff to augment RRB staff, and to move PC Equipment	650,000
252	• <u>Cloud Services</u> . IBM zCloud services.	3,437,659
253	• <u>Disaster Recovery</u> . Funding will be used to support services via an interagency agreement with USDA-NITC Oct. 1 - Sept. 30.	150,000 ^{a/}
252/253	• <u>License Agreement</u> . Funds are required to maintain the RRB's Microsoft Enterprise Service Agreement (MESA) and true-up charges, and Adobe EA, \$420K for Login.gov ^{a/} (associated with IT Modernization), and risk management framework.	2,200,000
252/257	• <u>IT Security</u> . Security authorization and continuous monitoring of RRB information systems, and records management, Cybersecurity Intrusion Detection and prevention systems, Security Authorization and Continuous monitoring, and the CDM Security Group.	476,546
252/257	• <u>Services and Installations</u> . Funding for agency Infrastructure and security operations IT services, and SCCM Implementation Services, MS Premier Services, and risk management framework, HQ and NITC, and Case Workload Management System, SAP Business object, document and imaging systems, VMWare subscription V Center, and Global 360 document imaging.	5,588,853
310	• <u>IT End of Life Replacement Equipment</u> . Replacements - wireless infrastructure, nodes for Nutanix, firewalls, and core switches.	423,193

BOC	Title and Description	Estimated FY 2023 Funding
257	<ul style="list-style-type: none"> • <u>IT Software & Maintenance Renewals.</u> Box.com, cloud services, Attachmate software licenses, HP fortify, wireless licenses, WS_FTP 50 user licenses pack plus 10 pack, beyond trust privilege manager services, teammate software, Cisco, Managed Mainframe Services, and hardware/software packages. 	207,025
<i>Subtotal</i>		<u>13,433,276</u>
 <u>Support of Benefit Program Activities</u>		
256	<ul style="list-style-type: none"> • <u>Medical Fees.</u> Funding is required for medical services and hospital transcripts used to make disability determinations. 	729,600
251	<ul style="list-style-type: none"> • <u>Consultative Medical Services.</u> Funding will be used for medical evidence reviews concerning benefit and claim matters and preparation of advisory medical opinions. 	283,882
252	<ul style="list-style-type: none"> • <u>Field Service Training.</u> Contract funding will be used for training claims representatives and supervisors. Network Team building meetings. New Contact Representative Training. 	190,000
252	<ul style="list-style-type: none"> • <u>Other Services (NON-Federal).</u> Funding is needed for CGI Accounting Support, FMIS upgrade and related training. 	210,000
<i>Subtotal</i>		<u>1,413,482</u>
 <u>Financial Management</u>		
253	<ul style="list-style-type: none"> • <u>Payroll Costs.</u> Funding is for payroll costs related to PAR and labor distribution. 	391,000
252	<ul style="list-style-type: none"> • <u>Financial Systems.</u> Funding will be used to support FMIS Annual O&M. 	1,818,000
<i>Subtotal</i>		<u>2,209,000</u>

BOC	Title and Description	Estimated FY 2023 Funding
<u>Administrative Support</u>		
253	<ul style="list-style-type: none"> • <u>File Management Services</u>. Fees will be paid to the National Archives and Records Administration (NARA) for services by the Federal Records Center (FRC) to maintain the RRB claim files (including NARA closed file project). This cost includes \$24,000 for shuttle service to transport files between RRB headquarters and the FRC. 	570,000 <u>a/</u>
252	<ul style="list-style-type: none"> • <u>Photocopiers</u>. Funding is required to continue contractual services for photocopiers in the RRB's headquarters building, including high speed copiers that are used to prepare program related booklets, pamphlets, and other informational material. 	425,000
253	<ul style="list-style-type: none"> • <u>Field Office Support Services</u>. Funding is required for field office alterations, miscellaneous and administrative support services. RWA Services. 	375,000 <u>a/</u>
253	<ul style="list-style-type: none"> • <u>OPM Background Investigations</u>. Funding is required to obtain background investigations for agency employees and contractors. 	125,000 <u>a/</u>
253	<ul style="list-style-type: none"> • <u>IAA</u>. IAA for Nurse Services. 	110,000 <u>a/</u>
253	<ul style="list-style-type: none"> • <u>Payroll and Coordinating Administrative Services</u>. Funding is required for GSA's Payroll System: HRLINKS. 	415,000 <u>a/</u>
252	<ul style="list-style-type: none"> • <u>Learning Management System</u>. Funding is for the RRB's in-house online educational/training courses and programs. 	179,400
<i>Subtotal</i>		<u>2,199,400</u>

BOC	Title and Description	Estimated FY 2023 Funding
<u>Facility Management Services</u>		
252	• <u>Headquarter's Space</u> . Construction of Fitness Center in basement due to planned HQ Space Realignment	175,000
253	• <u>Federal Protective Service Costs</u> . Funding is required for protective services, billed by the Department of Homeland Security, Federal Protective Service.	1,530,880 ^{a/}
254	• <u>Janitorial Services</u> . Funding is needed for janitorial services for the RRB headquarters building.	826,800
254	• <u>Delegation of Authority</u> . Labor in excess of those allowed under Delegation of Authority.	187,500
254/257	• <u>Miscellaneous Building Contracts</u> . Various miscellaneous maintenance, facilities maintenance, maintain UPS for data center and telephones, replacement of galvanized pipe supply lines, exterior repairs, maintenance to entrance turnstiles, various recurring interior repairs, facilities maintenance contracts, asbestos abatement and construction of fitness center in basement due to planned HQ space realignment.	851,000
<i>Subtotal</i>		<u>3,571,180</u>
Agency total		<u>\$22,826,338</u>

^{a/} Contractual services provided by Federal Government agencies comprise \$3,695,880 of the agency program total.

BUDGET AUTHORITY BY FUND

<u>Railroad Retirement Program</u>	<u>Fiscal Year 2021 Actual Amounts</u>	<u>Fiscal Year 2022 Estimate</u>	<u>Fiscal Year 2023 President's Budget</u>	<u>Fiscal Year 2023 Agency's Request</u>
<u>Direct Program:</u>				
Railroad Retirement Account	\$78,783,646	\$84,528,920	\$91,351,000	\$105,049,000
Social Security Equivalent Benefit Account	\$22,994,733	\$22,115,800	\$22,300,000	\$25,644,000
Total, direct railroad retirement program obligations	\$101,778,379	\$106,644,720	\$113,651,000	\$130,693,000
 <u>Railroad Unemployment and Sickness Insurance Program</u>				
<u>Direct Program:</u>				
Railroad Unemployment Insurance Administration Fund	\$15,072,609	\$16,855,280	\$18,015,000	\$20,716,000
Total, direct railroad retirement, unemployment and sickness insurance obligations	\$116,850,988	\$123,500,000	\$131,666,000	\$151,409,000
Unobligated balance	\$6,649,012	---	---	---
Total, direct railroad retirement, unemployment and sickness insurance budget authority	\$123,500,000	\$123,500,000	\$131,666,000	\$151,409,000

Notes: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended), which provided funding for the RRB based upon P.L. 116-260, Consolidated Appropriations Act, 2021. The amounts included for 2022 reflect the annualized level provided by the continuing resolution. For fiscal year 2021, P.L. 116-260 provided \$114,500,000 for RRB's base operations and \$9,000,000 for RRB's Information Technology Modernization Program

The \$6,649,012 represents the unobligated balance from \$9,000,000 provided for the Board's information. Technology Investments Initiatives, provided, pursuant to P. L. 116-260, Consolidated Appropriations Act, 2021.

The source of funds for the unobligated balance from FY 2021 is as follows: (1) Railroad Retirement Account \$4,482,918, (2) Social Security Benefit Account \$1,308,438 (3) Railroad Unemployment Insurance Administration Fund \$857,656.

LIMITATION ON ADMINISTRATION

Financing

	Fiscal Year 2021 <u>Actual</u>	Fiscal Year 2022 <u>Estimate</u>	Fiscal Year 2023 <u>President's Budget</u>	Fiscal Year 2023 <u>Agency's Request</u>
<u>Financing</u>				
Total, direct program obligations	\$114,500,000	\$114,500,000	\$131,666,000	\$151,409,000
No Year Funding for IT Initiatives	2,350,988	9,000,000	---	---
Unobligated balance	6,649,012	---	---	---
Limitation	<u>\$123,500,000</u>	<u>\$123,500,000</u>	<u>\$131,666,000</u>	<u>\$151,409,000</u>

Relation of direct program obligations to outlays

Obligations incurred, net	\$123,500,000	\$123,500,000	\$131,666,000	\$151,409,000
Obligated balance, start of year	0	26,203,703	26,203,703	26,203,703
Obligated balance, end of year	<u>(26,203,703)</u>	<u>(26,203,703)</u>	<u>(26,203,703)</u>	<u>(26,203,703)</u>
Outlays from limitation	<u>\$97,296,297</u>	<u>\$123,500,000</u>	<u>\$131,666,000</u>	<u>\$151,409,000</u>

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

A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended), which provided funding for the RRB based upon P.L. 116-260, Consolidated Appropriations Act, 2021. The amounts included for 2022 reflect the annualized level provided by the continuing resolution. For fiscal year 2021, P.L. 116-260 provided \$114,500,000 for RRB's base operations and \$9,000,000 for RRB's Information Technology Modernization Program.

The \$6,649,012 represents the unobligated balance from \$9,000,000 provided for the Board's information. Technology Investments Initiatives, provided, pursuant to P. L. 116-260, Consolidated Appropriations Act, 2021

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

Sources and Uses of Funds

<u>Direct program sources</u>	<u>Fiscal Year 2021 Actual</u>	<u>Fiscal Year 2022 Estimate</u>	<u>Fiscal Year 2023 President's Budget</u>	<u>Fiscal Year 23023 Agency's Request</u>
Appropriation	\$114,500,000	\$114,500,000	\$131,666,000	\$151,409,000
No-Year Funding for IT Initiatives	9,000,000	9,000,000	---	---
Available from benefit trust funds by Congressional appropriation	<u>\$123,500,000</u>	<u>\$123,500,000</u>	<u>\$131,666,000</u>	<u>\$151,409,000</u>
<u>Direct program uses</u>				
Administrative expenses	\$114,500,000	\$114,500,000	\$131,666,000	\$151,409,000
No-Year Funding for IT Initiatives	2,350,988	9,000,000	---	---
Unobligated balance	6,649,012	---	---	---
Total uses:	<u>\$123,500,000</u>	<u>\$123,500,000</u>	<u>\$131,666,000</u>	<u>\$151,409,000</u>

Notes: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended), which provided funding for the RRB based upon P.L. 116-260, Consolidated Appropriations Act, 2021. The amounts included for 2022 reflect the annualized level provided by the continuing resolution. For fiscal year 2021, P.L. 116-260 provided \$114,500,000 for RRB's base operations and \$9,000,000 for RRB's Information Technology Modernization Program.

The amounts included for 2022 reflect the annualized level provided by the continuing resolution. The \$6,649,012 represents the unobligated balance from \$9,000,000 provided for the Board's Information Technology Investments Initiatives, provided, pursuant to P. L. 116-260, Consolidated Appropriations Act, 2021.

LIMITATION ON ADMINISTRATION

Amounts Available for Obligation

	<u>Fiscal Year 2021 Actual</u>	<u>Fiscal Year 2022 Estimate</u>	<u>Fiscal Year 2023 President's Budget</u>	<u>Fiscal Year 2023 Agency's Request</u>
Appropriation	\$114,500,000	\$114,500,000	\$131,666,000	\$151,409,000
No-Year Funding for IT Initiatives	2,350,988	9,000,000	---	---
Unobligated balance	6,649,012	---	---	---
Total direct obligations a/	<u>\$123,500,000</u>	<u>\$123,500,000</u>	<u>\$131,666,000</u>	<u>\$151,409,000</u>

a/ The RRB also received reimbursements and transfers totaling \$33.2 million in fiscal year 2021 and expects to receive \$39.6 million in fiscal year 2022, and \$30.9 million in fiscal year 2023 from CMS and others.

Notes: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended), which provided funding for the RRB based upon P.L. 116-260, Consolidated Appropriations Act, 2021. The amounts included for 2022 reflect the annualized level provided by the continuing resolution. For fiscal year 2021, P.L. 116-260 provided \$114,500,000 for RRB's base operations and \$9,000,000 for RRB's Information Technology Modernization Program.

APPROPRIATIONS HISTORY TABLE

Year	Agency's Request Level	President's Budget Estimate to the Congress	House Allowance	Senate Allowance	Appropriation/ Continuing Resolution	
2014	119,158,000	111,739,000	---	---	110,300,000	<u>a/</u>
2015	119,743,000	112,150,000	---	---	111,225,000	<u>b/</u>
2016	141,431,197	119,918,000	---	---	111,225,000	<u>c/</u>
2017	139,649,040	122,499,000	---	---	113,500,000	<u>d/</u>
2018	147,841,000	111,225,000	113,500,000	114,500,000	123,500,000	<u>e/</u>
2019	142,506,000	115,225,000	126,000,000	123,500,000	123,500,000	<u>f/</u>
2020	137,216,000	116,225,000	135,500,000	123,500,000	123,500,000	<u>g/</u>
2021	141,974,000	120,225,000	126,500,000	120,225,000	123,500,000	<u>h/</u>
2022	148,371,000	125,049,000	130,049,000	125,049,000	123,500,000	<u>i/</u>
2023	151,409,000 <u>j/</u>	131,666,000				

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

b/ Reflects the appropriation made available by the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).

c/ Reflects the appropriation made available by the Consolidated Appropriations Act, 2016 (P.L. 114-113).

d/ Reflects the appropriation made available by the Consolidated Appropriations Act, 2017 (P.L. 115-31).

e/ Reflects the appropriation made available by the Consolidated Appropriations Act, 2018 (P.L. 115-141).

f/ Reflects the appropriation made available by the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245).

g/ Reflects the appropriation made available by the Further Consolidated Appropriations Act, 2020 (P.L. 116-94).

h/ The Agency's request level amount has been revised from \$184,501,000 to \$188,195,000 as reported in the RRB's Fiscal Year 2021 Budget Submission and includes direct obligations of \$141,974,000 and no-year funding of \$13,850,000. In addition, the Agency's final appropriations is made available by the Consolidated Appropriations Act, 2021 (P.L. 116-260).

i/ The Agency's request level amount has been revised from \$199,460,000 to \$180,972,000 as reported in the RRB's Fiscal Year 2022 Budget Submission and includes direct obligations of \$148,371,000. A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

j/ The Agency's request level (ARL) amount has been revised from \$188,236,000 to \$182,272,000 as reported in the RRB's Fiscal Year 2023 Budget Submission and the revised Fiscal Year 2023 ARL includes direct obligations of \$151,409,000.

Retirement/Survivor Benefit Program
Summary Processing Workload Table

<u>Fiscal Years</u>	<u>Average number of annuitants</u>	<u>New applications</u>	<u>Supplemental annuity applications</u>	<u>Social Security initial awards^{1/}</u>	<u>Post-payment adjustments</u>	<u>Number of payments</u>	<u>Medicare enrollments^{2/}</u>
2009	554,124	37,248	9,725	8,128	110,534	7,104,066	5,235
2010	549,154	37,384	9,581	12,563	120,102	7,055,426	5,204
2011	544,256	37,231	9,743	9,275	93,425	7,011,155	5,803
2012	540,080	35,856	9,341	9,342	85,206	6,967,676	6,522
2013	534,982	36,041	9,075	3,116	80,786	6,921,034	6,306
2014	530,367	35,368	8,802	3,124	76,440	6,864,029	6,270
2015	526,487	34,234	8,145	3,417	66,316	6,825,427	6,851
2016	522,839	33,019	7,497	3,739	74,056	6,779,413	6,573
2017	518,416	31,479	6,520	4526	79,221	6,752,770	7,379
2018	513,732	33,879	4,464	3,393	80,201	6,686,481	7,840
2019	508,774	27,957	1,425	3,617	75,984	6,620,447	7,446
2020	502,553	26,540	890	3,681	63,173	6,547,246	7,339
2021	491,611	25,520	2,176	3,162	57,658	6,417,264	7,044
2022 (est)	484,500	28,000	3,000	3,000	57,000	6,320,000	7,000
2023 (est)	477,600	27,000	4,000	3,000	58,000	6,240,000	7,000

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

^{2/} Excludes attainments.

Railroad Unemployment/Sickness Insurance Program

Summary Processing Workload Table

Fiscal Years	Railroad Employment ^{1/}	Unemployment Insurance			Sickness Insurance		
		Applications	Claims	Payments	Applications	Claims	Payments
2009	223,000	39,509	230,476 ^{2/}	198,230 ^{2/}	21,466	138,993	118,770
2010	221,000	18,721	210,965 ^{3/}	190,152 ^{3/}	21,476	139,653	119,426
2011	229,000	12,756	93,598 ^{4/}	83,144 ^{4/}	20,797	136,014	115,705
2012	234,000	12,914	83,120 ^{5/}	72,776 ^{5/}	20,240	129,318	110,154
2013	237,000	14,944	96,871 ^{6/}	84,365 ^{6/}	19,110	119,364	100,951
2014	242,000	11,982	77,580 ^{6/}	64,864 ^{6/}	19,335	120,838	102,020
2015	247,000	14,177	67,643	55,368	19,467	121,271	102,540
2016	231,000	24,371	145,605	120,134	20,219	131,575	111,933
2017	225,000	14,372	96,777	80,748	20,087	132,557	113,163
2018	224,000	11,294	71,119	59,696	18,660	131,320	112,940
2019	217,000	14,900	70,065	57,475	17,915	118,894	101,699
2020	195,000	51,089	234,441 ^{7/}	345,914 ^{7/}	22,907	133,212 ^{7/}	135,639 ^{7/}
2021	188,000 (est)	18,484	187,799 ^{8/}	296,239 ^{8/}	33,770	150,451 ^{8/}	162,580 ^{8/}
2022 (est)	188,000	14,000	81,000 ^{8/}	67,000 ^{8/}	27,000	131,000 ^{8/}	112,000 ^{8/}
2023 (est)	188,000	13,000	77,000	64,000	19,000	116,000	99,000

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

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

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

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

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

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

^{7/} Includes unemployment and sickness insurance claims and payments under the Coronavirus Aid, Relief, and Economic Security Act of 2020 (P.L. 116-136).

^{8/} Includes unemployment and sickness insurance claims and payments under P.L. 116-136 and the Continued Assistance to Rail Workers Act of 2020 (P.L. 116-260), and the American Rescue Plan Act of 2021 (P.L. 117-2)

PERFORMANCE PLAN



Fiscal Year 2023

Railroad Retirement Board

Railroad Retirement Board – Fiscal Year 2023 Performance Plan

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Railroad Retirement Board – Fiscal Year 2023 Performance Plan

Introduction

The Railroad Retirement Board (RRB) has developed this performance budget for fiscal year 2023 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 2022 - 2026** 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 2023. 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 2023 for each performance goal, is at the Agency's proposed request level of \$151,409,000, which would support 880 FTEs. 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 2023, 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.

Note: The \$6,800,000 of no-year funding from P.L. 117-2 (ARPA) provided for additional staffing to administer the Railroad Unemployment Insurance Act provided about 5 FTEs in FY 2021 at an average cost of \$64,548 and an estimated 37 FTEs in FY 2022 at an average cost of \$67,881.

***RAILROAD RETIREMENT BOARD
MISSION STATEMENT***

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

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

Railroad Retirement Board – Fiscal Year 2023
Performance Plan

Strategic Goal I: *Modernize Information Technology (IT) Operations to sustain mission essential services.* At the Agency’s request level for fiscal year 2023, we plan to allocate \$30,889,841 and 131 full-time equivalent employees (FTEs) to this strategic goal.

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

I-A. Strategic Objective: Legacy Systems Modernization.

The primary focus is to complete the transformation to the new platform and simplify core business processes to improve the effectiveness and efficiency of mission-critical applications and services. The RRB will continuously monitor, measure, and perform value driven services to ensure the predictable outcome of a successful modernization for IT operations to sustain essential services. To achieve this goal, we are deploying agile principles such as breaking up multi-yearlong projects into a series of short releases focused on the most critical or Key Performance Indicators to increase the opportunity for success. Additionally, we are implementing frequent standup meetings, or daily scrums, as an effective means to convey information, and to facilitate quick resolution of identified risks and issues.

The performance indicators that we will utilize to assess our progress toward our strategic objective are as follows:

- *Prepare to consolidate and rationalize applications to improve the effectiveness and efficiency of mission essential functions.*
- *Evaluate the results of the customer surveys obtained through the LSMS re-engineering assessment contract deliverable to identify and deliver a broader range of online citizen centric services that will specifically address our customer’s expectations and improve overall customer service.*
- *Transition Mission Essential Programs from the End-of-Life Mainframe hardware.*
- *Evaluate the re-engineering assessment contract deliverable and determine a modernization path forward consistent with agency priorities and within available funding to address mission critical functions.*
- *Enhance infrastructure components to stabilize the information systems and the related ecosystems to prepare for the modernize phase.*

- *Complete the development of business rules strategy and data layer components of the modernization.*
- *Deliver citizen-centric services and applications to railroad employees through mobile and web-ready interfaces.*
- *Complete the streamlining of core business processes and modernize key applications that support these processes.*
- *Refine critical management processes in the following areas within the IT organization: change, project, program, and configuration.*
- *Evaluate the re-engineering assessment deliverables to determine a cost effective path forward to application rationalization and streamline business processes.*

Strategic Goal II: *Provide Excellent Customer Service.* We strive to satisfy our customers’ expectations for quality service in terms of service delivery options and levels and manner of performance. At the Agency’s request level for fiscal year 2023, we plan to allocate \$77,941,488 and 536 full-time equivalent employees (FTEs) to this strategic goal. We have established two strategic objectives that focus on the specifics of achieving this strategic goal.

II-A. Strategic Objective: Pay benefits timely.

The RRB is committed to ensuring that we pay benefits in a timely manner. We have nine annually assessed performance measures in place to track our timely administration of both Railroad Retirement Act (RRA) and Railroad Unemployment Insurance Act (RUIA) programs. In addition to the performance measures, and to further promote timely benefits payments, we will:

- *Inform our customer about the actions they can take to ensure that they receive payments in a correct, timely manner when eligible for benefits.*
- *Periodically, provide our customers clear guidance regarding their responsibilities to provide accurate, complete information and notify us of changes in status.*
- *Continue to inform employers of their responsibilities for providing timely, accurate, and efficient reports of railroad service and compensation and provide support as necessary.*
- *Continue work with employers to inform and improve modernization efforts that expand and enhance the use of available electronic reporting methods.*
- *Continue to expand paperless processing to increase efficiency and productivity in a virtual environment, to include the secure exchange of forms and medical evidence with third parties relative to administering the disability program.*

Our Customer Service Plan includes customer service timeliness standards for paying benefits. Through September 30, 2021 the overall actual performance was 99.2 percent. This means that customers received benefit services within the timeframes promised in the Customer Service Plan for more than 99 percent of the 401,680 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 2021 (through 9/30/2021)	
• Retirement applications:	97.0% (target: 94.0%)
• Survivor applications:	94.4% (target: 94.4%)
• Disability applications/payments:	55.1% (target: 81.7%)
• RUIA applications/claims:	99.8% (target: 98.6%)

Overall disability performance is based on the two standards that apply to disability work:

- *Decisions within 100 days.*
- *Payment within 25 days of decision or earliest payment date.*

Performance was lower than expected due to priority given to focusing on the initial adjudication of claims with older filing dates resulting in achieving a significant reduction in the on-hand balances of these cases as well as a combination of inexperienced staff in the retirement and survivor payment units and understaffing in the legal partition/garnishment payment unit.

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

To fulfill customers' needs, we must provide high quality, accurate services on a timely basis, and in ways that are accessible and convenient to all our customers, including the elderly and those with impairments. Consistent with our vision statement, we strive to provide a broad range of choices for customer service. We have two primary measures to assess our performance toward this objective: (1) how many electronic services we can provide in each program at a reasonable cost and (2) employer usage of the available services. Further, our goal is to expand customer choice by offering alternative access to our major services. In addition to our primary performance measures, we plan to:

- *Increase customer self-service options via the Internet, including the ability to send and transmit benefit-related data in a secure manner.*
- *Continue to expand the functionality and services offered through the toll-free number (877-772-5772 or 877-RRB-5RRB) to achieve faster customer response times and to promote effective workload distribution across field office locations.*
- *Continue to make improvements to its Employer Reporting System (ERS) to increase the amount of information relative to railroad compensation, employment and service that employers can exchange with the agency through the Internet.*

The RRB will continue to pursue enhancements during fiscal year 2022 with the development and implementation of the Form G-117a, Designation of Contact Officials. This service will give employers the ability to make timely updates and changes to the responsible officials in their organizations. This will add one more service to the system bringing the total number of available services to 31 in the ERSNet system.

The RRB will utilize fiscal year 2023 to focus on improvements and enhancements to the existing 31 services and expected to develop 2 more services by the end of fiscal year 2023. These services include development of on-line ERSNet processes for the Form RL-13g, Notice to Employer of Relinquishment of Rights of Disability Annuitant Who Attained Age 65, and the AESOP, Employee Retirement Estimate File.

Strategic Goal III: *Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources.* The RRB is committed to fulfilling its fiduciary responsibilities to the rail community. At the Agency's request level for fiscal year 2023, we plan to allocate \$42,577,671 and 213 FTEs to this strategic goal. We have established four strategic objectives that focus on the specifics of achieving this strategic goal.

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

The RRB is committed to prudent management of its trust funds. Our success in this objective is reflected through annual audited financial statements, actuarial valuations, financial projections, benefit payment accuracy, debt collection, experience-based contribution rates, and payroll tax and railroad employee compensation reconciliations. We also have responsibilities with regard to the National Railroad Retirement Investment Trust, which are addressed separately under performance goal III-D.

In addition to the primary performance measure that we are tracking to assess progress toward this object, we will continue to:

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

In November 2020, we released our Performance and Accountability Report for fiscal year 2020. The RRB's OIG did not express an opinion (disclaimer) on the RRB's 2020 financial statements, which were included in that report. For fiscal year 2020, the OIG cited lack of access to the National Railroad Retirement Investment Trust (NRRIT) auditors pursuant to the American Institute of Certified Public Accountants (AICPA) Professional Standards in AU-C section 600, Special Considerations – Audits of Group Financial Statements as both the basis for the disclaimer of opinion and as one of the two components of the financial reporting material weakness. The second portion of the financial reporting weakness for fiscal year 2020, related to RRB not changing its social insurance valuation methodology performed in accordance with Actuarial Standards of Practice for Social Insurance Systems to a methodology preferred by the OIG's actuarial consultants. The OIG classified deficient internal controls at the agency wide level as a second material weakness due to implementation of GAO and OMB standards for internal of control; information technology security and financial reporting controls; compliance with indirect laws, regulations, contracts, treaties, and international agreements; compliance with Railroad Retirement Act benefit payments provisions; and controls over railroad service compensation. The RRB continues to disagree that these matters rise to the level of material weakness and with the basis the OIG cited for the disclaimer.

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

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

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

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

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

We measure the effectiveness of the program integrity efforts each year by comparing the dollars identified as improper payments and saved through these initiatives to their cost. Based on the most recent information available, for example, in fiscal year 2020, the RRB invested the equivalent of about 17 full-time employees, at a cost of approximately \$1.98 million, in program integrity efforts. This resulted in about \$9.90 million in recoverables, \$2.06 million in benefits saved, and the referral of 25 cases to the OIG for investigation. This is approximately \$6.03 in savings for each \$1.00 invested in these activities

III-C. 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.

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.

We continue to make progress towards a compliant Information Security Program to improve the RRB's security posture, even as executive orders, binding, and emergency operational directives emerge from the Administration. The need for an increased focus on cybersecurity

today cannot be overstated. In fiscal year 2021, and continuing into 2022, the RRB has implemented and will expand its Information Security Continuous Monitoring (ISCM) Strategy as outlined in OMB Memorandum M-20-04, Fiscal Year 2019-2020 Guidance on Federal Information Security and Privacy Management Requirements. We partnered with the Department of Homeland Security (DHS) in the Continuous Diagnostic and Mitigation (CDM) program and continue to build upon our partnership with DHS-CISA by participating the CDM Dynamic and Evolving Federal Enterprise Network Defense (DEFEND) program. Our partnership with DHS will further improve our Information Security continuous monitoring compliance towards vulnerability assessment, hardware and software management, configuration management, and privileged account management.

The RRB continues to employ the DHS EINSTEIN-3 Accelerated (E3A) toolset that ensures all of the Domain Name System (DNS) and Simple Mail Transfer Protocol (SMTP) are monitored by these services. We continue to manage the risk of the critical aspects of the enterprise infrastructure, specifically in the areas of asset management (hardware and software), remote access, identity management, and network protection. As stated, much of this work began in fiscal year 2021, but will continue in fiscal years 2022 through 2023 as the expansion of our abilities to manage risk in these areas will be iterative. Specifically:

- *Assessment Management – we have enrolled in the DHS CDM DEFEND program to provide better visibility of current hardware and software and to automatically detect unauthorized hardware and software.*
 - *The RRB has implemented two phases of the CDM program and is forwarding RRB data to the CDM Federal Dashboard:*
 - *Hardware Asset Management “HWAM” to provide visibility into all hardware devices on the RRB Network.*
 - *Vulnerability Management “VULN” to provide visibility to known vulnerabilities present on the network.*
 - *The RRB will implement these two phases of CDM DEFEND during fiscal year 2021:*
 - *Software Asset Management “SWAM” to provide visibility into all software installed on the RRB network.*
 - *Configuration Settings Management “CSM” to manage configuration settings of assets on the RRB network.*
- *Identity Management – The RRB enforces multi-factor authentication for general users and have installed a privileged access management system (i.e. CyberArk) for system administrators.*
- *Remote Access – We deployed managed services for hardware encryption and have upgraded our firewalls to strengthen information security controls for remote access. Note: Enforcement of PIV is instrumental for remote access.*

Internal Operations

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

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

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

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

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

Strategic Management of Human Capital

Like many agencies, the RRB has an aging workforce. Nearly 40 percent of our employees have 20 or more years of service and 35 percent of the current workforce will be eligible for retirement by fiscal year 2023. The Bureau of Human Resources has shifted to a strategic approach in managing its human capital through such efforts as workforce and succession planning, alignment of the mission with employee performance to ensure efficient and effective accomplishment of RRB operations, and evaluating job-fit and recruitment efforts to ensure a developed, diverse, inclusive, engaged and accountable workforce. We continue to automate and streamline antiquated and outdated personnel policies and procedures and educate, develop, and train our employees and supervisors both in technical and soft skills in alignment with our agency mission, values and goals. We strive to bring the methods of the Bureau of Human Resources in strategic alignment with the RRB's mission and best human resources management practices within the Federal government.

The Workforce Organization Management Section (WOMS) continues to refine recruitment efforts to ensure we receive applications from a talented, diverse and inclusive pool of applicants. Through USAJOBS, we have been able to reach candidates from across the country. In fiscal year 2020, we received over 1,800 outside applications for 27 job postings. We also utilize different recruitment strategies, like resume mining and targeted advertising, hiring flexibilities such as the Pathways Intern and Recent Graduate programs and direct hiring authorities to attract a diverse and quality applicant pool.

The Human Services/Labor Relations Section (HS/LR) is in the process of re-negotiating the Nationwide Collective Bargaining Agreement (CBA), which was last negotiated in 1985. In addition to rewriting the CBA, the HS/LR section has taken on the task of updating a number of Human Resources policies and negotiating those policies, where appropriate, with the Union. This includes creating new policies, and updating antiquated and outdated policies on Telework, Performance Management, Incentive Awards, Hours of Work, etc. The revisions of both the policies and the CBA are forward thinking and afford employees a number of flexibilities, are reflective of our Agency's emerging culture, encompass the importance of employee engagement as well as employee accountability and define a commitment to organizational responsibility.

The Training and Development Section within the Bureau of Human Resources utilizes the results from training needs assessments, workforce planning, and surveys to assist in prioritizing the RRB's training needs. We also utilize available technology and low-cost training options and use innovative and best practices in training and development in order to deliver varied training modalities for all agency employees, whether the training is mandatory or developmental in nature. We continue to update and automate training modules available to our entry-level and mission critical claims and benefit training classes to ensure a successful training environment for new employees and the successful accomplishment of our mission.

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

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

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

Railroad Retirement Board FY 2023 Performance Plan	2018 Actual \$123.5m	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Estimate \$123.5m	2023 Request \$151.4m
STRATEGIC GOAL I: <i>Modernize Information Technology (IT) operations to sustain mission essential services.</i>						
<i>Strategic Objective: RRB's Transformation (formerly Legacy Systems Modernization).</i> Goal Leader: Terryne F. Murphy, Chief Information Officer						
I-A-1. Prepare to consolidate and rationalize applications to improve the effectiveness and efficiency of mission essential functions.	New Performance Goal for FY 2021	New Performance Goal for FY 2021	New Performance Goal for FY 2021	Azure Migration: 100%	Azure Migration: 100%	Goal Complete
I-A-2. Evaluate the results of the customer surveys obtained through the LSMS re-engineering assessment contract deliverable to identify and deliver a broader range of online citizen centric services that will specifically address our customer's expectations and improve overall customer service.	New Performance Goal for FY 2021	New Performance Goal for FY 2021	New Performance Goal for FY 2021	100%	Goal Complete	Goal Complete
I-A-3. Transition Mission Essential Programs from the End-of-Life Mainframe hardware.	New Performance Goal for FY 2019	10%	50%	100%	Goal Complete	Goal Complete
I-A-4. Evaluate the re-engineering assessment contract deliverable and determine a modernization path forward consistent with agency priorities and within available funding to address mission critical functions.	New Performance Goal for FY 2021	New Performance Goal for FY 2021	New Performance Goal for FY 2021	100%	Goal Complete	Goal Complete
1-A-5. Enhance infrastructure components to stabilize the information systems and the related ecosystems to prepare for the modernize phase.	New Performance Goal for FY 2021	New Performance Goal for FY 2021	New Performance Goal for FY 2021	100%	100%	Goal Complete

Railroad Retirement Board FY 2023 Performance Plan	2018 Actual \$123.5m	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Estimate \$123.5m	2023 Request \$151.4m
STRATEGIC GOAL I: <i>Modernize Information Technology (IT) operations to sustain mission essential services.</i>						
<i>Strategic Objective: RRB's Transformation (formerly Legacy Systems Modernization).</i> Goal Leader: Terryne F. Murphy, Chief Information Officer						
I-A-6. Complete the development of business rules strategy and data layer components of the modernization.	New Performance Goal for FY 2022	75%	100%			
I-A-7. Deliver citizen-centric services and applications to railroad employees through mobile- and web-ready interfaces.	New Performance Goal for FY 2022	50%	75%			
I-A-8. Complete the streamlining of core business processes and modernize key applications, which support these processes.	New Performance Goal for FY 2022	25%	50%			
I-A-9. Refine critical management processes in the following areas within the IT organization: change, project, program and configuration.	New Performance Goal for FY 2022	100%	Goal Complete			
I-A-10. Evaluate the re-engineering assessment deliverables to determine a cost effective path forward to application rationalization and streamline business processes.	New Performance Goal for FY 2022	25%	50%			

Railroad Retirement Board FY 2023 Performance Plan	2018 Actual \$123.5m	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Estimate \$123.5m	2023 Request \$151.4m
STRATEGIC GOAL II: <i>Provide Excellent Customer Service.</i>						
<i>Strategic Objective: Pay benefits timely.</i> Goal leader for objectives II-A-1 through II-A-5; II-A-7 and II-A-8: Arturo Cardenas, Director of Programs Goal leader for objective II-A-6: Mark Blythe, Director of Field Service Goal leader for objective II-A-9: Spiridoula Mavrothalasitis, Director of Hearings and Appeals						
II-A-1. RRB makes a decision to pay or deny a railroad retirement employee or spouse initial annuity application within 35 days of the annuity beginning date, if advanced filed. (Measure: % ≤ 35 days)	94.9%	95.4%	96.4%	97.0%	94.0%	94.0%
II-A-2. RRB makes a decision to pay or deny a railroad retirement employee or spouse initial annuity application within 60 days of the date the application was filed. (Measure: % ≤ 60 days)	96.5%	96.5%	97.5%	97.0%	94.0%	94.0%
II-A-3. RRB makes a decision to pay, deny or transfer to SSA an initial annuity application for a railroad retirement survivor not already receiving a benefit within 60 days of the annuity beginning date, or date filed (whichever is later). (Measure: % ≤ 60 days)	96.2%	96.0%	95.0%	92.2%	94.0%	94.0%

Railroad Retirement Board FY 2023 Performance Plan	2018 Actual \$123.5m	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Estimate \$123.5m	2023 Request \$151.4m
II-A-4. RRB makes a decision to pay, deny or transfer to SSA an initial annuity application for a railroad retirement survivor already receiving the benefits as a spouse within 30 days of the RRB's receipt of first notice of the employee's death. (Measure: % ≤ 30 days)	96.5%	96.6%	95.2%	94.8%	94.0%	94.0%
II-A-5. RRB makes a decision to pay or deny a lump sum death benefit within 60 days of the date the application was filed. (Measure: % ≤ 60 days)	98.2%	97.3%	97.3%	95.0%	96.0%	95.0%
II-A-6. RRB certifies a payment or releases a letter of denial of UI or SI benefits within 10 days of the date RRB receives the claim. (Measure: % ≤ 10 days)	99.9%	99.9%	99.9%	99.9%	98.5%	98.5%
II-A-7. RRB makes a decision to pay or deny a benefit for a disabled applicant or family member within 100 days of the date the application is filed. (Measure: % ≤ 100 days)	11.3%	12.5%	13.5%	18.6%	70.0% ^{4/}	70.0% ^{4/}
II-A-8. RRB makes a payment to a disabled applicant within 25 days of the date of decision or earliest payment date, whichever is later. (Measure: % < 25 days)	91.5%	85.2%	88.5%	87.5%	92.0%	91.0%
II-A-9. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: Average elapsed days)	217	207	205	208	207	218

Railroad Retirement Board		2018	2019	2020	2021	2022	2023
FY 2023 Performance Plan		Actual	Actual	Actual	Actual	Estimate	Request
		\$123.5m	\$123.5m	\$123.5m	\$123.5m	\$123.5m	\$151.4m
Strategic Objective: Provide a range of choices in service delivery methods.							
Goal leader: Arturo Cardenas, Director of Programs							
II-B-1. Offer electronic options to our customers, allowing them alternative ways to perform primary services via the Internet or interactive voice response systems. (Measure: Number of services available through electronic media)		19 services available	19 services available	19 services available	19 services available	23 services available	23 services available
II-B-2. Enable employers to use the Internet to conduct business with the RRB, in support of the Government Paperwork Elimination Act. (Measures: Percentage of employers who use the on-line Employer Reporting System (ERS); number of services available through electronic media)	a) Employers using ERS	99.3%	99.2%	98.9%	99.1%	99.0%	99.0%
	b) Internet services	30 Internet services available	31 Internet services available	33 Internet services available			
STRATEGIC GOAL III: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources.							
Strategic Objective: Ensure that trust fund assets are protected, collected, recorded, and reported appropriately.							
Goal leader: Shawna R. Weekley, Chief Financial Officer							
III-A-1. Debts will be collected through billing, offset, reclamation, referral to outside collection programs, and a variety of other collection efforts. (Measure: Total overpayments recovered in the fiscal year / total overpayments established in the fiscal year.)		91.70%	91.70%	95.18%	89.08%	85.0%	85%

Railroad Retirement BoardFY	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 Request	
2023 Performance Plan	\$123.5m	\$123.5m	\$123.5m	\$123.5m	\$123.5m	\$151.4m	
Strategic Objective: Ensure the accuracy and integrity of benefit programs.							
Goal leader III-B-1(a)(b) and III-B-3, 4, and 5: Arturo Cardenas, Director of Programs							
Goal leader III-B-2(a): Mark Blythe, Director of Field Service							
Goal leader III-B-2(b): Micheal Pawlak, Director of Unemployment Payment Support Division							
III-B-1. Achieve a railroad retirement benefit payment accuracy rate 5/ of at least 99%. (Measure: Percent accuracy rate)	a) Initial payments	99.87%	99.83%	99.57%	99.91% ^{6/}	99.50%	99.75%
	b) Sample post recurring payments	99.56%	99.97%	Not Applicable Post Study Canceled	99.97% ^{6/}	99.50%	99.75%
III-B-2. Achieve a railroad unemployment/sickness insurance benefit payment accuracy rate 5/ of at least 99%. (Measure: Percent accuracy rate)	a) Unemployment	96.09%	96.23%	96.62%	97.58%	95.50%	95.50%
	b) Sickness	100.00%	97.93%	97.88%	97.38%	95.00%	95.00%
III-B-3. Overall Initial Disability Determination Accuracy. (Measure: % of Case Accuracy)	94.40%	73.60%	Not Available	Not Available	95.00%	95.00%	
III-B-4. Maintain the level of Railroad Retirement Act (RRA) improper payments below the OMB threshold. (Measure: Below 1.5%)	N/A ^{7/}	N/A ^{7/}	N/A ^{7/}	N/A ^{7/}	N/A ^{7/}	N/A ^{7/}	
III-B-5. Achieve a return of at least \$3.60 for each dollar spent on program integrity activities. (Measure: Recoverables and savings per dollar spent)	\$3.44: \$1.00	\$6.66: \$1.00	\$6.03: \$1.00	Not Available	\$3.85: \$1.00	\$4.00: \$1.00	

Railroad Retirement Board FY 2023 Performance Plan	2018 Actual \$123.5m	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Estimate \$123.5m	2023 Request \$151.4m	
Strategic Objective: Ensure effectiveness, efficiency, and security of operations. Goal leader: Terryne F. Murphy, Chief Information Officer							
III-C-1. Complete modernization of RRB processing systems in accordance with long-range planning goals.	Project complete	Project complete	Project complete	Project complete	Project complete	Project complete	
III-C-2. Deliver – Deliver on Budget. Percent of IT Projects costs within 10% of budgeted cost.	85%	100%	100%	100%	85%	85%	
III-C-3. Deliver – Meet Customer Expectations. <u>WWW.RRB.GOV</u> Internet Services (Mainline and employer Reporting System) Continuous availability experienced by end users	a) Continuous availability target	98.92%	98.99%	99.31%	98.80%	99%	99%
	b) Hours of outage allowed per month	7.77 hours	7.38 hours	4.83 hours	8.83 hours	7 hours	7 hours
III-C-4. Innovate – Design for Modularity. Strategy for Continuity of Operations Improvements.	Completed applying HTTPS-only standard to <u>www.rrb.gov</u>	Cloud- based enterprise test lab: No	Cloud- based enterprise test lab: No	Microsoft Azure Cloud Implementation: Yes	Microsoft Azure Cloud Implementation: Yes	Microsoft Azure Cloud Implementation: Yes	
III-C-5. Innovate – Adopt New Technologies. Percentage of investments that evaluated cloud alternatives.	99.93%	100%	100%	100%	100%	100%	
III-C-6. Protect – Email Data Loss Prevention. Percentage of externally bound emails and their attachments automatically encrypted that contain personally identifiable or credit card information.	99.93%	100%	100%	100%	100%	100%	
III-C-7. Protect – Percentage of agency employees required to use a Personal Identity Verification (PIV) card to authenticate.	77%	73%	Unprivileged Network Users > 66% Privileged Network Users ≥ 63%	Unprivileged Network Users >54% Privileged Network Users ≥ 98%	Unprivileged Network Users > 85% Privileged Network Users ≥ 100%	Unprivileged Network Users > 85% Privileged Network Users ≥ 100%	

Railroad Retirement Board FY 2023 Performance Plan	2018 Actual \$123.5m	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Estimate \$123.5m	2023 Request \$151.4m
<i>Strategic objective: Effectively carry out responsibilities with respect to the National Railroad Retirement Investment Trust.</i> Goal leader: Ana M. Kocur, General Counsel						
III-D-1. Timely review information reported by the National Railroad Retirement Investment Trust to carry out RRB's oversight responsibility under section 15(j) (5) (F) of the Railroad Retirement Act. Reports are to be reviewed within 30 days of receipt. (Measure: Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes

Notes:

^{1/} 2021 Actual results represent status as of September 30, 2021, unless otherwise noted.

^{2/} For fiscal year 2022, the President proposed \$125,049,000 for the RRB's Limitation on Administration account. A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended), which provided funding for the RRB based upon P.L. 116-260, Consolidated Appropriations Act, 2021. The amounts included for 2022 reflect the annualized level provided by the continuing resolution. For fiscal year 2021, P.L. 116-260 provided \$114,500,000 for RRB's base operations and \$9,000,000 for RRB's Information Technology Modernization Program.

^{3/} 2023 Request includes \$151,409,000 for the Limitation on Administration account and \$0 for Information Technology Modernization.

^{4/} The RRB continues to evaluate the impact of process changes on performance. Recent progress has been made in reducing workload balances; however, a revised metric has not been established.

^{5/} The payment accuracy rate is the percentage of the dollars paid correctly as a result of adjudication actions performed.

^{6/} The actual results represent status as of March 31, 2021.

^{7/} In FY 2018, OMB granted reporting relief for the RRA program because the improper payment analysis demonstrated it consistently fell below the thresholds for significant improper payments. The RRA program went into a three year risk assessment cycle. In FY 2020, a risk assessment was conducted and found that the RRA program continued to fall below the thresholds for significant improper payments and another three year risk assessment cycle began, now known as Phase 1. The RRA program is scheduled to conduct another risk assessment in FY 2023 and is expected to remain below the statutory thresholds for significant improper payments and stay in Phase 1.

JUSTIFICATION OF ESTIMATES

The Administration's Proposed Appropriation Language

DUAL BENEFITS PAYMENTS ACCOUNT

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, \$9,000,000, which shall include amounts becoming available in fiscal year 2023 pursuant to section 224(c)(1)(B) of Public Law 98-76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits: Provided, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.

Note: A full-year 2022 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

Explanation of Proposed Appropriation Language

<u>Appropriation Language</u>	<u>Explanation</u>
<p><i>For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, \$9,000,000, which shall include amounts becoming available in fiscal year 2023 pursuant to section 224(c)(1)(B) of Public Law 98-76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits: Provided, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.</i></p>	<p>The proposed appropriation language provides \$9,000,000 to the Dual Benefits Payments Account for payment of vested dual benefits. Of the \$9,000,000, it is estimated that \$1 million will be derived from income tax revenues as provided by Section 224(c) (1) (B) of Public Law 98-76. Also, an additional reserve amount, not to exceed 2 percent, will be made available only if the product of recipients and the average benefit received exceeds the amount available. The monies provided to the Dual Benefits Payments Account are to be made available to the account on a monthly basis in 12 approximately equal amounts.</p>

Note: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

Authorizing Legislation

Fiscal Year 2022

Fiscal Year 2023

Legislation	Authorized	Estimate	Authorized	President's Budget
Railroad Retirement Act of 1974 as amended: Sections 15(d)(1), 7(c)(1), and 15(i)(2)				
Dual Benefits Payments	Indefinite	\$13,000,000 <u>a/</u>	Indefinite	\$9,000,000

a/ A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

Section 15(d) (1):

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

Section 7(c) (1):

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

Section 15(i) (2):

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

Appropriations History Table

Dual Benefits Payments Account a/

<u>Year</u>	<u>President's Budget Estimate to the Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation/ Continuing Resolution</u>	
2014	39,000,000	---	---	39,000,000	<u>b/</u>
2015	34,000,000	---	---	34,000,000	<u>c/</u>
2016	29,000,000	---	---	29,000,000	<u>d/</u>
2017	25,000,000	---	---	25,000,000	<u>e/</u>
2018	22,000,000	22,000,000	22,000,000	22,000,000	<u>f/</u>
2019	19,000,000	19,000,000	19,000,000	19,000,000	<u>g/</u>
2020	16,000,000	16,000,000	16,000,000	16,000,000	<u>h/</u>
2021	13,000,000	13,000,000	13,000,000	13,000,000	<u>i/</u>
2022	11,000,000	11,000,000	11,000,000	13,000,000	<u>j/</u>
2023	9,000,000				

- a/ For all amounts on the following table, the appropriation language provides that an additional amount, not to exceed 2 percent of the appropriation amount, shall become available under certain conditions to provide for full payment of vested dual benefits. The appropriation language also specifies that the amount made available will be credited to the account on a monthly basis in 12 approximately equal amounts.
- b/ Amount reflects an appropriation of \$39,000,000 provided by the *Consolidated Appropriation Act, 2014* (P.L. 113-76).
- c/ Amount reflects an appropriation of \$34,000,000 provided by the *Consolidated and Further Appropriation Act, 2015* (P.L. 113-235).
- d/ Amount reflects an appropriation of \$29,000,000 provided by the *Consolidated Appropriations Act, 2016* (P.L. 114-113).
- e/ The *Consolidated Appropriations Act, 2017* (P.L. 115-31) provided \$25,000,000 for the Dual Benefits Payments Account.
- f/ The *Consolidated Appropriations Act, 2018* (P.L. 115-141) provided \$22,000,000 for the Dual Benefits Payments Account.
- g/ Amount reflects an appropriation of \$19,000,000 provided by the *Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019* (P.L. 115-245).
- h/ Amount reflects an appropriation of \$16,000,000 a full year 2020 appropriation was enacted on December 20, 2019, pursuant to the *Further Consolidated Appropriations Act, 2020* (P.L. 116-94).
- i/ Amount reflects an appropriation of \$13,000,000 a full year 2021 appropriation was enacted on December 27, 2020, pursuant to the *Consolidated Appropriations Act, 2021* (P.L. 116-260).
- j/ A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the *Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended)*. The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

Funding Sources

The proposed fiscal year 2023 appropriation language calls for funding from the following source.

<u>Funding Sources</u>	<u>Budget Authority a/</u>
<u>General revenue</u>	<u>\$9,000,000</u>

[Of the \$9,000,000 to be funded from general revenue, \$1,000,000 is expected from income taxes on vested dual benefits.]

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

Dual Benefits Payments Account

Amounts Available for Obligation

	<u>Fiscal Year 2021 Actual</u>	<u>Fiscal Year 2022 Estimate</u>	<u>Fiscal Year 2023 President's Budget</u>
Appropriation, excluding 2% contingency reserve (general funds of the Treasury)	\$13,000,000	\$13,000,000	\$9,000,000
Transfer from other accounts (Federal Payments to the Railroad Retirement Accounts)	<u>999</u> a/	<u>2,000</u> a/	<u>2,000</u> a/
Subtotal:	\$13,000,999	\$13,002,000	\$9,002,000
Less:			
Unobligated balance	<u>\$1,670,627</u>	<u>---</u>	<u>---</u>
Total obligations (payments to beneficiaries)	<u>\$11,330,372</u>	<u>\$13,002,000</u>	<u>\$9,002,000</u>

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

Note: A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the *Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended)*. The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

Explanation of 2023 Request

This is the 47th request for appropriations authorized by the Railroad Retirement Act of 1974 to fund vested dual benefits received by railroad retirees who, under prior law, would have become covered by both the railroad retirement system and the social security system because railroad retirement was not fully coordinated with social security from 1937 to 1974.

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

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

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

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

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

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

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

The fiscal year 2023 appropriation language provides for 12 monthly payments to this account from general revenues and specifies that \$9,000,000 be appropriated for benefits. In addition, the proposed language provides that an additional amount not to exceed 2 percent of the \$9,000,000 appropriated shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits.

JUSTIFICATION OF ESTIMATES

The Administration's Proposed Appropriation Language

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, \$150,000, to remain available through September 30, 2024, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98–76.

Note.—A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.

Explanation of Proposed Appropriation Language

<u>Appropriation Language</u>	<u>Explanation</u>
<p><i>For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, \$150,000, to remain available through September 30, 2024, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98–76.</i></p> <p>Note.—A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.</p>	<p>Section 417 of Public Law 98-76 (Railroad Retirement Solvency Act of 1983) amended the Railroad Retirement Act of 1974 to provide for monthly transfers from the Treasury of amounts for benefit checks drawn 6 months earlier and not presented for payment.</p> <p>Since fiscal year 1991, the RRB does not receive credits to this account for the principal amount of uncashed railroad retirement checks under provisions of the Competitive Equality Banking Act of 1987. Instead, such funds, which are appropriated to the Treasury, are transferred directly to the railroad retirement accounts and the Dual Benefits Payments Account. Interest on uncashed railroad retirement checks, however, must still be appropriated in advance to this account.</p>

Authorizing Legislation

Legislation	Fiscal Year 2022		Fiscal Year 2023	
	Authorized	Current Estimate	Authorized	President's Budget
Railroad Retirement Solvency Act of 1983, Section 417	Indefinite	\$150,000 <u>a/</u>	Indefinite	\$150,000
Competitive Equality Banking Act of 1987, Section 1003				
Railroad Retirement Act of 1974, as amended, Section 15(i)(2)				

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

a/ *Note.—A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.*

Appropriations History Table

<u>Fiscal Year</u>	<u>President's Budget Estimate to the Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation/ Continuing Resolution</u>
2014	150,000	---	---	150,000
2015	150,000	---	---	150,000
2016	150,000	---	---	150,000
2017	150,000	---	---	150,000
2018	150,000	150,000	150,000	150,000
2019	150,000	150,000	150,000	150,000
2020	150,000	150,000	150,000	150,000
2021	150,000	150,000	150,000	150,000
2022	150,000	150,000	150,000	150,000 <u>a/</u>
2023	150,000			

a/ *Note.—A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117-43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.*

Note: Amounts appropriated are available for 2 years.

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

Amounts Available for Obligation

	Fiscal Year 2021 Actual	Fiscal Year 2022 Estimate	Fiscal Year 2023 President's Budget
Appropriation	\$150,000	\$150,000	\$150,000
Plus:			
Unobligated balance, start of year	<u>150,000</u> a/	<u>150,000</u> a/	<u>150,000</u> a/
Subtotal:	\$300,000	\$300,000	\$300,000
Less:			
Unobligated balance, end of year	<u>289,187</u>	<u>250,000</u>	<u>250,000</u>
Total obligations	<u>\$10,813</u>	<u>\$50,000</u>	<u>\$50,000</u>

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

Explanation of Fiscal Year 2023 Request

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

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

The appropriation proposed for fiscal year 2023 provides that funds would be available for 2 years, through September 30, 2024.

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**RAILROAD RETIREMENT BOARD
INFORMATION TECHNOLOGY (IT) UPDATE**

Phase	Specific IT Initiatives	Planned Spending as of <u>2.14.2022</u> Public Laws 115-141, 115-245, 116-94, 116-260, 116-136, & 117-2
Stabilize	<ul style="list-style-type: none"> • Establish a Cloud Presence • Infrastructure Modernization • Improve Security Posture • Preparation for Legacy Application Rationalization 	\$17,560,988
Modernize	<ul style="list-style-type: none"> • Mainframe and Legacy Application Optimization in Cloud Environments • Collaboration Tools • Business Rules Implementation • Data Model Implementation • Adjudication Application / Customer Views • Citizen-Centric Services / Online Forms and Portals • Paperless Processing and Secure Document Management • Payment Application 	\$21,439,013
<i>Subtotal -- IT Modernization Funds (Annual Appropriations)</i>		\$39,000,000
CARES Act P.L. 116-136	<p>CARES Act funding accelerated efforts to increase workforce mobility in light of the COVID-19 Pandemic:</p> <ul style="list-style-type: none"> • M365 – Cloud Email • M365 – Collaboration Tools • Modernization Strategy Roadmap Development – (GSA/18F Engagement) • SOW – Data Layer and Business Rules Extraction 	\$5,000,000
ARPA P.L. 117-2	<p>The American Rescue Plan Act funding authorized to prevent, prepare for, and respond to coronavirus will be used primarily to issue several key contracts:</p> <ul style="list-style-type: none"> • Phase IV of the Mainframe Migration to IBM zCloud (including extracting business rules from the mainframe applications to centralize in the cloud) • Application Services contract to modernize legacy applications in our cloud environments, starting with the unemployment and sickness benefits. • Program Administrative Support Services to support establishing the IT Modernization Program Management Office contract and executive governance of the IT modernization spending against the Strategic Roadmap. • Engineering Services contract to support the transition and sustainment of RRB infrastructure within selected cloud environments. • Security Services to support the modernization and ultimate improvement of the RRB’s security posture as it modernizes its systems and applications in cloud environments. 	\$21,175,000
<i>TOTAL -- IT Modernization & Related Supplemental Funds</i>		\$65,175,000

Information Technology Modernization Program Initiatives

FY 2023 Top Priorities – Modernize Phase

as of February 2022

Today customers expect IT organizations to be nimble and agile in providing solutions. They also expect the solutions developed provide a similar experience they are used to getting in the commercial world. Though we have made significant progress, our current environment is ill equipped to meet these expectations. The reengineering and modernizing effort will put us in a better position to meet these goals.

As an added result of the significant progress made last year, the Agency learned lessons in the process. The Agency recognizes the Modernization will take longer and cost more than originally anticipated. As a result of these lessons learned, the Agency revisited its previous priorities and present below their update.

PRIORITY 1 – Mainframe and Legacy Application Optimization in Cloud Environments (formerly Mainframe Modernization and Business Rules Implementation)

In fiscal year 2021, the RRB established its cloud presence for its mainframe and over eighty legacy, open-system applications in the IBM zCloud and the Microsoft Azure Government Cloud, respectively. Additionally, we decommissioned the mainframe equipment from the RRB data center. In fiscal year 2023, the RRB will continue to migrate legacy applications to the cloud and continue to optimize its cloud platforms and the applications that operate in the cloud environments. That will require the RRB to acquire cloud tools and services to assist in this effort. Given the impact of the pandemic, the RRB is focusing its efforts to modernize the administration of its unemployment and sickness benefit programs and, therefore has prioritized extracting business rules from the relevant Railroad Unemployment Insurance Act (RUIA) applications for centralization in a cloud environment. The RRB expects to embark upon this effort in FY 2023, following its transition of the mainframe to the zCloud and after achieving stable state operations. Centralization of the business rules provides a platform to build upon expansion of the business rules in other areas of benefits administration. Achieving this priority, will be the final major milestone prior to completion of the Stabilize Phase and the initiation of the Modernize Phase, focused on application modernization.

PRIORITY 2 – Implement and Optimize M365 (formerly Collaboration Tools)

The RRB implemented M365 for email (Outlook), sharing documents and data (SharePoint online) and workspace chat and videoconferencing, file storage, and application integration (Teams). With these collaboration tools and functionalities in place, in fiscal year 2023, the RRB will expand its use of the M365 cloud to include the business intelligence platform that provides non-technical agency employees with tools for aggregating, analyzing, visualizing and sharing data (Power BI). The RRB will additionally expand its use of the endpoint management solution offering as part of the M365 Cloud (Microsoft Intune) beyond agency mobile devices to include end-user computers to protect the RRB's data.

PRIORITY 3 – Enterprise Telecommunications and Network Infrastructure (new)

The RRB successfully awarded its final fair opportunities under the Enterprise Infrastructure Solutions Program, managed by the General Services Administration last calendar year. Currently, it is in project execution for the implementation of significant technology updates to its wide area network, its trusted internet connection, and its phone systems. These critical

technology updates best position the RRB to take advantage of security features, modern networking solutions, and unified communications capabilities to best serve its citizens and greatly improve its customer service. During fiscal year 2023, the RRB intends to optimize these implementations in an effort to provide an improved customer experience when citizens interact with RRB field service representatives and internally to best support RRB business processes.

PRIORITY 4 – Establish IT Modernization Program Management Office

As the RRB begins to shift its focus to the modernization of its legacy applications and IT systems, it recognizes that the modernization touches not only systems and applications, but business processes across the agency. Participation in the modernization of applications will expand in the Modernize Phase to include all agency business units. The RRB’s commitment to use the Agile Methodology to plan, design, and implement modernized applications and systems requires a robust program management structure to ensure efficient stewardship of precious human and financial resources. To this end, the RRB awarded a program administrative services contract to assist in the establishment of an actionable program management structure. In fiscal year 2023, the RRB will continue to build upon its project, program, and product management processes with a focus to support the priorities listed herein and best position the Agency for the remaining years of the IT Modernization Program.

PRIORITY 5 – Cybersecurity

The Agency understands the increased cyber threats and increased attacks occurring in the world and we are committed to promoting and developing solutions to address all the cyber-related challenges we face. Securing and improving the RRB through effective cybersecurity practices by providing a framework for identification, detection, protection, response, and recovery from threats is the RRB’s mission. The RRB will utilize cybersecurity best practices through collaboration and innovation so to meet the challenges of the future and protect the Agency from cybersecurity threats by creating a consistent, safe, and security technology environment. As directed by the Presidential Executive Order on Improving the Nation’s Cybersecurity signed in May 2021, the RRB will implement a secure environment based on the National Institute Standards and Technology (NIST) Cyber Security Framework that improves the RRB’s cyber resilience against threats (Identify, Protect, Detect, Respond, and Recover).

FORWARD LOOKING IT PRIORITIES

The priorities listed above complete the Stabilize Phase of the RRB IT Modernization Program. The priorities below focus on the Modernize Phase, which the RRB anticipates will begin in earnest in fiscal year 2024.

Data Model Implementation

The RRB will implement the design and architecture blueprint of a unified data model with focus on streamlining business processes. This unified data model will form the foundation of RRB’s future modernization efforts. The RRB expects to begin efforts to design and develop a data model that supports the application modernization in FY 2023. The RRB expects this effort to adhere to the iterative process of development. As with the business rules extraction, we will begin with unemployment and sickness benefits and then expand to retirement, survivor and disability benefits.

Adjudication Application/Customer Views

The focus of this priority is to implement online applications forms and integrate them with a customer relationship management (CRM) system to provide a holistic view of the customer to RRB staff throughout the adjudication process. The CRM will allow Field Service staff to easily access information about a customer's application status throughout the adjudication process, allowing them to provide accurate and timely information to our customers. Use of the CRM will also will increase the RRB's ability to provide its customers access to self-service options and additional interaction channels such as a virtual agent chatbot and mobile application.

The RRB believes it will be able to make significant progress and deliver its first iteration of this priority in FY 2023. The RRB will seek to put in place application services contracts that will empower the RRB to outsource the development and expansion of these capabilities in FY 2023. The applications that address the adjudication function of the core business process at the RRB will be a part of the application services contract as well.

Citizen-Centric Services/Online Forms and Portals

The RRB will continue to implement self-service digital solutions to our customers and end users. We will enable secure self-service access to personal account statements and individualized information about the status of claims and benefits, as well as allowing access to industry standard features such as the online benefit estimates. These enhancements will assist railroad workers and their families in the completion and tracking of online applications as well as claims, payments, and other documentation.

As stated above, many of these capabilities will be part of the FY 2022 and FY 2023 focus to improve the customer's experience interacting with the RRB. The RRB anticipates being able to effect improvements in this area while establishing the foundational components of application modernization, namely the establishment of consolidated business rules and a unified data model.

Paperless Processing and Secure Document Management

The RRB will initiate planning to address the capabilities of imaging and document management in FY 2022 and FY 2023. Specifically, the RRB proposes to modernize its existing electronic imaging and records system to a more robust document management system, which will eliminate a significant portion of its paper-based processing. Some of the potential enhancements include, but are not limited to, electronic export a variety of internal documents and electronic import of a variety of external documents.

Payment Application

The RRB will reduce the separate front-end payment systems and corresponding back-end databases to a payment system that incorporates logic to cover a variety of payment scenarios and will access a streamlined data layer. This integrated payment system will ease identifying overpayments and collecting the resulting debts during this release using existing financial systems. This initiative would also include activities related to Medicare withholding and premiums and as well as interactions with the Center for Medicare and Medicaid Services. The benefit of this new system will be that all financial transactions relevant to benefits administration will be integrated and allow for enhanced reporting, automated correspondence,

and more accurate calculations of overpayment balances. Payment, like adjudication, is a function of the RRB’s core benefits administration process. The RRB expects to build upon its progress in FY 2022 and FY 2023 toward improving the customer’s experience, by targeting payment as one of the primary set of applications to modernize. The RRB also expects to establish application services contracts to design, develop, and implement these modernized applications.

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RAILROAD RETIREMENT BOARD

Summary of Full-Time Equivalent Employment

Series	Rank	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
Executive	Level III	1	1	1
	Level IV	2	2	2
Senior Executive Service	ES-00	7	7	7
General Schedule/Management	GS/GM-15	40	38	38
	GS/GM-14	75	75	75
	GS/GM-13	86	86	86
	GS-12	173	167	167
	GS-11	109	109	109
	GS-10	97	91	91
	GS-9	33	29	29
	GS-8	43	43	43
	GS-7	60	59	59
	GS-6	7	6	6
	GS-5	38	38	38
	GS-4	6	5	5
	GS-3	0	0	0
	GS-2	0	0	0
All Levels Combined	Total	777	756	756

Positions in the Office of Inspector General are excluded.

Note: The estimated 756 FTEs, provided by the President's proposed budget, is 124 FTEs fewer than what is needed to sustain the agency's mission essential functions.

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

	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
Average ES/SES salary	\$183,481	\$183,481	\$191,921
Average ES/SES benefits	65,503	68,201	71,338
Total, ES/SES	\$248,984	\$251,682	\$263,259
Average GS/GM salary	\$94,147	\$97,169	\$101,530
Average GS/GM benefits	34,303	36,411	38,244
Total, GS/GM	\$128,450	\$133,580	\$139,774
Average GS/GM grade	12.4	12.4	12.4

**RAILROAD RETIREMENT BOARD
EMPLOYEE RELOCATION EXPENSES**

	Past Year FY 2021	Current Year FY 2022	Budget Year FY 2023
Total	<u>\$300,101</u>	<u>\$228,000</u>	<u>\$228,000</u>

RAILROAD RETIREMENT BOARD

Proposed Legislative Program for Fiscal Year 2023

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

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

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

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

The Railroad Retirement Board (RRB) is not permitted to use the excepted service hiring authorities established by the Office of Personnel Management (OPM) for student and recent graduate hiring due to language in the Railroad Retirement Act's establishing legislation. Such language was included in our FY 2020 Appropriations Bill and we request that the language proposed below be included in our FY 2022 Appropriations Bill, in order that the RRB may continue to use current OPM student and recent graduate hiring authorities to support succession planning efforts.

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

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

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

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

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

Energy Conservation Measures

No funds were requested in FY 2023 Budget Submission for energy conservation measures.

Acquisition Training for Fiscal Year 2023

The RRB Acquisition Workforce (AWF) consists of contracting and purchasing staff in the 1102 and 1105 series, as well as Program/Project Managers (P/PMs) and Contracting Officer Representatives (CORs) across various disciplines and job series, as set forth in OFPP policy letters. The RRB has identified budgetary resources for FY 2023 to ensure that the agency's AWF have training and development that (1) facilitates their ability to adapt to fundamental changes in the nature of Federal Government acquisition of property and services associated with the changing roles of the Federal Government; and (2) enables them to acquire new skills and a new perspective to enable the agency AWF to contribute effectively in the changing environment of the 21st century. The AWF training budget for FY 2023 will support the RRB AWF staff to both complete their required training for attaining certification levels, appropriate to their position and AWF duties, as well as to sustain their acquisition acumen by completing appropriate targeted continuous education courses that further their competencies and enable them to execute their roles in the agency's acquisition mission. Notably the AWF training plan, supported by this budget request, will maximize the use of instructor-led virtual classroom training, where available and best suited to enable the learning objectives and competency development in the RRB AWF.

RAILROAD RETIREMENT BOARD

GOOD ACCOUNTING OBLIGATION IN GOVERNMENT ACT REPORTING

Executive Summary

In accordance with the Good Accounting Obligation in Government Act or the GAO–IG Act, the Railroad Retirement Board (RRB or Agency) provides the following report. The report describes the RRB’s actions on outstanding public recommendations of the Government Accountability Office (GAO) and the RRB’s Office of the Inspector General (OIG) as of February 1, 2022

The Appendix 1 of this report provides information on the status of implementing GAO public recommendations designated by the GAO as *Open*. The RRB, did not have any public recommendations designated by the GAO as *Closed, Unimplemented*, as such this topic is not addressed within the report. The Appendix 2 of this report provides implementation status of public OIG recommendations for which the RRB has not completed final action. The Appendix 3 of this report provides implementation status of OIG public recommendations designated by the OIG as *Closed, Unimplemented*.

In accordance with the Act, all three sections provide the required reporting elements for recommendations published not less than 1 year before the date on which the annual budget justification is submitted.¹ The GAO–IG Act also requires the agency to include a statement describing the status of implementing public recommendations open less than 1 year. With the exception of the recommendations included in Appendix 4, for the GAO and OIG recommendations meeting this parameter, as of February 1, 2021 the agency was in the process of implementing the recommendations, awaiting closure of the recommendations by the GAO or OIG, or awaiting discussions with the GAO or OIG on further action to be implemented, if any, to close the recommendations. Appendix 4, provides information on OIG public recommendations for which the Agency non-concurred that the OIG has designated as either “*Open*” or “*Closed, Unimplemented*” for less than 12 months

The GAO–IG Act requires the Agency to disclose discrepancies between its report and reports issued by the GAO and OIG. The Agency is not aware of any discrepancy between this report and public reports issued by the GAO relating to public recommendations designated by the GAO as *Open* or *Closed, Unimplemented*. Further, the Agency is not aware of any discrepancy between this report and semiannual reports submitted by the OIG under Section 5 of the Inspector General Act of 1978 (5 U.S.C. App.).

¹ For consistency the RRB used the February 1 date for the reporting period, which corresponds to the usual due date for the Justification of Budget Estimates and for the FY 2022 reporting period. Therefore, the reporting details in Appendices 1 through 3 provide information on public recommendations in GAO and OIG reports issued on or before February 1, 2021.

1. GAO PUBLIC RECOMMENDATIONS:

Appendix 1: Includes the reporting details on the implementation status of GAO public recommendations designated by the GAO as *Open*. As required by the GAO-IG Act, the details include the implementation status of each public recommendation, to include a timeline for full implementation, as applicable; e.g., for several recommendations, the Agency believes it has completed final action and is awaiting GAO concurrence and closure of the recommendations.

2. OIG PUBLIC RECOMMENDATIONS:

- a. **Appendix 2:** Includes the reporting details for implementation status of OIG public recommendations for which final action has not been completed for reports issued on or before February 1, 2021. As required by the GAO-IG Act, the details include the implementation status of each public recommendation, to include a timeline for implementation, as applicable. For several recommendations, the Agency believes it has completed final action and is awaiting OIG concurrence and closure of the recommendations. Appendix 2 also provides information for OIG public recommendation for the OIG has designated as *Open*, for which the Agency has non-concurred and further action will not be taken.
- b. **Appendix 3:** Includes reporting details for recommendations designated by the OIG as *Closed, Unimplemented* (or *Closed without Implementation*) for report issued on or before February 1, 2021. As required by the GAO-IG Act, the reporting details include the Agency's justification for the decision not to implement the recommendations.
- c. **Appendix 4:** Includes reporting details for public recommendations that are less than 12 months old, for which the Agency has decided not to implement or has issued a "non-concur" management response where the OIG continued to designate the recommendation as either *Open* or *Closed, Unimplemented* (or *Closed without Implementation*). As required by the GAO-IG Act, the reporting details include the justification for the decision not to implement each public recommendation.

Appendix 1:

**Implementation Status Of GAO Public Recommendations
Designated By The GAO As *Open***

Appendix 1

Implementation Status of GAO Public Designated by the GAO as Open

GAO Status	Report No.	GAO Audit Title	Report date	Rec No.	Responsible Organization	Recommendations	Timeline for Full Implementation	Justification for Decision Not to Implement	Comments
OPEN	GAO-18-287	Railroad Retirement Board Continuing Disability Reviews	2/21/2018	3	Programs	To enhance RRB's ability to manage and oversee its CDR program, RRB should routinely compile and analyze CDR program data, such as the number of cases selected for review, the number of beneficiaries in each medical improvement category, outcomes, and the costs and benefits of conducting CDRs, to improve program oversight.	FY 2022	Not applicable. Awaiting GAO closure of recommendation.	RRB sent request to close this recommendation to GAO on 12/10/2021.
OPEN	GAO-18-323	Railroad Retirement Board Financial Interchange with the Social Security Administration and Department of Health and Human Services	4/19/2018	1	BAR	The Board should work with SSA to explore options for obtaining data electronically and limiting the reliance of the financial interchange process on manual data entry.	FY 2022	Other. See related comments.	SSA agreed to RRB's proposal to implement an electronic data exchange to implement financial interchange benefits and limit manual data entry. RRB has agreed on implementation cost, provided SSA with the technical specifications and is waiting to begin discussions with SSA's technical staff.
OPEN	GAO-18-323	Railroad Retirement Board Financial Interchange with the Social Security Administration and Department of Health and Human Services	4/19/2018	2	BAR	The Board should produce written documentation on the financial interchange process such that a knowledgeable third party could carry out and replicate its process consistently without further explanation.	FY 2022	Not applicable. Implementation is in progress.	
OPEN	GAO-18-323	Railroad Retirement Board Financial Interchange with the Social Security Administration and Department of Health and Human Services	4/19/2018	5	BAR	The Board should produce formal policies on how the work of staff performing the financial interchange is reviewed.	FY 2022	Not applicable. Implementation is in progress.	
Total							4		

Appendix 2:

**Implementation Status of OIG Public Recommendations for Which
Final Action Has Not Been Completed**

Appendix 2 Implementation Status of OIG Public Recommendations for which Final Action Has Not Need Completed Greater Than 12 Months Old

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Fiscal Year 2007 Evaluation of Information Security at the Railroad Retirement Board	07-08	9/27/2007	7	The Bureau of Information Services should perform a physical inventory of information technology hardware and update the agency's official fixed asset inventory system.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Fiscal Year 2008 Evaluation of Information Security at the Railroad Retirement Board	08-05	9/30/2008	3	The Bureau of Information Services should develop a comprehensive plan for the testing and evaluation of the agency's contractor operations.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Review of Statistical Methods Employed in the Financial Interchange Determination	10-06	5/4/2010	1	KPMG recommends that the RRB Bureau of Actuary improve its documentation of the sampling employed in the Financial Interchange process by: Creating a single document that explains the process used to create the sampling frame and sample, including source database(s) used, the variables of interest, and the programs/media used to execute the process steps. The documentation should be written such that a person with the requisite skills, but without knowledge of the Financial Interchange calculations, could understand and replicate the sampling process.	FY 2022	BAR	Concur	Not applicable. Implementation is in progress.	
OPEN	Review of Statistical Methods Employed in the Financial Interchange Determination	10-06	5/4/2010	5	KPMG recommends that the RRB Bureau of Actuary: Test more than one post-stratification method, and employ the method that minimizes the sampling error.	FY 2022	BAR	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of Unilateral Disability Freeze Determinations	10-11	8/12/2010	5	The Office of Programs should develop a mechanism and procedures to update the unilateral freeze codes in the Payment Rate and Entitlement History system when the RRB obtains new information that changes the status of the freeze.	On-Going	Programs	Concur	Other. See related comments.	The RRB began a multi-phased IT initiative that will incorporate this recommendation as part of the larger re-engineering effort. Given the multitude of process updates, it is difficult for the Office of Programs to provide direct estimates as to when this recommendation can be addressed.
OPEN	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	1	RRB Officials should review the total costs of \$3.1 million and \$3.7 million incurred by the Customer Service Unit and Medical Review Unit during fiscal years 2008 and 2009 and determine if they are allowable.	FY 2022	Administration	Concur	Not applicable. Awaiting OIG closure of recommendation.	Confirming closure in process
OPEN	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	4	RRB officials should review the Optical Character Recognition Unit's total questioned costs of \$168,539 and determine if they are allowable.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	10	RRB officials should work with Palmetto to identify the cause of the inconsistencies and initiate corrective actions.	FY 2022	Administration	Concur	Not applicable. Awaiting OIG closure of recommendation.	Confirming closure in process
OPEN	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	11	RRB officials should require Palmetto to establish controls and procedures that will timely and effectively identify significant differences impacting Railroad Medicare contract performance and the integrity of claims volume, hours charged, and costs billed.	FY 2022	Administration	Concur	Not applicable. Awaiting OIG closure of recommendation.	Confirming closure in process

Appendix 2

Implementation Status of OIG Public Recommendations for which Final Action Has Not Need Completed Greater Than 12 Months Old

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Audit of Railroad Retirement Act Benefit Overpayment and Internal Controls	11-07	6/29/2011	9	The Office of Programs should work with the management control review committee to revise management control documentation to be consistent with Government Accountability Office guidance for internal controls.	FY 2023	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of Job Duty Verification Procedures for Lon Island Rail Road Occupational Disability Applicants	13-02	1/15/2013	1	The Office of Programs should modify occupational disability procedures to comply with the CFR and ensure that every reasonable effort is made by the District Office staff and/or the Disability staff to obtain the Job Information Form from the railroad employer during the established response period.	FY 2023	Programs	Concur	Other. See related comments.	Revisions to the Job Information Form (G-251A), along with related procedures and instructions for employers were agreed upon by the three-member Board as part of the agency's Disability Process Improvement Plan (DPIP). The DPIP was submitted to the OIG to close numerous recommendations. The Board and the Office of Programs continue to work with the OIG to satisfy the intent of recommendations related to topics addressed by the DPIP.
OPEN	Audit of Job Duty Verification Procedures for Lon Island Rail Road Occupational Disability Applicants	13-02	1/15/2013	3	The Office of Programs should send or route the Job Information Forms to the applicant's direct supervisor, and require the direct supervisor to certify the information given in the space provided on the appropriate Job Information Form.	FY 2023	Programs	Concur	Other. See related comments.	See comments to Audit Report No. 13-02. Recommendation 1 above.
OPEN	Audit of Job Duty Verification Procedures for Lon Island Rail Road Occupational Disability Applicants	13-02	1/15/2013	4	The Office of Programs should consider extending the employer response period to forward the Job Information Forms and related documentation to the RRB.	FY 2023	Programs	Concur	Other. See related comments.	See comments to Audit Report No. 13-02. Recommendation 1 above.
OPEN	Audit of Job Duty Verification Procedures for Lon Island Rail Road Occupational Disability Applicants	13-02	1/15/2013	5	The Office of Programs should perform a study to determine the reasons for the railroad employers' failure to return the Job Information Forms, and take corrective action to elicit better responses based on their findings.	FY 2023	Programs	Concur	Other. See related comments.	See comments to Audit Report No. 13-02. Recommendation 1 above.
OPEN	Audit of the Railroad Retirement Board's Compliance with the Government Charge Card Abuse Prevention Act of 2012	13-10	9/19/2013	1	The Office of Administration should update management control review documentation for the Procurement Assessable Unit to include a control for periodic continuing need reviews of charge card holders.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Railroad Retirement Board's Compliance with the Government Charge Card Abuse Prevention Act of 2012	13-10	9/19/2013	2	The Office of Administration should develop written procedures for continuing need reviews, to include when and how often the review should be performed.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/20/2013	1	The Bureau of Information Services should work with the Office of Administration, Division of Acquisition Management, and the agency's contracting officer's representatives to maintain the Contractor Security Control Log, ensure that it is continually updated to reflect all contractors and their staff that work at the RRB, and indicate whether the contractor staff will have access to personally identifiable information or a system of records.	FY 2022	BIS	Concur	Not applicable. Awaiting OIG closure of recommendation.	

Appendix 2

Implementation Status of OIG Public Recommendations for which Final Action Has Not Need Completed Greater Than 12 Months Old

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/19/2013	5	The Office of Administration, Bureau of Human Resources, should update the materials that are provided to new employees with the updated privacy and security awareness training documents.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/20/2013	6	The Bureau of Information Services should revise Administrative Circulars IRM-2 and IRM-15 to reflect current security and privacy documents and procedures.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/20/2013	8	The Bureau of Information Services should develop a strategic organizational privacy plan that is multi-organizational and represents the RRB as a whole.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	The Records Officer plans to work with the Office of Administration (Human Resources) to obtain adequate documentation to close this item.
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/20/2013	9	The Bureau of Information Services should develop a policy for the validation of personally identifiable information.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/20/2013	10	The Bureau of Information Services should develop a policy on communication between bureaus regarding changes in personally identifiable information.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	Documentation has been added to IRM-2 and waiting RRB Board approval.
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/20/2013	11	The Bureau of Information Services should develop a policy on the use and protection of personally identifiable information in testing, training, and research.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	See comments related to Audit 13-11, Recommendation 10.
OPEN	Audit of Railroad Retirement Act Dual Spouse Annuity Adjustments	14-04	3/20/2014	3	The Office of Programs should take action to correct the amount of the spouse annuities for the five error cases cited, and to establish overpayments as appropriate.	N/A	Programs	Concur	Other. See related comments.	On October 31, 2014, Programs submitted implementation documentation to the OIG who subsequently determined that legal authority in 20 CFR §261.11 (discretion of the three-member Board to reopen or not to reopen a final decision) to correct errors has not been utilized to correct known overpayments. Consequently, on the advice of the Office of General Counsel, OP will take no further action (refer cases to the Board for a reopening decision) based on a parallel handling at SSA (reference L-2004-12).
OPEN	The Railroad Retirement Board Lacks Adequate Controls Over Creditable Compensation Related to Injury Settlements	15-03	1/29/2015	1	Office of Programs should track creditable compensation related to injury settlements and the effect on benefit eligibility.	N/A	Programs	Non-concur	Other. See related comments.	Employers covered under the RRA are required by law to accurately report service and compensation paid to their employees for services rendered. The service and compensation agreed to in an injury settlement is reported on Form BA-3 (Annual Report) or Form BA-4 (Adjustment Report). The agency performs routine audits of employer's earnings reports that include injury settlements as part of the audit process and provides periodic training and written material on how to report settlements to employers. The Office of Programs maintains that the audits, backed by law, provide sufficient tracking of creditable compensation and compliance with agency regulations for reporting of compensation.

Appendix 2

Implementation Status of OIG Public Recommendations for which Final Action Has Not Need Completed Greater Than 12 Months Old

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	The Railroad Retirement Board Lacks Adequate Controls Over Creditable Compensation Related to Injury Settlements	15-03	1/29/2015	2	Office of Programs should implement controls to ensure compliance with agency regulations related to service months credited from an injury settlement. At a minimum, the agency should require railroad employers to submit supporting documentation for any service and compensation reported as part of an injury settlement. The documentation should include both the legal settlement and an allocation worksheet. This documentation should be readily available for examination and periodically reviewed.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 15-03. Recommendation 1 above.
OPEN	Fiscal Year 2014 Financial Statement Audit Letter to Management	15-05	3/31/2015	8	The Board should establish an independent committee that will work to identify a functional solution that will enable communication between the OIG and the NRRIT's component auditor and achieve compliance with the AICPA's standards.	N/A	Board	Non-concur	Other. See related comments.	The Agency will continue to cooperate with the OIG and provide all NRRIT related information within its possession and control which the OIG requests. The Agency does not have the authority to compel the NRRIT auditors to provide their work papers to, or speak with the OIG. Effective for the review of NRRIT's FY 2016 financial statements, the NRRIT and the United States Government Accountability Office (GAO) entered into an MOU dated October 31, 2018 that gave GAO access to information supporting NRRIT's financial information included in the government-wide financial statements.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	1	The Executive Committee should take all of the necessary steps to prepare and submit the required plans within the 90 day reporting requirement.	N/A	EC	Concur	Other. See related comments.	The RRB provided documentation to the OIG that demonstrated that on July 28, 2015 the former Chief Financial Officer submitted to the Office of Management and Budget (OMB) a Risk Assessment Plan for Payment Programs ("Plan") that described the Agency's strategy to be in compliance with OMB memorandum 15-02, Appendix C to Circular No. A-123. Requirements for Effective Estimation and Remediation of Improper Payments. Additionally, the RRB provided documentation which demonstrated that that on August 20, 2015, the Board released the Plan to the Congress. The RRB management has taken all appropriate steps related to the recommendation and considers this matter closed.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	2	The Executive Committee should ensure that the necessary policies and procedures are developed and documented for the agency's use for the preparation of a risk assessment process that meets Improper Payments Elimination and Recovery Act of 2010 requirements.	N/A	EC	Concur	Other. See related comments.	The RRB provided documentation to the OIG that demonstrated incorporation of its Risk Assessment Plan for Payment Programs (Plan) into Exhibit 4D of the Management Control Guide (MCG). The Management Control Review Committee updates the MCG regularly and posts it to SharePoint. The most recent update was June 2019 and was provided to the OIG. Further, Exhibit 3C of the MCR, described the risk assessment requirements for each assessable unit to support the Agency's compliance with the Federal Manager's Financial Integrity Act and OMB Circular A-123. Furthermore, on July 19, 2018 the OMB approved the Agency's request for IPERA reporting relief for RRA and RUIA programs (attached). Finally, the RRB published risk assessments for the non-benefit payment programs in its FY 2017 Performance and Accountability Report, which the OIG found to be compliant with OMB guidance. The RRB management has taken all appropriate steps related to the recommendation and considers this matter closed.

Appendix 2 Implementation Status of OIG Public Recommendations for which Final Action Has Not Need Completed Greater Than 12 Months Old

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OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	6	The Office of Programs should revise and document their definitions of improper underpayments for the Railroad Retirement Act program in compliance with Improper Payments Elimination Act of 2010 guidance, and if similar definitions are used for other programs, revise them accordingly.	N/A	Programs	Concur	Other. See related comments.	Based on RRB OGC legal opinion, we took corrective actions to re-classify all recomputations and all mass adjustment rejects from proper to improper and continue to classify application or adjustment of all temporary or permanent work deductions and underpayments resulting from initial supplemental annuities as proper payments.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	9	The Office of Programs should develop and document the necessary policies and procedures for the review and validation of the Railroad Unemployment Insurance Act improper payment data to be reported in the Performance and Accountability Report.	N/A	Programs	Non-concur	Other. See related comments.	This recommendation was the result of calculation discrepancies by the Bureau of the Actuary (BAR). BAR agreed that Office of Programs could not validate Actuarial values or calculations. RRB is working with the OIG to transfer Report 15-06; Recommendations #9 and #10 to BAR.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	10	The Office of Programs should ensure that the proper controls are in place to make sure that the policies and procedures are followed to properly support the improper payment data reported for Railroad Unemployment Insurance Act program.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 15-06, Recommendation 9 above.
OPEN	Railroad Retirement Board Medicare Contract Oversight Did not Effectively Mitigate Chiopracitic Risks	15-07	6/4/2015	7	The Office of Programs should ensure that Palmetto applies statistical analysis and stratified random sampling where practical to the high volume risk categories.	FY 2023	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Medicare Contract Oversight Did not Effectively Mitigate Chiopracitic Risks	15-07	6/4/2015	9	The Office of Programs should work with Palmetto and the Centers for Medicare and Medicaid Services to conduct a thorough cost benefit analysis that will identify the resources needed to maximize timely and efficient recovery of improper payments for chiopracitic services over the five year recovery period.	N/A	Programs	Non-concur	Other. See related comments.	The RRB did perform a preliminary cost benefit analysis which determined that implementation of this recommendation would not result in a positive return on the dollars invested. The RRB does not believe additional input by CMS would add to the analysis, and therefore seeks closure of this recommendation.
OPEN	Railroad Retirement Board Medicare Contract Oversight Did not Effectively Mitigate Chiopracitic Risks	15-07	6/4/2015	10	The Office of Programs should work with Palmetto and the Centers for Medicare and Medicaid Services to recover the improper chiopracitic service payments for the five year period, where determined to be cost effective based on an accurate cost benefit analysis.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 15-07, Recommendation 9 above.
OPEN	Railroad Retirement Board Medicare Contract Oversight Did not Effectively Mitigate Chiopracitic Risks	15-07	6/4/2015	11	The Office of Programs should work with Palmetto and the Centers for Medicare and Medicaid Services to share information identified during the post-payment reviews as appropriate with the Recovery Audit Contractors and the Zone Program Integrity Contractors where it can be used to identify improper or fraudulent non-Railroad Medicare chiopracitic service payments.	FY 2023	Programs	Concur	Not applicable. Implementation is in progress.	

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OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	1	The Office of Administration should strengthen internal controls to ensure that purchase card training is completed by each purchase card holder within the timeframes required by Office of Management and Budget and agency guidance.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	3	The Office of Administration, in collaboration with other agency management, should develop and document formal agency procedure for changes made to authorized approvers in the travel system.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	4	The Office of Administration, in collaboration with other agency management, should review and revise approval privileges in the RRB's travel system to ensure that the principles for segregation of duties and proper execution of transactions are observed.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	6	The Office of Programs should increase the quantity of cases during its quality assurance review for medical examinations and consultative opinions to ensure that the cases reviewed are representative of the number of cases processed each quarter.	N/A	Programs	Non-concur	Other. See related comments.	In response to a similar Recommendation No. 6 in Audit Report No. 16-02, we increased the sampling size of disability decisions with completed exams and opinions to a statistically representative size. The OIG accepted our request for closure of Recommendation No. 6, Audit Report No. 16-02. Therefore, the Agency considers Recommendation No. 6, Audit Report No. 15-08 to be obsolete.
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	9	The Bureau of Fiscal Operations should strengthen internal controls by establishing a due date for formal responses from all organizations with open obligations to ensure better management of these funds prior to the period of expiration.	N/A	BFO	Non-concur	Other. See related comments.	The RRB's Basic Board Order (BBC) 4, assigns responsibility for liquidation of obligations to each RRB component. The Bureau of Fiscal Operations (BFO) role in the liquidation of obligations process, is to provide up-to-date balance information to each of the RRB components throughout the fiscal year to facilitate liquidation activities. As such, BFO issues 5 separate notices to RRB component entities instructing each to work with Acquisition Management (AM) to de-obligate state balances. AM, specifically the Contracting Officer, has sole authority to obligate or de-obligate funds. Therefore, the recommended action directed at the BFO is outside the scope of BFO's authority and would not result in cost effective or efficient improvements to the process for liquidating obligations.
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	10	The Bureau of Fiscal Operations should establish a follow-up process when responses are not provided within the designated timeframe from all organizations with open obligations.	N/A	BFO	Non-concur	Other. See related comments.	See comments to Audit Report No. 15-08, Recommendation 9 above.
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	11	The Office of Administration should revise agency administrative circulars OA-14 and OA-21 and control activities when agency systems are replaced, or as needed.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	

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OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	12	The Office of Administration should ensure that the effectiveness of controls are tested and documented in a timely manner when new systems become operational, regardless of when the management control review is scheduled.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	16	The Office of Administration, in collaboration with other agency management, should develop policies and procedures to ensure that travel accounts in the RRB's travel system are deactivated in a timely manner when employees leave RRB employment.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Select Financial Management Integrated System Business Process Controls Need Improvement	16-02	11/30/2015	8	The Bureau of Fiscal Operations should implement procedures for regularly recurring reviews of the error override log to better assure strong controls and appropriate business practices.	FY 2022	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Select Financial Management Integrated System Business Process Controls Need Improvement	16-02	11/30/2015	9	The Office of Administration should implement a control to ensure program integrity of the Financial Management Integrated System key vendor data files on an ongoing basis.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Select Financial Management Integrated System Business Process Controls Need Improvement	16-02	11/30/2015	10	The Office of Administration should correct the discrepant vendor information identified during the ongoing program integrity reviews.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Select Financial Management Integrated System Business Process Controls Need Improvement	16-02	11/30/2015	11	The Bureau of Fiscal Operations should implement updated Accounts Payable procedures to coincide with the deployment of the Financial Management Integrated System enhancements for the Invoice Processing Platform.	FY 2022	BFO	Concur	Not applicable. Implementation is in progress.	RRB implemented the U.S. Department of the Treasury's Invoice Processing Platform (IPP) in FY 2021. The RRB is in the process of transitioning existing vendors and awards to IPP using a phased approach. All new invoices for new awards, however, will be processed through IPP this fiscal year (i.e. FY 2022).
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	1	The Office of Programs should modify the medical opinion form to require the doctor to provide a documented conclusion on the medical severity of the claimant's medical ailments.	N/A	Programs	Non-concur	Other. See related comments.	The overall RFC is an administrative determination made by examiners, not medical sources. Per CFR 220.112 examiners consider age, education and past work experience which is not within the expertise of medical sources.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	3	The Office of Programs should ensure that medical opinions resolve all conflicting medical evidence.	N/A	Programs	Non-concur	Other. See related comments.	Medical opinions are used to resolve significant differences in medical findings per DCM 13.10.1.3. Examiners resolve conflicting medical evidence for the primary impairment.

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OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	5	The Office of Programs should modify the medical opinion form to elicit required information from the medical doctors	N/A	Programs	Non-concur	Other. See related comments.	Part IIA of Form G-137SUP captures the information. In addition, the current contractor has been instructed and reminded to ensure that doctors are including documentation throughout the form of where detailed information can be found.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	7	The Office of Programs should update procedures for RRB claims examiners to ensure that all current applicable medical evidence, that has been received in support of the disability based claim, is referenced by the doctor in the medical opinion, before they accept the medical opinion for payment.	N/A	Programs	Non-concur	Other. See related comments.	The contract specifications for medical opinions state the specifics need to resolve conflicting evidence. In addition, examiners are trained to agree, accept, pay and use opinions that appropriately address relevant medical evidence for the primary impairment.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	8	The Office of Programs should update RRB procedures to instruct the RRB claims examiner to meet with the doctor when onsite if the RRB claims examiner is not certain that enough medical evidence is in file.	N/A	Programs	Non-concur	Other. See related comments.	Procedure-DCM 4.11.2 states that examiners can request advice by contacting onsite medical doctor. In addition, CFR 220.12 explains that doctors do not make the decision of disabled, but examiners.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	12	The Office of Programs should take action to recover amounts improperly paid for medical opinions that did not meet the contract requirements for the term of the medical services contract.	N/A	Programs	Non-concur	Other. See related comments.	The claims cited in the audit were processed in calendar year 2014. The current contractor providing medical opinions began December 1, 2015. The prior opinions were used in the adjudication and determined adequate.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	13	The Office of Administration should develop controls to ensure that contract requirements concerning initial license and insurance specifications are met prior to awarding the contract.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	14	The Office of Administration should develop controls to ensure that current licenses are maintained by the medical services provider.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	15	The Office of Administration should develop controls to ensure that proper insurance is maintained.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	

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OPEN	Control Weaknesses Diminish the Value of the Medical Options in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	18	The Office of Administration should develop effective contract ramifications for instances where timeliness standards are not met.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2015 PAR	16-07	5/13/2016	1	The Office of Programs should revise its overall process for the Railroad Retirement Act program that supports improper payment reporting requirements to ensure the accuracy of the data.	N/A	Programs	Non-concur	Other. See related comments.	The RRB routinely reviews and refines the processes for improper payment reporting. OMB has approved the overall methodology which has been in place since 2002. OMB continues to approve the RRB process; therefore, it appears the OIG can close this recommendation given the ongoing cooperation between OMB and the RRB.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2015 PAR	16-07	5/13/2016	2	The Office of Programs should document policies and procedures to ensure that entire receivable balances are recorded in the agency's receivable system.	FY 2023	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2015 PAR	16-07	5/13/2016	3	The Office of Programs should revise its definitions of improper underpayments in the methodology used for the Railroad Unemployment Insurance Act program to ensure that it is in compliance with improper Payment Elimination and Recovery Act of 2010 guidance.	N/A	Programs	Non-concur	Other. See related comments.	The RRB OGC legal opinion determined that our classification of RUIA underpayments is proper and in accordance with the legal definition of Improper Payments under IPERA.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	1	The Executive Committee should perform a time study of Medicare work performed by all agency staff.	FY 2022	EC	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	2	The Executive Committee should establish an OMB Circular A-87 compliant and Centers for Medicare and Medicaid Services approved personnel activity report based system that will ensure the capture and reporting of actual Medicare work performed.	N/A	EC	Non-concur	Other. See related comments.	The RRB is compliant with the terms and conditions of the interagency agreement with the Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS) formerly known as the Health Care Financing Administration, dated April 16, 1991 and its Addendum dated July 30, 2004. The RRB continues to cooperate and collaborate with CMS. Since issuance of this audit report and through ongoing dialogue with CMS, the Bureau of Fiscal Operations (BFO) streamlined the cost allocation plan (CAP) report format, clarified the RRB's methodology, and addressed CMS' inquiries. Consequently, the RRB submitted the subsequent CAP reporting covering actual costs for fiscal years 2015 through 2019 and estimated costs for fiscal year 2020. CMS continues to accept the RRB's streamlined CAP.

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OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	3	The Executive Committee should update the Railroad Retirement Board employee direct labor profiles to represent actual work performed based on an OMB Circular A-87 compliant system methodology.	N/A	EC	Non-concur	Other. See related comments.	The RRB is compliant with OMB Circular A-87 and uses a Multiple Allocation Base method for cost. See also comments associated with Audit Report No. 16-10, Recommendation No. 2.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	4	The Bureau of Fiscal Operations should adopt and implement OMB Circular A-87 as an agency requirement.	N/A	BFO	Non-concur	Other. See related comments.	The RRB is compliant with the terms and conditions of the interagency agreement with the Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS) formerly known as the Health Care Financing Administration, dated April 16, 1991, and its Addendum dated July 30, 2004. The RRB continues to cooperate and collaborate with CMS. Since issuance of this audit report and through ongoing dialogue with CMS, the Bureau of Fiscal Operations (BFO) streamlined the cost allocation plan (CAP) report format, clarified the RRB's methodology, and addressed CMS' inquiries. Consequently, the RRB submitted the subsequent CAP reporting covering actual costs for fiscal years 2015 through 2019 and estimated costs for fiscal year 2020. CMS continues to accept the RRB's streamlined CAP.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	5	The Bureau of Fiscal Operations should work with the Centers for Medicare and Medicaid Services to update the Medicare interagency agreement and establish procedures for maintaining and updating the agreement.	On-Going	BFO	Concur	Other. See related comments.	The RRB continues to cooperate and collaborate with the Centers for Medicare and Medicaid Services; however, the act of updating the referenced Interagency Agreement is dependent upon activities outside of RRB's control; as such, it is difficult to estimate a time for when this recommendation will be resolved.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	6	The Bureau of Fiscal Operations should re-evaluate the RRB's cost allocation plan and implement an OMB Circular A-87 compliant methodology for future Medicare direct labor costs using appropriate specialists and expertise.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	7	The Bureau of Fiscal Operations should utilize and maintain OMB Circular A-87 compliant personnel activity reports and employee certifications through authorization by the Railroad Retirement Board's Executive Committee to ensure that reimbursed Medicare direct labor costs represent costs for actual and allowable Medicare work performed.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	8	The Bureau of Fiscal Operations should work with the Centers for Medicare and Medicaid Services to determine, adjust, and correct any erroneous reimbursement of Medicare direct labor costs beginning with fiscal year 2010 to current based on actual work performed.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.

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OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	9	The Bureau of Fiscal Operations should develop and certify an indirect cost methodology and rate that complies with OMB Circular A-87 using appropriate specialists and expertise.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	10	The Bureau of Fiscal Operations should obtain Centers for Medicare and Medicaid Services approval for the indirect cost methodology and rate developed based on the recommendations in this report.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	11	The Bureau of Fiscal Operations should determine the correct Medicare indirect cost reimbursement amount for fiscal years 2010 to current using the compliant indirect cost rate for the period.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	12	The Bureau of Fiscal Operations should establish procedures requiring annual certification of the cost allocation plan and indirect cost rate prior to reimbursement that complies with OMB Circular A-87.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	13	The Bureau of Fiscal Operations should establish a variance analysis control process that will help to identify indirect cost reimbursement miscalculations and ensure timely corrective action.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	14	The Bureau of Fiscal Operations should submit a detailed indirect cost rate proposal in support of its allowable and allocable indirect labor costs to Centers for Medicare and Medicaid Services for approval prior to reimbursement.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	15	The Bureau of Fiscal Operations should work with the Centers for Medicare and Medicaid Services to determine, adjust, and correct any erroneous reimbursements resulting from the allocation of all of the Railroad Retirement Board's indirect labor and non-labor costs beginning with fiscal year 2010 to current.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.

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OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	16	The Executive Committee should conduct a thorough investigation and determine if the Purpose Statute and/or Antideficiency Act was violated as a result of the RRB's Medicare reimbursement process and report violations in accordance with OMB Circular A-11.	N/A	EC	Non-concur	Other. See related comments.	Refer to comments associated with Audit Report No. 16-10, Recommendation No. 2.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	23	The Bureau of Fiscal Operations should determine the correct Medicare direct labor reimbursement amount using the compliant employee profiles.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance with Federal Requirements	16-10	8/22/2016	24	The Bureau of Fiscal Operations should work with the Centers for Medicare and Medicaid Services to determine, adjust, and correct any erroneous reimbursement of Medicare management costs beginning with fiscal year 2010 to current.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Fiscal Year 2016 Financial Statement Audit Letter to Management	17-03	2/16/2017	2	The Executive Committee should direct RRB management to elevate RRB OIG auditor concerns regarding application of authoritative guidance and laws and regulations to Executive Committee determinations when RRB management disagrees with RRB OIG auditor assessments.	N/A	EC	Non-concur	Other. See related comments.	The Agency does not agree that elevation of OIG audit findings or recommendations to the full Executive Committee is warranted; the Agency's individual Executive Committee members have authority to agree or disagree with an OIG position.
OPEN	Fiscal Year 2016 Financial Statement Audit Letter to Management	17-03	2/16/2017	3	The Executive Committee should develop and implement Executive Committee procedures for enforcement of RRB management responsibilities when RRB management does not take appropriate corrective actions in regard to the application of authoritative guidance and laws and regulations.	N/A	EC	Non-concur	Other. See related comments.	Each Executive Committee member is responsible for ensuring proper application of authoritative guidance, laws, and regulations. Each Executive Committee member reports directly to the Board and is held accountable through the Agency's "SES Performance Management Systems/Executive Performance Agreement" process. The Agency does not agree that it would be cost effective or efficient for the Executive Committee to develop procedures for enforcement of RRB management responsibilities.
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	5	We recommend the Bureau of Fiscal Operations improve training provided for travelers and designated travel approvers to ensure understanding of the FTR and E2.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	Recommendation was transferred from the Bureau of Fiscal Operations to the Office of Administration.
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	6	We recommend the Bureau of Fiscal Operations strengthen and ensure travel policies and procedures to ensure that all travel by RRB staff, including the Board Members and their staff, is in compliance with the FTR.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	Recommendation was transferred from the Bureau of Fiscal Operations to the Office of Administration.
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	9	We recommend that Bureau of Fiscal Operations revise RRB travel policies and procedures to require that temporary duty travel approvers verify that the travel card was used by the traveler, if applicable.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	Recommendation was transferred from the Bureau of Fiscal Operations to the Office of Administration.

Appendix 2 Implementation Status of OIG Public Recommendations for which Final Action Has Not Need Completed Greater Than 12 Months Old

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	10	We recommend that Bureau of Fiscal Operations revise RRB travel policies and procedures to require the non usage of a travel card be justified and documented.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	Recommendation was transferred from the Bureau of Fiscal Operations to the Office of Administration.
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	11	We recommend that Office of Administration conduct refresher training on required travel card usage requirements for travel cardholders and approvers to ensure compliance with the FTR.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	12	We recommend the Office of Administration update their process for the issuance and deactivation of travel cards to ensure compliance with Federal law and RRB travel policies and procedures.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	13	We recommend the Office of Administration strengthen controls to ensure that all travel costs over per diem be properly approved by the bureau head, prior to travel, and documented in E2.	N/A	Administration	Non-concur	Other. See related comments.	Carlson Wagonlit Travel and General Services Administration (GSA) have designed E2 Solutions to comply with the requirements of the FTR. All Federal agencies are utilizing this system or a similarly configured and FTR compliant system from the other E-Travel system contractor. The current drop down menu feature is determined by the GSA E-Travel Office (the designated Government-wide manager of E-Travel) as sufficient to meet the requirements of the FTR to document travel costs over per diem.
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	14	We recommend the Office of Administration establish controls to ensure that "after-the-fact" lodging reimbursements above per diem are properly approved by the bureau head and documented in E2 with support beyond the predefined justifications.	N/A	Administration	Non-concur	Other. See related comments.	See comments to Audit Report No. 17-04, Recommendation No. 13.
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	19	We recommend the Bureau of Fiscal Operations conduct refresher training for travelers and travel approvers on the FTR and RRB travel policies and procedures to ensure that travel documentation is properly uploaded and maintained in E2.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	Recommendation was transferred from the Bureau of Fiscal Operations to the Office of Administration.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2016 PAR	17-05	5/12/2017	1	We recommend that the Bureau of Fiscal Operations take the actions as required by OMB guidance in regard to noncompliance for third consecutive year for the same program to ensure that RRB programs for vendor payments and employee payments are brought into compliance.	N/A	BFO	Non-concur	Other. See related comments.	The RRB disagrees that it was noncompliant with OMB IPERA reporting guidance for vendor and employee payments. Revisions to the referenced risk assessments were completed in accordance with OMB guidance prior to issuance of Audit Report No. 17-05 and that fact confirmed in Audit Report No. 18-05.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2016 PAR	17-05	5/12/2017	2	We recommend that the Office of Programs revise its computation for application of improper payment percentages for the RRA program associated with initial and post underpayments to ensure that they are separately applied to the applicable components in RRB calculations of the total improper payments.	N/A	Programs	Non-concur	Other. See related comments.	For the purpose of determining a percentage of RRA improper payments made in the 'Non-Categorized Payments' of underpayment accruals, we currently apply improper payment percentages developed from both our initial and post adjudication quality assurance reviews. It is a tool that we consider to be the most accurate methodology to calculate an estimation of initial and post underpayment accruals.

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OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	1	We recommend that the Office of Programs increase the frequency in which data is extracted from RRB systems for the universe identification of Railroad Retirement Act initial cases for the Program Evaluation Section's quality assurance sample review to increase the completeness of initial award identification.	N/A	Programs	Non-concur	Other. See related comments.	The RRB's current monthly process of extracting initial claims data is efficient, statistically valid, and creates an accurate universe of all initial approvals and denials in the fiscal year. All initial actions (both awards and denials) have an equal chance of being selected. The Office of Programs has reviewed the cycle for extracting data from claims in order to provide quality assurance reviews and finds that the current monthly cycle provides efficient and satisfactory data.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	2	We recommend that the Office of Programs revise the sample selection process for Railroad Retirement Act initial cases to ensure that the proper award actions are identified to achieve its intended purpose to assess the accuracy of the recurring payment amount at the annuity beginning date.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 1 above.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	3	We recommend that the Office of Programs revise and implement its quality assurance policies and procedures to ensure the statistical validity of sample results.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 1 above.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	4	We recommend that the Office of Programs provide training to Program Evaluation Section staff related to statistical sampling to ensure that individual case results and overall results are statistically valid.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 1 above.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	5	We recommend that the Office of Programs document the complete sampling methodology in its quality assurance reports and quality assurance policies and procedures.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 1 above.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	7	We recommend that the Office of Programs revise Program Evaluation Section's documented policies and procedures to ensure that they are complete.	N/A	Programs	Concur	Not applicable. Awaiting OIG closure of recommendation.	We completed the necessary internal documentation of the procedures for our quality review processes.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	8	We recommend that the Office of Programs formally develop and document Program Evaluation Sections' internal controls needed to ensure the integrity and accuracy of its operation and related results.	N/A	Programs	Concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 7 above.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	9	We recommend that the Office of Programs periodically test Program Evaluation Sections' internal controls.	N/A	Programs	Concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 7 above.

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OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	10	We recommend that the Office of Programs design and implement an annual sample of benefit payments without recent adjudicative activity to provide a more complete payment accuracy rate and to help further protect trust funds.	N/A	Programs	Non-concur	Other. See related comments.	The Office of Programs has conducted an annual quality assurance review of initial and post awards since 1985. Each award activity is eligible for study selection during the fiscal year in which the events occurred. Study results are statistically valid and represent the universe of initial and post award activities; therefore, the Office of Programs believes that current activities satisfy the intent of recommendation.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	11	We recommend that the Office of Programs revise its process for documenting benefit payment amounts used to compute its payment accuracy rates to ensure its accuracy.	N/A	Programs	Non-concur	Other. See related comments.	Our review is an evaluation of the complete initial award process and our methodology ensures an accurate measurement. Adjustments by a third reviewer are critical to ensure accuracy. Therefore, we currently utilize the appropriate benefit payment amounts in our QA review computations.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	12	We recommend that the Office of Programs revise its quality assurance policies and procedures to ensure that the three required reviews are all conducted and documented for the same award action.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 11 above.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	15	We recommend that the Office of Programs improve internal controls for quality assurance cases to ensure that connective actions are initiated and completed in accordance with its policies and procedures.	N/A	Programs	Non-concur	Other. See related comments.	OP's responsibility is to identify and disseminate findings of errors and patterns of errors. We initiate the establishment of corrective actions and completion timeframes with the responsible managers. We maintain a full historical inventory of all pending corrective actions and, on an annual basis, update our inventory with current status.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	17	We recommend that the Office of Programs revise its policies to obtain greater assurance of accuracy and integrity by independently validating Railroad Retirement Act performance results provided by other RRB organizational units.	N/A	Programs	Non-concur	Other. See related comments.	RRB Administrative Circular RRB-2 stipulates that reporting managers and their staffs are responsible and accountable for collecting, validating, and reporting accurate data. In addition, through the Management Control Review (MCR) process, each manager certifies to the validity of their data on a periodic basis.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	18	We recommend that the Office of Programs revise the applicable quality assurance checklist used for segregation of duties compensating control to include verification that the annuitant's name matches the name on the examination order.	N/A	Programs	Non-concur	Other. See related comments.	The Office of Programs believes that the omission of the 'name' field on the exam checklist had no impact on the validity of reports. Each exam reviewed in the quality assurance sampling was checked against the claim number for verification, providing assurance that the exam ordered was for the specific RRB annuitant. Since FY 2017, Office of Programs ensures the annuitant's name is appropriately recorded for each exam and opinion case reviewed in order to perform the verification check. Since name-match verification is already performed, the Office of Programs believes 17-07 #18 and #19 may be closed.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	19	We recommend that the Office of Programs conduct the name match assessment for fiscal year 2014 through the current period to determine accuracy of the reported results. If reported results were erroneous, update as appropriate.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 18 above.

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OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	1	The Bureau of Information Services should allocate sufficient resources to develop or complete the required updates of comprehensive records management policies and procedures that incorporate applicable OMB and NARA guidance.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	2	The Bureau of Information Services should develop and implement policies and procedures requiring records management training for new and existing employees and contractors, as well as employees with specialized records management roles and responsibilities. Ensure training for existing employees and contractors is administered annually.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	3	The Bureau of Information Services should develop and implement records management policies and procedures required for separating employees, including the detailed roles and responsibilities of the separating employee and other RRB officials. Work with the Office of Administration in implementing the policies and procedures agencywide.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	4	The Bureau of Information Services should update existing policies and procedures to include explicit notification of criminal penalties that may be charged to employees for unlawful removal or destruction of agency records.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	5	The Bureau of Information Services should develop and implement policies and procedures for managing and preserving records created or received using electronic messaging systems.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	6	The Bureau of Information Services should develop and implement policies and procedures for metadata, enterprise rights management, and encryption considerations when transferring electronic records to NARA.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	7	The Bureau of Information Services should develop supplemental records management training materials that are specific to RRB's vision, including RRB specific requirements and initiatives, and ensure the RRB records management training curriculum includes this additional content.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	8	The Bureau of Information Services should work with the Office of Administration to ensure that all newly hired contractors are required to complete the full records management training course within 30 days of their hire date.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	

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OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	9	The Bureau of Information Services should develop and implement roles-based training for senior officials (as defined by NARA) to ensure full understanding of their responsibilities under the RRB's records management program. This training should also include content on actions to be taken when the senior official separates from RRB employment.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	10	The Bureau of Information Services should prepare and disseminate additional training content to records liaisons on their responsibilities under the Capstone program. The training content should include practical examples of what actions the records liaisons should take to fulfill their responsibilities.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	11	The Bureau of Information Services should develop specific records management performance goals with target completion dates and performance measures for significant OMB and NARA requirements.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	12	The Bureau of Information Services should ensure a comprehensive inventory of non electronic records, including paper and other forms of media, is performed and used to prepare or update RRB records disposition schedules. Resulting records schedules should be approved by NARA in accordance with OMB Circular A-130.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	13	The Bureau of Information Services should perform a comprehensive review and update of Administrative Circular IRM-4 to ensure the roles and responsibilities of agency employees involved in records management are complete and include accurate timeframes for performing their respective duties.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Fiscal Year 2017 Financial Statement Audit Letter to Management	18-04	2/8/2018	6	We recommend that the Bureau of Fiscal Operations revise and document manual and automated internal controls to ensure prevention of Antideficiency Act violations.	N/A	BFO	Non-concur	Other. See related comments.	The Bureau of Fiscal Operations has policies and procedures in place to prevent Antideficiency Act violations. The audit results discussed a recording issue related to a year end adjustment; at no time did expenditures exceed appropriations. Additionally, the audit results did not identify an actual violation of the Antideficiency Act.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2017 PAR	18-05	5/9/2018	2	The Bureau of Fiscal Operations should identify and post all existing unposted returned payments.	FY 2023	BFO	Concur	Not applicable. Implementation is in progress.	BFO has implemented procedures as appropriate and anticipates closure of this recommendation in FY 2023.

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OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2017 PAR	18-05	5/9/2018	3	The Bureau of Fiscal Operations should identify the cause for unposted returned payments and take the necessary corrective actions to ensure the accuracy of future reported recaptured amounts.	FY 2023	BFO	Concur	Not applicable. Implementation is in progress.	BFO has implemented procedures as appropriate and anticipates closure of this recommendation in FY 2023.
OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	1	The Management Control Review Committee should establish an internal control evaluation based on the requirements provided in the revised Office of Management and Budget Circular A-123.	FY 2024	MCRC	Concur	Not applicable. Implementation is in progress.	The Agency has made substantial progress with implementing ERM; however, achieving a fully integrated and effective ERM program is a multi-year effort.
OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	2	The Management Control Review Committee should implement formal internal control activities in the Current Risk Response portion of their risk profile.	FY 2024	MCRC	Concur	Not applicable. Implementation is in progress.	Please see comments to Audit Report No. 18-07, Recommendation No. 1.
OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	3	Executive Committee should implement an agencywide enterprise risk management program.	FY 2024	EC	Concur	Not applicable. Implementation is in progress.	Please see comments to Audit Report No. 18-07, Recommendation No. 1.
OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	6	Management Control Review Committee should document and maintain current support for Risk Profile determinations.	FY 2024	MCRC	Concur	Not applicable. Implementation is in progress.	Please see comments to Audit Report No. 18-07, Recommendation No. 1.
OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	7	Management Control Review Committee should include assessable units in risk profile that are critical to the RRB's strategic goals.	FY 2024	MCRC	Concur	Not applicable. Implementation is in progress.	Please see comments to Audit Report No. 18-07, Recommendation No. 1.
OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	8	Management Control Review Committee should acknowledge material weaknesses and revise assessments accordingly in the next risk profile.	N/A	MCRC	Non-concur	Other. See related comments.	The Agency has disagreed with the OIG's cited material weaknesses.
OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	10	Management Control Review Committee should monitor audit recommendations on a regular basis and take action to ensure they are closed in the required timeframe.	N/A	MCRC	Concur	Other. See related comments.	Each audit finding and related recommendation is addressed to the respective Executive Committee member. Each Executive Committee member reports directly to the Board and is held accountable through the Agency's "SES Performance Management Systems/Executive Performance Agreement" process. The MCRC has taken action to monitor all open recommendations on a regular basis and provided such notifications to the respective Executive Committee member; however, the MCRC does not have the authority to ensure that each is closed in the required timeframe. No further action will be taken associated with this recommendation.

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OPEN	Railroad Retirement Board Write-off and Waiver Processes were not Fully Efficient, Effective, or Adequate	19-05	2/20/2019	1	We recommend the Bureau of Fiscal Operations develop or update, and implement comprehensive written policies and step by step procedures for all write-off and waiver processes, to include day to day operations, documentation and approvals, roles and responsibilities	FY 2023	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Write-off and Waiver Processes were not Fully Efficient, Effective, or Adequate	19-05	2/20/2019	2	We recommend the Bureau of Fiscal Operations develop and implement controls to ensure debt balances that can be collected are not forfeited due to automatic \$25 write-off or \$100 waiver thresholds.	FY 2023	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Write-off and Waiver Processes were not Fully Efficient, Effective, or Adequate	19-05	2/20/2019	3	We recommend the Bureau of Fiscal Operations conduct training on new policies and procedures to ensure that decision making is consistent.	FY 2023	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Write-off and Waiver Processes were not Fully Efficient, Effective, or Adequate	19-05	2/20/2019	4	We recommend the Bureau of Fiscal Operations update Management Control Review documentation to reflect the new policies and procedures and changes in write-off and waiver processing which resulted from the migration to Financial Management Integrated System	FY 2023	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Fiscal Year 2018 Financial Statement Audit Letter to Management	19-06	2/20/2019	1	We recommend that the Bureau of Fiscal Operations conduct additional training or implement other control procedures to ensure the accuracy of the preparation and review of the Performance and Accountability Report, financial statements and related notes, and the closing package.	N/A	BFO	Non-Concur	Other. See related comments.	The finding and related recommendation focused on errors identified in various draft documents, which were mischaracterized as reporting errors. The draft documents reviewed during the course of the audit were concurrently flowing through the Agency's compilation, update, and review process. As such, the discrepancies identified in the various draft versions of the documents were corrected prior to publishing the Fiscal Year (FY 18) Performance and Accountability Report (PAR), therefore, there were no reporting errors.
OPEN	Fiscal Year 2018 Financial Statement Audit Letter to Management	19-06	2/20/2019	2	We recommend the Bureau of Fiscal Operations work with the Financial Management Integrated System contractor to create procedures to ensure the general ledger accounts are properly mapped to the financial statement lines in the Financial Management Integrated System (FMIS).	N/A	BFO	Non-Concur	Other. See related comments.	The finding and related recommendation focused on the submission of FY18 FMIS generated Combined Statement of Budgetary Resources (SBR) was delayed during the audit due to the issuance of Office of Management and Budget (OMB) Circular A-136, on July 30, 2018, that required significant changes to the SBR. When the Agency received the new guidance, it immediately began work with the FMIS contractor to implement the changes. Also, Agency representatives had identified mapping errors and been working with the FMIS contractor to implement the programming changes on the Consolidated Balance Sheet (BS), which delayed its submission to the OIG. The FMIS is contractor operated and maintained. The Agency has an operations and maintenance contract that includes a process to address necessary financial reporting changes. Therefore, the intent of the recommendation has already been met.

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OPEN	Fiscal Year 2018 Financial Statement Audit Letter to Management	19-06	2/20/2019	3	We recommend the Bureau of Fiscal Operations work with the Financial Management Integrated System contractor to conduct periodic testing to ensure proper mapping of general ledger accounts to the financial statement lines in Financial Management Integrated System.	N/A	BFO	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-06, Recommendation No. 2.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	1	The Executive Committee should develop a comprehensive agency-wide process for maintaining, monitoring and reporting on unapplied cash to ensure that all unapplied cash items are properly identified, recorded, monitored, reconciled, investigated, and resolved.	N/A	EC	Non-Concur	Other. See related comments.	The audit report states that "unapplied cash is not material to the RRB's financial statements..." The agency's Executive Committee (EC) is already engaged in monitoring unapplied cash and two EC members, the Chief Financial Officer and the Director for the Office of Programs (OP), have said responsibility, comprehensive agency-wide process, monitored by the Senior Executive Officer on behalf of the Board, is not an effective or efficient use of agency resources.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	6	The Bureau of Fiscal Operations should work with the Railroad Retirement Board's Financial Management Integrated System contracted service provider to implement modifications to ensure that all unapplied cash transactions (unapplied cash receipts received, carried over from prior year, and receipts disposed of (applied to debt)) are maintained going forward, for completeness and accountability.	N/A	BFO	Non-Concur	Other. See related comments.	The Agency coordinated with CGI to implement posting logic fixes in fiscal year 2018. As a result of this completed corrective effort, the intent of the recommendation had been met. The agency provided the OIG evidence of the corrective efforts (i.e. posting logic fixes) during the course of audit fieldwork. The agency considers the corrective action taken sufficient to address this recommendation.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	8	The Bureau of Fiscal Operations should work with the Railroad Retirement Board's Financial Management Integrated System contracted service provider to correct posting logic for unapplied cash to ensure that unapplied cash transactions are properly recorded.	N/A	BFO	Non-Concur	Other. See related comments.	Corrective action was completed and evidence of such action was provided to the auditors during the course of audit fieldwork. The Agency considers the corrective action taken sufficient.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	9	The Bureau of Fiscal Operations should establish internal controls over accounting adjustments for unapplied cash to ensure that the adjustments are proper and that balances are accurate	N/A	BFO	Non-Concur	Other. See related comments.	The Agency determined that the adjustment to unapplied cash was proper and recorded appropriately in accordance with established internal control procedures.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	10	The Bureau of Fiscal Operations should develop and maintain an unapplied cash aging report to ensure proper monitoring and timely processing of unapplied cash receipts.	N/A	BFO	Non-Concur	Other. See related comments.	The FMS system in its current capabilities met the intent of the recommendation, as such, the Agency determined that further action would not be cost effective.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	11	The Office of Programs should work with the Railroad Retirement Board's Bureau of Information Services to implement Overpayment Recovery Correspondence System modifications to ensure that unapplied cash historical files (carried over from prior years, and receipts disposed of (applied to debt)) are maintained for completeness and accountability	N/A	Programs	Non-Concur	Other. See related comments.	In light and in the context of the Agency's significant re-engineering/IT modernization efforts the Agency will assess the viability of the Unapplied Cash application and future archiving capabilities and take appropriate action.

Appendix 2

Implementation Status of OIG Public Recommendations for which Final Action Has Not Need Completed Greater Than 12 Months Old

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	12	The Bureau of Fiscal Operations should establish and implement unapplied cash control activities to ensure that a qualified person is assigned a key role for the overall responsibility of coordinating and overseeing all control activities for the unapplied cash process across organizations and assessable units.	N/A	BFO	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-08, Recommendation No. 1.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	13	The Office of Programs should work with the Bureau of Fiscal Operations to establish and implement control activities to ensure that the Overpayment Recovery Correspondence System Unapplied Cash Application is fully interfaced with the Financial Management Integrated System so that all unapplied cash transactions are properly processed and recorded in the Overpayment Recovery Correspondence System Unapplied Cash Application.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-08, Recommendation No. 11.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	14	The Bureau of Fiscal Operations should establish and implement control activities to ensure that the Financial Management Integrated System is fully interfaced with the Overpayment Recovery Correspondence System Unapplied Cash Application so that all unapplied cash transactions are properly processed and recorded in the Financial Management Integrated System.	N/A	BFO	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-08, Recommendation No. 11.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	1	The Office of Programs submit a plan, within 90 days, to the Senate Committee on Homeland Security and Governmental Affairs, the House Committee on Oversight and Government Reform, and the Office of Management and Budget, describing the actions that the agency will take to become compliant.	N/A	Programs	Non-Concur	Other. See related comments.	The RRB's reporting of Medicare improper payment data is redundant to Medicare improper payment reporting completed by the United States Department of Health and Human Services (HHS) and resulted in overstated improper payments at the Government-wide level. Therefore, and in agreement, with the Centers for Medicare and Medicaid Services (a component of HHS) and with notification to the Office of Management and Budget, effective with fiscal year 2019 the RRB no longer reports on Medicare improper payments in its Performance and Accountability Report (PAR). The Agency is compliant with IPERA reporting.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	2	The Office of Programs achieve a gross improper payment rate of less than 10 percent for Railroad Medicare. The Office of Programs through the Railroad Retirement Board's Specialty Medicare Administrative Contractor should continue to work with Medicare providers to communicate the documentation requirements and monitor the adherence to such requirements throughout the year.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-09, Recommendation No. 1.

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OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	4	The Office of Programs obtain and maintain the applicable Railroad Medicare sampling and estimation plan agency certification. It must be a Centers for Medicare and Medicaid Services certification. Railroad Retirement Board Chief Financial Officer's certification, or other Railroad Retirement Board program official's certification.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-09, Recommendation No. 1.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	5	The Office of Programs obtain the Railroad Medicare sampling and estimation plan for the fiscal year 2019 payment integrity reporting cycle.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-09, Recommendation No. 1.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	6	The Office of Programs establish a written policy to ensure subsequent Railroad Medicare sampling and estimation plans are obtained and readily available for review so that a qualified statistician would be able to replicate what was done or so that Office of Management and Budget, agency Inspector General, or Government Accountability Office personnel can evaluate the design.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-09, Recommendation No. 1.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	7	The Office of Programs submit the Railroad Medicare sampling and estimation plan for fiscal year 2019 to the Office of Management and Budget by the June 30th deadline.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-09, Recommendation No. 1.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	8	The Office of Programs obtain the Office of Management and Budget approval for Railroad Medicare's overall reduction target rate.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-09, Recommendation No. 1.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	9	The Office of Programs and the Office of Administration work together to update the Memorandum of Understanding (MOU) 13-61) to describe the applicable agency responsibilities as they pertain to Improper Payments Elimination and Recovery Act laws and Office of Management and Budget guidance for payment integrity reporting.	N/A	Programs	Non-Concur	Other. See related comments.	The RRB remains committed to having the most current Memorandum of Understanding (MOU) in place with the Center for Medicare and Medicaid Services (CMS). However, the updating of the MOU requires collaboration of both CMS and the RRB and is not within the sole control of RRB.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	10	The Office of Programs include a brief narrative of the reduction in improper payments that is attributable to the Do Not Pay Initiative for Railroad Medicare and associated systems.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-09, Recommendation No. 1.

Appendix 2 Implementation Status of OIG Public Recommendations for which Final Action Has Not Need Completed Greater Than 12 Months Old

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	11	The Office of Programs identify, publish, and provide a justification for Railroad Medicare uncollectible amounts.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-09, Recommendation No. 1.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	15	The Office of Programs adopt the Office of Management and Budget's recommended best practice and describe statutory or regulatory barriers in the fiscal year 2019 Performance and Accountability Report.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-09, Recommendation No. 1.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	16	The Office of Programs update applicable performance appraisals with specific criteria for meeting applicable improper payment reduction targets and establish and maintain sufficient internal controls to reduce improper payments in accordance with Office of Management and Budget Circular A 136	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-09, Recommendation No. 1.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	17	The Office of Programs develop and implement an internal control process (e.g. a checklist) to ensure all updates to Appendix C and Office of Management and Budget Circular A 136 relating to improper payments are sufficiently addressed for payment integrity reporting.	N/A	Programs	Non-Concur	Other. See related comments.	The Agency has an established internal control process in place to maintain ongoing awareness of revisions to OMB Circular A-123, Appendix C and A-136.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	18	The Office of Programs work with the Centers for Medicare and Medicaid Services to meet the needs of Railroad Retirement Board's payment integrity reporting. If the Railroad Retirement Board is not able to obtain claims data that coincides with the fiscal year being reported, obtain Office of Management and Budget's approval for the delayed reporting timeframe.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-09, Recommendation No. 1.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	19	The Office of Programs and the Office of Administration work together to update the Memorandum of Understanding (MOU) 13-61 dated April 12, 2013 to ensure it reflects the applicable agency responsibilities as they pertain to improper payment reporting sampling and estimation plans.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-09, Recommendation No. 1.
OPEN	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	7	We recommend that the Office of Administration/Division of Acquisition Management obtain the signed copies of the contracting officer's representative designation letter for the identified contracts and include them in the contract files.	N/A	Administration	Non-Concur	Other. See related comments.	The Federal Acquisition Regulations Subpart 1.602-2(d), RRB Basic Board Order 5, and Office of Administrative Circular No. 14 (OA-14) are silent on any requirement to obtain a countersignature from the designated Contracting Officer's Representative and maintain such in the contract file.

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OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	8	We recommend that the Office of Administration/Division of Acquisition Management include obtaining the signed contracting officer's representative designation letter as part of standard checklist guidance to be included in the contract file listing required award and administration documentation, identifying if the documentation was applicable to the award, and indicating the section in which supporting documents are located.	N/A	Administration	Non-Concur	Other. See related comments.	See comments to Audit Report No. 19-14, Recommendation No. 7.
OPEN	The RRB Disability Programs Do Not Effectively Consider Fraud Risk Indicators in the Disability Decision Process	19-16	9/27/2019	1	DP George recommended that the Office of Programs/Disability Benefits Division define definitive fraud risks within the disability programs based on a comprehensive fraud risk assessment.	N/A	Programs	Non-Concur	Other. See related comments.	The Code of Federal Regulations and established Agency policy meet the intent of the recommendation, by providing potential fraud risk indicated, best practices to for examining disability claims.
OPEN	The RRB Disability Programs Do Not Effectively Consider Fraud Risk Indicators in the Disability Decision Process	19-16	9/27/2019	2	DP George recommended that the Office of Programs/Disability Benefits Division use the fraud risks identified to establish a scoring or other process for determining those applications where a higher risk of fraud or abuse occurring exists.	N/A	Programs	Non-Concur	Other. See related comments.	The Code of Federal Regulations and established Agency policy meet the intent of the recommendation, by providing detailed guidance on the adjudication of disability claims. Additionally, the Agency requires employees including disability examiners to complete fraud awareness training regularly.
OPEN	The RRB Disability Programs Do Not Effectively Consider Fraud Risk Indicators in the Disability Decision Process	19-16	9/27/2019	3	DP George recommended that the Office of Programs/Disability Benefits Division establish additional supervisory review and documentation protocols to ensure that decisions for higher risk applications are sufficiently reviewed and consistently documented to reflect the basis for the decision.	N/A	Programs	Non-Concur	Other. See related comments.	The Agency's current process and procedures meet the intent of the recommendation by requiring all initial disability applications to be reviewed by a post examiner prior to authorization. Further, examiners must refer cases to managers for guidance where they have questions, concerns, or identify suspicious patterns that may indicate fraud potential fraud.
OPEN	The Use of Medical Experts During Disability Determinations at the Railroad Retirement Board Can Be Improved	19-17	9/27/2019	1	DP George recommended that the Office of Programs establish procedures specifying how differences in medical assessments between medical experts, including the disability claims examiner, should be documented and reviewed to ensure the basis for the final decision is clearly evident in the disability case file.	N/A	Programs	Non-Concur	Other. See related comments.	The Code of Federal Regulations (CFR) and established Agency policy meet the intent of the recommendation. The CFR explains how medical opinions are to be weighted in the determination of a disability and states that greater weight is given to opinions from treating sources. Agency procedures instruct examiners on how to view medical evidence, discusses significant differences in medical findings and how to approach residual functional capacity, and provides instructions on how to complete the final determination which describes how the examiner handled conflicting medical evidence.
OPEN	The Use of Medical Experts During Disability Determinations at the Railroad Retirement Board Can Be Improved	19-17	9/27/2019	2	DP George recommended that the Office of Programs gather details about areas where a lack of objective findings to support medical assessments are observed in medical exam reports provided by contracted medical experts, and establish a process with the contracted medical experts for discussing and improving the consistency and quality of future medical exam reports.	N/A	Programs	Non-Concur	Other. See related comments.	The Agency has an established process that meets the intent of this recommendation and complies with the Federal Acquisition Regulations.

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OPEN	Audit of RRB's First Quarter of Fiscal Year 2019 DATA Act Submission	20-01	11/6/2019	9	The Bureau of Actuary and Research ensure financial assistance awards containing personally identifiable information are reported in accordance with Office of Management and Budget Memorandum M-17-04.	FY 2022	BAR	Concur	Not applicable. Awaiting OIG closure of recommendation.	Bureau of Actuary and Research is preparing additional information for OIG's consideration following up on our original May 2020 request to close this recommendation.
OPEN	Audit of RRB's First Quarter of Fiscal Year 2019 DATA Act Submission	20-01	11/6/2019	10	The Bureau of Actuary and Research ensure DATA Act file assistance award preparers obtain training over the reporting of financial assistance awards containing personally identifiable information. For example, financial assistance award should be reported at the most granular level practicable while protecting personally identifiable information. The RRB and Bureau of Actuary and Research should consider the different available Record Types as described in Appendix V.	FY 2022	BAR	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of RRB's First Quarter of Fiscal Year 2019 DATA Act Submission	20-01	11/6/2019	11	The Bureau of Fiscal Operations develop a plan to obtain an automated interface between the RRB's benefit paying systems and the RRB's financial system that would ensure the RRB is in compliance with Office of Management and Budget Management Performance.	On-Going	BFO	Concur	Not applicable. Implementation is in progress.	As agreed to by the Audit Manager for OIG Report No. 20-01, RRB met the intent of this recommendation by discussing the matter further with the Office of Management and Budget (OMB) in December 2019. On December 5, 2019, OMB granted an extension for this requirement, where OMB and RRB would further discuss the timeline to achieve this recommendation based upon a revised IT modernization plan. BFO will coordinate with the Chief Information Officer and OMB to identify a target timeline to achieve this recommendation pursuant to RRB's current IT modernization plan.
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2019	20-02	11/15/2019	2	We recommend that the Executive Committee establish policies and procedures for ensuring agency compliance with indirect laws, regulations, and contracts.	N/A	EC	Non-Concur	Other. See related comments.	In its findings, the OIG states that "RRB management has not established effective policies and procedures for preventing agency noncompliance with indirect laws, regulations and contracts..." We disagree with this statement and have previously communicated to the OIG that compliance with laws and regulations is intertwined throughout various agency policy and procedure documents, such as our administrative circulars and others, as well as throughout the extensive documentation compiled to comply with the Federal Manager's Financial Integrity Act of 1982 (FMFIA). The Agency's Management Control Review (MCR) program directly fulfills the requirements of FMFIA and is an example of a well-established policy and procedure to help ensure compliance with indirect laws, regulations, and contracts.

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OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2019	20-02	11/15/2019	3	We recommend that the Executive Committee establish policies and procedures for identifying treaties and international agreements impacting the Railroad Retirement Board or its component, the National Railroad Retirement Investment Trust.	N/A	EC	Non-Concur	In its findings, the OIG states that "RRB management has not established effective policies and procedures ... for identifying treaties and international agreements impacting the RRB or its component NRRIT." We first note that the OIG has not cited any specific instance of our failure to identify a treaty or international agreement impacting the RRB or NRRIT. Both treaties and international agreements are either entered into with the advice and consent of the Senate or reported to Congress by the State Department. Accordingly, any policies and procedures that provide for regular monitoring and reporting of actions in Congress would necessarily result in the identification of either type of agreement. As noted in the FY 2019 Financial Statement Audit, Laws and Regulations, Cycle Synopsis that was provided to the OIG, the RRB monitors for changes in laws through the Office of Legislative Affairs, which "monitors legislation and notifies RRB officials of new developments." Such monitoring specifically serves to notify the General Counsel of any treaties and/or international agreements involving and/or affecting the RRB or NRRIT. It is then within the General Counsel's regular duties to review, analyze, interpret, and provide relevant guidance relating to any law, regulation, or policy, to include treaties and international agreements, which impacts the RRB or NRRIT. We therefore find that our current policies and procedures are effective and further find it unnecessary to establish, as noted by the OIG, a "policy or procedure to obtain Department of State assurance" regarding the impact of any treaty or international agreement on the RRB or NRRIT as the OIG did not provide any explanation as to why such assurance would be necessary in light of the above.		
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2019	20-02	11/15/2019	4	We recommend that the Bureau of Fiscal Operations acquire additional staff and funding to increase the Audit and Compliance Section's coverage of railroad employer compensation reporting to ensure that a sufficient quantity of railroad audits, including Class 1 railroads, are conducted to establish and maintain a level of control effectiveness.	On-Going	BFO	Concur	Not applicable. Implementation is in progress.	We share the OIG's concerns and take our responsibility for ensuring the accuracy of reported Tier I and Tier II creditable service and taxable compensation very seriously. To that end, we have made significant strides to add staff resources and increase audit coverage during fiscal years 2019 and 2020. As previously reported, we retained and transitioned an existing employee into an audit role in fiscal year 2019. Additionally, in fiscal years 2019 and 2020 we were able to hire four seasoned auditors from outside of the Agency. These actions increased the audit staff from one to six. Finally, with increased staffing levels we have several audits in progress, we completed a non Class 1 audit in FY 2021 and plan to include a Class 1 railroad in our fiscal year 2022-2023 audit activity.	
OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	4	We recommend that the Bureau of Human Resources, in coordination with the Telework Managing Officer develop controls to ensure supervisors complete telework training prior to managing teleworkers.	N/A	Administration	Non-concur	Other. See related comments.	There is no requirement in either the Telework Enhancement Act or the Office of Personnel Management's (OPM) Guide to Telework in the Federal Government that requires supervisors to receive training prior to managing teleworkers.	
OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	5	We recommend that the Bureau of Human Resources, in coordination with the Telework Managing Officer develop controls to ensure written telework agreements are executed by the employee and supervisor prior to teleworking.	N/A	Administration	Non-concur	Other. See related comments.	The RRB will continue through our policy and training, to reinforce the requirements of the Telework Enhancement Act that indicates, in part, a written agreement is executed by the employee and supervisor prior to teleworking.	

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OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	6	We recommend that the Bureau of Human Resources, in coordination with the Telework Managing Officer perform an initial evaluation of the Railroad Retirement Board's telework program in accordance with the Office of Personnel Management's Guide to Telework in the Federal Government, the Government Accountability Office's Key Practices to Increasing Federal Telework, and the Railroad Retirement Board's Work-At-Home Program policy.	N/A	Administration	Non-concur	Other. See related comments.	There is nothing in the Telework Enhancement Act that requires an Agency to evaluate the telework program. In addition, there are no OPM rules or regulations requiring program evaluation. Also the GAO information, from 2004, predates the Telework Enhancement Act of 2010. RRB revised our policy (draft as of April 2020) to clarify evaluation efforts for telework.
OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	7	We recommend that the Bureau of Human Resources, in coordination with the Telework Managing Officer update the Railroad Retirement Board's Work-At-Home Program policy to include clear and specific requirements for evaluation of the telework program, both for the individual teleworker and for the Railroad Retirement Board as a whole, including frequency, documentation, and reporting requirements.	N/A	Administration	Non-concur	Other. See related comments.	See comments to Audit Report No. 20-05, Recommendation No. 6.
OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	8	We recommend that the Bureau of Human Resources in coordination with the Telework Managing Officer develop procedures to be included in the Railroad Retirement Board's Work-At-Home Program policy for collecting data, maintaining records, and reporting accurate telework data to the Office of Personnel Management.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of Railroad Retirement Board's Compliance with Improper Payments Reporting in the Fiscal Year 2019 PAR	20-06	5/12/2020	1	We recommend that the Office of Programs create and submit proposals to Office of Management and Budget during their next budget submission that will bring the agency into compliance. If the Director of Office of Management and Budget determines that additional funding would help the agency become compliant, the agency should obligate an amount of additional funding determined by the Director of Office of Management and Budget to intensify compliance efforts.	N/A	Programs	Non-concur	Other. See related comments.	Through consultation between CMS and the RRB's General Counsel, we agree that CMS is responsible for reporting the Medicare (FFS) improper payment rate as determined through the CERT program. CMS and RRB agree that Medicare FFS should be treated as one program and the Medicare FFS program improper payment rate will continue to be reported in HHS's AFR.
OPEN	Audit of Railroad Retirement Board's Compliance with Improper Payments Reporting in the Fiscal Year 2019 PAR	20-06	5/12/2020	2	We recommend that the Office of Programs update the corrective action plan that was published in the Railroad Retirement Board's fiscal year 2018 Performance and Accountability Report to reduce Railroad Medicare improper payments and publish it in the Railroad Retirement Board's fiscal year 2020 Performance and Accountability Report.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 20-6, Recommendation 1.

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OPEN	Audit of Railroad Retirement Board's Compliance with Improper Payments Reporting in the Fiscal Year 2019 PAR	20-06	5/12/2020	3	We recommend that the Office of Programs publish Railroad Medicare overpayment recapture data in the Railroad Retirement Board's fiscal year 2020 Performance and Accountability Report.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 20-6, Recommendation 1.
OPEN	Audit of Railroad Retirement Board's Compliance with Improper Payments Reporting in the Fiscal Year 2019 PAR	20-06	5/12/2020	4	We recommend that the Bureau of Fiscal Operations perform a reconciliation of Railroad Retirement Act overpayments recapture source data to the Financial Management Integrated System when preparing the payment recapture data worksheet to ensure accurate information is published in the Railroad Retirement Board's Performance and Accountability Report's payment integrity section.	FY 2023	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of Railroad Retirement Board's Improper Payments Reporting in the Fiscal Year 2019 PAR	20-06	5/12/2020	5	We recommend that the Office of Programs resume payment integrity reporting in the Railroad Retirement Board's performance and accountability report, as required by applicable improper payment laws, until official approval from Office of Management and Budget is obtained and updated governing documents between the Railroad Retirement Board and the Department of Health and Human Services have been signed to reflect the extended enterprise relationship between the two agencies.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 20-6, Recommendation 1.
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	1	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by designing, implementing, and maintaining a comprehensive Medicare premium penalty rate calculation worksheet addressing each enrollment and health plan coverage option, including disability enrollment, for use by headquarters and field office staff to document the preparation and review of penalty rates of 10 percent or greater.	FY 2023	Programs	Concur	Not applicable. Implementation is in progress.	

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OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	2	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by establishing a procedure to capture and maintain claims examiner decisions and explanations including relevant supporting documentation and screen prints with each penalty rate calculation worksheet to enable timely recollection and understanding of the penalty rate decision and calculation.	FY 2023	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	3	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by establishing a procedure to track and/or log the notification of penalty and other beneficiary communication, and record the follow-up efforts made when a response to agency requests for employment and/or health plan coverage verification have not been received or are in error, where the penalty exceeds the established threshold.	FY 2023	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	4	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by reevaluating the claims examiner staffing resources needed for the current Medicare premium penalty workload.	FY 2023	Programs	Partially Concur	Not applicable. Implementation is in progress.	
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	5	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by evaluating the impact of planned system modernization efforts to determine if greater automation or other improvements can be made to the penalty rate calculation process.	FY 2023	Programs	Concur	Not applicable. Implementation is in progress.	

Appendix 2 Implementation Status of OIG Public Recommendations for which Final Action Has Not Need Completed Greater Than 12 Months Old

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	6	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by updating the RL-331, Notice of Change in Health Insurance Election to include a penalty calculation summary that explains how and why the penalty rate was calculated and includes the applicable calculation decision elements, such as the dates of employment, GHP coverage period, SBI Income Related Monthly Adjustment Amount, birthdate, retirement date, penalty period start and end dates, and the total monthly premium to enable the beneficiary to understand the reason for the penalty decision and how it was calculated, along with instruction on how to inquire when the beneficiary identifies a possible error.	FY 2023	Programs	Partially Concur	Not applicable. Implementation is in progress.	
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	7	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by establishing a penalty and refund review process to include both the standard form worksheet and USTAR tracking. The worksheet and supporting calculation and documentation should be reviewed, authorized, and dated by a second claims examiner and/or supervisor (if over 100 percent) on the worksheet, and tracked within USTAR. The review authorization should attest to the accuracy and completeness of the penalty or refund calculation, electronic filing of supporting documents, and beneficiary notification and confirmation.	FY 2023	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	8	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by strengthening the management control review process over Medicare premium penalty and refund authorizations by determining the reasons for the undetected errors identified during the audit and modifying the review process as needed to improve the detection and reporting of similar future errors.	FY 2023	Programs	Partially Concur	Not applicable. Implementation is in progress.	
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2020	21-01	11/16/2020	2	We recommend that the Office of Programs acquire additional staffing and resources for its quality assurance reviews to ensure timely completion of its compliance determinations during each fiscal year, in accordance with financial statement audit requirements.	FY 2023	Programs	Concur	Not applicable. Implementation is in progress.	
Total										

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Appendix 3:

**Implementation Status for Recommendations
Designated by the OIG as *Closed, Unimplemented*
(or *Closed without Implementation*)**

Appendix 3

Implementation Status of OIG Public Recommendations Designated by the OIG as Closed, Without Implementation

OIG Designation	Report Title	Report No.	Report Date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Evaluation of the Railroad Retirement Board's Privacy Program	07-06	7/30/2007	4	Revise the Work-At-Home policy to ensure its consistency with the recently adopted Rules of Behavior policy.	Administration	The current Work-At-Home (WAH) policy already accomplishes the suggested recommendation. The Program includes an Agreement which each WAH participant signs and clearly states the following: Standards of Conduct "Employee agrees he or she is bound by agency standards of conduct which performing official duties at the home work site." We believe this statement covers any and all policies that the agency currently has or will have concerning employee conduct which working at home.
Closed without implementation	Railroad Medicare Services Billed with Dates of Service after the Beneficiaries' Dates of Death	10-13	9/30/2010	7	Palmetto officials should improve the controls over the annual deceased beneficiary post-payment review process to ensure the review is adequately coordinated, timely completed, sufficiently documented and readily maintained.	Administration	Recommendation directed to Palmetto officials. Palmetto mgmt. stated that in accordance with the Centers for Medicare and Medicaid Services (CMS) Internet Only Manual Publication 100-18, Section 4.27, the Benefit Integrity Unit (BIU) Investigator in coordination with its Technical Support staff will initiate a request for the annual deceased beneficiary file during February of each year. Palmetto revised its internal procedures to include coordination of the activity and added the requirement to its internal metrics report. Palmetto will compare the CMS report to previous year and to identify any billing discrepancies or fraudulent activities. Any discrepancies or other findings will be reported to Palmetto's Accounting Supervisor for payment recovery. The BIU will investigate any reported findings involving fraudulent activity.
Closed without implementation	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	1	RRB Officials should review the total costs of \$3.1 million and \$3.7 million incurred by the Customer Service Unit and Medical Review Unit during fiscal years 2008 and 2009 and determine if they are allowable.	Administration	RRB had provided an additional spreadsheet detailing invoiced costs. OIG reviewed the information and determined that part of their inquiry had been addressed and the spreadsheet supported the invoiced costs discussed in our 1/28/18 response. No further action will be taken by RRB. OIG has closed this recommendation.
Closed without implementation	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	10	RRB officials should work with Palmetto to identify the cause of the inconsistencies and initiate corrective actions.	Administration	The records in question are more than 10 years old and involve the previous, now closed, Palmetto Medicare contract. The OIG has closed this recommendation.
Closed without implementation	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	11	RRB officials should require Palmetto to establish controls and procedures that will timely and effectively identify significant differences impacting Railroad Medicare contract performance and the integrity of claims volume, hours charged, and costs billed.	Administration	The recommendation was neither specific nor measurable and the RRB will not take any further action pursuant to this recommendation. OIG has closed this recommendation.
Closed without implementation	Management Information Report - Railroad Medicare Progress and Challenges	14-09	7/25/2014	4	Office of Programs should request that Palmetto apply CERT national error rates of comparable claim types during the medical review and benefit integrity process, to identify additional improper payments.	Programs	The Office of Programs (OP) did not concur with this recommendation; however, OP instructed Palmetto to use the National CERT report for analysis, and if applicable, incorporate those findings into their Medical Review Strategy. The OIG determined that although Programs did not concur, their planned action addresses the intent of the recommendation.
Closed without implementation	Audit of the Data Management Application Controls and Selected General Controls in the Financial Management Integrated System	14-12	9/30/2014	5	The Bureau of Fiscal Operations should request a contract modification to include the preparation and annual update of the Financial Management Integrated System Security Plan as part of the procured services and deliverables.	BFO	The agency did not issue a contract modification, but instead the agency incorporated FMS into the agency's Financial Management System Security Plan. This action was acceptable to the OIG.

Appendix 3

Implementation Status of OIG Public Recommendations Designated by the OIG as Closed, Without Implementation

OIG Designation	Report Title	Report No.	Report Date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	7	The Office of Programs should review the RRA underpayment cases again using IPERA guidance and revise the calculation of improper underpayments and its overall computation of improper payments for fiscal year 2013.	Programs	OIG Response 1/12/16: We have reviewed your responses for closure of OIG audit report 15-06 recommendations 7 and 8. These recommendations called for the re-computation of improper payments and publication of the revised improper payment data for fiscal year 2013. The legal opinion that was obtained for these recommendations was dated November 20, 2015. As a result of the date of the legal opinion, the timeframe to recompute and publish the revised improper payments amounts for fiscal year 2013 in the RRB's Fiscal Year 2015 Performance and Accountability Report (P&AR) had passed. These two recommendations will be closed without implementation.
Closed without implementation	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	8	The Office of Programs should publish the revised RRA improper payment rate data for fiscal year 2013 in the fiscal year 2015 PAR.	Programs	See comments to Audit Report No. 15-06; Recommendation 7 above.
Closed without implementation	Fiscal Year 2015 Financial Statement Audit Letter to Management	16-04	2/2/2016	4	The Bureau of Fiscal Operations should design and implement new controls, policies, and/or procedures for the reconciliation of the statement of net cost to budget note to ensure that amounts are fully supported.	BFO	The agency is adopted the Budget and Accrual Reconciliation (BAR) note effective for the third quarter fiscal year 2018 financial statements. Pursuant to Statement of Federal Financial Accounting Standards (SFFAS) 53 promulgated by the Federal Accounting Standards Advisory Board (FASAB), the BAR is replaced the Reconciliation of Net Cost of Operations to Budget (RNCOB) note used in previous reporting periods. Therefore the recommendation was considered obsolete.
Closed without implementation	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance With Federal Requirements	16-10	8/22/2016	18	The Bureau of Fiscal Operations should conduct training to ensure the cost allocation plan is reviewed and approved by the RRB's Board members as required.	BFO	Audit Report No. 16-10, did not clearly identify the policy that supported this audit recommendation; however, in subsequent discussions the RRB learned that the OIG relied on Administrative Circular BFO-7 (BFO-7). However, BFO-7 does not apply to the cost allocation plan that RRB submits to CMS per the Interagency Agreement; therefore, the OIG close recommendation 18 without implementation.
Closed without implementation	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance With Federal Requirements	16-10	8/22/2016	19	The Bureau of Fiscal Operations should obtain all necessary training on the requirements of federal interagency agreements and OMB Circular A-87 in order to properly prepare and submit its Medicare cost allocation plan.	BFO	OMB Circular A-87 was superseded on December 26, 2013 by 2 Code of Federal Regulations (CFR), Part 200 (Title 2: Grants and Agreements, Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards). Because OMB Circular A-87 was superseded by 2 CFR 200 prior to making the recommendations, A-87 training was not available when corrective action was taken. However, BFO obtained training on 2 CFR 200 and provided proof of attendance to the OIG. Relative to training on the requirements of federal interagency agreements, it was not practical, or cost effective, for BFO personnel to obtain training on subject matter outside the scope of normal bureau operations and mission requirements. The RRB's Acquisition Management Division guides its customers through contractual matters to include interagency agreements. As such, BFO personnel did not obtain training on the requirements of federal interagency agreements and the OIG closed the recommendation without implementation.

Appendix 3

Implementation Status of OIG Public Recommendations Designated by the OIG as Closed, Without Implementation

OIG Designation	Report Title	Report No.	Report Date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2016 PAR	17-05	5/12/2017	4	We recommend that the Office of Programs develop and implement "Do Not Pay" validation guidelines for the RRA program to ensure that the reported data complies with current OMB guidance.	Programs	OIG Response 9/29/17 - We reviewed your request for closure of OIG audit report 17-05 recommendations 4, 5, and 6. We agree that OMB recently revised its guidance (in August 2017) for the "Do Not Pay" portion of the program integrity (formerly IPERA) portion of the performance and accountability report. OMB's revisions (summarized on slides 52-54 of the attachment) no longer require the specific "Do Not Pay" reporting criteria that we used as the basis for our audit recommendations. These audit recommendations will be closed.
Closed without implementation	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2016 PAR	17-05	5/12/2017	5	We recommend that the Office of Programs work with agency management to ensure that the internally established deadline to provide RRA program "Do Not Pay" data is set for a date that will allow data to be reported for the entire fiscal year.	Programs	See comments to Audit Report No. 17-05, Recommendation 4 above.
Closed without implementation	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2016 PAR	17-05	5/12/2017	6	We recommend that the Office of Programs develop and implement procedures to ensure that RRA program "Do Not Pay" data resulting from matches of non IPERIA databases include monetary values as required by OMB guidance.	Programs	See comments to Audit Report No. 17-05, Recommendation 4 above.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	1	WAI recommended that RRB BFO updates its policies and procedures, so that it is comprehensive and covers all key elements in the SCCIB preparation and reporting process, including: maintaining copies of superseded policies and procedures so that changes and superseded elements can be identified and tracked so that the effective date for new and/or superseded elements in the document can be ascertained.	BFO	The BFO produced the SCCIB to provide awareness of RRB's cash and investment balances held by the Treasury, but were not required financial statements per OMB Circular A-136 or the Treasury Financial Manual. The audit results highlighted that it was not cost effective or an efficient use of government resources to continue producing and distributing the SCCIB. Therefore, the BFO no longer produces and distributes the SCCIB. The BFO provides cash information to internal RRB organizations on a case-by-case basis upon request.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	2	WAI recommended that RRB BFO updates its policies and procedures, so that it is comprehensive and covers all key elements in the SCCIB preparation and reporting process, including: adding stipulations to the SCCIB policies and procedures covering all key elements including the 1T adjustments (authorization, review and approval).	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.

Appendix 3

Implementation Status of OIG Public Recommendations Designated by the OIG as Closed, Without Implementation

OIG Designation	Report Title	Report No.	Report Date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	3	WAI recommended that RRB BFO updates its policies and procedures, so that it is comprehensive and covers all key elements in the SCCIB preparation and reporting process, including: reviewing and/or updating the SQL codes underlying queries used to generate SCCIB data as necessary.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	4	WAI recommended that RRB BFO updates its policies and procedures, so that it is comprehensive and covers all key elements in the SCCIB preparation and reporting process, including: reviewing and updating of USSGL accounts used in the SCCIB preparation for any changes done by Treasury.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	5	WAI recommended that RRB BFO updates its policies and procedures, so that it is comprehensive and covers all key elements in the SCCIB preparation and reporting process, including: adding description of thresholds for variances that require investigation.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	6	WAI recommended that RRB BFO ensures that the SCCIB be accompanied by adequate footnote disclosures that describe among others, the description of the general ledger accounts presented in the statements.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	7	WAI recommended that RRB BFO discloses periodic fluctuations or percentage increase or decrease during the month that are considered significant within established thresholds.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	8	WAI recommended that RRB BFO discloses the basis of accounting used in preparing the statements and a disclaimer that the SCCIBs are not cash flow statements consistent with GAAP.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	9	WAI recommended that RRB BFO discloses significant adjustments made, including the 1T adjustments.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.

Appendix 3

Implementation Status of OIG Public Recommendations Designated by the OIG as Closed, Without Implementation

OIG Designation	Report Title	Report No.	Report Date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	10	WAI recommended that RRB BFO identifies, understands and defines the authoritative basis for preparing and reporting SCCIB, and recommended using OMB Circular A-123, Management Responsibilities for Enterprise Risk Management and Internal Control, revised July 15, 2016, and its accompanying memo M-16-17, which states that management is "responsible for establishing and maintaining internal controls to achieve specific internal control objectives related to operations, reporting, and compliance" as a basis.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	11	WAI recommended that RRB BFO develops a specific APG to stipulate the requirements for the specific internal control reporting requirements surrounding the monthly SCCIB reporting.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	12	WAI recommended that RRB BFO identifies based on both the authoritative basis of the SCCIB, as well as inquiries of recipients on the use and reliance placed on the statements.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	13	WAI recommended that RRB BFO develop a specific APG that stipulates the user needs, the specific internal control reporting objective, and the requirement surrounding the monthly SCCIB reporting.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	14	WAI recommended that RRB BFO establish and document procedures for thresholds for variance investigation and require personnel to investigate significant variances prior to publishing SCCIB.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	15	WAI recommended that RRB BFO alternatively consider disclosing variances considered significant in the footnotes to the SCCIB if those variances could not be investigated timely before the statements are published.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.

Appendix 3

Implementation Status of OIG Public Recommendations Designated by the OIG as Closed, Without Implementation

OIG Designation	Report Title	Report No.	Report Date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement	
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	16	WAI recommended that RRB BFO prepares and maintains reconciliation files that tie the transaction detail obtained from FMIS to the SCCIB, and related subsidiary ledgers, including a thorough description of any manipulations done.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.	
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	17	WAI recommended that RRB BFO after using SQL codes to split specific USSGL to various SCCIB lines, BFO should maintain readily available documentation that shows the flow of data from FMIS through the SQL splitting process and onto the SCCIB lines. That documentation may include, but not limited to, FMIS subsidiary ledgers for SCCIB lines as well as documentation on how the subsidiary ledger balances are further manipulated through SQL queries to arrive at the SCCIB balances.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.	
Total							32	

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Appendix 4:

**Justification for Decision Not to Implement,
Public OIG Recommendations less than 12 Months,
Designated by the OIG as *Open or Closed without Implementation***

Appendix 4

Justification for Decision Not to Implement, Public OIG Recommendations, Less Than 12 Months

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	The Railroad Retirement Board was Not Compliant with the Payment Integrity Information Act for Fiscal Year 2020	21-05	5/17/2021	1	We recommend that the Office of Programs publish Railroad Medicare program payment integrity information in accordance with the Payment Integrity Information Act of 2019 and the Office of Management and Budget's data call requirements until it formalizes an agreement with the Centers for Medicare and Medicaid Services to take over reporting for Railroad Medicare.	N/A	Programs	Non-concur	Other. See related comments.	It is the RRB's position, that Medicare improper payment information should continue to accompany the financial statements of CMS, and the consolidated financial statements of HHS, rather than those of RRB, since the CMS' financial statements and the HHS consolidated financial statements report the cost of the Medicare program in its entirety.
OPEN	The Railroad Retirement Board was Not Compliant with the Payment Integrity Information Act for Fiscal Year 2020	21-05	5/17/2021	2	We recommend that the Office of Programs publish improper payment estimates for the Railroad Medicare program in the Office of Management and Budget's data calls, until the Office of Management and Budget formally approves the Railroad Retirement Board's discontinuation of reporting or approves an agreement between the Centers for Medicare and Medicaid Services and the Railroad Retirement Board on how Railroad Medicare will be reported.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 21-05, Recommendation 1.
OPEN	The Railroad Retirement Board was Not Compliant with the Payment Integrity Information Act for Fiscal Year 2020	21-05	5/17/2021	3	We recommend that the Office of Programs develop and publish corrective action plan information in accordance with OMB directives.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 21-05, Recommendation 1.
OPEN	The Railroad Retirement Board was Not Compliant with the Payment Integrity Information Act for Fiscal Year 2020	21-05	5/17/2021	4	We recommend that the Office of Programs publish reduction targets for the Railroad Medicare Program in accordance with the annual Office of Management and Budget Data Call requirements.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 21-05, Recommendation 1.
OPEN	The Railroad Retirement Board was Not Compliant with the Payment Integrity Information Act for Fiscal Year 2020	21-05	5/17/2021	5	We recommend that the Office of Programs meet the published reduction targets for the Railroad Medicare Program.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 21-05, Recommendation 1.

Appendix 4

Justification for Decision Not to Implement, Public OIG Recommendations, Less Than 12 Months

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	The Railroad Retirement Board was Not Compliant with the Payment Integrity Information Act for Fiscal Year 2020	21-05	5/17/2021	6	We recommend that the Office of Programs report an improper payment rate of less than 10 percent for the Railroad Medicare program in accordance with applicable laws and regulations.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 21-05, Recommendation 1.
OPEN	The Railroad Retirement Board was Not Compliant with the Payment Integrity Information Act for Fiscal Year 2020	21-05	5/17/2021	7	We recommend that the Office of Programs fully complete and publish all required payment integrity information as requested by the Office of Management and Budget's annual and supplemental data calls, until it formalizes an agreement with the Centers for Medicare and Medicaid Services to take over reporting for Railroad Medicare.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 21-05, Recommendation 1.
OPEN	The Railroad Retirement Board was Not Compliant with the Payment Integrity Information Act for Fiscal Year 2020	21-05	5/17/2021	8	We recommend that the Office of Programs describe in its Performance and Accountability Report or Office of Management and Budget supplemental data call submission, the internal controls, human capital, its information systems and infrastructure needs, as well as its other program needs for reducing Railroad Medicare improper payments to the targeted levels, in accordance with OMB's supplemental data call requirements.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 21-05, Recommendation 1.
OPEN	The Railroad Retirement Board's Disability Briefing Document Process Was Not Fully Effective	21-07	8/16/2021	3	OIG recommended that the Office of Programs ensure that the Disability Benefits Division works with Policy and Systems to implement system modifications to D-BRIEF to ensure that the Disability Briefing Documents for decisions changed from occupational to total and permanent disabilities do not contain the incorrect statement that the (railroad) employee (applicant) was rated using Independent Case Evaluation.	N/A	Programs	Non-concur	Other. See related comments.	There is a very small percentage of cases that meet this criteria. The recommended changes to D-Brief require significant updates and programming. In light of the IT Modernization, the Office of Programs is limited in making substantial changes.
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	2	WAI recommended that the Bureau of Fiscal Operations assess the work effort required and hire adequate personnel to perform FSS functions.	N/A	BFO	Non-concur	Other. See related comments.	This recommendation was duplicative of aspects of Audit Report 21-08, Finding No. 5 and Recommendations No. 11 and 12. BFO's ability to hire an adequate number of staff for FSS is subject to the availability of sufficient funding and consideration of other Agency priorities as determined by the Board and the Executive Committee.

Appendix 4

Justification for Decision Not to Implement, Public OIG Recommendations, Less Than 12 Months

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	3	WAI recommended that the Bureau of Fiscal Operations: ensure that the development and maintenance of policies and procedures for DRS, FSS, and TS are performed by personnel with appropriate expertise.	N/A	BFO	Non-concur	Other. See related comments.	This recommendation was duplicative of Audit Report 21-08, Recommendation No. 1.
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	9	WAI recommended that the Bureau of Fiscal Operations: develop an oversight framework for overseeing FSS contractors, and ensure that the framework is reviewed and updated periodically.	N/A	BFO	Non-concur	Other. See related comments.	Non-concur. In consultation with the Contracting Officer and as communicated to the auditors during the course of the audit, the contract with CGI contained a Quality Assurance Surveillance Plan (QASP) that continues to serve as the RRB's oversight framework. The QASP is a scorecard that facilitates fair and equitable performance measurement over the life of the contract. The negotiated QASP document incorporated into the fiscal year 2012 contract identified Service Level Agreements (SLAs) and related measures during the implementation and post-implementation phases. During the course of the audit, BFO staff provided examples of monthly reporting associated with the SLAs as required by the QASP. The COR designated responsibilities includes executing the QASP and evaluating contractor performance. In consultation with the RRB Contracting Officer, the QASP, related SLAs, and the COR designation are satisfactory for the remainder of the contract.
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	11	WAI recommended that the Bureau of Fiscal Operations: perform an assessment to determine adequate staffing required to perform FSS' functions	N/A	BFO	Non-concur	Other. See related comments.	See comments related to Audit Report No. 21-08, Recommendation No. 2.
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	14	WAI recommended that the Bureau of Fiscal Operations: develop and implement policies and procedures requiring the periodic review of the Cost Accounting Code by individual data, to assess the reasonableness of personnel roles and responsibilities; resources expended (hours and amounts); and resulting deliverables or output.	N/A	BFO	Non-concur	Other. See related comments.	Non-concur. The RRB already has policies and procedures in place to review the cost accounting codes periodically. It appears that the auditors have concluded that since DRS staff charged labor hours to the "development and/or maintenance of policies and procedures" over the years, that these efforts should have resulted in all or a significant number of finalized DRS policies and procedures. Under normal circumstances, the auditor's conclusion may be reasonable. However and as previously communicated to the auditors, the labor hours charged represents the efforts of our experienced DRS staff to develop, review, and/or update numerous procedures and instead underscores the significant resource constraints at the upper management level within TDSD that has prevented finalization of many DRS procedures. Implementing the auditor's recommendation would not address the root cause, therefore, we non-concur.
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	16	WAI recommended that the Bureau of Fiscal Operations: design and implement process and procedures around the processing of unapplied cash, including follow-ups from DRS to OP, to ensure that timely feedback is received from OP regarding the timely and accurate application of unapplied cash.	N/A	BFO	Non-concur	Other. See related comments.	Non-Concur. The BFO through its policies and procedures has no authority to ensure that the Office of Programs provides timely feedback.

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	18	WAI recommended that the Bureau of Fiscal Operations perform the ECCS-identified discrepancies reconciliation as part of TS validation of employer DC-1 processing to ensure that ECCS is updated accurately and timely, instead of using the current annual or 3-year timeframe.	N/A	BFO	Non-concur	Other. See related comments.	Non-concur. The auditors have conflated the validation and reconciliation processes in their finding and related recommendations. The validation process and resolution of discrepancies occurs as employer contributions are received and recorded, whereas the reconciliation between the BA-3 and cumulative DC-1 occurs annually due to the annual submission requirement for the BA-3 and the need for cumulative DC-1 compensation data. The BFO cannot combine the two functions, as they are separate and distinct.
OPEN	Audit of the RRB's DATA Act Submission for the First Quarter of Fiscal Year 2021	22-01	11/5/2021	2	RMA recommended that the Office of Administration: Update the DQP to include a procedure to perform and prepare reconciliation analyses to identify the activity that occurred between when the original contract/modification was awarded, when File D1 was generated, and when FPDS-NG reports are pulled to validate the amounts reported in File D1 for Current Total Value of Award and Potential Total Value of Award data elements. If the reconciliation process demonstrates these errors occur due to timing differences, RMA also recommends the Office of Administration work with Treasury to address this gap in the testing guidance to ensure these timing differences are not issues moving forward.	N/A	Administration	Non-concur	Other. See related comments.	The Office of Administration provided a full explanation to the auditors that the Data Act reconciliation process is not to verify data elements after the Agency Procurement data report. There is a timing issue between the various reports and modification reports do not reflect a "snap shot" in time. OA explained that it is not cost effective for Procurement supervisors to run two sets of records within the procurement process.
Total										

