
RAILROAD RETIREMENT BOARD

JUSTIFICATION OF BUDGET ESTIMATES



FISCAL YEAR 2024



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 Kevin McCarthy
Speaker of the House of Representatives
H-232 Capitol Building
Washington, D.C. 20515

Dear Speaker McCarthy:

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 2024, 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 \$138.575 million for the Railroad Retirement Board's (RRB) administrative expenses in fiscal year 2024. We estimate that the proposed funding will provide for a staffing level of 729 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 18 percent below its minimum staffing level, with a quarter (25 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 \$173.744 million for fiscal year 2024 to support 880 FTE employees and includes \$10 million to further IT modernization efforts. The RRB believes that staffing investment is critical to the success of the agency over the next several years to address staffing deficits and manage attrition risk across the enterprise. Increased staffing is necessary for RRB to sustain critical benefits administration operations, improve benefit payment accuracy and customer satisfaction, 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 \$8 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, 2025. 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 four 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. The fourth and final would amend the Railroad Retirement Board's Limitation on Administration account appropriation language to allow a limited amount of unobligated balances for fiscal year 2024 to remain available until expended in support of the Board's information technology improvements and investments.

Thank you for your support of this proposed budget.

Sincerely,

Original signed FOR
THE BOARD
Stephanie Hillyard
Secretary to the Board
March 13, 2023

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:

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 2024, 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 \$138.575 million for the Railroad Retirement Board's (RRB) administrative expenses in fiscal year 2024. We estimate that the proposed funding will provide for a staffing level of 729 full-time equivalents (FTEs).

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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, 2025. 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 four 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. The fourth and final would amend the Railroad Retirement Board's Limitation on Administration account appropriation language to allow a limited amount of unobligated balances for fiscal year 2024 to remain available until expended in support of the Board's information technology improvements and investments.

Thank you for your support of this proposed budget.

Sincerely,

Original signed
FOR THE BOARD
Stephanie Hillyard
Secretary to the Board
March 13, 2023

Enclosure

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

JUSTIFICATION OF BUDGET ESTIMATES
FISCAL YEAR 2024

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RAILROAD RETIREMENT BOARD
SUMMARY OF APPROPRIATION ESTIMATES
FOR FISCAL YEARS 2023 and 2024

Account	Fiscal Year 2023 Estimate		Fiscal Year 2024 President's Budget			Page
	FTEs	Amount	FTEs	Amount		
Limitation on Administration	712	\$128,000,000	a/	729	\$138,575,000	b/ 9
Dual Benefits Payments Account	—	\$9,000,000	a/	—	\$8,000,000	c/ 65
Federal Payments to the Railroad Retirement Accounts	—	\$150,000	a/	—	\$150,000	d/ 73
Limitation on the Office of Inspector General	56	\$14,000,000	a/	56	\$14,600,000	e/ —

- a/ A full-year 2023 appropriation was enacted on December 29, 2022, the Consolidated Appropriations Act, 2023 (P.L. 117-328).
- b/ This amount reflects the President's proposed budget amount for the RRB's Limitation on Administration request level for Fiscal Year 2024 is \$138,575,000 which would support 729 FTEs. The RRB requests \$163,744,000 for direct obligations to support 880 FTE employees and \$10,000,000 for Information Technology (IT) Initiatives. RRB's budget request at both the President's proposed budget amount and Agency Request Level includes \$30,367,000 estimated for reimbursable and transfer funding.
- c/ The proposed appropriation language provides for \$8,000,000 to fund vested dual benefits from general revenues of which \$0 million 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, 2025.
- 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 2022, the benefit payments totaled \$13.6 billion, net of recoveries and offsetting collections. Of this amount, payments for the retirement and survivor benefits program totaled \$13.4 billion to about 506,000 beneficiaries. The RRB also paid benefits on behalf of the Social Security Administration (for which the RRB is reimbursed) amounting to \$2.2 billion to about 126,500 beneficiaries. The RRB also paid unemployment-sickness benefits totaling \$90.4 million, CARES Act benefits totaling \$(3.1) million, and vested dual benefits totaling \$9.5 million, net of recoveries and offsetting collections. About 6,100 railroad workers received unemployment insurance benefits, approximately 17,400 received sickness insurance benefits, and over 4,000 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 2022 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, 2022, over 4,000 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 2024, it is estimated that the RRB will be transferred and reimbursed about \$30.402 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, 2022, was approximately \$23.0 billion. From its inception through September 30, 2022, the Trust transferred approximately \$31.7 billion to the RRB to pay railroad benefits, including approximately \$2.0 billion in fiscal year 2022.

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 2023 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 \$118,800 in 2023.

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 2023 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 \$160,200 in 2023, 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 2023, the minimum employer contribution rate is 2.15 percent. New employers in 2023 will pay a tax of 2.82 percent, which represents the average rate paid by all employers in the period 2019 - 2021. For 80 percent of covered employers, the unemployment insurance rate assessed will be 2.15 percent in 2023, while 6 percent of employers will pay the maximum of 12 percent.

The 2023 rate is applied to the first \$1,895 earned monthly by each employee. In accordance with Public Law 100-647, the wage base is indexed each year to approximately two-thirds of the cumulative growth in average national wages since 1984. An employer's overall rate under the system cannot exceed 12 percent, or 12.5 percent if the maximum surcharge described below is in effect. These rates include a component to cover costs shared by all employers and 0.65 percent of the employers' taxable payroll is permanently appropriated to the RRB for administrative expenses. In addition, a surcharge is added to employers' unemployment contributions for any calendar year when the balance in the Railroad Unemployment Insurance Account on the previous June 30 is less than a certain amount. Depending on the account balance, the surcharge rate may be 1.5, 2.5, or 3.5 percent of the wage base.

Description of Appropriation Requests

Limitation on Administration

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

Dual Benefits Payments Account

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

Federal Payments to the Railroad Retirement Accounts

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

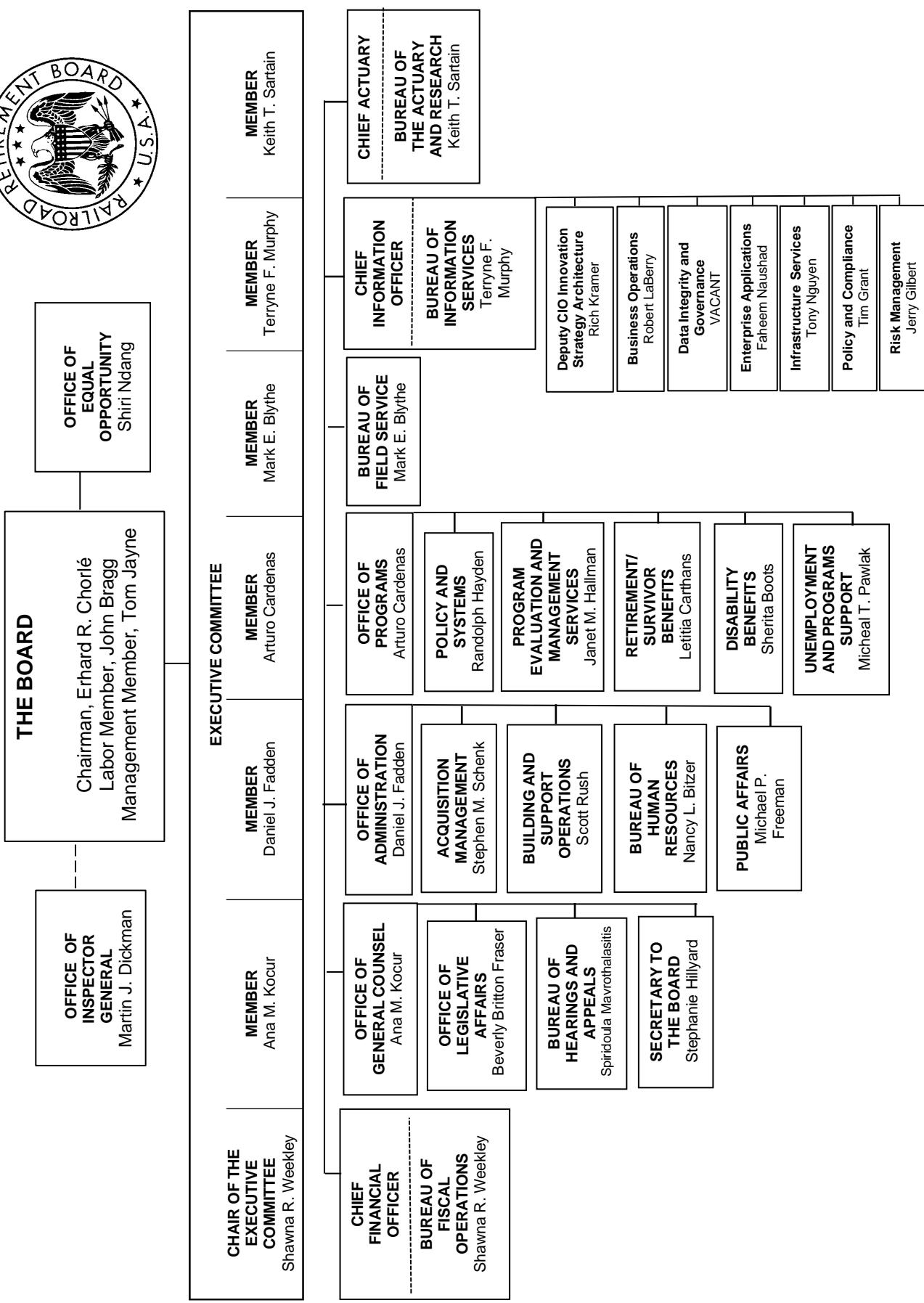
Under provisions of the Competitive Equality Banking Act of 1987, funds for the principal amount of uncashed checks are appropriated to the Treasury and then transferred directly to the appropriate RRB accounts. As a result, in fiscal year 1991, the RRB began receiving credits to this account for only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

Limitation on the Office of the Inspector General

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

The Board Members

Incumbent's name <u>(Title)</u>	Term expiration <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



The Inspector General reports administratively to the Chairman.

January 2023

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, ~~[\$128,000,000]~~\$138,575,000, 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: *Provided further*, *That of the unobligated balances of funds provided under this heading at the end of fiscal year 2024 not needed for fiscal year 2024, not to exceed \$2,771,500 shall remain available until expended for information technology improvements and investments.* (*Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2023.*)

Note: A full-year 2023 appropriation was enacted on December 29, 2022, the Consolidated Appropriations Act, 2023 (P.L. 117-328).

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, [\$128,000,000]~~\$138,575,000~~, 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: *Provided further, That of the unobligated balances of funds provided under this heading at the end of fiscal year 2024 not needed for fiscal year 2024, not to exceed \$2,771,500 shall remain available until expended for information technology improvements and investments.* (*Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2023.*)

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.

Note: A full-year 2023 appropriation was enacted on December 29, 2022, the Consolidated Appropriations Act, 2023 (P.L. 117-328).

Legislation

Legislation	Fiscal Year 2023			Fiscal Year 2024	
	Authorized	Estimate	Authorized	President's Budget Request	Agency's Budget Request
AUTHORIZING <i>Railroad Retirement Act:</i> Sections 15(a) and 15A(c)	Indefinite	\$128,000,000	Indefinite	\$138,575,000	\$173,744,000
Railroad Unemployment Insurance Act: Section 11(a)					
BYPASS AUTHORITY <i>Railroad Retirement Act:</i> Section 7(f)					

a/ A full-year 2023 appropriation was enacted on December 29, 2022, the Consolidated Appropriations Act, 2023 (P.L. 117-328).

b/ Includes direct and no-year funding requested only. Excludes amounts associated with reimbursements and transfers, estimated at \$30,367,104 for fiscal year 2024.

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 2022 (A)	CHANGE (B)	FY 2023 ESTIMATE (C)	CHANGE (D)	FY 2024 PRESIDENTS BUDGET (E)	CHANGE (F)	FY 2024 AGENCY REQUEST (G)
TOTAL FTEs (INCLUDING REIMBURSABLE)							
TOTAL RRB DIRECT PROGRAM OBLIGATIONS	763	(51)	712	17	729	151	880
11.1 FULL-TIME PERMANENT	61,477	1,442	62,919	6,391	69,310	17,768	87,078
11.3 OTHER THAN FULL-TIME PERMANENT	1,018	(522)	496	44	540	139	679
11.5 OTHER PERSONNEL COMPENSATION	1,999	781	2,780	8	2,788	466	3,254
11.9 TOTAL PERSONNEL COMPENSATION	64,494	1,700	66,194	6,443	72,637	18,373	91,010
12.1 PERSONNEL BENEFITS: CIVILIAN	23,553	948	24,502	2,432	26,933	6,796	33,729
13.0 BENEFITS FOR FORMER PERSONNEL	121	4	125	(16)	108	-	108
21.0 TRAVEL AND TRANSPORTATION OF PERSONS	272	681	954	(604)	350	-	350
22.0 TRANSPORTATION OF THINGS	12	44	56	(24)	33	-	33
23.1 RENTAL PAYMENTS TO GSA	3,700	-	3,700	-	3,700	-	3,700
23.3 COMMUNICATIONS, UTILITIES, & MISC. CHARGES	7,591	(1,970)	5,621	922	6,543	-	6,543
24.0 PRINTING AND REPRODUCTION	279	41	320	(6)	315	-	315
25.0 OTHER SERVICES	21,865	3,326	25,191	1,415	26,607	-	26,607
26.0 SUPPLIES AND MATERIALS	624	(17)	607	81	688	-	688
31.0 EQUIPMENT	1,489	(758)	731	(69)	662	-	662
TOTAL RRB DIRECT OBLIGATIONS	124,000	4,000	128,000	10,575	138,575	25,169	163,744
REIMBURSABLE AND TRANSFER OBLIGATIONS							
NO-YEAR FUNDING FOR IT INITIATIVES (TRUST FUND)	39,266	(8,854)	30,412	(45)	30,367	-	30,367
TOTAL RRB OBLIGATIONS AND NO YEAR	163,266	(4,854)	158,412	10,530	168,942	35,169	204,111
DIRECT OBLIGATIONS AND NO YEAR	124,000	4,000	128,000	10,575	138,575	35,169	173,744

Details may not add to totals due to rounding.

- In a separate justification document, the Office of Inspector General is requesting \$14,600,000 for administrative expenses in fiscal year (FY) 2024.
- Salary and benefit estimates for FY 2024 President's Budget and FY 2024 Agency Request reflect 4.59 percent pay increase in January 2023 and 5.2 percent pay increase in January 2024.
- FTE cost for FY 2022 is \$133,386, FY 2023 Estimate FTE cost is \$141,322, and FY 2024 President's Budget and FY 2024 Agency Request FTE cost is \$150,221.
- The amounts included for 2023 reflect the annualized level authorized by the Consolidated Appropriations Act, 2023, P.L. 117-328.
- The 2022 CMS Reimbursable and Transfer includes \$11,778,006 for Medicare Parts B, C and D, \$26,976,390 for SMAC Transfer, and \$511,306 for miscellaneous; SMAC transfer is not included in BOC 25.0.
- The 2023 CMS Reimbursable and Transfer includes \$12,901,669 for Medicare Parts B, C and D, \$17,000,000 for SMAC Transfer, and \$510,306 for miscellaneous; SMAC transfer is not included in BOC 25.0.
- The 2024 CMS Reimbursable and Transfer includes \$12,354,798 for Medicare Parts B, C and D, \$17,500,000 for SMAC Transfer, and \$512,306 for miscellaneous; SMAC transfer is not included in BOC 25.0.
- 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 41 FTEs in FY 2022 at an average cost of \$81,042, and an estimated 31 FTEs in FY 2023 at an average cost of \$85,256.
- In FY 2023, RRB will receive \$5,200,000 of no-year funding from GSA Technology Modernization Fund (TMF) for the Citizen-Centric Online Self-Services Project.

CONTINUED NEED FOR ADDITIONAL FUNDING:

Fiscal Year 2024 Agency Request Level

RRB's fiscal year 2024 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 remains in a hybrid or transitional IT environment as well as the impact of the 5.2% 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 if full-time equivalent (FTE) employees remained constant at estimated FY 2023 levels the COLA of 5.2% effective January 2024 would increase the cost of current staff by \$5.032 million and when coupled with rising non-personnel operating costs, would leave the RRB unable to significantly increase staffing levels. Therefore, for fiscal year 2024, the RRB requests \$173,744 million to provide funding for an estimated 880 FTEs as well as \$10 million to further RRB's IT Modernization Program as discussed in detail within the IT Modernization Initiatives Section. 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, improve benefit payment accuracy and customer satisfaction, until the RRB is able to realize the benefits of IT modernization.

Continued Need for Staffing Investment:

Persistent Administrative Workload

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. To sustain its critical benefits administration operations, the RRB needs a minimum of 880 FTE employees, while progressing through the modernization effort, until it is able to realize the benefits of IT modernization. Unlike some industries, where a decline in employment is indicative of future employment numbers, railroad employment levels tend to fluctuate from year to year based upon market demands. Moreover, a decline in railroad employment does not equate to a decline in the RRB's workload because non-active employees vested in RRB benefits and their eligible family members will ultimately apply to the RRB for benefits.

Despite a decline in the RRB's staffing levels, average rail employment, and average number of annuitants over the years, the RRB's administrative workload has grown due to an increased need for unemployment and sickness benefits as well as the accrual of backlogged retirement, survivor, and/or disability cases. For example, in 2018, railroad employment averaged 224,000 employees and there were 29,954 unemployment and sickness applications filed for the year under the RUIA. In 2022, rail employment fell to an average of 189,000 employees, there were 29,822 unemployment and sickness applications filed but 16 percent fewer staff to process those applications due to attrition. Likewise, while the average number of RRA annuitants has declined from 549,154 in 2010 to an estimated 466,800 for 2024, the corresponding estimated administrative workload in 2024, including the backlogs discussed below, is expected to exceed

2010 levels at about 244,866 (excluding payment counts and Medicare enrollments), where 790 of RRB's 908 FTEs in 2010, focused on RRA workloads and processed a workload of 179,630.¹ Please note that the RRB requests fiscal year 2024 funding for 880 FTEs, where historical trends indicate 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 distant future upon completion of modernization efforts, 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, \$114.5 million in fiscal year 2021, and \$124 million in fiscal year 2022, 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, \$1.668 million in 2022, as well as an estimated \$2.918 million in 2023 (based upon staffing levels as of January 25, 2023) and \$5.032 million in 2024. 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 the RRB's succession planning across the enterprise, which involves 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 the need to absorb rising personnel and operational costs into a relatively flat annual budget, along with 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 18 percent below its minimum staffing level, with a quarter (25 percent) of agency employees retirement eligible, with this percentage climbing to nearly one-third (32 percent) within the next two years.² The RRB requests \$173,744 million for fiscal year 2024, where \$163,744 would allow the RRB to reach 880 FTE employees and manage rising administrative costs and provide an additional \$10 million to further RRB's IT modernization program. As noted above, the RRB needs a minimum of 880 FTEs 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 have 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 the RRB's most visible performance metrics and generally, with the exception of disability decisions, the 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 the RRB's performance in other ways. Particularly, inadequate staffing levels have created

¹ Total (RRA & RUIA) FTE counts for fiscal year 2010 were 908. The numbers referenced equate to RRA only or 87% of the total FTE.

² Retirement eligibility information presented throughout this section is based upon data as of February 14, 2023, excluding the OIG.

backlogs of initial disability decisions and post adjudicative actions that serve to ensure ongoing retirement/survivor, disability, and unemployment/sickness benefit payments are accurate and have resulted in 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.

CORE MISSION IMPACT: Benefit Payment Accuracy

Office of Programs

The Office of Programs (Programs) is responsible for carrying out provisions of the RRA and RUIA to pay retirement, survivor, disability, vested dual benefits, unemployment and sickness benefits to over 700,000 annuitants and railroad employees in fiscal year 2022. The cumulative impact of stagnant operational budgets from 2017 through 2021 (excluding IT Modernization funds), has led to Programs operating at reduced capacity as near flat funding during those periods resulted in an inability to backfill positions lost to attrition. While the agency realized its first significant budget increase in fiscal year 2022, the agency's attrition rate continues to be greater than its hiring rate. Based upon data available as of February 9, 2023, the agency will realize 164 separations since the beginning of fiscal year 2022, with 64 employee departures or (39 percent) from Programs, while hiring 26 new Programs employees, during the same period. Further, as of February 14, 2023, over one quarter (26 percent) of staff in Programs can retire within the next year and this percentage climbs to one third (33 percent) within the next three years adding to the agency's attrition risk.

With the Congress' support for increased funds in fiscal year 2022 and 2023, the agency has increased its hiring efforts, and RRB needs the Congress' continued support in 2024 to continue its hiring momentum. The RRB requests funding to support 880 FTEs to manage the IT hybrid environment costs and acquire staffing resources to sustain critical benefits administration operations, until the RRB is able to realize the benefits of IT modernization. A flat budget or reduced for fiscal year 2024, will significantly disrupt or halt the agency's enterprise-wide hiring efforts and in particular further reduce RRB's benefit payment accuracy, which negatively impacts the quality of customer service our Bureau of Field Services is able to deliver.

The sustained low staffing levels during fiscal years 2017-2021 and significant staff losses over the last several years has forced the agency to focus most of its resources on the timely adjudication of new most initial applications, claims, and related benefit payments. While the agency has been largely successful prioritizing initial benefit awards, the agency currently has 2,314 cases pending an initial disability decision as well as 2,738 early Medicare (Disability Freeze) cases pending decision. Overall, this prioritization has led to backlogs in cases that require post award adjustment (i.e., a revision or modification to current a current benefit payment as a result of income changes or that did not fully process through RRB's automated systems) and RRB's inability to address these items timely reduces our benefit payment accuracy.

As of February 24, 2023, RRB had a total of 152,866 pending post award actions summarized as follows:

- *COLA Rejects and Reviews:* To ensure accurate benefit payments, RRB manually reviews and processes RRB's Cost of Living (COLA) annuity adjustments that do not fully process mechanically. We currently have 3,300 pending actions in this category with the oldest RRB COLA case dating back to 1/18/2017.
- *RESCUE Rejects and Reviews.* The RRB manually reviews and processes RRB's Service and Compensation annuity adjustments that do not fully process mechanically. We currently have 30,308 pending with the oldest dating 11/20/2006.
- *Earning Policing:* RRB manually reviews reported earnings information and processes the appropriate annuity adjustment to ensure payment accuracy. The reported earnings information may include annuitants reporting that they have stopped/started work, which should result in a change to their annuity payment. We currently have 15,160 pending actions with the oldest case dating 3/31/2015.
- *Retirement Post Work:* RRB manually processes miscellaneous retirement annuity adjustments, that may include an increase in a public pension, a favorable RRB Disability Freeze determination or a workman compensation adjustment that could impact a retirement benefit. The oldest of these cases is from 3/22/2013 and the RRB currently has 8,815 pending actions.
- *Retirement Social Security Adjustments:* RRB manually processes miscellaneous Social Security Retirement non-COLA adjustments. We have 9,211 pending actions in this category, and they include changes in SSA benefit amounts due to processes such as Automatic Earnings Reappraisal Operation (AERO), garnishment reductions or voluntary tax withholding. The oldest pending case is dated 1/25/2016.
- *Retirement Social Security Post Work:* RRB manually reviews and processes Social Security adjustment cases that include COLA adjustments and do not fully process mechanically. We currently have 3,433 pending actions with the oldest dated February 2015.
- *Retirement Social Security Mechanical Operations Referrals:* RRB manually reviews and processes Social Security non-award record maintenance, which could result in a benefit payment adjustment. We currently have 82,902 pending actions with the oldest dated 1/2/2014.

The pending backlog workload items described above represents thousands of railroad retirement beneficiaries who have been paid either too much or too little. Consequently, beneficiaries that have been paid too much will need to repay a potentially large overpayment that has been accruing for years, at a point in their lives where many are living on fixed incomes needed to meet ordinary living expenses. Conversely, thousands of beneficiaries have been living on a reduced income for years a situation which was likely exacerbated by higher living expenses due to inflation. Due to prolonged staff shortages, beneficiaries awaiting the processing of post award adjustments, call our front-line customer service representatives to inquire as to the status of their case, only to be met with either a lengthy wait time or a non-informative response. As mentioned above, with the Congress' support of an increased budget in fiscal year 2022 and 2023, we have prioritized hiring to begin addressing the impact of

prolonged staffing shortages and we seek the Congress' continued support in fiscal year 2024.

CORE MISSION IMPACT: Customer Satisfaction

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) 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 2022 into February 2023, 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 (19% of existing field office employees), which would have further worsened our customer service capabilities.

Most of these separations were due to employees transferring to other federal agencies that offer higher pay and more telework options. In response, a classification review was conducted that led to the position upgrade of all BFS claims representatives from the GS-10 level to the GS-11 level, committing an extra \$2 million to payroll annually that limits further initiatives across the agency. Although the upgrade is still below the grade level that employees are transferring for with other agencies (GS-12), this financial commitment was essential for retention purposes. Additional financial considerations are needed to improve IT modernization initiatives that will lessen the long-term administrative burden that BFS field office employees currently experience daily, such as laborious paper processing.

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 40 percent for 2022, and the average wait time increased from 2.5 minutes to 35 minutes during the same time. Funding is required to fully staff Programs, who adjudicates federal claims on the back end for the agency. Increased aged case backlogs and extended processing delays within Programs results in reduced customer satisfaction and an increase in phone demand that exceeds capacity for BFS field office employees. As discussed above, when Programs has processing delays or backlogs, beneficiaries are often paid too much or too little for years, resulting in calls or visits to BFS trying to resolve problems which have become more complicated with the passage of 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. Additionally, if current staffing remains the same, phone performance will be impacted due to BFS resuming in-person service and essential outreach initiatives.

Enterprise-Wide Attrition Risk

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 56 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 14, 2023, nearly one-third (33 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 47 percent of DRS employees are retirement-eligible and this percentage escalates to 59 percent next year. 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. More than one-third (38 percent) of OA staff are retirement eligible, and this percentage climbs to 46 percent within the next three years. Most concerning within OA is that 29 percent of the Human Resources (HR) employees are retirement eligible and this percentage increases to 35 percent within the next three years. 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 recent years 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.

Over one-third (35 percent) of OGC staff are retirement-eligible, and this percentage climbs to 52 percent within the next two years. 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 (40 percent) of the Bureau of Information Services (BIS), employees are retirement eligible, and this percentage escalates to 51 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 200+ 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 2022						Fiscal Year 2023						Fiscal Year 2024					
	Actual			Estimate			President's Budget			Agency's Request			Fiscal Year 2024					
	<u>FTEs</u>	<u>%</u>	<u>Amounts (\$)</u>	<u>%</u>	<u>FTEs</u>	<u>%</u>	<u>Amounts (\$)</u>	<u>%</u>	<u>FTEs</u>	<u>%</u>	<u>Amounts (\$)</u>	<u>%</u>	<u>FTEs</u>	<u>%</u>	<u>Amounts (\$)</u>	<u>%</u>		
Program by strategic goal:																		
Strategic goal:																		
1. Modernize information technology	114	15	\$24,294,493	20	106	15	\$25,999,077	20	101	14	\$23,668,866	17	122	14	\$28,051,060	22		
2. Customer service	458	60	63,038,215	50	434	61	66,088,924	52	490	67	80,105,988	58	591	67	94,412,133	54		
3. Stewardship	191	25	<u>36,667,292</u>	<u>30</u>	172	24	<u>35,911,999</u>	<u>28</u>	138	19	<u>34,800,146</u>	<u>25</u>	167	19	<u>41,280,807</u>	<u>24</u>		
Total, direct program obligations	763		124,000,000		712		128,000,000		729		138,575,000		880		163,744,000			
No Year Funding for IT Initiatives			0				0				0				10,000,000			
Unobligated balance			<u>0</u>				<u>0</u>				<u>0</u>				<u>0</u>			
Total budget authority	<u>763</u>		<u>\$124,000,000</u>		<u>712</u>		<u>\$128,000,000</u>		<u>729</u>		<u>\$138,575,000</u>		<u>880</u>		<u>\$173,744,000</u>			

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: \$133,386 for FY 2022 and \$141,322 for FY 2023

2/ A full-year 2023 appropriation was enacted on December 29, 2022, the Consolidated Appropriations Act, 2023 (P.L. 117-328).

STAFFING HISTORY
Actual Full-Time Equivalent Employment

Fiscal year	Total FTEs	a/ b/	Change from previous year	Percent change from previous year	Cumulative FTE reduction	Cumulative percent change since fiscal year 1993
1993	1,698	b/	---	---	---	---
1994	1,615	b/	-83	-4.9%	83	-4.9%
1995	1,483	b/	-132	-8.2%	215	-4.9%
1996	1,401	b/	-82	-5.5%	297	-17.5%
1997	1,297		-104	-7.4%	401	-23.6%
1998	1,227		-70	-5.4%	471	-27.7%
1999	1,196		-31	-2.5%	502	-29.6%
2000	1,136		-60	-5.0%	562	-33.1%
2001	1,101		-35	-3.1%	597	-35.2%
2002	1,099		-2	-0.2%	599	-35.3%
2003	1,079		-20	-1.8%	619	-36.5%
2004	1,048		-31	-2.9%	650	-38.3%
2005	957		-91	-8.7%	741	-43.6%
2006	940		-17	-1.8%	758	-44.6%
2007	927		-13	-1.4%	771	-45.4%
2008	918		-9	-1.0%	780	-45.9%
2009	897		-21	-2.3%	801	-47.2%
2010	908		11	1.2%	790	-46.5%
2011	903		-5	-0.6%	795	-46.8%
2012	884		-19	-2.1%	814	-47.9%
2013	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	763		-14	-1.8%	935	-55.0%
2023	712	c/ d/	-51	-6.7%	986	-58.0%
2024	729	d/	17	2.4%	969	-57.0%

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 February 2023. Reflects the estimated staffing allowable, pursuant to the Consolidated Appropriations Act, 2023 (P.L. 117-328).

d/ The estimated 729 FTEs is 151 FTEs fewer than what is needed to sustain the agency's mission essential functions.

Cybersecurity Priorities Identified for M-22-16

Aside from the Cybersecurity initiative outlined in Information Technology Modernization Program Initiatives discussed further within this document, the RRB also will focus in FY2024 on the priorities outlined in OMB memorandum M-22-16 and has included a budget request for \$3,000,000 in budget object class code 2520 and other cyber security initiatives. The memorandum requires Federal Civilian Executive Branch (FCEB) agencies to make investments in three cyber investment priority areas: Improving the Defense and Resilience of Government Networks; Deepening Cross-Sector Collaboration in Defense of Critical Infrastructure; and Strengthening the Foundations of Our Digitally-Enabled Future. Of the priorities noted in M-22-6, the RRB will focus its Cybersecurity investment priorities in the following areas from the memorandum:

Zero Trust Implementation (\$600,000)

- The RRB is in the midst of an enterprise-wide modernization of its legacy IT systems and 2000+ legacy applications which directly enable its mission. As such, the RRB is developing and integrating a strategic approach to implementing cybersecurity controls that secures our organization by eliminating implicit trust and continuously validating every stage of network interaction. Rooted in the principle of “never trust, always verify,” the RRB’s Zero Trust strategy will be designed to protect our current environment, and as we modernize, our future environments enabling a digital transformation by using strong authentication methods, leveraging network segmentation, preventing lateral movement, providing layer 7 threat prevention, and simplifying granular, “least access” policies. Please be advised that as the RRB modernization strategy evolves, our Zero Trust strategy will evolve to align with those requirements as well.
- The RRB’s Zero Trust implementation approach will implement the five pillars mentioned in the OMB Memorandum M-22-09, *Moving the U.S. Government Toward Zero Trust Cybersecurity Principles*:
 - Pillar 1 – Identify: The RRB will employ a centralized identity management system that will integrate the RRB modernized applications to the RRB’s Common Platforms, implement phishing-resistant multi-factor authentication (MFA) to RRB hosted accounts, and ensure public facing systems support,
 - Pillar 2 – Devices: The RRB has enrolled in CISA’s Continuous Diagnostic and Mitigation program that will ensure that we create an ongoing, reliable and complete hardware and software inventory. The RRB has invested in an Endpoint Detection and Response (EDR) solution and will coordinate with CISA to identify gaps, coordinate on deployment, and establish information sharing capabilities with CISA as described in M-22-01.
 - Pillar 3 – Networks: The RRB is architecting and designing the RRB ZTA plan through consultation, business value assessment, and architectural workshops with CISA. We will follow the Zero Trust maturity model and NIST 800-207 in developing our plan.
 - Pillar 4 – Applications and Workloads: The RRB has conducted a TIC 3.0 implementation strategy to ensure all the security controls have been implemented

for the data-sharing migration project. This includes hardening of the necessary servers, employing Microsoft Defender in the Cloud technologies, ensuring our systems are monitored by the Qualys CDM and CISA Federal Dashboard, and the environment is correctly segmented in the Azure architecture.

- Pillar 5 – Data: The RRB is using Microsoft Office 365 Data Loss Prevention to manage encryption/decryption services for Office 365 starting March 2022. The RRB will additionally assess where sensitive data is stored in other Cloud spaces and determine how to monitor for unexpected or anomalous decryption requests to that data.

IT Modernization for Federal Cybersecurity by Design (\$2,000,000)

- The RRB will continue participating in shared security technologies, including active engagement with the Department of Homeland Security (DHS) Continuous Diagnostics and Mitigation program a to ensure up-to-date technologies are implemented and agency requirements are funded. In accordance with the Presidential Executive Order 14028 “Improving the Nation’s Cybersecurity” the RRB plans to obtain cyber security services through the U.S. Department of Justice (DOJ) Security Operations Center as a Service (SOCaaS) services. The SOCaaS is a central nexus for networking monitoring, incident response, cyber threat intelligence collection, and cross-agency threat information sharing as required in OMB Memorandum M-22-16. The service will integrate with the existing RRB M365 and cloud environments and provide continuous monitoring and incident response for the RRB’s on premise and cloud information system boundaries.
- The RRB is continuing to improve the effectiveness of our cybersecurity program and is remediating cybersecurity risks identified in the RRB’s most recent FY 2022 FISMA audit. Specifically, the RRB is implementing the following cybersecurity framework improvements:
 - Identify (\$100,000) – The RRB has improved the RRB’s risk management program by partnered with DOJ and using their Cyber Security Assessment and Management (CSAM) GRC tool. CSAM will improve a centralized, enterprise-wide (portfolio) view of risks across the organization, including risk control and remediation activities, dependencies, risk scores/levels, risk management roles and responsibilities, an information security architecture strategy, an enterprise-wide configuration plan, and management dashboards that integrates the RRB’s risk management strategy effectively with the RRB’s Management Control Review/Enterprise Risk Management program. The dashboards will ensure the RRB manages risk automatically and more efficiently.
 - Protect - (\$150,000)The RRB plans in improving the configuration management program by developing and implementing a process for reviewing and monitoring open vulnerabilities within Qualys and remediating those vulnerabilities automatically with software tools.
 - Protect (\$150,000) -- Improving the RRB’s identity and access management is a goal the RRB is striving towards and enforcing multi-factor authentication for RRB user accounts is a key measurement. The RRB is using HSPD-12 PIV authentication for the majority of users and researching alternative measures for

staff that cannot use a PIV.

- Protect (\$150,000) – The RRB continues to monitor and improve upon the RRB’s security awareness program. Assessing the RRB’s workforce for information security and skillset deficiencies is planned for FY 2023.
- Detect (\$200,000) – The RRB has developed an effective information security continuous monitoring program and looks to improve on the program with the implementation of NIST 800-53 revision 5 security controls for all the RRB information systems. The updated security controls will be monitored on the RRB’s CSAM GRC tool.
- Respond (\$1,150,000) - The RRB will improve our incident response program with the procurement of a SOCaaS service to ensure appropriate coverage for monitoring the RRB information systems for malicious activity.
- Recover (\$100,000) – The RRB conducted a incident response (I.e. Ransomware infection) tabletop exercise that identified the need to improve on configuration management measures to ensure safeguarding RRB data. The RRB will follow the guidelines set forth by CISA to ensure the RRB’s infrastructure is updated to ensure that those measurements are implemented.

Human Capital (\$400,000)

- The RRB will implement an Azure DevSecOps solution and follow agile development practices to employ immutable infrastructure. DevSecOps is a set of software development practices that combines software development (Dev), security (Sec), and information technology operations (Ops) to secure the outcome and shorten the development lifecycle.
- The RRB will hire a Secure Software Assessor (Application Security Specialist). The Secure Software Assessor role analyzes the security of new or existing computer applications, software, or specialized utility programs and provides actionable results.
- The RRB will explore, as appropriate and within the bounds of statutory authorities, mission- driven, person-focused, and market-sensitive approach to talent management for cybersecurity positions similar to the Talent Management System enacted by the Department of Homeland Security in November 2021.

The above M-22-16 priorities align with Goal 2 – Secure the Enterprise, one of the RRB’s Four Strategic Goals for its modernization.

Funding for Major Contracts

This chart shows contracts of \$100,000 and over that are planned for fiscal year 2024 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 FY2024 President's Budget Level.

BOC	Title and Description	Estimated FY 2024 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.	615,300
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.	3,781,844
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.	1,620,000 ^{a/}
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.	2,616,546
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.	3,041,500
310	• <u>IT End of Life Replacement Equipment</u> . Replacements - wireless infrastructure, nodes for Nutanix, firewalls, and core switches.	300,000
257	• <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.	725,000
<i>Subtotal</i>		<u>13,350,190</u>

BOC	Title and Description	Estimated FY 2024 Funding
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Support of Benefit Program Activities

256	• <u>Medical Fees</u> . SSA Death Master and initial medical exams as needed.	1,880,000
251	• <u>Consultative Medical Services</u> . Funding will be used for medical evidence reviews concerning benefit and claim matters and preparation of advisory medical opinions.	446,450
252	• <u>Field Service Training</u> . Contract funding will be used for training claims representatives.	103,000
252	• <u>Other Services (NON-Federal)</u> . Funding is needed for CGI Accounting Support, FMIS upgrade, related training and financial consultant support for policy and procedures establishment.	150,000
<i>Subtotal</i>		<u>2,579,450</u>

Financial Management

253	• <u>Payroll Costs</u> . Funding is for payroll costs related to PAR and labor distribution.	407,000 a/
252	• <u>Financial Systems</u> . Funding will be used to support FMIS Annual O&M.	2,500,000
<i>Subtotal</i>		<u>2,907,000</u>

BOC	Title and Description	Estimated FY 2024 Funding
<u>Administrative Support</u>		
253	• <u>File Management Services</u> . Fees 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).	570,000 a/
252	<u>CWT fees</u> . CBA Statement Payments for Travel	100,000
252	• <u>Photocopiers</u> . Funding is required to continue contractual services for walk-up photocopiers in the entire agency (HQ, Field, and OIG). Funding also includes the high speed copiers that are used to prepare program related booklets, pamphlets, other informational material, and also produces the mail (e.g., award decisions) sent to RRB annuitants and/or claimants.	439,000
253	• <u>Field Office Support Services</u> . Funding is required for field office alterations, miscellaneous and administrative support services. RWA Services.	375,000 a/
253	• <u>DCSA Background Investigations</u> . Funding is required to obtain background investigations for agency employees and contractors.	125,000 a/
253	• <u>IAA</u> . IAA for Nurse Services.	120,000 a/
253	• <u>HRLinks</u> . Funding required to continue funding for HRLinks, which is the agency's official identity management system that also processes time and attendance.	431,000 a/
252	• <u>Learning Management System</u> . Funding is for the RRB's in-house online educational/training courses and programs.	183,400
<i>Subtotal</i>		<u>2,343,400</u>

BOC	Title and Description	Estimated FY 2024 Funding
<u>Facility Management Services</u>		
253	• <u>Federal Protective Service Costs</u> . Funding is required for protective services, billed by the Department of Homeland Security, Federal Protective Service.	1,700,000 a/
254	• <u>Janitorial Services</u> . Funding is needed for janitorial services for the RRB headquarters building.	875,000
254	• <u>After-Hours Labor</u> . Labor in excess of those allowed under Delegation of Authority.	205,000
252/254/257	• <u>Miscellaneous Building Contracts</u> . Various miscellaneous maintenance, facilities maintenance, maintain UPS for data center and telephones, exterior repairs, maintenance to entrance turnstiles, various recurring and non-recurring interior repairs, facilities maintenance contracts, services for assistance in moving heavy bulk items for disposal and Elevator Maintenance Contract.	1,265,000
	<i>Subtotal</i>	<u>4,045,000</u>
Agency total		<u>\$25,225,040</u>

a/ Contractual services provided by Federal Government agencies comprise \$4,148,000 of the agency program total.

BUDGET AUTHORITY BY FUND

Railroad Retirement Program	Fiscal Year 2022 Actual Amounts	Fiscal Year 2023 Estimate	Fiscal Year 2024 President's Budget	Fiscal Year 2024 Agency's Request
<u>Direct Program:</u>				
Railroad Retirement Account	\$82,553,920	\$89,744,516	\$97,758,000	\$122,568,000
Social Security Equivalent Benefit Account	\$21,599,068	\$19,914,364	\$20,900,000	\$26,204,000
Total, direct railroad retirement program obligations	\$104,152,988	\$109,658,880	\$118,658,000	\$148,772,000

Railroad Unemployment and Sickness Insurance Program

Direct Program:

Railroad Unemployment Insurance Administration Fund	\$17,996,247	\$18,341,120	\$19,917,000	\$24,972,000
Total, direct railroad retirement, unemployment and sickness insurance obligations	\$122,149,235	\$128,000,000	\$138,575,000	\$173,744,000
Unobligated balance	\$1,850,765	---	---	---
Total, direct railroad retirement, unemployment and sickness insurance budget authority	\$124,000,000	\$128,000,000	\$138,575,000	\$173,744,000

Notes: A full year 2023 appropriation was enacted on December 29, 2022, pursuant to the Consolidated Appropriations Act, 2023 (P.L. 117-328).

The source of funds for the unobligated balance from FY 2022 is as follows: (1) Railroad Retirement Account \$1,250,830, (2) Social Security Benefit Account \$327,262, (3) Railroad Unemployment Insurance Administration Fund \$272,673.

LIMITATION ON ADMINISTRATION

Financing

	Fiscal Year 2022 Actual	Fiscal Year 2023 Estimate	Fiscal Year 2024 President's Budget	Fiscal Year 2024 Agency's Request
	Financing			
Total, direct program obligations	\$122,149,235	\$128,000,000	\$138,575,000	\$163,744,000
No Year Funding for IT Initiatives	0	0	0	10,000,000
Unobligated balance	1,850,765	---	---	---
Limitation	\$124,000,000	\$128,000,000	\$138,575,000	\$173,744,000

Relation of direct program obligations to outlays

Obligations incurred, net	\$122,149,235	\$128,000,000	\$138,575,000	\$173,744,000
Obligated balance, start of year	0	29,465,881	29,465,881	29,465,881
Obligated balance, end of year	(29,465,881)	(29,465,881)	(29,465,881)	(29,465,881)
Outlays from limitation	\$92,683,354	\$128,000,000	\$138,575,000	\$173,744,000

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 2023 appropriation for this account was enacted on December 29, 2022, pursuant to the Consolidated Appropriations Act, 2023 (P.L. 117-328).

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

Direct program sources	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2022 Actual	2023 Estimate	2024 President's Budget	2024 Agency's Request
Appropriation	\$124,000,000	\$128,000,000	\$138,575,000	\$163,744,000
No-Year Funding for IT Initiatives	---	---	---	10,000,000
Available from benefit trust funds by Congressional appropriation	\$124,000,000	\$128,000,000	\$138,575,000	\$173,744,000
Total uses:	\$124,000,000	\$128,000,000	\$138,575,000	\$173,744,000

Direct program uses	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2022 Actual	2023 Estimate	2024 President's Budget	2024 Agency's Request
Administrative expenses	\$122,149,235	\$128,000,000	\$138,575,000	\$163,744,000
No-Year Funding for IT Initiatives	---	---	---	10,000,000
Unobligated balance	1,850,765	---	---	---
Total uses:	\$124,000,000	\$128,000,000	\$138,575,000	\$173,744,000

Notes: A full-year 2023 appropriation for this account was enacted on December 29, 2022, pursuant to the Consolidated Appropriations Act, 2023 (P.L. 117-328).

LIMITATION ON ADMINISTRATION

Amounts Available for Obligation

	Fiscal Year 2022 Actual	Fiscal Year 2023 Estimate	Fiscal Year 2024 President's Budget	Fiscal Year 2024 Agency's Request
Appropriation	\$124,000,000	\$128,000,000	\$138,575,000	\$163,744,000
No-Year Funding for IT Initiatives	---	---	---	10,000,000
Unobligated balance	1,850,765	---	---	---
Total direct obligations a/	\$122,149,235	\$128,000,000	\$138,575,000	\$173,744,000

a/ The RRB also received reimbursements and transfers totaling \$39.2 million in fiscal year 2022 and expects to receive \$30.4 million in fiscal year 2023, and \$30.3 million in fiscal year 2024 from CMS and others.

Notes: A full-year 2023 appropriation for this account was enacted on December 29, 2022, pursuant to the Consolidated Appropriations Act, 2023 (P.L. 117-328).

APPROPRIATIONS HISTORY TABLE

Year	Agency's Request Level	President's Budget			Appropriation/Continuing Resolution
		Estimate to the Congress	House Allowance	Senate Allowance	
2015	119,743,000	112,150,000	---	---	111,225,000 a/
2016	141,431,197	119,918,000	---	---	111,225,000 b/
2017	139,649,040	122,499,000	---	---	113,500,000 c/
2018	147,841,000	111,225,000	113,500,000	114,500,000	123,500,000 d/
2019	142,506,000	115,225,000	126,000,000	123,500,000	123,500,000 e/
2020	137,216,000	116,225,000	135,500,000	123,500,000	123,500,000 f/
2021	141,974,000	120,225,000	126,500,000	120,225,000	123,500,000 g/
2022	148,371,000	125,049,000	130,049,000	125,049,000	123,500,000 h/
2023	151,409,000	131,666,000	131,666,000	135,400,000	128,000,000 i/
2024	173,744,000 j/	138,575,000			

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

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

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

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

e/ 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).

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

g/ 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).

h/ 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.

i/ 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. In addition, the Agency's final appropriations is made available by the Consolidated Appropriations Act, 2023 (P.L. 117-328).

j/ The Agency's request level (ARL) amount has been revised from \$205,873,000 to \$204,111,000 as reported in the RRB's Fiscal Year 2024 Budget Submission and the revised Fiscal Year 2024 ARL includes direct obligations of \$163,744,000 and \$10,000,000 for Information Technology (IT) Initiatives.

Retirement/Survivor Benefit Program
Summary Processing Workload Table

Fiscal Years	Average number of annuitants	New applications	Supplemental annuity applications	Social Security initial awards ^{1/}	Post-payment adjustments	Number of payments	Medicare enrollments ^{2/}
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	4,526	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	481,911	23,272	1,118	3,425	66,424	6,287,702	7,408
2023 (est)	473,700	26,000	1,000	4,000	60,000	6,200,000	7,000
2024 (est)	466,800	25,000	1,000	4,000	62,000	6,100,000	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	18,484	184,799 ^{8/}	296,239 ^{8/}	33,770	150,451 ^{8/}	162,580 ^{8/}
2022	189,000 (est)	8,102	49,977 ^{8/}	46,369 ^{8/}	21,720	131,010 ^{8/}	125,326 ^{8/}
2023 (est)	189,000	8,000	52,000	43,000	19,000	139,000	119,000
2024 (est)	188,000	9,000	61,000	51,000	19,000	137,000	117,000

^{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)

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PERFORMANCE

PLAN



Fiscal Year 2024

Railroad Retirement Board

Railroad Retirement Board – Fiscal Year 2024 Performance Plan

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Railroad Retirement Board – Fiscal Year 2024 Performance Plan

Introduction

The Railroad Retirement Board (RRB) has developed this performance budget for fiscal year 2024 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 2024. 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 2024 for each performance goal, is at the Agency's proposed request level of \$173,744,000, 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 2024, 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 41 FTEs in FY 2022 at an average cost of \$72,138 and an estimated 31 FTEs in FY 2023 at an average cost of \$81,042.

Railroad Retirement Board – Fiscal Year 2024 Performance Plan

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 2024

Performance Plan

Strategic Goal I: Modernize Information Technology (IT) Operations to sustain mission essential services. At the Agency's request level for fiscal year 2024, we plan to allocate \$28,051,060 and 122 full-time equivalent employees (FTEs) to this strategic goal.

Today, our mission essential programs are strained under the burden of legacy computer systems built over 40 years ago. Additionally, we continue to suffer significant institutional knowledge drain regarding these legacy systems and applications. Several years ago we set out to modernize the enterprise, including all legacy IT systems and applications to continue providing the excellent service to our beneficiaries. While we have made significant strides in recent years, there is more to be done. Our current IT Modernization Program is a three-phased program to achieve such a comprehensive task. Today, we find ourselves preparing to complete the Stabilize Phase, where we established our cloud presence and modernized our support of a remote and hybrid workforce. We are now set to begin the Modernize Phase, where the focus will be two-fold – 1) To deliver new online services and applications to improve the annuitant and applicant experiences, and 2) To gain efficiencies in core business processes, both supporting the RRB mission.

Simultaneously, we continue to improve our agency security posture as we modernize. Our funding request has additional detail regarding our plan for compliance with newly released OMB memorandum, M 22-16, Administration Cybersecurity Priorities for the FY 2024 Budget (July 22, 2022). More detail regarding our application modernization funding request and plan for compliance with the federal zero trust strategy is in the Information Technology Modernization Program Initiatives section.

I-A. Strategic Objective: RRB's Transformation (formerly Legacy Systems Modernization).

The RRB developed an IRM Strategic Plan for Modernization with the following goals in support of the Agency's first Strategic Objective:

- Improve the User Experience
- Secure the Enterprise
- Upskill the IT Team
- Optimize the Infrastructure

To achieve these goals, the RRB will plan and implement key initiatives to begin the Modernize Phase of the IT Modernization Program. Those initiatives are captured in the Information Technology (IT) Update section of this budget submission.

The performance indicators that we will utilize to assess our progress toward our strategic objective and reference to the IRM Strategic Plan for Modernization Goals are as follows:

FY 2024 Performance Plan Strategic Goal I-A.	IRM Strategic Plan for Modernization Goals.
I-A-6. Complete the development of business rules strategy and data layer components of the modernization.	<ol style="list-style-type: none"> 1. Improve the User Experience 2. Upskill the IT Team
I-A-7. Deliver citizen-centric services and applications to railroad employees through mobile- and web-ready interfaces.	<ol style="list-style-type: none"> 1. Improve the User Experience 2. Secure the Enterprise 3. Upskill the IT Team
I-A-8. Complete the streamlining of core business processes and modernize key applications, which support these processes.	<ol style="list-style-type: none"> 1. Improve the User Experience 2. Secure the Enterprise 3. Upskill the IT Team
I-A-9. Refine critical management processes in the following areas within the IT organization: change, project, program, and configuration.	<ol style="list-style-type: none"> 1. Secure the Enterprise 2. Upskill the IT Team 3. Optimize the Infrastructure
I-A-10. Evaluate the re-engineering assessment deliverables to determine a cost-effective path forward to application rationalization and streamline business processes.	<ol style="list-style-type: none"> 1. Improve the User Experience 2. Secure the Enterprise 3. Upskill the IT Team 4. Optimize the Infrastructure

“Goal I-A-6 Complete the development of business rules strategy and data layer components of the modernization” projects include IBM Tools and Services (ADDI, zOS Connect) and Customer-Centric Online Self-Services and Sickness Application Capabilities (TMF). “Goal I-A-7 Deliver citizen-centric services and applications to railroad employees through mobile- and web-ready interfaces” projects include Azure DevSecOps, Security ZTA Implementation, and Customer-Centric Online Self-Services and Sickness Application Capabilities (TMF). “Goal I-A-8 Complete the streamlining of core business processes and modernize key applications, which support these processes” projects include Microsoft 365 One Drive, Establish Microsoft Power BI, RRB Docket and Legal Management System Replacement, and Service Manager Upgrade (Ticketing System). “Goal I-A-9 Refine critical management processes in the following areas within the IT organization: change, project, program, and configuration” projects include IT Program Administrative Support Services. “Goal I-A-10 Evaluate the re-engineering assessment deliverables to determine a cost-effective path forward to application rationalization and streamline business processes” projects include the Strategic IRM for Modernization Plan.

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 \$94,412,133 and 591 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 measures in the agency Performance Plan 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 specifically for the initial payment of RRA and RUIA benefits. Through September 30, 2022, the overall actual performance was 98.9 percent. This means that customers received benefit services within the timeframes promised in the Customer Service Plan for nearly 99 percent of the 228,872 service transactions for which timeliness was measured.

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

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.*

Overall Timeliness Performance Fiscal Year 2022 (through 9/30/2022)

- Retirement applications: 96.7%
(target: 94.0 %)
- Survivor applications: 94.8 %
(target: 94.4 %)
- Disability applications/payments: 54.4 %
(target: 82.0 %)
- RUIA applications/claims: 99.8 %
(target: 98.6 %)

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. Additional staffing in the Disability Benefits Division will provide some improvements in reducing the number of filings pending greater than a year. As these older cases are adjudicated, the overall disability program timeliness should improve.

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 2023 with the automation of the Annuity Employee Estimate File (AESOP) and the development and implementation of Form RL-13G (Notice to Employer of Relinquishment of Rights of Disability Annuitant who Attained Age 65) as additions to ERSNet. These services will provide timely notice and access to these reports electronically for responsible officials in their organizations. This will add two more services to the system bringing the total number of available services to 33 in the ERSNet system.

The RRB will utilize fiscal year 2024 to focus on improvements and enhancements to the existing 33 services and expects to develop 2 more services by the end of fiscal year 2024. These services include development of on-line ERSNet processes for the RL-27, Notice of Employer of Disability Annuity Application Denial and the GL-99, Deemed Service Questionnaire.

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 2024, we plan to allocate \$41,280,807 and 167 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 2022, we released our Performance and Accountability Report for fiscal year 2022. RMA Associates did not express an opinion (disclaimer) on the RRB's 2022 financial statements, which were included in that report. RMA Associates cited a 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 components of the financial reporting material weakness. RMA also cited timeliness of evidential matter, Statement of Assurance Finding, Ineffective IT Control Over Financial Reporting, Preparing and Reviewing Financial Reporting, Lack of Correction Action Plans, Open Obligations Not Timely Reviewed, Unsupported Journal Entries, Financial Statement Analysis and Controls Over Railroad Service and Compensation. The RRB disagrees that these matters rise to the level of material weakness and with the basis RMA Associates 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 2021, the RRB invested the equivalent of about 17 full-time employees, at a cost of approximately \$1.95 million, in program integrity efforts. This resulted in about \$12.53 million in recoverables, \$1.87 million in benefits saved, and the referral of 43 cases to the OIG for investigation. This is approximately \$7.38 in savings for each \$1.00 invested in these activities.

Also impacting benefit payment accuracy is the ability to timely process post award annuity adjustments. The RRB is currently experiencing a high volume of pending annuity adjustment actions where benefit payment changes are due for currently entitled retirement, survivor, and disability beneficiaries. We are committed to prioritizing this work to ensure the accuracy of all Retirement benefit payments. Therefore, the RRB has developed new performance measures for FY 2024 to track our progress toward reducing the volume of these cases to both improve our benefit payment accuracy and customer service satisfaction. The workload reduction targets will be reevaluated and revised each fiscal year until pending annuity adjustment workloads are complete.

III-C. Strategic Objective: Ensure effectiveness, efficiency, and security of operations.

The RRB is committed to effective, efficient, and secure internal operations, which are all critical components of good stewardship. We employ many factors and programs to ensure we accomplish 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 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. 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 years 2021 through 2022 but will continue in fiscal years 2023 through 2024 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 all four 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.*
- *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 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.*
- *Network Protection – as part of the RRB ISCM strategy, we will continue to improve the Defense in Depth configuration in place, namely the Intrusion Prevention System (IPS), Network Access Control (NAC), and the Security Information and Event Management (SIEM).*
- *Cyber Security Assessment and Management (CSAM) – agreement with the Department of Justice to implement a Governance, Risk, and Compliance (GRC) tool that will automate assessments and authorizations for a comprehensive assessment and continuous monitoring services.*
- *Zero Trust – The RRB is developing a strategic approach to implementing cybersecurity controls that secures our organization by eliminating implicit trust and continuously validating every stage of network interaction pursuant to MOB Memorandum M-22-09. Rooted in the principle of “never trust, always verify,” the RRB’s Zero Trust strategy will be designed to protect our current environment, and as we modernize, our future environments enabling a digital transformation by using strong authentication methods, leveraging network segmentation, preventing lateral movement, providing layer 7 threat prevention, and simplifying granular, “least access” policies.*

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 – Strong Authentication (formerly 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. About 37 percent of our employees have 20 or more years of service and 28 percent of the current workforce will be eligible for retirement by fiscal year 2024. 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. 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 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 2024 Performance Plan	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Estimate \$128.0m	2024 Request \$173.4m
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	Azure Migration: 100%	Goal Complete	Goal Complete	Performance Indicator Complete and Closed Starting <u>FY24</u>
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	100%	Goal Complete	Goal Complete	Performance Indicator Complete and Closed Starting <u>FY24</u>
I-A-3. Transition Mission Essential Programs from the End-of-Life Mainframe hardware.	10%	50%	100%	Goal Complete	Goal Complete	Performance Indicator Complete and Closed Starting <u>FY24</u>
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	100%	Goal Complete	Goal Complete	Performance Indicator Complete and Closed Starting <u>FY24</u>
I-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	100%	Goal Complete	Goal Complete	Performance Indicator Complete and Closed Starting <u>FY24</u>

Railroad Retirement Board FY 2024 Performance Plan	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Estimate \$128.0m	2024 Request \$173.4m
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	New Performance Goal for FY 2022	New Performance Goal for FY 2022	50%	50%	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	New Performance Goal for FY 2022	New Performance Goal for FY 2022	0%	25%	50%
I-A-8. Complete the streamlining of core business processes and modernize key applications, which support these processes.	New Performance Goal for FY 2022	New Performance Goal for FY 2022	New Performance Goal for FY 2022	0%	0%	25%
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	New Performance Goal for FY 2022	New Performance Goal for FY 2022	50%	75%	100%
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	New Performance Goal for FY 2022	New Performance Goal for FY 2022	50%	100%	Goal Complete

Railroad Retirement Board FY 2024 Performance Plan	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Estimate \$128.0m	2024 Request \$173.4m
STRATEGIC GOAL II: <i>Provide Excellent Customer Service.</i>						
<i>Strategic Objective: Pay benefits timely.</i>						
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)	95.4%	96.4%	97.0%	96.7%	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%	97.5%	97.0%	96.7%	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)	96.0%	95.0%	92.2%	91.9%	94.0%	94.0%

Railroad Retirement Board FY 2024 Performance Plan	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Estimate \$128.0m	2024 Request \$173.4m
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)	96.6%	95.2%	94.8%	95.8%	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)	97.3%	97.3%	95.0%	94.4%	95.0%	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)	12.5%	13.5%	18.6%	12.6%	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)	85.2%	88.5%	87.5%	89.4%	91.0%	94.0%
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)	207	205	208	174	210	210

Railroad Retirement Board FY 2024 Performance Plan	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Estimate \$128.0m	2024 Request \$173.4m
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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 electronic media to file reports; number of services available through electronic media)	a) Employers using ERS	99.2%	98.9%	99.1%	99.3%	99.0%	99.0%
	b) Internet services	30 Internet services available	30 Internet services available	30 Internet services available	31 Internet services available	33 Internet services available	35 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%	95.18%	89.08%	89.35%	85%	85%
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Railroad Retirement Board FY 2024 Performance Plan		2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Estimate \$128.0m	2024 Request \$173.4m
Strategic Objective: Ensure the accuracy and integrity of benefit programs.							
Goal leader III-B-1(a)(b) and III-B-3 through III-B-12: 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, Deputy Director of Programs							
III-B-1. Achieve a railroad retirement benefit payment accuracy rate ^{5/} of at least 99%. (Measure: Percent accuracy rate)	a) Initial payments	99.83%	99.57%	99.79%	99.82% ^{6/}	99.75%	99.75%
	b) Sample post recurring payments	99.97%	Not Applicable Post Study Canceled	99.59%	99.29% ^{6/}	99.75%	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	96.23%	96.62%	97.58%	95.71% ^{7/}	95.50%	95.50%
	b) Sickness	97.93%	97.88%	97.38%	98.13% ^{7/}	95.00%	95.50%
III-B-3. Overall Initial Disability Determination Accuracy. (Measure: % of Case Accuracy)	73.60%	86.10%	Not Available	Not Available	95.00%	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 ^{8/}	N/A ^{8/}	N/A ^{8/}	N/A ^{8/}	N/A ^{8/}	N/A ^{8/}	N/A ^{8/}
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)	\$6.66: \$1.00	\$6.03: \$1.00	\$7.38: \$1.00	Not Available	\$4.00: \$1.00	\$4.00: \$1.00	
III-B-6. Reduce the backlog of RRB's Cost of Living (COLA) annuity adjustment cases that do not fully process mechanically by 70% (less than 1,000 for FY 2024).	Effective FY 2024	Effective FY 2024	Effective FY 2024	Effective FY 2024	Effective FY 2024	< 1,000	
III-B-7. Reduce the backlog of RRB's Service and Compensation annuity adjustment cases that do not fully process mechanically by 10% (less than 27,250 for FY 2024).	Effective FY 2024	Effective FY 2024	Effective FY 2024	Effective FY 2024	Effective FY 2024	< 27,250	

Railroad Retirement Board FY 2024 Performance Plan	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Estimate \$128.0m	2024 Request \$173.4m
III-B-8. Reduce the backlog of earnings report annuity adjustment cases by 20% (less than 12,000 for FY 2024).	Effective FY 2024	< 12,000				
III-B-9. Reduce the backlog of miscellaneous retirement annuity adjustment cases, that may include an increase in a public pension, a favorable RRB Disability Freeze determination or a workman compensation adjustment by 15% (less than 7,500 for FY 2024).	Effective FY 2024	< 7,500				
III-B-10. Reduce the backlog of miscellaneous Social Security Retirement non-COLA adjustment cases that include changes in SSA benefit amounts due to processes such as Automatic Earnings Reappraisal Operation (AERO), garnishment reductions or voluntary tax withholding by 15% (less than 7,650 for FY 2024).	Effective FY 2024	< 7,650				
III-B-11. Reduce the backlog of Social Security adjustment cases that include COLA adjustments and do not fully process mechanically by 11% (less than 3,050 for FY 2024).	Effective FY 2024	< 3,050				
III-B-12. Reduce the backlog of Social Security non-award record maintenance actions, which could result in a benefit payment adjustment by 11% (less than 73,750 for FY 2024).	Effective FY 2024	< 73,750				

Railroad Retirement Board FY 2024 Performance Plan	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Estimate \$128.0m	2024 Request \$173.4m
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	Performance Indicator Complete and Closed Starting FY24
III-C-2. Deliver – Deliver on Budget. Percent of IT Projects costs within 10% of budgeted cost.	100%	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	98.99%	99.31%	98.80%	99.76%	99%
	b) Hours of outage allowed per month	7.38 hours	4.83 hours	8.83 hours	1.67 hours	7 hours
III-C-4. Innovate – Design for Modularity. Strategy for Continuity of Operations Improvements.	Cloud- based enterprise test lab: No	Cloud- based enterprise test lab: No	Microsoft Azure Cloud Yes	Microsoft Azure Cloud Yes	Microsoft Azure Cloud Yes	Decommission Legacy Disaster Recovery Site: Yes
III-C-5. Innovate – Adopt New Technologies. Percentage of investments that evaluated cloud alternatives.	100%	100%	100%	100%	100%	Performance Indicator Complete and Closed Starting FY24
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.	100%	100%	100%	100%	100%	Performance Indicator Complete and Closed Starting FY24
III-C-7. Protect – Percentage of agency employees required to use a Personal Identity Verification (PIV) card to authenticate.	73%	Unprivileged Network Users > 66% Privileged Network Users ≥ 63%	Unprivileged Network Users > 54% Privileged Network Users > 98%	Unprivileged Network Users > 49% Privileged Network Users ≥ 100%	Unprivileged Network Users > 85% Privileged Network Users ≥ 100%	Unprivileged Network Users > 85% Privileged Network Users ≥ 100%

Railroad Retirement Board FY 2024 Performance Plan	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Estimate \$128.0m	2024 Request \$173.4m
<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/} 2022 Actual results represent status as of September 30, 2022, unless otherwise noted.
- ^{2/} 2023 Enacted includes 128,000,000 for the Limitation on Administration.
- ^{3/} 2024 Request includes \$163,744,000 for the Limitation on Administration account and \$10,000,000 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, 2022.
- ^{7/} The actual results represent status as of June 30, 2022.
- ^{8/} 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.

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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]\$8,000,000, which shall include amounts becoming available in fiscal year [2023] 2024 pursuant to section 224(c)(1)(B) of Public Law 98–76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits: *Provided*, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year. (*Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2023.*)

Note: A full year 2023 appropriation was enacted on December 29, 2022, pursuant to the Consolidated Appropriations Act, 2023 (P.L. 117-328).

Explanation of Proposed Appropriation Language

Appropriation language

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, [\$9,000,000] \$8,000,000, which shall include amounts becoming available in fiscal year [2023] 2024 pursuant to section 224(c)(1)(B) of Public Law 98-76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits: *Provided*, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.
(Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2023.)

Note: A full year 2023 appropriation was enacted on December 29, 2022, pursuant to the Consolidated Appropriations Act, 2023 (P.L. 117-328).

Explanation

The proposed appropriation language provides \$8,000,000 to the Dual Benefits Payments Account for payment of vested dual benefits. Of the \$8,000,000, it is estimated that \$0 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.

Authorizing Legislation

Legislation	Fiscal Year 2023		Fiscal Year 2024		President's Budget
	Authorized	Estimate	Authorized		
Railroad Retirement Act of 1974 as amended: Sections 15(d)(1), 7(c)(1), and 15(i)(2)					
Dual Benefits Payments	Indefinite	\$9,000,000 ^{a/}	Indefinite	\$8,000,000	

^{a/} A full year 2023 appropriation was enacted on December 29, 2022, pursuant to the Consolidated Appropriations Act, 2023 (P.L. 117-328).
Section 15(d) (1):

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

Section 7(c) (1):

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

Section 15(i) (2):

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

Appropriations History Table

Dual Benefits Payments Account a/

Year	President's Budget Estimate to the Congress	House Allowance	Senate Allowance	Appropriation/ Continuing Resolution
2015	34,000,000	---	---	34,000,000 b/
2016	29,000,000	---	---	29,000,000 c/
2017	25,000,000	---	---	25,000,000 d/
2018	22,000,000	22,000,000	22,000,000	22,000,000 e/
2019	19,000,000	19,000,000	19,000,000	19,000,000 f/
2020	16,000,000	16,000,000	16,000,000	16,000,000 g/
2021	13,000,000	13,000,000	13,000,000	13,000,000 h/
2022	11,000,000	11,000,000	11,000,000	11,000,000 i/
2023	9,000,000	9,000,000	9,000,000	9,000,000 j/
2024	8,000,000			

- 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 \$34,000,000 provided by the *Consolidated and Further Appropriation Act, 2015* (P.L. 113-235).
- c/ Amount reflects an appropriation of \$29,000,000 provided by the *Consolidated Appropriations Act, 2016* (P.L. 114-113).
- d/ The Consolidated Appropriations Act, 2017 (P.L. 115-31) provided \$25,000,000 for the Dual Benefits Payments Account.
- e/ The *Consolidated Appropriations Act, 2018* (P.L. 115-141) provided \$22,000,000 for the Dual Benefits Payments Account.
- f/ 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).
- g/ 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).
- h/ 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).
- i/ Amount reflects an appropriation of \$11,000,000 a full year 2022 appropriation was enacted on March 15, 2022, pursuant to the *Consolidated Appropriations Act, 2022* (P.L. 117-103).
- j/ Amount reflects an appropriation of \$9,000,000 a full year 2023 appropriation was enacted on December 29, 2022, pursuant to the *Consolidated Appropriations Act, 2023* (P.L. 117-328).

Funding Sources

The proposed fiscal year 2024 appropriation language calls for funding from the following source.

<u>Funding Sources</u>	<u>Budget Authority a/</u>
General revenue	\$8,000,000
[Of the \$8,000,000 to be funded from general revenue, \$0 million 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 2022 Actual</u>	<u>Fiscal Year 2023 Estimate</u>	<u>Fiscal Year 2024</u>	<u>President's Budget</u>
Appropriation, excluding 2% contingency reserve (general funds of the Treasury)	<u>\$11,000,000</u> a/	<u>\$9,000,000</u> a/	<u>\$8,000,000</u> a/	
Transfer from other accounts (Federal Payments to the Railroad Retirement Accounts)	898	2,000	2,000	
Subtotal:	<u>\$11,000,898</u>	<u>\$9,002,000</u>	<u>\$8,002,000</u>	
Less:				
Unobligated balance	<u>\$1,852,783</u>	---	---	
Total obligations (payments to beneficiaries)	<u>\$9,148,114</u>	<u>\$9,002,000</u>	<u>\$8,002,000</u>	

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

Note: A full year 2023 appropriation was enacted on December 29, 2022, pursuant to the Consolidated Appropriations Act, 2023 (P.L. 117-328).

Explanation of 2024 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 system's financial condition, the Railroad Retirement Act of 1974 provided that the Tier I component of the railroad retirement annuity be reduced by any social security benefit. This essentially integrated the two systems and eliminated the advantage of qualifying for benefits under both systems.

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

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

Financing the vested dual benefit component of railroad retirement annuities from general revenues was supported by a precedent regarding military service and by the fact that the dual benefit problem had been brought about by prior Congressional action repealing past dual benefit restrictions over the objections of the railroads.

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

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

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

The fiscal year 2024 appropriation language provides for 12 monthly payments to this account from general revenues and specifies that \$8,000,000 be appropriated for benefits. In addition, the proposed language provides that an additional amount not to exceed 2 percent of the \$8,000,000 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] 2025, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98–76. (*Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2023.*)

Note: A full year 2023 appropriation was enacted on December 29, 2022, pursuant to the Consolidated Appropriations Act, 2023 (P.L. 117-328).

Explanation of Proposed Appropriation Language

<u>Appropriation language</u>	<u>Explanation</u>
<p>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] 2025, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98–76. (<i>Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2023.</i>)</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>Note: A full year 2023 appropriation was enacted on December 29, 2022, pursuant to the Consolidated Appropriations Act, 2023 (P.L. 117-328).</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 2023		Fiscal Year 2024	
	Authorized	Current Estimate	Authorized	President's Budget
Railroad Retirement Solvency Act of 1983, Section 417	Indefinite	\$150,000 a/	Indefinite	\$150,000
Competitive Equality Banking Act of 1987, Section 1003				
Railroad Retirement Act of 1974, as amended, Section 15(i)(2)				

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

a/ *Note A full year 2023 appropriation was enacted on December 29, 2022, pursuant to the Consolidated Appropriations Act, 2023 (P.L. 117-328).*

Appropriations History Table

Fiscal Year	President's Budget Estimate to the Congress	House Allowance	Senate Allowance	Appropriation/ Continuing Resolution
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
2023	150,000	150,000	150,000	150,000 a/
2024	150,000			

a/ Note A full year 2023 appropriation was enacted on December 29, 2022, pursuant to the Consolidated Appropriations Act, 2023 (P.L. 117-328).

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 2022 Actual	Fiscal Year 2023 Estimate	Fiscal Year 2024 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>290,659</u>	<u>250,000</u>	<u>250,000</u>
Total obligations	<u>\$9,341</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 2024 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 2024 provides that funds would be available for 2 years, through September 30, 2025.

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RAILROAD RETIREMENT BOARD
INFORMATION TECHNOLOGY (IT) UPDATE

Phase	Specific IT Initiatives	Planned Spending as of 2.21.2023 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 • Enterprise Productivity Applications • Infrastructure Modernization • Improve Security Posture 	\$17,560,989
Modernize	<ul style="list-style-type: none"> • Application Modernization • Collaboration Tools • Business Rules Implementation • Data Model Implementation • Citizen-Centric Services / Online Forms and Portals / Customer Views • Paperless Processing and Secure Document Management • Cybersecurity 	\$21,439,011
Perform	Post Implementation Monitoring as Applications and Systems Modernize	--
<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 	\$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>		\$60,175,000

Information Technology Modernization Program Initiatives

FY 2024 Top Priorities – Modernize Phase as of February 2023

Since 2018, the RRB has received incremental funding from Congress through annual and pandemic-related appropriations to modernize its enterprise to provide secure, more convenient benefits administrative services to its customers. Much of the focus to date has been on modernization of our enterprise infrastructure. This focus is nearly complete with the full transition to GSA's EIS Program set to be completed this fiscal year (FY) 2023. For FY 2024, the RRB is seeking \$10,000,000 of IT Modernization No-Year funding for the following IT initiatives that are required to solidify our foundation in the expected multi-year Modernize Phase. Note that the IT Modernization program request amount is reduced to \$10,000,000 from the \$13,500,000 request level originally proposed in the agency's budget submission in September 2022. The Cybersecurity-related initiative, Security Operations as a Service (formerly priority number 4 in the September 2022 RRB budget submission) has been shifted to the list of agency's Cybersecurity needs in response to OMB M-22-16 earlier in this document.

PHASE	SPECIFIC IT INITIATIVE	AMOUNT
Stabilize	Mainframe and Legacy Application Optimization in Cloud Environments / Platforms	\$6,500,000
Modernize	Data Model Design / Implementation	\$1,000,000
Modernize	Optimize Infrastructure	\$2,500,000
Total FY 2024 IT Modernization No-Year Funding Request		\$10,000,000

A critical piece of our strategy includes reaching out to other agencies that have recently undertaken a modernization journey. The RRB sees the opportunity to jump start our efforts through our Federal partners' lessons learned. Several agencies have created similar systems with modular code or re-engineered processes that can be shared with the RRB. Through this opportunity, we hope to further reduce the time it takes to bring our improvements to the rail community.

As an independent agency, we have sought the use of shared services where appropriate and focused our modernization on legacy systems unique to our mission of benefits administration for the rail industry. Included in the opportunities to use shared services are the cyber services from Cybersecurity & Infrastructure Security Agency (CISA) and the Department of Justice, as well as utilizing GSA's Login.Gov for public identity verification. Our use of shared-services is a critical piece of our overall IT strategy.

The RRB continues to refine its modernization strategy and are currently finalizing an Information Resources Management (IRM) Strategic Plan for Modernization. Within the Plan, the RRB identifies four strategic goals for its modernization, which are as follows:

- *Goal 1: Improve the User Experience*
- *Goal 2: Secure the Enterprise*
- *Goal 3: Upskill the IT Team*

- *Goal 4: Optimize the Infrastructure*

The specific IT initiative and related priorities highlighted in the section below align to these goals and provide additional detail on the initiatives set to begin in FY 2024.

Priority 1		
Mainframe and Legacy Application Optimization in Cloud Environments / Platforms	Software Development Platform	\$5,000,000
	Microsoft Power Platform	\$1,500,000
Total Priority 1	\$6,500,000	

In FY 2024, the RRB requests funding of \$6,500,000 to support acquiring software development platforms to modernize its mission-side (\$5,000,000) and mission support-side legacy applications (\$1,500,000). The RRB's benefits processing system is based on over 30-year old technology that hasn't been widely available to learn, commercially or in schools, for decades. As a result of this dwindling skillset, our ability to find or retain this expertise is increasingly difficult and risk being unable to support the U.S. rail community. In order to mitigate these risks, the RRB needs to obtain application development platforms that provide fast, flexible and cost-efficient integrated development environments. The Software Development platform will provide the RRB with the ability to quickly provide access to our customer data systems and streamline how we achieve our mission through more intuitive interfaces. These improvements translate directly to more efficient services for our citizens. For example, instead of an RRB customer service representative having to access five separate applications with multiple screens open, they only need one screen that provides all the relevant data for the request. This Software Development Platform will not only provide the ability to consolidate this data in one screen but enable our technical teams to quickly provide the interface for the agent to use. Finally, future phases of the Technology Modernization Fund (TMF) project (discussed below), such as our internal, employee facing views and a sickness application, will come in FY2025 and will require the RRB to have purchased and implemented the Software Development Platform.

In addition, while we provide new online services for our citizens, we also must improve the mission-support side of the RRB. Having recently completed our migration to Microsoft's M365 environment, the RRB is poised to take advantage of new opportunities to build services for our internal business units. Today, many of the RRB's internal systems are paper based, lack tracking for follow-up and clearly defined workflows for streamlining work efforts. As an example, to onboard an employee, two different paper forms are emailed to many different groups within the RRB for processing. Microsoft's Power Platform provides the RRB with functionality for developing and implementing services that will increase internal efficiency by digitizing and automating manual processes, increase tracking and visibility which will result in our ability to meet the mission of serving the U.S. rail community.

Once the RRB can execute on these initiatives, it will be a major milestone of the Stabilize Phase and allow the RRB to begin the Modernize Phase, focused on application modernization. This priority aligns with Goal 1 – Improve the User Experience and Goal 3 – Upskill the IT Team, by acquiring contracted technological skillsets to address gaps with the existing workforce who will

have direct impact to the customer experience with the implementation and use of such technologies as Microsoft Power BI and a Software Development Platform and improve staff requirements for new hires as the need arises.

Priority 2

Data Model Design / Implementation		\$1,000,000
Total Priority 2		\$1,000,000

As previously identified, the RRB's systems are running on over 30-year-old technology and as such, much of the understanding of how they operate has been lost through the attrition of retiring employees. To re-establish our enterprise knowledgebase, the RRB has recently procured tools and services that will enable our ability to quickly create new end-user access interfaces to the data on over 675,000 annuitants and their families. While the interfaces we create help our end-users meet the mission of the RRB, our data also needs to be modernized and consolidated to facilitate application development, enable accurate reporting, and allow for the identification of fraud, waste and abuse of our programs. The RRB will plan to begin the design and implementation of a unified data model (\$1,000,000) resulting from the analysis and consolidation of multiple legacy databases. This unified data model will form the foundation of RRB's future modernization efforts. This priority aligns with Goal 1 – Improve the User Experience and Goal 3 – Upskill the IT Team.

Priority 3

Application/Customer Views	
Total Priority 3	(Cost captured in Priority 1.)

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. This priority aligns with Goal 1 – Improve the User Experience and Goal 3 – Upskill the IT Team.

Priority 4

Optimize Infrastructure	Consolidated IT Support Services Contract (formerly 'Engineering Services Contract')	\$2,500,000
Total Priority 4		\$2,500,000

For FY 2024, the RRB will solicit for engineering and other infrastructure-related services support contract (\$2,500,000). It is anticipated that such a contract will provide for task ordering infrastructure engineering support on cloud-related and advanced technologies needed for the RRB's modernization effort. The contract will also ensure that much needed support for the agency's current engineering staff, and fill gaps during staffing shortages and separations throughout the life of the contract. This priority aligns with Strategic Goal 4 – Optimize the Infrastructure.

INFORMATION TECHNOLOGY MODERNIZATION FUND

The RRB continually seeks opportunities to identify funding sources to ensure continuous improvement of our mission critical systems. On December 13, 2022, the RRB was selected for an \$8.69M investment from GSA and OMB's Technology Modernization Fund (TMF,) to improve the Customer Experience for our citizens. Our proposal for the TMF request included three main components; create public facing online services such as change of address and change of direct deposit for the rail community; improve our agency's internal system interfaces and create a new online sickness benefit application for the rail community. The RRB is currently preparing to execute on the creation of the new public facing services using the TMF funds. To deliver on our promise of new internal interfaces and a sickness application process, the RRB requires the purchase and implementation of a software-development platform to speed application development. The RRB will utilize agile contracting methods to identify a partner with the functionality required to access our data and provide intuitive end-user interfaces to aid in adoption and streamline benefit processing.

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RAILROAD RETIREMENT BOARD

Summary of Full-Time Equivalent Employment

Series	Rank	FY 2022 Actual	FY 2023 Estimate	FY 2024 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	43	42	43
	GS/GM-14	75	62	65
	GS/GM-13	86	80	80
	GS-12	162	160	162
	GS-11	107	152	154
	GS-10	73	16	16
	GS-9	56	50	52
	GS-8	43	27	27
	GS-7	59	64	65
	GS-6	6	5	6
	GS-5	38	37	42
	GS-4	5	7	7
	GS-3	0	0	0
	GS-2	0	0	0
All Levels Combined	Total	763	712	729

Positions in the Office of Inspector General are excluded.

Note: The estimated 729 FTEs, provided by the President's proposed budget, is 151 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 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Average ES/SES salary	\$187,183	\$187,183	\$196,917
Average ES/SES benefits	62,259	69,624	74,050
Total, ES/SES	<u>\$249,442</u>	<u>\$256,807</u>	<u>\$270,967</u>
Average GS/GM salary	\$92,067	\$101,167	\$107,614
Average GS/GM benefits	34,630	38,413	40,849
Total, GS/GM	<u>\$126,697</u>	<u>\$139,580</u>	<u>\$148,463</u>
Average GS/GM grade	12.2	12.4	12.4

**RAILROAD RETIREMENT BOARD
EMPLOYEE RELOCATION EXPENSES**

	Past Year FY 2022	Current Year FY 2023	Budget Year FY 2024
Total	<u>\$105,745</u>	<u>\$228,000</u>	<u>\$228,000</u>

Proposed Legislative Program for Fiscal Year 2024

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 RRB 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. The language below was included in our FY 2023 Appropriations Bill and we request that such language be included in our FY 2024 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.

4. **Amend the Railroad Retirement Board's Limitation on Administration account appropriation language to allow a limited amount of unobligated balances for fiscal year 2024 to remain available until expended in support of the Board's Information Technology Investment Initiatives.**

The Railroad Retirement Board (RRB) has been engaged in a successful, multi-year effort to modernize its information technology systems. We request that the language proposed below be included in our FY 2024 Appropriations Bill in order that the RRB may more efficiently utilize the funds available for such ongoing efforts.

Provided further, That of the unobligated balances of funds provided under this heading at the end of fiscal year 2024 not needed for fiscal year 2024, not to exceed \$2,771,500 shall remain available until expended for information technology improvements and investments. (*Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2023.*)

Energy Conservation Measures

No funds were requested in FY 2024 Budget Submission for energy conservation measures.

Acquisition Training for Fiscal Year 2024

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 2024 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 2024 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.

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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, 2023.

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 Appendix3 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, 2022 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 2023 reporting period. Therefore, the reporting details in Appendices 1 through3 provide information on public recommendations in GAO and OIG reports issued on or before February 1, 2022.

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, 2022. 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, 2022. As required by the GAO-IG Act, the reporting details includethe 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-18-323	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 2023	Not applicable. Implementation is in progress.	
Total								1	

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 Been 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	Final Action or Action Has Been Taken	Explanation why No Final Action or Action 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 2023	BIS	Concur	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 2023	BIS	Concur	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 2023	BAR	Concur	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 2023	BAR	Concur	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	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	Concur	Not applicable. Implementation is in progress.	
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 2024	Programs	Concur	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of Job Duty Requirements 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 requirements of the NY State Uniform Disability Benefits Act. Once start and/or the Disability staff to obtain the Job Information Form from the railroad employer during the established response period.	N/A	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 Improvement Plan (DPIP). The DPIP was submitted to the OIG to close numerous recommendations.	

Appendix 2

Implementation Status of OIG Public Recommendations for which Final Action Has Not Been 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 Has Been Taken	Comments
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.	N/A	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.	N/A	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.	N/A	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 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 2023	BIS	Concur	Not applicable. Implementation is in progress.	Circular IRM-2 was revised 9/2/21. Once IRM-15, which is presently with the Board for final approval, is approved the closure package will be resubmitted to OIG for closure.
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 2023	BIS	Concur	Not applicable. Implementation is in progress.	Strategic Plan created and approved 12/2022. The closure package for this POAM was submitted on 2/10/23.
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 2023	BIS	Concur	Not applicable. Implementation is in progress.	Package was submitted for closure and rejected on 11/29/22. Working with the OIG to find a path to closure.
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 2023	BIS	Concur	Not applicable. Implementation is in progress.	Package was submitted for closure and rejected on 11/27/22. IRM-2 requires updating and re-approval. Will be resubmitted for closer in FY 2023.
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 2023	BIS	Concur	Not applicable. Implementation is in progress.	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 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	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.	

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									Other. See related comments.	
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.
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	15-06	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 2018 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 RRBS 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 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.

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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	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, describes 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.
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 payments 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 improvement 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 Chiropractic Risks	15-07	6/4/2015	7	The Office of Programs should ensure that Payment applies statistical analysis and stratified random sampling where practical to the high volume risk categories.	FY 2024	Programs	Concur	not applicable. Implementation is in progress.	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 Chiropractic Risks	15-07	6/4/2015	9	The Office of Programs should work with Medicare and the Centers for Medicare and cost benefit analysis that will identify the resources needed to maximize timely and efficient recovery of improper payments for chiropractic services over the five year recovery period.	N/A	Programs	Non-concur	Other. See related comments.	

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OPEN	Railroad Retirement Board Medicare Contract Oversight Did not Effectively Mitigate Chiropractic 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 chiropractic 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 Chiropractic 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 Zone Program Integrity Contractors where it can be used to identify improper or fraudulent non-Railroad Medicare chiropractic service payments.	FY 2024	Programs	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 (BBO) 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 BFOs 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	Select Financial Management 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.	N/A	BFO	Non-concur	Other. See related comments.	See comments to Audit Report No. 15-08, Recommendation 9 above.
OPEN	Select Financial Management 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.	

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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 2023	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. RRB phased approach was temporarily paused due to a financial system upgrade in Fy 2022, but has resumed in FY 2023.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-06	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	16-06	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.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-06	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 II A 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 where detailed information can be found.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-06	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.

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Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	OPEN	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.	
Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2015 PAR	OPEN	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.
Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2015 PAR	OPEN	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 2024	Programs	Concur	Not applicable. Implementation is in progress.	
Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2015 PAR	OPEN	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.
Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	OPEN	16-10	8/22/2016	1	The Executive Committee should perform a time study of Medicare work performed by all agency staff.	FY 2024	EC	Concur	Not applicable. Implementation is in progress.	
Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	OPEN	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 expense.	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 Boards 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 of 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 audit concerns regarding application of authoritative guidance and laws and regulations for 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	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	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 travels and designated travel approvers to ensure understanding of the FTR and E2.	FY 2023	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 2023	Administration	Concur	Not applicable. Implementation is in progress.	

Appendix 2

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	Explanation why No Final Action or Action Not Recommended Has Been Taken		Comments
								RRB Concur	Non-concur	
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-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 2023	Administration	Concur	Not applicable. Implementation is in progress.	Recommending 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 non-compliant 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	17-06	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 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 goal that we consider to be the most accurate methodology to calculate an estimation of initial and post underpayment accruals.
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 purposes 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.

Appendix 2

Implementation Status of OIG Public Recommendations for which Final Action Has Not Been 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	Final Action or Action Not Recommended Has Been Taken	Comments
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.
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.

Appendix 2

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	Explanation why No Final Action or Action Has Been Taken	
								RRB Concur or Non-concur	Comments
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 corrective actions are initiated and completed in accordance with its policies and procedures.	N/A	Programs	Non-concur	Other. See related comments.
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 revises 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.
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.
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.
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 2023	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 2023	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 2023	BIS	Concur	Not applicable. Implementation is in progress.

Appendix 2

**Implementation Status of OIG Public Recommendations for which Final Action Has Not Been 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	Final Action or Action Has Been Taken	Explanation why No Not Recommended Has Been Taken	Comments
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 develop 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 2023	BIS	Concur	Not applicable. Implementation is in progress.	Understaffed and workload impacted completion of this open item as the Records Management Specialist position has been vacant for almost 5 years.	We anticipate hiring a Records and Information Management Specialist within the next month with experience to help close this audit item by September 30, 2023.
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.	Plans are underway to procure an electronic messaging solution to manage electronic messages created using mobile devices and we are working with NARA Records Consulting Services to address retention policies and procedures.	We anticipate hiring a Records and Information Management Specialist within the next month with experience to help close this audit item by September 30, 2023.
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 2023	BIS	Concur	Not applicable. Implementation is in progress.	Understaffed and workload impacted completion of this open item as the Records Management Specialist position has been vacant for almost 5 years.	We anticipate hiring a Records and Information Management Specialist within the next month with experience to help close this audit item by September 30, 2023.
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 2023	BIS	Concur	Not applicable. Implementation is in progress.	Understaffed and workload impacted completion of this open item as the Records Management Specialist position has been vacant for almost 5 years.	We anticipate hiring a Records and Information Management Specialist within the next month with experience to help close this audit item by September 30, 2023.
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 2023	BIS	Concur	Not applicable. Implementation is in progress.	Understaffed and workload impacted completion of this open item as the Records Management Specialist position has been vacant for almost 5 years.	Coordinating with the OIG and HR, as needed, to obtain the information necessary to proposed closure of this audit item by June 30, 2023.
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 2023	BIS	Concur	Not applicable. Implementation is in progress.	Understaffed and workload impacted completion of this open item as the Records Management Specialist position has been vacant for almost 5 years.	We anticipate hiring a Records and Information Management Specialist within the next month with experience to help close this audit item by September 30, 2023.
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 2023	BIS	Concur	Not applicable. Implementation is in progress.	Understaffed and workload impacted completion of this open item as the Records Management Specialist position has been vacant for almost 5 years.	We anticipate hiring a Records and Information Management Specialist within the next month with experience to help close this audit item by September 30, 2023.

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**Implementation Status of OIG Public Recommendations for which Final Action Has Not Been Completed
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OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	Explanation why No Final Action or Action Has Been Taken		Comments
								RRB Concur or Non-concur	Not Recommended	
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 2023	BIS	Concur	Not applicable. Implementation is in progress.	Understated. Attempted to close the open item in 2018 but was unable to do so because of workload and staffing shortages. Currently working with OIG RMA auditors and provided an updated response.
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 2023	BIS	Concur	Not applicable. Implementation is in progress.	Understated and workload impacted completion of this open item. In addition, completion of the inventory is linked to OMB/NARA M-19-21 and M-23-7. Extension to transition from paper to electronic to the fullest extent possible.
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 2023	BIS	Concur	Not applicable. Implementation is in progress.	We anticipate hiring a Records and Information Management Specialist within the next month with experience to help with M-23-7 activities and to close this audit item by June 30, 2024.
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 a 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	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.	During FY 2022 the OIG closed Audit Report No. 18-07, Recommendation No. 1; which related to implementing ERM at the RRB. Therefore, we will submit a closure request for this related recommendation.
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	Other. See related comments.	During FY 2022 the OIG closed Audit Report No. 18-07, Recommendation No. 1; which related to implementing ERM at the RRB. Therefore, we will submit a closure request for this related recommendation.
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.	During FY 2022 the OIG closed Audit Report No. 18-07, Recommendation No. 1; which related to implementing ERM at the RRB. Therefore, we will submit a closure request for this related recommendation.
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.	During FY 2022 the OIG closed Audit Report No. 18-07, Recommendation No. 1; which related to implementing ERM at the RRB. Therefore, we will submit a closure request for this related recommendation.

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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	Final Action or Action Not Recommended Has Been Taken	Comments
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	N/A	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.
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 2024	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 \$10 waiver thresholds.	FY 2024	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 2024	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 2024	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.

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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	Final Action or Action Not Recommended Has Been Taken	Comments
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.
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, reconciled, 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. A 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	2	The Bureau of Fiscal Operations should update all control documentation (including policies and procedures, charts of controls, and other related documentation) to reflect the changes that occurred to unapplied cash as a result of the migration to the FMIS.	FY 2024	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	3	The Bureau of Fiscal Operations should test the updated unapplied cash controls to ensure that they are present and operating as intended.	FY 2024	BFO	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	Comments
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	4	The Office of Programs should update all control documentation (including policies and procedures, charts of controls, and other related documentation) to reflect the changes that occurred to unapplied cash as a result of the migration to the Financial Management Integrated System	FY 2024	Programs	Concur	Not applicable. Implementation is in progress.	
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 Financial Management Integrated System 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 CG 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 Financial Management Integrated System 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 FMIS 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.
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.

Appendix 2

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	Explanation why No Final Action or Action Has Been Taken		
							RRB Component	RRB Non-Concur	RRB Concur or Final Action or Action Not Recommended
									Comments
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.
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.
OPEN	Audit of RRBs 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.
OPEN	Audit of RRBs 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.
OPEN	Audit of RRBs 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, other Railroad Retirement Board program official's certification.	N/A	Programs	Non-Concur	Other. See related comments.
OPEN	Audit of RRBs 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.

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**Implementation Status of OIG Public Recommendations for which Final Action Has Not Been Completed
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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 RRBs 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 RRBs 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 RRBs 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 RRBs 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 RRBs 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.
OPEN	Audit of RRBs 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 RRBs Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	13	The Bureau of Fiscal Operations develop a payment recapture audit program for vendor and employee payments, or approved alternative method, if one is deemed cost effective.	FY 2024	BFO	Concur	Not applicable. Implementation is in progress.	Not applicable. Implementation is in progress.
OPEN	Audit of RRBs Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	14	The Bureau of Fiscal Operations if a payment recapture audit program is deemed not cost effective, provide a cost benefit analysis in accordance with the Office of Management and Budget's best practices as outlined in Appendix C, in writing to OMB.	FY 2024	BFO	Concur		

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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 RRBs 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 RRBs 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 measuring 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 RRBs 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-136.
OPEN	Audit of RRBs 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 RRBs 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	2	We recommend that the Office of Administration/Division of Acquisition Management update Administrative Circular OA-14 and implement the necessary updates to align procurement procedures with current federal acquisition regulation and agency practices.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	3	We recommend that the Office of Administration/Division of Acquisition Management update standard policies and procedures to clearly convey the documentation required to be maintained in the contract file in order to support the solicitation phase.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	

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**Implementation Status of OIG Public Recommendations for which Final Action Has Not Been Completed
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OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	Explanation why No Final Action or Action Has Been Taken	
								Not Recommended	Comments
OPEN	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	4	We recommend that the Office of Administration/Division of Acquisition Management develop and implement standard checklist guidance to be included in the contract file that lists the required solicitation documentation, identifies if the documentation was applicable to the solicitation, and indicates the section in which the supporting documents are located.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.
OPEN	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	5	We recommend that the Office of Administration/Division of Acquisition Management update standard policies and procedures to clearly convey the documentation required to be maintained in the contract file in order to support the award and administration phase.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.
OPEN	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	6	We recommend that the Office of Administration/Division of Acquisition Management develop and implement standard checklist guidance to be included in the contract file that lists the required award and administration documentation, identifies if the documentation was applicable to the award, and indicates the section in which the supporting documents are located.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.
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. See comments to Audit Report No. 19-14. Recommendation No. 7.
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 Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	9	We recommend that the Office of Administration/Division of Acquisition Management establish a checklist or other control process to ensure that the required conflict of interest statement is presented to vendors.	FY 2023	Administration	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	Explanation why No RRB Concur or Final Action or Action Has Been Taken		Comments
								Non-concur	Not Recommended Has Been Taken	
OPEN	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	11	DPG recommends that the Office of Administration/Division of Acquisition Management establish standard procedures for identifying and tracking contracts that have been physically completed.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	12	DPG recommends that the Office of Administration/Division of Acquisition Management take steps to ensure the remaining balances are de-obligated in FMS in a timely manner.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	13	DPG recommends that the Office of Administration/Division of Acquisition Management review the established control process used to transmit information to the Federal Procurement Data System and update the process in order to report information more accurately.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	14	DPG recommends that the Office of Administration/Division of Acquisition Management revise the information previously reported in the Federal Procurement Data System to reflect the correct contract numbers and amounts.	FY 2023	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	The Implementation of the DPPIP at the RRB Did Not Result in a Fully Established Fraud Risk Assessment Process	19-15	9/27/2019	1	DP George recommended that the Office of Programs in coordination with the RRB Executive Committee establish a permanent entity within RRB responsible for continuously assessing fraud risk, implementing corrective actions, and monitoring the effectiveness of those actions as they relate to the RRB disability programs. There are two existing entities, the Fraud Prevention Task Force and the Internal Controls Assessment Team that could be considered for this designation.	FY 2024	Programs	Concur	Not applicable. Implementation is in progress.	

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**Implementation Status of OIG Public Recommendations for which Final Action Has Not Been Completed
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OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	Explanation why No Final Action or Action Has Been Taken		Comments
								RRB Concur	Non-Concur	Not Recommended
OPEN	The Implementation of the DPIP at the RRB Did Not Result in a Fully Established Fraud Risk Assessment Process	19-15	9/27/2019	2	DP George recommended that the Office of Programs in coordination with the RRB Executive Committee establish an on-going fraud risk assessment process that regularly gathers information about disability programs fraud risk, assesses the potential likelihood and impact, determines fraud risk tolerance, examines the suitability of existing fraud and documents the fraud risk profile specifically for the disability programs.	FY 2024	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	The Implementation of the DPIP at the RRB Did Not Result in a Fully Established Fraud Risk Assessment Process	19-15	9/27/2019	3	DP George recommended that the Office of Programs in coordination with the RRB Executive Committee conduct risk-based monitoring tied to the fraud risk profile of the disability programs to evaluate the effectiveness of preventive activities and use the results to improve the design and implementation of fraud risk management activities within the disability programs.	FY 2024	Programs	Concur	Not applicable. Implementation is in progress.	
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 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	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.

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	Explanation why No Final Action or Action Not Recommended Has Been Taken		Comments
								Non-Concur	RRB Concur or Final Action or Action Not Recommended Has Been Taken	
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 difference 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, provide 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.
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 2023	BAR	Concur	Not applicable. Awaiting OIG closure of recommendation.	Bureau of Actuary and Research prepared additional information for OIG's consideration and submitted in December 2022, 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 prepares 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 2023	BAR	Concur	Not applicable. Implementation is in progress.	Bureau of Actuary and Research prepared additional information for OIG's consideration and submitted in December 2022, 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	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.

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Implementation Status of OIG Public Recommendations for which Final Action Has Not Been 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	Final Action or Action Not Recommended Has Been Taken	Explanation why No Comments
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 (FMIA). The Agency's Management Control Review (MCR) program directly fulfills the requirements of FMIA and is an example of a well-established policy and procedure to help ensure compliance with indirect laws, regulations, and contracts.
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	Other. See related comments.	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" 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 retrained 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. BFO initiated a Class 1 employer audit in FY 2022.

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OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Concur or Final Action or Action Has Been Taken		Explanation why No Non-concur RRB Component	Comments
							Non-concur	Concur		
OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	2	We recommend that the Bureau of Information Services update Administrative Circular Information Resources Management (IRM)-16 to ensure its accuracy and compliance with the National Institute of Standards and Technology Special Publication 800-53 Revision 4, Security and Privacy Controls for Federal Information Systems and Organizations.	FY 2023	BIS	Concur	Not applicable. Implementation is in progress.	
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.
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.

Appendix 2

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	Final Action or Action Not Recommended Has Been Taken			Comments
							RRB Component	RRB Non-concur	RRB Concur or Non-concur	
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 oblige 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.
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 2024	BFO	Concur	Not applicable. Implementation is in progress.	

Appendix 2

Implementation Status of OIG Public Recommendations for which Final Action Has Not Been 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	Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Audit of Railroad Retirement Board's Compliance with Improper Payments Reporting in the Fiscal Year 2019 FAR	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. Awaiting OIG closure of recommendation.	
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 relevant supporting documentation and screen prints with each penalty rate recalculation worksheet to enable timely recollection and understanding of the penalty rate decision and calculation.	FY 2023	Programs	Concur	Not applicable. Awaiting OIG closure of recommendation.	
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. Awaiting OIG closure of recommendation.	

Appendix 2

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component			Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
							RRB	Concur or Non-concur	Programs		
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. Awaiting OIG closure of recommendation.	
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 2024	Programs	Concur		Not applicable. Implementation is in progress.	
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. Awaiting OIG closure of recommendation.	
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. Awaiting OIG closure of recommendation.	

Appendix 2

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	Explanation why No Final Action or Action Not Recommended Has Been Taken		Comments
								RRB Concur or Non-concur	Not applicable. Awaiting OIG closure of recommendation.	
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. Awaiting OIG closure of recommendation.	
OPEN	Report on the Railroad Retirement Boards 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.	
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	21-06	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	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.

Appendix 2

**Implementation Status of OIG Public Recommendations for which Final Action Has Not Been 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	Comments
OPEN	The Railroad Retirement Board was Not Compliant with the Payment Integrity Information Act for Fiscal Year 2020	21-06	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	21-06	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.
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 improper payment 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 IT 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.

Appendix 2

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component			Explanation why No Final Action or Action Not Recommended Has Been Taken	
							RRB Non-concur	RRB Concur or Non-concur	Comments	RRB Concur or Non-concur	RRB Concur or Non-concur
OPEN	The Railroad Retirement Board's Disability Briefing Document Process was Not Fully Effective	21-07-01	01/10/2021	3	OIG recommended that the Office of Programs ensure that the Disability Benefits Division works with Policy and Systems to implement a specific Briefing Document D-BRIEF document that is prepared from disabilities do not contain the incorrect statement that the (railroad) employee (applicant) was rated using independent Case Evaluation.	N/A	BFO	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	01/09/2021	1	WAI recommended that the Bureau of Fiscal Operations; develop and maintain comprehensive set of policies and procedures for DRS, FSS, and TS, using in-house personnel with adequate relevant experience and expertise, or outsource the task to an entity with adequate relevant expense and experience, or outsource the task to an entity with the relevant expertise and experience.	FY 2024	BFO	Concur	Not applicable. Implementation is in progress.	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.	
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	01/09/2021	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 Audit Report 21-08, Recommendation No. 1.	
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	01/09/2021	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	01/09/2021	4	WAI recommended that the Bureau of Fiscal Operations; require FSS to participate in BFO's MCR certification process, so that risks associated with the lack of adequate policies and procedures can be identified, mitigated, and reported on.	FY 2024	BFO	Concur	Not applicable. Implementation is in progress.	BFO established FSS as an Assessable Unit in the FY 2022 ERM/MCR Cycle. Documentation will be submitted to the OIG for closure of this recommendation.	

Appendix 2

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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	Final Action or Action Has Been Taken	Comments
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	5	WAI recommended that the Bureau of Fiscal Operations; maintain documentary evidence of adequate periodic review of control activities performed.	FY 2024	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	6	WAI recommended that the Bureau of Fiscal Operations; ensure that DRS' policies and procedures include guidance and processes for developing and modifying thresholds, including those related to waivers and write-offs.	FY 2024	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	7	WAI recommended that the Bureau of Fiscal Operations; maintain documentary evidence of adequate supervisory review of control activities around recording of transactions and reconciliations for DRS section.	FY 2024	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	8	WAI recommended that the Bureau of Fiscal Operations; develop and maintain a comprehensive set of policies and procedures for outsourcing FSS functions.	FY 2024	BFO	Partially Concur	Not applicable. Implementation is in progress.	
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 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.

Appendix 2

**Implementation Status of OIG Public Recommendations for which Final Action Has Not Been 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 Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	10	WAI recommended that the Bureau of Fiscal Operations, require an SLA or equivalent, and responsibilities of RRB and CGI and ensure that the documentation is reviewed and updated periodically.	FY 2024	BFO	Partially Concur	Not applicable. Implementation is in progress.	
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	12	WAI recommended that the Bureau of Fiscal Operations; hire adequate personnel to perform its functions.	FY 2024	BFO	Partially Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	13	WAI recommends that the Bureau of Fiscal Operations; develop a written succession plan for FSS, including a framework for ensuring that human capital risk is assessed, to address key person dependency risk, including training personnel and documenting processes and procedures defining the scope of responsibilities required for achieving the section's objectives.	FY 2024	BFO	Partially Concur	Not applicable. Implementation is in progress.	
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 those 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 TSD that has prevented finalization of many DRS procedures. Implementing the auditor's recommendation would not address the root cause, therefore, we non-concur.

Appendix 2

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	Explanation why No Final Action or Action Not Recommended Has Been Taken		
							RRB Component	RRB Concur or Non-concur	Comments
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections Functions Need Improvement	21-08	9/1/2021	15	WAI recommended that the Bureau of Fiscal Operations: develop a written communication framework or process that ensures that effective “two-way” communication occurs between OP and DRS on providing and receiving feedback on the status of unapplied cash, including follow-up from DRS.	FY 2024	BFO	Concur	Not applicable. Implementation is in progress.
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.
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	17	WAI recommended that the Bureau of Fiscal Operations: develop policies and procedures and incorporate the review and reconciliation of ECCS-generated discrepancies as part of its validation of employer DC-1 processing.	FY 2024	BFO	Concur	Not applicable. Implementation is in progress.
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.

Appendix 2

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	Explanation why No Final Action or Action Not Recommended Has Been Taken			Comments
							RRB Component	RRB Non-concur	RRB Concur or Non-concur	
OPEN	Audit of the RRB's DATA Act Submission for the First Quarter of Fiscal Year 2021	22-01	11/15/2021	2	RMA recommended that the Office of Administration: Update the DQP to include a procedure to perform and prepare reconciliation analysis 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.	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.
					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.					
										Total 216

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 or Deceased	10-13	9/30/2010	7	Railment 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, documented and readily available for payment recovery. The BUI will investigate any reported findings involving fraudulent activity.	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 recomputation 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	2/22/2016	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.
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 IPRA) 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.

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	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 IFR/A 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	WA! 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	WA! 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.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	3	WA! 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.

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	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.	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 identifies 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 establishes 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 Boards 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 Boards 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	Railroad Retirement Board Audit Compliance Section Did Not Provide Adequate Audit Coverage of Railroad Employers	22-06	2/15/2022	1	RMA recommended that the Bureau of Fiscal Operations funding for conducting employer audits be put to better use by redirecting the focus of ACS' FTEs to accomplish their mission and provide adequate Class I and non-Class I railroad audit coverage.	N/A	BFO	Non-concur	Non-concur. We strongly disagree with the statement "... funding for conducting employer audits be put to better use by redirecting the focus of ACS' railroad audit coverage." Since management directed available FTEs toward satisfying federally mandated responsibilities and continued compliance audit activities. From a management perspective, this was the best use of funds considering limited available resources and budgetary constraints. Budgetary constraints and insufficient BFO staffing resources resulted in significantly reduced audit coverage during the audit scope (FY 2017 through FY 2020). Until sufficient resources are available, BFO will continue to satisfy federally mandated responsibilities and simultaneously conduct employer compliance audits.	Other. See related comments.
OPEN	Railroad Retirement Board Audit Compliance Section Did Not Provide Adequate Audit Coverage of Railroad Employers	22-06	2/15/2022	2	RMA recommended that the Bureau of Fiscal Operations acquire a team outside of and independent of ACS to conduct an external peer review as soon as possible, and at least every three years thereafter. The Bureau of Fiscal Operations should disclose ACS' I	FY 2023	BFO	Concur	not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Audit Compliance Section Did Not Provide Adequate Audit Coverage of Railroad Employers	22-06	2/15/2022	3	RMA recommended that the Bureau of Fiscal Operations update ACS' Audit Guide and Audit Procedures Manual to reflect the most recent guidance.	FY 2024	BFO	Concur	not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Audit Compliance Section Did Not Provide Adequate Audit Coverage of Railroad Employers	22-06	2/15/2022	4	RMA recommended that the Bureau of Fiscal Operations provide at least 80 hours of CPE accredited training for ACS employees in each 2-year cycle.	FY 2023	BFO	Concur	not applicable. Implementation is in progress.	
OPEN	Controls Over Recoverable Unemployment and Sickness Overpayments Need Improvement	22-09	6/24/2022	7	The RRB OIG recommended that the Bureau of Fiscal Operations: implement a process to periodically monitor the status of each Railroad Unemployment Insurance Act debt transaction (adjustment type code 31) and prepare a report that contains the status of ea	FY 2023	BFO	Concur	Implementation is in progress.	
Total										5

