
RAILROAD RETIREMENT BOARD

JUSTIFICATION OF BUDGET ESTIMATES



FISCAL YEAR 2025



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

Dear Speaker Johnson:

In compliance with the Office of Management and Budget (OMB) Circular No. A-11, enclosed please find our Congressional Justification of Budget Estimates for Fiscal Year 2025, including our Performance Plan for the year. This budget complies with OMB guidance and accords with the President's proposals. The President's proposed budget provides \$134.000 million for the Railroad Retirement Board's (RRB) administrative expenses in fiscal year 2025. We estimate the proposed funding will provide for a staffing level of 695 full-time equivalents (FTEs).

We are grateful for Congress' support to fund operations through annual and supplemental appropriations. However, the RRB requires sufficient staff to sustain benefit determination and payment operations, which still rely heavily on manual processing, while ensuring the agency retains the knowledge of our laws and systems critical to modernizing benefit payment systems. For these efforts, the RRB requests direct funding of \$172.331 million for fiscal year 2025 to support 880 FTEs, including \$10 million to further IT modernization efforts. In fiscal year 2025, the RRB projects to be operating at 21% below its 880 minimum staffing level, with a quarter of agency employees retirement eligible within the next year. This percentage climbs to nearly one-third (32%) within the next three years. An investment in staffing remains critical to the success of the agency. The RRB needs increased staffing to address the persistent administrative workload, increase customer satisfaction, improve succession planning, and provide for the continued success of the IT Modernization Program. The requested funding for the IT Modernization Program would be used to support expansion of online self-services to include additional forms and benefits streams, data model design and governance/implementation, and establish and expand Azure Power Platform and Center of Excellence.

In addition to the requests for administrative expenses, the President's budget includes \$7 million to fund the continuing phase-out costs for vested dual benefits. An additional amount, not to exceed two percent, would also become available if projected dual benefit payments for the year exceed the amount available for payments.

Also, we request \$150,000 for interest related to uncashed railroad retirement checks available through September 30, 2026. All amounts presented 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 legislative proposals. The annual Limitation on Administration appropriation language includes each of these legislative proposals. The first, a new request, would increase employment opportunities for people with disabilities by allowing the RRB to utilize Schedule A hiring authorities. The second request, included in our fiscal year 2024 submission, would allow a limited amount of unobligated balances to remain available until expended in support of the Board's information technology improvements and investments. The final two proposals were included in the *FY 2023 Consolidated Appropriations Act* and allow the RRB to continue to use Office of Personnel Management hiring authorities for attorneys as well as students and recent graduates.

Thank you for your support of this proposed budget.

Sincerely,

Original signed FOR
THE BOARD
Stephanie Hillyard
Secretary to the Board
March 11, 2024

Enclosure

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



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

BOARD MEMBERS:

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

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

Dear Madam President:

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JUSTIFICATION OF BUDGET ESTIMATES
FISCAL YEAR 2025

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RAILROAD RETIREMENT BOARD

SUMMARY OF APPROPRIATION ESTIMATES

FOR FISCAL YEARS 2024 and 2025

Account	Fiscal Year 2024 Estimate			Fiscal Year 2025 President's Budget			Page
	FTEs	Amount		FTEs	Amount		
Limitation on Administration	692	\$128,000,000	<u>a/</u>	695	\$134,00,000	<u>b/</u>	9
Dual Benefits Payments Account	—	\$9,000,000	<u>a/</u>	—	\$7,000,000	<u>c/</u>	59
Federal Payments to the Railroad Retirement Accounts	—	\$150,000	<u>a/</u>	—	\$150,000	<u>d/</u>	67
Limitation on the Office of Inspector General	56	\$14,600,000	<u>a/</u>	56	\$14,600,000	<u>e/</u>	—

a/ A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15 as Amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

b/ This amount reflects the President's proposed budget amount for the RRB's Limitation on Administration request level for Fiscal Year 2025 is \$134,000,000 which would support 695 FTEs. The RRB requests \$162,331,000 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 \$30,805,000 estimated for reimbursable and transfer funding.

c/ The proposed appropriation language provides for \$7,000,000 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, 2026.

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 2023, the benefit payments totaled \$14.0 billion, net of recoveries and offsetting collections. Of this amount, payments for the retirement and survivor benefits program totaled \$14.0 billion to about 493,000 beneficiaries. The RRB also paid benefits on behalf of the Social Security Administration (for which the RRB is reimbursed) amounting to \$2.4 billion to about 127,400 beneficiaries. The RRB also paid unemployment-sickness benefits totaling \$54.3 million, CARES Act benefits totaling \$(0.4) million, and vested dual benefits totaling \$7.7 million, net of recoveries and offsetting collections. About 3,400 railroad workers received unemployment insurance benefits, approximately 12,100 received sickness insurance benefits, and over 3,600 beneficiaries received vested dual benefits.^{a/}

^{a/} Reflects updated data not available for use in the 2023 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, 2023, over 3,600 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 2025, it is estimated that the RRB will be transferred and reimbursed about \$30.292 million for such costs. The estimate includes \$18 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, 2023, was approximately \$24.2 billion. From its inception through September 30, 2023, the Trust transferred approximately \$33.2 billion to the RRB to pay railroad benefits, including approximately \$1.4 billion in fiscal year 2023.

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 2024 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 \$125,100 in 2024.

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 2024 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 \$168,600 in 2024, 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 2024, the minimum employer contribution rate is 0.65 percent. New employers in 2024 will pay a tax of 4.58 percent, which represents the average rate paid by all employers in the period 2020 - 2022. For 87 percent of covered employers, the unemployment insurance rate assessed will be 0.65 percent in 2024, while 3 percent of employers will pay the maximum of 12 percent.

The 2024 rate is applied to the first \$1,985 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

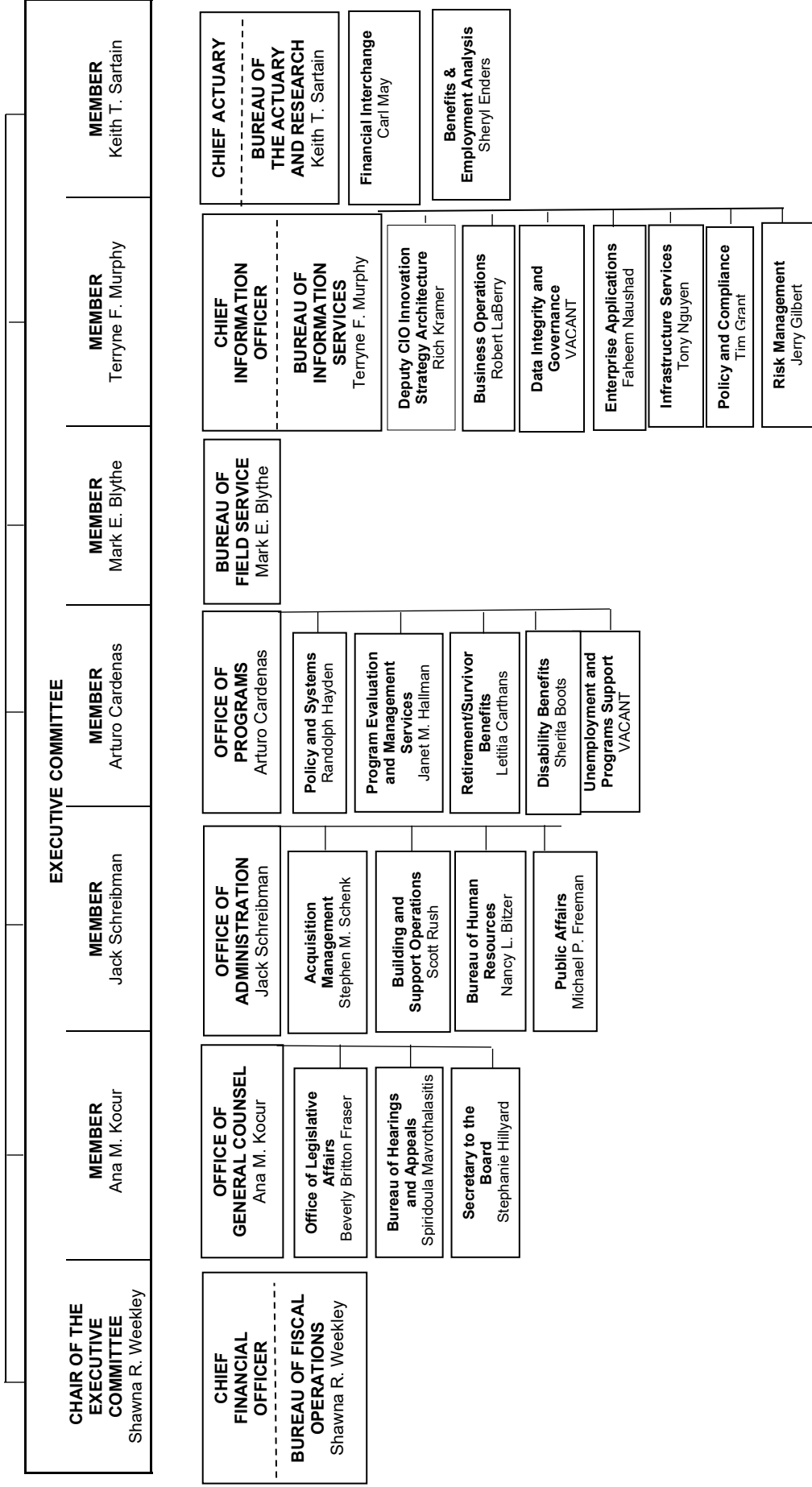
Incumbent's name (<u>Title</u>)	Term expiration <u>Date</u>	<u>Compensation</u>
Erhard R. Chorlé (Chairman)	08-28-22	\$168,400
John Bragg (Labor Member)	08-28-24	\$158,500
Thomas Jayne (Management Member)	08-28-23	\$158,500



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

**OFFICE OF
INSPECTOR
GENERAL**
Martin J. Dickman

**OFFICE OF
EQUAL
OPPORTUNITY**
Shiri Ndang



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, [~~\$138,575,000~~]~~\$134,000,000~~, 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 notwithstanding section 7(b)(9) of the Railroad Retirement Act, this limitation may be used to hire individuals with intellectual disabilities, severe physical disabilities, or psychiatric disabilities 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~~]~~2025~~ not needed for fiscal year [~~2024~~]~~2025~~, not to exceed [~~\$2,771,500~~]~~\$2,680,000~~ shall remain available until expended for information technology improvements and investments.

Note.—A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

Explanation of Proposed Appropriation Language

Appropriation language

For necessary expenses for the Railroad Retirement Board ("Board") for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, [\$138,575,000] *\$134,000,000*, 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 notwithstanding section 7(b)(9) of the Railroad Retirement Act, this limitation may be used to hire individuals with intellectual disabilities, severe physical disabilities, or psychiatric disabilities 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]2025 not needed for fiscal year [2024]2025, not to exceed [\$2,771,500] *\$2,680,000* shall remain available until expended for information technology improvements and investments.

Note.—A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15 as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

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.

<u>Legislation</u>					
Legislation	<u>Fiscal Year 2024 ^{a/}</u>			<u>Fiscal Year 2025 ^{b/}</u>	
	Authorized	Estimate	Authorized	President's Budget Request	Agency's Budget Request
<u>AUTHORIZING</u> <i>Railroad Retirement</i> <i>Act:</i> Sections 15(a) and 15A(c)	Indefinite	\$128,000,000	Indefinite	\$134,000,000	\$172,331,000
<i>Railroad Unemployment</i> <i>Insurance Act:</i> Section 11(a)					
<u>BYPASS AUTHORITY</u> <i>Railroad Retirement</i> <i>Act:</i> Section 7(f)					

a/ A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15 as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

b/ Includes direct and no-year funding requested only. Excludes, amounts associated with reimbursements and transfers, estimated at \$30,804,694 for fiscal year 2025.

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 2023 (A)	CHANGE (B)	FY 2024 ESTIMATE (C)	CHANGE (D)	FY 2025 President's Budget (E)	CHANGE (F)	FY 2025 AGENCY REQUEST (G)
TOTAL FTEs (INCLUDING REIMBURSABLE)	724	(32)	692	3	695	185	880
TOTAL RRB DIRECT PROGRAM OBLIGATIONS							
11.1 FULL-TIME PERMANENT	60,936	57	60,993	2,915	63,908	19,278	83,186
11.3 OTHER THAN FULL-TIME PERMANENT	1,324	(698)	627	245	872	272	1,144
11.5 OTHER PERSONNEL COMPENSATION	3,187	(966)	2,221	866	3,087	757	3,844
11.9 TOTAL PERSONNEL COMPENSATION	65,447	(1,607)	63,840	4,027	67,867	20,307	88,174
12.1 PERSONNEL BENEFITS: CIVILIAN	23,809	(478)	23,330	1,290	24,620	7,549	32,169
13.0 BENEFITS FOR FORMER PERSONNEL	125	(16)	108	27	135	-	135
21.0 TRAVEL AND TRANSPORTATION OF PERSONS	638	(363)	275	(25)	250	150	400
22.0 TRANSPORTATION OF THINGS	49	(16)	33	2	34	-	34
23.1 RENTAL PAYMENTS TO GSA	3,700	-	3,700	(600)	3,100	-	3,100
23.3 COMMUNICATIONS, UTILITIES, & MISC. CHARGES	5,977	765	6,743	(34)	6,709	-	6,709
24.0 PRINTING AND REPRODUCTION	307	7	315	121	435	-	435
25.0 OTHER SERVICES	26,608	1,699	28,307	1,027	29,334	325	29,659
26.0 SUPPLIES AND MATERIALS	590	98	688	(9)	679	-	679
31.0 EQUIPMENT	751	(89)	662	176	837	-	837
TOTAL RRB DIRECT OBLIGATIONS	128,000	-	128,000	6,000	134,000	28,331	162,331
REIMBURSABLE AND TRANSFER OBLIGATIONS	41,012	(7,209)	33,803	(2,998)	30,805	-	30,805
NO-YEAR FUNDING FOR IT INITIATIVES	-	-	-	-	-	10,000	10,000
TOTAL RRB OBLIGATIONS AND NO YEAR	169,012	(7,209)	161,803	3,002	164,805	38,331	203,135
DIRECT OBLIGATIONS AND NO YEAR	128,000	-	128,000	6,000	134,000	38,331	172,331

Details may not add to totals due to rounding.

1. In a separate justification document, the Office of Inspector General is requesting \$14,600,000 for administrative expenses in fiscal year (FY) 2025.
2. Salary and benefit estimates for FY 2025 President's Budget and FY 2025 Agency Request reflect 5.2 percent pay increase in January 2024 and 2.0 percent pay increase in January 2025.
3. FTE cost for FY 2023 is \$141,407, FY 2024 Estimate FTE cost is \$140,970, and FY 2025 President's Budget and FY 2025 Agency Request FTE cost is \$146,680.
4. The amounts included for 2024 reflect the annualized level authorized by the Consolidated Appropriations Act, 2024, P.L. 117-328.
5. The 2023 CMS Reimbursable and Transfer includes \$12,901,669 for Medicare Parts B, C and D, \$27,600,000 for SMAC Transfer, and \$510,306 for miscellaneous; SMAC transfer is not included in BOC 25.0.
6. The 2024 CMS Reimbursable and Transfer includes \$12,292,389 for Medicare Parts B, C and D, \$21,000,000 for SMAC Transfer, and \$510,306 for miscellaneous; SMAC transfer is not included in BOC 25.0.
7. The 2025 CMS Reimbursable and Transfer includes \$12,292,389 for Medicare Parts B, C and D, \$18,000,000 for SMAC Transfer, and \$512,306 for miscellaneous; SMAC transfer is not included in BOC 25.0.
8. In FY 2024, RRB received \$5,200,000 for no-year funding from GSA Technology Modernization Fund (TMF) for the Citizen-Centric Online Self-Services Project.

CONTINUED NEED FOR ADDITIONAL FUNDING:

Fiscal Year 2025 Agency Request Level

The RRB's fiscal year 2025 budget request at both the President's Budget and the Agency Request Level (ARL) reflects rising information technology (IT) costs and the 2.0% cost of living adjustment (COLA). The 2.0% COLA effective January 2025 increases the cost of current staff by \$1.990 million and when coupled with rising non-personnel operating costs, leaves the RRB unable to increase staffing levels. Therefore, for fiscal year 2025, the RRB requests \$172.331 million to support an estimated 880 FTEs, including \$10 million to further the IT Modernization Program. At this funding level, the RRB is able to manage IT environment costs and increase staffing levels to sustain critical benefit administration operations and improve benefit payment accuracy and customer satisfaction. The requested funding for the IT Modernization Program would be used to support expansion of online self-services to include additional forms and benefits streams, data model design and governance/implementation, and establish and expand Azure Power Platform and Center of Excellence. A detailed overview of these initiatives can be found in the Information Technology Modernization Program Initiatives section. The requested staffing investment will address the persistent administrative workload, increase customer satisfaction, improve succession planning, and provide for the continued success of the IT Modernization Program.

Continued Need for Staffing

Persistent Administrative Workload

With Congress' support for increased funds in fiscal year 2023, the agency increased hiring efforts, and the RRB needs Congress' continued support in fiscal year 2025 to continue its hiring momentum. 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 critical benefit administration operations, the RRB needs a minimum of 880 FTEs, where historical trends indicate 86 and 14 percent of workload pertains to RRA and RUIA, respectively. Current workload levels, including backlogs, demonstrate the need for increased staff levels. Unlike some industries, where a decline in employment is indicative of future employment numbers, railroad employment levels fluctuate from year-to-year based upon market demands. Moreover, a decline in railroad employment does not equate to a decline in workload because non-active employees vested in RRB benefits and eligible family members will apply for benefits. In addition, a decline in railroad employment is likely followed by an increase in applications and claims for unemployment insurance.

The RRB needs a minimum of 880 FTEs to ensure continuity of critical benefit administration operations. Inadequate staffing levels created backlogs of initial disability decisions and post adjudicative actions, impacting the accuracy of retirement/survivor, disability, and unemployment/sickness benefit payments. Further, insufficient staffing and lack of job duty redundancy across the enterprise led to allocating resources to satisfy federal mandates or short-term agency priorities, rather than to activities with a long-term benefit or satisfying a strategic goal.

The sustained low staffing levels during fiscal years 2017-2022 and significant staff losses over the last several years forced the agency's Office of Programs (Programs) to focus most of its resources on the timely adjudication of new initial applications, claims, and related benefit payments. While largely successful prioritizing initial age and service retirement benefit awards, there are currently 2,524 cases pending an initial disability decision and 3,075 early Medicare (Disability Freeze) cases pending decision. In addition, the prioritization of initial payment awards led to backlogs in cases requiring post award adjustment (i.e., a revision or modification to a current benefit payment because of income changes that did not fully process through RRB's automated systems). The inability to address these items timely, reduces benefit payment accuracy.

As of February 16, 2024, RRB had a total of 107,630 pending retirement post award actions summarized as follows:

- *COLA Rejects and Reviews:* To ensure accurate benefit payments, the RRB manually reviews and processes RRB's COLA annuity adjustments that do not fully process mechanically. We currently have 1,365 pending actions in this category with the oldest RRB COLA case dating back to 01/18/2017.
- *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 30,441 pending with the oldest dating back to 11/20/2006.
- *Earning Policing:* The 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 16,493 pending actions with the oldest case dating back to 10/07/2013.
- *Retirement Post Work:* The RRB manually processes miscellaneous retirement annuity adjustments, that may include an increase in a public pension, a favorable RRB Disability Freeze determination or a workers' compensation adjustment that could impact a retirement benefit. The oldest of these cases is from 06/14/2014 and the RRB currently has 4,063 pending actions.
- *Retirement Social Security Adjustments:* The RRB manually processes miscellaneous Social Security Retirement non-COLA adjustments. We have 11,003 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 dating back to 02/02/2015.
- *Retirement Social Security Post Work:* The RRB manually reviews and processes Social Security adjustment cases that include COLA adjustments and do not fully process mechanically. We currently have 1,673 pending actions with the oldest dating back to 02/02/2015.
- *Retirement Social Security Mechanical Operations Referrals:* The RRB manually reviews and processes Social Security non-award record maintenance, which could result in a benefit payment adjustment. We currently have 42,592 pending actions with the oldest dating back to 01/06/2021.

The pending workload items described above represent thousands of railroad retirement beneficiaries who have either been paid too much or too little, creating a backlog in post award adjustments. Increased aged backlogs and extended processing delays within Office of Programs results in reduced customer satisfaction and an increase in phone inquiries, exceeding the capacity of the Bureau of Field Service (BFS) field office employees.

The BFS handles 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 is primarily responsible for handling unemployment application claims. Limited funding for base operations resulted in staffing challenges, weakening BFS' customer service capability and overall effectiveness. For example, the number of total calls answered by BFS in fiscal year 2023 declined by six percent compared to fiscal year 2022, with an answer rate of 64 percent and an average wait time of almost 38 minutes. Understanding the persistent administrative workload, current backlogs, workload levels for employees, and the need for a strategic approach to improve performance metrics and customer satisfaction ratings, the RRB completed a Human Capital Plan to determine minimum staffing levels and plan for the future.

Human Capital Plan

In early fiscal year 2024, the RRB completed a Human Capital Plan (HCP), which included hiring, succession, and training plans. The HCP results support the fiscal year 2025 Agency Level Request for a minimum of 880 FTEs. First, to develop the hiring plan, the RRB conducted a workforce analysis to evaluate positions and determine potential staffing gaps and surpluses over the next three fiscal years. This analysis indicated a total of 80 positions (223 individuals) were needed in fiscal year 2024. In fiscal year 2025 and 2026, the RRB projects needing to hire 114 and 107 individuals, respectively. The second step assessed succession risk and candidate readiness. The RRB reviewed retirement eligibility across the enterprise, discussed in further detail below, and over half were identified as having a high succession risk (55 percent) and 42 percent as a medium succession risk. To evaluate candidate readiness, the RRB determined if an internal candidate was qualified and prepared to succeed a given position should the incumbent leave the agency. Internal candidates can be hired for most positions in the agency (69 percent). However, there is still a need to recruit and hire external candidates, which requires greater funding investment. The final step was training analysis, which required an organization profile outlining training and development needs. Some training and development needs identified were soft skills such as oral communication, critical thinking, and change management, which, assuming funding availability, can be provided through RRB University. But other technical, program-specific knowledge, requires a more nuanced approach including sufficient staff to both train new hires and perform current duties as well as technical training provided by outside vendors. Additional funding is required for vendors to provide coursework, testing, credentials, and certifications in areas such as project management and acquisition to ensure standardized knowledge and professional competency. In addition to the HCP demonstrating the need for a minimum of 880 FTEs, the RRB experienced staffing deficits due to stagnant budgets and attrition. Stagnant budgets and attrition limited the RRB's ability to backfill positions in a timely manner, provide on-the-job training for new employees, retain institutional knowledge, and hindered succession planning.

Enterprise-wide Staffing Deficits and Attrition

The RRB was appropriated \$113.5 million in fiscal year 2017, \$123.5 million in fiscal years 2018-2021, \$124 million in fiscal year 2022, and \$128 million in fiscal year 2023 exclusive of funding for IT modernization, reflecting successive years of unfunded COLA increases. The COLAs funded with stagnant budgets 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, \$2.918 million in 2023, as well as an adjusted estimate of \$3.621 million in 2024 and \$1.990 million in 2025. Consequently, year-over-year, the RRB strained to absorb increased pay and benefits costs.

In addition, stagnant budgets impeded succession planning, which involves building redundancy in duties and knowledge transfer a few years prior to the individual retiring. The RRB has been unable to create job duty redundancies or even replace positions timely due to rising personnel and operational costs in a relatively flat annual budget in prior fiscal years. In fiscal year 2025, the RRB is projected to be operating at 21 percent below its 880 minimum staffing level, with a quarter of employees being retirement eligible within the next year; this percentage climbs to nearly one-third (32 percent) over the next three years. Organizational-specific examples of attrition, retirement eligibility, and their impact are provided below:

- 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 660,000 annuitants and railroad employees in fiscal year 2023. Based on data from February 6, 2024, the agency realized 146 separations since the beginning of fiscal year 2023, with 55 employee departures or (38 percent) from Programs. Further, as of January 13, 2024, nearly one quarter (22 percent) of staff in Programs can retire within the next year and this percentage climbs to nearly a third (28 percent) within the next three years adding to the agency's attrition risk. The attrition risk not only impacts Programs' workload, but there is also a downstream impact to BFS. 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 to resolve problems that become more complicated with the passage of time. In addition, attrition in Programs, as a core mission unit, may also delay IT Modernization efforts as discussed in the IT Modernization Program Staffing Needs section.
- The **Bureau of Field Service (BFS)** lost 43 employees since the beginning of fiscal year 2023, representing approximately 18 percent of the BFS workforce. Most of these separations were due to employees transferring to other federal agencies offering higher pay and more telework options. In response, the RRB conducted a classification review leading to the position upgrade of all BFS claims representatives from the GS-10 level to the GS-11 level. This committed an extra \$2 million to payroll annually and further limited initiatives across the agency. While this financial commitment was essential to retain current staff, reduce turnover, and maintain institutional knowledge, the reclassification is still below the grade level employees expect, resulting in some employees transferring to other agencies for similar positions at an even higher grade (GS-12). The RRB is monitoring BFS separations to determine efficacy of the position upgrade and if another classification review is needed to match the grade level which is inducing employees to transfer to other federal agencies. Additional funds would be required for a position upgrade. In addition, attrition in BFS, as a core mission unit,

may also delay IT Modernization efforts as discussed in the IT Modernization Program Staffing Needs section.

- The **Bureau of Actuary and Research (BAR)** actively characterizes the health of the railroad retirement system through short and long-term projections provided 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 solely responsible for calculating the annual financial interchange between the RRB, Social Security Administration and Centers for Medicare and Medicaid Services, which accounts for a substantial portion of the revenue used to pay benefits to railroad retirement annuitants. At present, over 40 percent of BAR staff are eligible to retire within the next year, and this percentage climbs to 53 percent within the next three years. Significant attrition risk within BAR may hinder efforts to develop an algorithm to help identify new disability applications requiring additional review. Realized attrition could also delay planned improvements to the financial interchange determination and establishment of new processes to reflect recent Supreme Court decisions resulting in differences between Social Security Act (SSA) and RRA taxable earnings.
- The **Bureau of Fiscal Operations (BFO)** employees are the primary stewards for the railroad retirement trust funds system and 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 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, recover benefit overpayments and collect railroad unemployment insurance contributions. BFO also conducts compliance audits and identifies discrepancies between reported compensation that may affect the employer's tax liability. As of January 13, 2024, nearly one-third (31 percent) of BFO staff are retirement eligible within the next year, and this percentage climbs to 37 percent within the next three years. The attrition risk is disturbingly high in the Debt Recovery Section (DRS), where 50 percent of DRS employees are currently retirement eligible. If DRS were to realize this significant level of attrition, without the ability to timely backfill, RRB's ability to collect overpayments and timely process waiver requests would be in jeopardy.
- The **Office of Administration (OA)** supports the RRB mission through human resources, public affairs, and procurement as well as managing the operations and maintenance of RRB's headquarters facility. One-third (33 percent) of OA staff are retirement eligible, and this percentage climbs to 36 percent within the next two years. Most concerning within OA is 22 percent of the Human Resources (HR) employees are retirement eligible and this percentage increases to 26 percent within the next three years. The attrition risk for HR employees threatens the agency's recruitment, employee training and development efficiency. This is especially troublesome as the agency has significant staffing needs enterprise-wide and depends on HR support.
- The **Office of General Counsel (OGC)** provides legal, legislative and library services,

liaison services to the Administration and members of Congress, reviews appeals, and conducts hearings for individuals who disagree with the decisions reached in their cases, as well as maintains the records of proceeding and actions by the three-member Board. Within the next year, 38 percent of OGC staff are retirement-eligible, and this percentage climbs to 42 percent within the next three years.

- 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. Forty-three percent of BIS employees are retirement eligible within the next year, and this percentage escalates to 51 percent within the next three years putting in jeopardy benefit systems and the ongoing IT Modernization Program.

Information Technology (IT) Modernization Program Staffing Needs

While an investment in staffing is needed to address the persistent administrative workload, decrease backlogs, improve succession planning, backfill positions in a timely manner, proactively address attrition including retirements, and improve customer satisfaction, additional staff are also required for the IT Modernization Program. As background, the RRB's IT Modernization Program consists of three phases: *Stabilize*, *Modernize*, and *Perform*. The goal of the *Stabilize* phase is to ensure components of information systems and the ecosystem in which they reside use current, sustainable technologies allowing the RRB to secure and maintain the systems in today's world. The *Modernize* phase shifts the RRB's focus to optimization of mission-essential functions across people, process, and technology areas. Lastly, the *Perform* phase ensures successful integration and transition of applications and systems capabilities to system operations.

The RRB will utilize an agile or iterative approach in the *Modernize* phase to reduce the footprint in the cloud from 200+ legacy applications and streamline core business processes. This agile approach relies on the input, guidance, and ownership of business users and once fully implemented, shifts a significant portion of the responsibilities and ultimate ownership from BIS to the business (mission) units. Due to the cumulative impact of past and anticipated attrition on staffing levels and flat budgets, which forced the RRB to absorb fact-of-life price changes such as COLA, the RRB needs additional staff to ensure the continued success of the IT Modernization Program. An overview of how core mission units, Programs and BFS, will contribute to the *Modernize* phase follows:

- Programs is responsible for carrying out provisions of the RRA and the 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' specialized knowledge of retirement, survivor, disability, unemployment, and sickness insurance benefit paying programs, the most experienced staff will be devoted to informing the modernization of new applications. The RRB needs to increase claims examiners and analysts staffing levels, to ensure continued improvement and sustainment of benefit payment operations, while modernizing legacy applications.
- BFS employees possess specialized customer service knowledge and represent the RRB to our citizens. To support the *Modernize* phase, BFS will dedicate senior-level resources to focus on enhancing the customer and employee experience as applications are modernized. Like Programs, BFS faces the same staffing constraints; supporting an

agile approach necessitates 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.

ADMINISTRATIVE EXPENSES

Budget Authority by Strategic Goal

<u>Limitation on Administration</u>	<u>Fiscal Year 2023</u>			<u>Fiscal Year 2024</u>			<u>Fiscal Year 2025</u>			<u>Fiscal Year 2025</u>		
	<u>Actual</u>			<u>Estimate</u>			<u>President's Budget</u>			<u>Agency's Request</u>		
	<u>FTEs</u>	<u>%</u>	<u>Amounts (\$)</u>	<u>FTEs</u>	<u>%</u>	<u>Amounts (\$)</u>	<u>FTEs</u>	<u>%</u>	<u>Amounts (\$)</u>	<u>FTEs</u>	<u>%</u>	<u>Amounts (\$)</u>
<u>Program by strategic goal</u>												
Strategic goal:												
1. Modernize information technology	108	15	\$25,992,750	96	14	\$21,848,092	82	12	\$21,421,937	104	12	\$26,070,269
2. Customer service	441	61	66,096,402	465	67	74,035,694	474	68	79,630,088	600	68	96,213,254
3. Stewardship	175	24	35,910,848	131	19	32,116,214	139	20	32,947,975	176	20	40,047,477
Total, direct program obligations	724		128,000,000	692		128,000,000	695		134,000,000	880		162,331,000
No Year Funding for IT Initiatives			0			0			0			10,000,000
Unobligated balance			0			0			0			0
Total budget authority	724		\$128,000,000	692		\$128,000,000	695		\$134,000,000	880		\$172,331,000

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

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

Notes: 1/ Average FTE Costs: \$137,947 for FY 2023 and \$141,728 for FY 2024.

2/ A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended).
The amounts included for FY 2024 reflect the annualized level provided by the continuing resolution.

STAFFING HISTORY
Actual Full-Time Equivalent Employment

Fiscal year	Total FTEs	a/ b/	Change from previous year	Percent change from <u>previous</u> 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	724		-39	-5.1%	974	-57.4%
2024	692	c/	-32	-4.4%	1,006	-59.2%
2025	695	d/	3	4%	1,003	-59.1%

a/ Excludes staffing for the Office of Inspector General.

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

c/ Reflects an adjusted projection as of January 2024. Reflects the estimated staffing allowable, pursuant to the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended).

d/ The estimated 695 FTEs is 185 FTEs fewer than what is needed to sustain the agency's mission essential functions.

Cybersecurity Priorities Identified for M-23-18

The RRB's overall cybersecurity program requires both Operations and Maintenance (O&M) funding (\$2,336,500) and Development, Modernization and Enhancement (DME) funding (\$1,863,500) for a total of \$4,200,000, as detailed in the agency's budget and in response to BDR-23-39, Addendum 1. The RRB FY 2025 funding request for cybersecurity DME is aligned with the priorities outlined in OMB memorandum M-23-18. 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, the RRB will focus its FY 2025 Cybersecurity investment priorities in the following areas from the memorandum:

Zero Trust Implementation (\$663,500)

- 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. To continue progress with the RRB's Zero Trust implementation, the agency is requesting FY 2025 funding for three of five pillars detailed in the OMB Memorandum M-22-09, Moving the U.S. Government Toward Zero Trust Cybersecurity Principles:
 - 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.
 - 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 will develop and implement through workshops to ensure RRB endpoints are compliant with Zero Trust strategies.
 - Networks: The RRB has architected and designed the RRB ZTA plan through consultation, business value assessment, and architectural workshops. We will follow this plan in FY2025 to acquire consulting services for execution of the plan.

IT Modernization for Federal Cybersecurity by Design (\$1,200,000)

- The RRB will continue participating in shared security technologies, including active engagement with the Department of Homeland Security (DHS) Continuous Diagnostics and Mitigation program 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 will obtain in FY 2025 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-23-18.

The above M-23-18 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 2025 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 FY 2025 President's Budget Level.

BOC	Title and Description	Estimated FY 2025 Funding
<u>Information Technology</u>		
252	<u>IT Operations Support and Memberships.</u> Requested funding includes Core research services for CIO, and direct reports.	331,000
252	<u>Help Desk Contract.</u> Helpdesk contract renewal for the helpdesk staff to augment RRB staff.	800,000
252	<u>Cloud Services.</u> IBM ZCloud.	3,200,000
252/253	<u>License Agreement.</u> Microsoft Enterprise Service Agreement (MSEA) includes M365. Login.Gov Secure sign in services. Risk Management Framework RMF (TM3, IBM, Microsoft, Insight).	1,878,000 <u>a/</u>
252	<u>IT Security.</u> Security authorization and continuous monitoring of RRB information systems, and records management, Cybersecurity Intrusion Detection System/Intrusion Prevention System (IDS/IPS). ZTA Requirements.	2,617,000
252/257	<u>Services and Installations.</u> Program Administrative Support Services Microsoft Unified Support Services Engineer Services optimize 3rd party software items. Azure managed services. Programmer/Developer Augmentation Master contract. Global 360 Document Imaging software licenses. Document Management System CA Endeavor (Imaging & Records Management). VMWARE Subscription V Center.	3,248,750
310	<u>IT End of Life Replacement Equipment.</u> Replacements - Firewalls.	500,000
257	<u>IT Software & Maintenance Renewals.</u> IBM Scheduler, CISCO Hardware/Firepower support.	860,000
<i>Subtotal</i>		<u>13,434,750</u>

BOC	Title and Description	Estimated FY 2025 Funding
<u>Support of Benefit Program Activities</u>		
253/256	<u>Medical Fees.</u> SSA Death Master File access and initial medical exams as needed.	2,175,540 <u>a/</u>
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.	339,128
257	<u>IT Software.</u> Acrolinx software which allows for language processing. Avue software for HR classification, position management and staffing process needs, and supports Human Capital Plan.	485,400
252	<u>Other Services.</u> Provides off-site centralized scanning services for documents. CGI Accounting Support, FMIS training and Peer Review contract.	697,000
	<i>Subtotal</i>	<u>3,697,068</u>
<u>Financial Management</u>		
253	<u>Payroll Costs.</u> Reimbursement to GSA for Payroll services.	465,000 <u>a/</u>
252	<u>Financial Systems.</u> Funding will be used to support FMIS Annual O&M.	2,250,000
	<i>Subtotal</i>	<u>2,715,000</u>

BOC	Title and Description	Estimated FY 2025 Funding
<u>Administrative Support</u>		
253	<u>File Management Services.</u> Fees paid to the National Archives and Records Administration (NARA) for storage and maintenance of files and records of the agency's active main file bank.	270,000 <u>a/</u>
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.	455,600
253	<u>Field Office Support Services.</u> Funding is required for field office alterations, miscellaneous and administrative support services. RWA Services.	380,000 <u>a/</u>
253	<u>DCSA Background Investigations.</u> Funding is required to obtain background investigations for agency employees and contractors.	145,000 <u>a/</u>
253	<u>IAA.</u> IAA with FOH for Nurse services Federal Occupational Health for the provision of licensed, BLS certified, registered nurse for emergency services and preventive health services.	134,000 <u>a/</u>
253	<u>HRLinks.</u> Funding required for HRLinks, which is the agency's official identity management system that also processes time and attendance.	452,000 <u>a/</u>
252	<u>Learning Management System.</u> Funding is for the RRB's in-house online educational/training courses and programs. Learning Management System subscription.	204,000
<i>Subtotal</i>		<u>2,040,600</u>

BOC	Title and Description	Estimated FY 2025 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.	1,820,000 <u>a/</u>
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.	211,000
252/254	<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.	1,322,000
<i>Subtotal</i>		<u>4,228,000</u>
Agency total		<u>\$26,115,418</u>

a/ Contractual services provided by Federal Government agencies comprise \$5,680,500 of the agency program total.

BUDGET AUTHORITY BY FUND

Railroad Retirement Program	Fiscal Year 2023 Actual Amounts	Fiscal Year 2024 Estimate	Fiscal Year 2025 President's Budget	Fiscal Year 2025 Agency's Request
<u>Direct Program:</u>				
Railroad Retirement Account	\$86,459,999	\$88,336,045	\$93,818,456	\$120,655,240
Social Security Equivalent Benefit Account	\$19,185,528	\$20,187,475	\$19,792,104	\$25,453,639
Total, direct railroad retirement program obligations	\$105,645,527	\$108,523,520	\$113,610,560	\$146,108,879
<u>Railroad Unemployment and Sickness Insurance Program</u>				
<u>Direct Program:</u>				
Railroad Unemployment Insurance Administration Fund	\$17,669,862	\$19,476,480	\$20,389,440	\$26,221,843
Total, direct railroad retirement, unemployment, and sickness insurance obligations	\$123,315,389	\$128,000,000	\$134,000,000	\$172,331,000
Unobligated balance	\$4,684,611	---	---	---
Total, direct railroad retirement, unemployment and sickness insurance budget authority	\$128,000,000	\$128,000,000	\$134,000,000	\$172,331,000

Notes: *A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15 as Amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.*

The source of funds for the unobligated balance from FY 2023 is as follows: (1) Railroad Retirement Account \$3,284,517, (2) Social Security Benefit Account \$728,836, (3) Railroad Unemployment Insurance Administration Fund \$671,258.

LIMITATION ON ADMINISTRATION

Financing

	Fiscal Year 2023 Actual	Fiscal Year 2024 Estimate	Fiscal Year 2025 President's Budget	Fiscal Year 2025 Agency's Request
<u>Financing</u>				
Total, direct program obligations	\$123,456,761	\$128,000,000	\$134,000,000	\$162,331,000
No Year Funding for IT Initiatives	0	0	0	10,000,000
Unobligated balance	4,543,239	---	---	---
Limitation	\$128,000,000	\$128,000,000	\$134,000,000	\$172,331,000

Relation of direct program obligations to outlays

Obligations incurred, net	\$123,456,761	\$128,000,000	\$134,000,000	\$172,331,000
Obligated balance, start of year	0	34,985,927	34,985,927	34,985,927
Obligated balance, end of year	(34,985,927)	(34,985,927)	(34,985,927)	(34,985,927)
Outlays from limitation	\$88,470,834	\$128,000,000	\$134,000,000	\$172,331,000

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 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15 as Amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

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

	Fiscal Year 2023 Actual	Fiscal Year 2024 Estimate	Fiscal Year 2025 President's Budget	Fiscal Year 2025 Agency's Request
Direct program sources				
Appropriation	\$128,000,000	\$128,000,000	\$134,000,000	\$162,331,000
No-Year Funding for IT Initiatives	---	---	---	10,000,000
Available from benefit trust funds by Congressional appropriation	\$128,000,000	\$128,000,000	\$134,000,000	\$172,331,000
<u>Direct program uses</u>				
Administrative expenses	\$123,456,761	\$128,000,000	\$134,000,000	\$162,331,000
No-Year Funding for IT Initiatives	---	---	---	10,000,000
Unobligated balance	4,543,239	---	---	---
Total uses:	\$128,000,000	\$128,000,000	\$134,000,000	\$172,331,000

Notes: *A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15 as Amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.*

LIMITATION ON ADMINISTRATION

Amounts Available for Obligation

	Fiscal Year 2023 Actual	Fiscal Year 2024 Estimate	Fiscal Year 2025 President's Budget	Fiscal Year 2025 Agency's Request
Appropriation	\$128,000,000	\$128,000,000	\$134,000,000	\$162,331,000
No-Year Funding for IT Initiatives	---	---	---	10,000,000
Unobligated balance	4,543,239	---	---	---
Total direct obligations a/	\$123,456,761	\$128,000,000	\$134,000,000	\$172,331,000

a/ The RRB also received reimbursements and transfers totaling \$41.0 million in fiscal year 2023 and expects to receive \$33.8 million in fiscal year 2024, and \$30.8 million in fiscal year 2025 from CMS and others.

Notes: *A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15 as Amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.*

APPROPRIATIONS HISTORY TABLE

Year	Agency's Request Level	President's Budget Estimate to the Congress	House Allowance	Senate Allowance	Appropriation/ Continuing Resolution	
2016	141,431,197	119,918,000	---	---	111,225,000	a/
2017	139,649,040	122,499,000	---	---	113,500,000	b/
2018	147,841,000	111,225,000	113,500,000	114,500,000	123,500,000	c/
2019	142,506,000	115,225,000	126,000,000	123,500,000	123,500,000	d/
2020	137,216,000	116,225,000	135,500,000	123,500,000	123,500,000	e/
2021	141,974,000	120,225,000	126,500,000	120,225,000	123,500,000	f/
2022	148,371,000	125,049,000	130,049,000	125,049,000	124,000,000	g/
2023	151,409,000	131,666,000	131,666,000	135,400,000	128,000,000	h/
2024	174,744,000	138,575,000	103,000,000	128,000,000	128,000,000	i/
2025	172,331,000 j/	134,000,000				

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

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

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

d/ 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).

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

f/ 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).

g/ 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. In addition, the Agency's final appropriations is made available by the Consolidated Appropriations Act, 2022 (P.L. 117-113).

h/ 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).

i/ 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 \$174,744,00. 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 \$204,980,000 to \$203,135,000 as reported in the RRB's Fiscal Year 2025 Budget Submission and the revised Fiscal Year 2025 ARL includes direct obligations of \$162,331,000 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	59,154	6,287,702	7,408
2023	471,082	20,075	821	2,822	44,989	6,152,500	7,335
2024 (est)	463,700	20,000	500	3,000	53,000	6,070,000	7,000
2025 (est)	456,900	20,000	400	3,000	53,000	5,970,000	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/}	<u>Unemployment Insurance</u>			<u>Sickness Insurance</u>		
		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	186,000	18,484	184,799 ^{8/}	296,239 ^{8/}	33,770	150,451 ^{8/}	162,580 ^{8/}
2022	190,000	8,102	49,977 ^{8/}	46,369 ^{8/}	21,720	131,010 ^{8/}	125,326 ^{8/}
2023	198,000 (est)	6,039	26,891	22,481	14,805	103,962	88,664
2024 (est)	196,000	8,000	38,000	33,000	14,000	98,000	87,000
2025 (est)	194,000	11,000	56,000	48,000	16,000	107,000	95,000

^{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 2025

Railroad Retirement Board

Railroad Retirement Board – Fiscal Year 2025 Performance Plan

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Railroad Retirement Board – Fiscal Year 2025 Performance Plan

Introduction

The Railroad Retirement Board (RRB) has developed this performance budget for fiscal year 2025 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 to meet 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. 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 stakeholders, including the railroad community, the Administration, the Congress, and other government agencies. It is part of a comprehensive set of interlocking plans covering 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 2025. 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 2025 for each performance goal is at the Agency's proposed request level of \$172,331,000, which would support 880 FTEs. To provide for ongoing improvement in performance and accountability, we will continue to set programmatic goals that are aggressive, realistic, and accurately measured. We will also ensure that planned improvements are transparent ,result in meaningful outcomes, and that agency managers are accountable for achieving performance goals.

We will also prepare and submit to the President and Congress a report on program performance for fiscal year 2025, as part of our Performance and Accountability Report. The RRB's Office of Inspector General (OIG) will review the report to help ensure the reliability and utility of our performance information. The reported information will be derived from agency systems, and the performance goals and indicators will be compared to actual program performance for the fiscal year.

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

Railroad Retirement Board – Fiscal Year 2025 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 2025
Performance Plan

Strategic Goal I: *Modernize Information Technology (IT) Operations to sustain mission essential services.* At the Agency’s request level for fiscal year 2025, we plan to allocate \$26,070,269 and 104 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 compliance with OMB memorandum, M 23-18, Administration Cybersecurity Priorities for the FY 2025 Budget (July 27, 2023). More detail regarding our application modernization funding request and plan for compliance with the federal zero trust strategy is in the Cybersecurity Priorities Identified for M-23-18 section of this submission.

I-A. Strategic Objective: RRB’s Transformation.

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 continues to implement its IT Modernization Program. Those initiatives are captured in the Information Technology (IT) Update section of this 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 2025 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.	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.	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.	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.	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.	1. Improve the User Experience 2. Secure the Enterprise 3. Upskill the IT Team 4. Optimize the Infrastructure

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 2025, we plan to allocate \$96,213,254 and 600 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, 2023, the overall actual performance was 98.8 percent. This means that customers received benefit services within the timeframes promised in the Customer Service Plan for nearly 99 percent of the 167,779 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:

**Overall Timeliness Performance
Fiscal Year 2023 (through 9/30/2023)**

- Retirement applications: 96.4%
(target: 94.0%)
- Survivor applications: 97.2%
(target: 94.2%)
- Disability applications/payments: 53.2%
(target: 81.2 %)
- RUIA applications/claims: 99.9%
(target: 98.6 %)

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

Performance was lower than expected due to priority given to focusing on the initial adjudication of claims with older filing dates resulting in achieving a significant reduction in the on-hand balances of these cases. 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 2024 the development and implementation of Form RL-13G (Notice to Employer of Relinquishment of Rights of Disability Annuitant who Attained Age 65) and the Form RL-27 (Notice of Employer of Disability Annuity Application Denial) as additions to ERSNet. These services will provide timely notice and access to these forms 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 2025 to focus on improvements and enhancements to the existing 31 services and expects to develop two more services by the end of fiscal year 2025. These services include development of on-line ERSNet processes for the GL-99, Deemed Service Questionnaire and the GL-132, Notice of Service After ABD.

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 2025, we plan to allocate \$40,047,477 and 176 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 2023, we released our Performance and Accountability Report for fiscal year 2023. RMA Associates did not express an opinion (disclaimer) on the RRB's 2023 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 Insufficient and Untimely Evidential Matter, Unsupported Railroad Retirement Act Annuity Payments, Ineffective Internal Control Program, Ineffective IT Control Over Financial Reporting, Outdated Accounting Procedure Guides, Preparing and Reviewing Financial Reporting, Open Obligations Not Timely Reviewed, Unsupported Undelivered Orders, Unsupported Journal Entries, Financial Statement Analysis and Non-Compliance with Treasury United States Standard General Ledger (USSGL). 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 2022, the RRB invested the equivalent of about 17 full-time employees, at a cost of approximately \$2.15 million, in program integrity efforts. This resulted in about \$14.1 million in recoverables, \$887,194 in benefits saved, and the referral of 56 cases to the OIG for investigation. This is approximately \$6.99 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 IT 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.

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.
- Innovate – Adopt New Technologies. Percentage of investments that evaluated cloud alternatives.
- Protect – Email Data Loss Prevention. Percentage of externally bound emails and their attachments automatically encrypted that contain personally identifiable or credit card information.
- Protect – Percentage of agency employees required to use a Personal Identity Verification (PIV) card to authenticate.

The measurements ensure that the agency engages in proactive performance management of information technology by ensuring effectiveness, efficiency and security of operations. The use of performance measures and management processes allows the RRB to monitor actual versus expected results, while also providing appropriate oversight and quality control. The status of each measure is captured and evaluated monthly by those responsible for overseeing the measure, evaluated quarterly by the Office of the Chief Information Officer to ensure that the activity is meeting the expected measure and reported annually in the agency's fiscal year performance plan. In addition to our ongoing activities, during the planning period we will continue to emphasize key areas related to strategic management of human capital, improving program performance and accountability, and systems security.

Strategic Management of Human Capital

Like many agencies, the RRB has an aging workforce. About 36 percent of our employees have 20 or more years of service and 33 percent of the current workforce will be eligible for retirement by fiscal year 2025. The Bureau of Human Resources (HR) 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, procedures and systems. In addition, HR has devoted considerable time and attention educating, developing, and training our employees and supervisors both in technical and soft skills in alignment with our agency mission, values and goals. HR continues to bring its practices in strategic alignment with the RRB's mission and best human resources management practices within the Federal government.

The Workforce Organization Management section of HR continues to refine recruitment efforts to

ensure we receive applications from a talented, diverse, and inclusive pool of applicants. Through USAJOBS and other on-line recruitment sources, 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 Benefits, Employee & Labor Relations (BEL) section of HR continues to lead the efforts to negotiate the Nationwide Collective Bargaining Agreement (CBA), which was last negotiated in 1985. In addition to rewriting the CBA, the BEL section within HR 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 Remote work, Performance Management and Hours of Work. 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 (T&D) within the Bureau of Human Resources utilizes the results from training needs assessments, workforce planning, and surveys to assist in prioritizing the RRB's employee training needs. T&D utilizes available technology, low-cost training options and 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. The T&D section continues to update and automate training instances available to RRB employees regardless of whether they are entry-level employees or managerial employees to ensure the successful accomplishment of the RRB's 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 2025 Performance Plan	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Actual \$128.0m	2024 Estimate \$128.0m	2025 Request \$172.3m
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	Azure Migration: 100%	Goal Complete	Goal Complete	Performance Indicator Complete and Closed Starting FY24	Performance Indicator Complete and Closed Starting FY24
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	100%	Goal Complete	Goal Complete	Performance Indicator Complete and Closed Starting FY24	Performance Indicator Complete and Closed Starting FY24
I-A-3. Transition Mission Essential Programs from the End- of-Life Mainframe hardware.	50%	100%	Goal Complete	Goal Complete	Performance Indicator Complete and Closed Starting FY24	Performance Indicator Complete and Closed Starting FY24
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	100%	Goal Complete	Goal Complete	Performance Indicator Complete and Closed Starting FY24	Performance Indicator Complete and Closed Starting FY24
1-A-5. Enhance infrastructure components to stabilize the information systems and the related ecosystems to prepare for the modernize phase.	New Performance Goal for FY 2021	100%	Goal Complete	Goal Complete	Performance Indicator Complete and Closed Starting FY24	Performance Indicator Complete and Closed Starting FY24

Railroad Retirement Board FY 2025 Performance Plan	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Actual \$128.0m	2024 Estimate \$128.0m	2025 Request \$172.3m
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	50%	50%	100%	Performance Indicator Complete and Closed Starting FY25
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	0%	0%	50%	100%
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	0%	0%	25%	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	50%	75%	100%	Performance Indicator Complete and Closed Starting FY25
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	50%	100%	100%	Performance Indicator Complete and Closed Starting FY25

Railroad Retirement Board FY 2025 Performance Plan	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Actual \$128.0m	2024 Estimate \$128.0m	2025 Request \$172.3m
STRATEGIC GOAL II: <i>Provide Excellent Customer Service.</i>						
<i>Strategic Objective: Pay benefits timely.</i> Goal leader for objectives II-A-1 through II-A-5; II-A-7 and II-A-8: Arturo Cardenas, Director of Programs Goal leader for objective II-A-6: Mark Blythe, Director of Field Service Goal leader for objective II-A-9: Spiridoula Mavrothalasitis, Director of Hearings and Appeals						
II-A-1. RRB makes a decision to pay or deny a railroad retirement employee or spouse initial annuity application within 35 days of the annuity beginning date, if advanced filed. (Measure: % ≤ 35 days)	96.4%	97.0%	96.7%	96.4%	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)	97.5%	97.0%	96.7%	96.4%	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)	95.0%	92.2%	91.9%	96.6%	94.0%	94.0%

Railroad Retirement Board FY 2025 Performance Plan	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Actual \$128.0m	2024 Estimate \$128.0m	2025 Request \$172.3m
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 prior to FY 2024: % ≤ 30 days. Measure FY 2024 and later: % ≤ 35 days)	95.2%	94.8%	95.8%	96.8%	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%	95.0%	94.4%	99.2%	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)	13.5%	18.6%	12.6%	8.0%	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)	88.5%	87.5%	89.4%	92.6%	91.0% ^{5/}	91.0%
II-A-9. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: Average elapsed days)	205	208	174	204	220	225

Railroad Retirement Board FY 2025 Performance Plan		2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Actual \$128.0m	2024 Estimate \$128.0m	2025 Request \$172.3m
<i>Strategic Objective: Provide a range of choices in service delivery methods.</i> 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	19 services available	20 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	98.9%	99.1%	99.3%	96.0%	99.0%	99.1%
	b) Internet Services	30 Internet services available	30 Internet services available	31 Internet services available	31 Internet services available	33 Internet services available ^{6/}	35 Internet services available ^{6/}
STRATEGIC GOAL III: <i>Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources.</i>							
<i>Strategic Objective: Ensure that trust fund assets are protected, collected, recorded, and reported appropriately.</i> 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.)		95.18%	89.08%	89.35%	88.53%	85.00%	85.00%

Railroad Retirement Board FY 2025 Performance Plan		2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Actual \$128.0m	2024 Estimate \$128.0m	2025 Request \$172.3m
Strategic Objective: Ensure the accuracy and integrity of benefit programs. Goal leader III-B-1(a)(b) and III-B-3 through III-B-19: 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 ^{7/} of at least 99%. (Measure: Percent accuracy rate)	a) Initial payments	99.57%	99.79%	99.90%	100% ^{8/}	99.75%	99.00%
	b) Sample post recurring payments	Not Applicable Post Study Canceled	99.59%	99.68%	FY 2023 Post Study Suspended	99.75%	99.00%
III-B-2. Achieve a railroad unemployment/ sickness insurance benefit payment accuracy rate ^{7/} of at least 99%. (Measure: Percent accuracy rate)	a) Unemployment	96.62%	97.58%	96.90%	97.03% ^{9/}	95.50%	95.00%
	b) Sickness	97.88%	97.38%	98.53%	100% ^{9/}	95.50%	95.50%
III-B-3. Overall Initial Disability Determination Accuracy. (Measure: % of Case Accuracy)		86.10%	83.30%	80.60%	Not Available	95.00%	95.00%
III-B-4. Maintain the level of Railroad Retirement Act (RRA) improper payments below the OMB threshold. (Measure: Below 1.5%)		N/A ^{10/}	N/A ^{10/}	N/A ^{10/}	N/A ^{10/}	N/A ^{10/}	N/A ^{10/}
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)		\$6.03: \$1.00	\$7.38: \$1.00	\$6.99: \$1.00	Not Available	\$4.00: \$1.00	\$5.00: \$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).		Superseded by III-B-13 ^{11/}	Superseded by III-B-13 ^{11/}	Superseded by III-B-13 ^{11/}	Superseded by III-B-13 ^{11/}	Superseded by III-B-13 ^{11/}	Superseded by III-B-13 ^{11/}

Railroad Retirement Board FY 2025 Performance Plan	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Actual \$128.0m	2024 Estimate \$128.0m	2025 Request \$172.3m
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).	Superseded by III-B-14 11/	Superseded by III-B-14 11/	Superseded by III-B-14 11/	Superseded by III-B-14 11/	Superseded by III-B-14 11/	Superseded by III-B-14 11/
III-B-8. Reduce the backlog of earnings report annuity adjustment cases by 20% (less than 12,000 for FY 2024).	Superseded by III-B-15 11/	Superseded by III-B-15 11/	Superseded by III-B-15 11/	Superseded by III-B-15 11/	Superseded by III-B-15 11/	Superseded by III-B-15 11/
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).	Superseded by III-B-16 11/	Superseded by III-B-16 11/	Superseded by III-B-16 11/	Superseded by III-B-16 11/	Superseded by III-B-16 11/	Superseded by III-B-16 11/
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).	Superseded by III-B-17 11/	Superseded by III-B-17 11/	Superseded by III-B-17 11/	Superseded by III-B-17 11/	Superseded by III-B-17 11/	Superseded by III-B-17 11/
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).	Superseded by III-B-18 11/	Superseded by III-B-18 11/	Superseded by III-B-18 11/	Superseded by III-B-18 11/	Superseded by III-B-18 11/	Superseded by III-B-18 11/

Railroad Retirement Board FY 2025 Performance Plan	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Actual \$128.0m	2024 Estimate \$128.0m	2025 Request \$172.3m
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).	Superseded by III-B-19 ^{11/}	Superseded by III-B-19 ^{11/}	Superseded by III-B-19 ^{11/}	Superseded by III-B-19 ^{11/}	Superseded by III-B-19 ^{11/}	Superseded by III-B-19 ^{11/}
III-B-13. Process RR cost of living reject referrals received October 1, 2023, and later within 90 days of receipt.	Effective FY 2024	Effective FY 2024	Effective FY 2024	Effective FY 2024	90.0%	90.0%
III-B-14. Process SS cost of living reject referrals received October 1, 2023, and later within 180 days of receipt.	Effective FY 2024	Effective FY 2024	Effective FY 2024	Effective FY 2024	85.0%	85.0%
III-B-15. Process Social Security Automatic Earnings Reappraisal Operation (AERO) referrals received October 1, 2023, and later within 240 days of receipt.	Effective FY 2024	Effective FY 2024	Effective FY 2024	Effective FY 2024	80.0%	80.0%
III-B-16. Process earnings reports referred out by the System Processing Excess Earnings Database (SPEED) received October 1, 2023, and later within 240 days of receipt.	Effective FY 2024	Effective FY 2024	Effective FY 2024	Effective FY 2024	80.0%	80.0%
III-B-17. Process Earnings Data Processing (EDP Policing) referrals received October 1, 2023, and later within one year of receipt.	Effective FY 2024	Effective FY 2024	Effective FY 2024	Effective FY 2024	70.0%	70.0%
III-B-18. Process general Railroad and Social Security post referrals received October 1, 2023, and later within 240 days of receipt.	Effective FY 2024	Effective FY 2024	Effective FY 2024	Effective FY 2024	80.0%	80.0%
III-B-19. Process Social Security Monthly Output Referrals (MOR) received October 1, 2023, and later within 240 days of receipt.	Effective FY 2024	Effective FY 2024	Effective FY 2024	Effective FY 2024	80.0%	80.0%

Railroad Retirement Board FY 2025 Performance Plan		2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Actual \$128.0m	2024 Estimate \$128.0m	2025 Request \$172.3m
<i>Strategic Objective: Ensure effectiveness, efficiency, and security of operations.</i> Goal leader: Terryne F. Murphy, Chief Information Officer							
III-C-1. Deliver – Deliver on Budget. Percent of IT Projects costs within 10% of budgeted cost.		100%	100%	100%	100%	85.00%	85.00%
III-C-2. 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	99.31%	98.80%	99.76%	99.17%	99.00%	99.00%
	b) Average hours of outage allowed per month	4.83 hours	8.83 hours	1.67 hours	5.79 hours	7.00 hours	7.00 hours
III-C-3. Innovate – Design for Modularity. Strategy for Continuity of Operations Improvements.		Cloud- based enterprise test lab: No	Microsoft Azure Cloud: Yes	Microsoft Azure Cloud: Yes	Microsoft Azure Cloud: Yes	Decommission Legacy Disaster Recovery Site: Yes	Table – Top Exercise: Yes
III-C-4. Innovate – Adopt New Technologies. Percentage of investments that evaluated cloud alternatives.		100%	100%	100%	100%	Performance Indicator Complete and Closed Starting FY24	Performance Indicator Complete and Closed Starting FY24
III-C-5. 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%	Performance Indicator Complete and Closed Starting FY24	Performance Indicator Complete and Closed Starting FY24
III-C-6. Protect-Percentage agency employees required to use a Personal Identity Verification (PIV) card to authenticate.		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 > 83% Privileged Network Users ≥ 100%	Unprivileged Network Users > 85% Privileged Network Users ≥ 100%	Unprivileged Network Users > 85% Privileged Network Users > 100%

Railroad Retirement Board FY 2025 Performance Plan	2020 Actual \$123.5m	2021 Actual \$123.5m	2022 Actual \$123.5m	2023 Actual \$128.0m	2024 Estimate \$128.0m	2025 Request \$172.3m
<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/} 2023 Actual results represent status as of September 30, 2023, unless otherwise noted.
- ^{2/} 2024 Estimate includes \$128,000,000 for the Limitation on Administration.
- ^{3/} 2025 Request includes \$162,331,000 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 goal for II-A-8 was originally planned as 91.0% in the FY 2024 Budget Submission published on September 12, 2022. This goal was erroneously reported as 94.0% in the FY 2024 Congressional Justification and in the FY 2025 Budget Submission. The goal has been corrected back to 91.0%.
- ^{6/} In FY 2023, the ERSNet team worked diligently with the Bureau of Information Services (BIS) to complete projects projected to be in production by the end of the fiscal year. In FY 2023, BIS was involved in the Main Frame Modernization Project, and the ERSNet team was competing with other teams for the few resources available. As a result, we were unable to meet our goal in FY 2023. As the Main Frame Modernization Project continues into FY 2024, attention to the new online services has been slowed. We continue to meet with BIS every week to discuss the backlog they are experiencing and to set new priorities. We have reassessed our goals for FY 2024 and FY 2025 to relieve the demand we are placing on BIS.
- ^{7/} The payment accuracy rate is the percentage of the dollars paid correctly as a result of adjudication actions performed.
- ^{8/} The actual results represent status as of March 31, 2023.
- ^{9/} The actual results represent status as of June 30, 2023.
- ^{10/} The RRA program is in a three-year risk assessment cycle and operates under Phase 1 guidelines of OMB Circular A-123, Appendix C. We conducted risk assessments in FY 2020 and FY 2023, and our results concluded that the RRA program consistently remains below the thresholds for significant improper payments under the Payment Integrity Information Act (PIIA) of 2019. The next scheduled risk assessment is in FY 2026, unless the RRA program experiences a significant change in legislation and/or a significant increase in funding levels, which would then warrant an earlier assessment.
- ^{11/} Goals III-B-6 through III-B-12 were first published in the FY 2024 Congressional Justification, which was released during March 2023. These goals were restructured to better represent and measure pending post adjudication workloads and are now included in our Plan as goals III-B-13 through III-B-19. They will be measured beginning in FY 2024. Goals III-B-6 through III-B-12 will not be measured as written, are superseded by goals III-B-13 through III-B-19 and are considered obsolete.

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, [~~\$8,000,000~~]~~\$7,000,000~~, which shall include amounts becoming available in fiscal year [~~2024~~]~~2025~~ pursuant to section 224(c)(1)(B) of Public Law 98–76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits: *Provided*, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.

Note.—A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118–15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

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, [~~\$8,000,000~~]~~\$7,000,000~~, which shall include amounts becoming available in fiscal year [2024]2025 pursuant to section 224(c)(1)(B) of Public Law 98–76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits: *Provided*, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.

Note.—A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118–15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

Explanation

The proposed appropriation language provides \$7,000,000 to the Dual Benefits Payments Account for payment of vested dual benefits. Of the \$7,000,000, 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	<u>Fiscal Year 2024</u>		<u>Fiscal Year 2025</u>		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 <u>a/</u>	Indefinite		\$7,000,000

a/ *A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118–15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.*

Section 15(d) (1):

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

Section 7(c) (1):

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

Section 15(i) (2):

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

Appropriations History Table

Dual Benefits Payments Account a/

<u>Year</u>	<u>President's Budget Estimate to the Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation/ Continuing Resolution</u>	
2016	29,000,000	---	---	29,000,000	<u>b/</u>
2017	25,000,000	---	---	25,000,000	<u>c/</u>
2018	22,000,000	22,000,000	22,000,000	22,000,000	<u>d/</u>
2019	19,000,000	19,000,000	19,000,000	19,000,000	<u>e/</u>
2020	16,000,000	16,000,000	16,000,000	16,000,000	<u>f/</u>
2021	13,000,000	13,000,000	13,000,000	13,000,000	<u>g/</u>
2022	11,000,000	11,000,000	11,000,000	11,000,000	<u>h/</u>
2023	9,000,000	9,000,000	9,000,000	9,000,000	<u>i/</u>
2024	8,000,000	8,000,000	8,000,000	9,000,000	<u>j/</u>
2025	7,000,000				

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 \$29,000,000 provided by the *Consolidated Appropriations Act, 2016* (P.L. 114-113).

c/ The Consolidated Appropriations Act, 2017 (P.L. 115-31) provided \$25,000,000 for the Dual Benefits Payments Account.

d/ The *Consolidated Appropriations Act, 2018* (P.L. 115-141) provided \$22,000,000 for the Dual Benefits Payments Account.

e/ 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).

f/ 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).

g/ 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).

h/ 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).

i/ 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).

j/ A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

Funding Sources

The proposed fiscal year 2025 appropriation language calls for funding from the following source.

<u>Funding Sources</u>	<u>Budget Authority a/</u>
General revenue	\$7,000,000
[Of the \$7,000,000 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 2023 Actual</u>	<u>Fiscal Year 2024 Estimate</u>	<u>Fiscal Year 2025 President's Budget</u>
Appropriation, excluding 2% contingency reserve (general funds of the Treasury)	<u>\$9,000,000</u> a/	<u>\$9,000,000</u> a/	<u>\$7,000,000</u> a/
Transfer from other accounts (Federal Payments to the Railroad Retirement Accounts)	<u>1,238</u>	<u>2,000</u>	<u>2,000</u>
	<u>\$9,001,238</u>	<u>\$9,002,000</u>	<u>\$7,002,000</u>
Subtotal:			
Less:	<u>\$1,604,777</u>	---	---
Unobligated balance			
Total obligations (payments to beneficiaries)	<u>\$7,396,461</u>	<u>\$9,002,000</u>	<u>\$7,002,000</u>

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

Note: *A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118–15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.*

Explanation of 2025 Request

This is the 48th request for appropriations authorized by the Railroad Retirement Act of 1974 to fund vested dual benefits received by railroad retirees who, under prior law, would have become covered by both the railroad retirement system and the social security system because railroad retirement was not fully coordinated with social security from 1937 to 1974.

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

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

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

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

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

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

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

The fiscal year 2025 appropriation language provides for 12 monthly payments to this account from general revenues and specifies that \$7,000,000 be appropriated for benefits. In addition, the proposed language provides that an additional amount not to exceed 2 percent of the \$7,000,000 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, [2025] 2026, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98–76.

Note.—A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15 as Amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

Explanation of Proposed Appropriation Language

Appropriation language

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, [2025] 2026, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98–76.

Note.—A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15 as Amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

Explanation

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.

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.

Authorizing Legislation

Legislation	Fiscal Year 2024		Fiscal Year 2025	
	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 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15 as Amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

Appropriations History Table

<u>Fiscal Year</u>	<u>President's Budget Estimate to the Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation/ Continuing Resolution</u>
2014	150,000	---	---	150,000
2015	150,000	---	---	150,000
2016	150,000	---	---	150,000
2017	150,000	---	---	150,000
2018	150,000	150,000	150,000	150,000
2019	150,000	150,000	150,000	150,000
2020	150,000	150,000	150,000	150,000
2021	150,000	150,000	150,000	150,000
2022	150,000	150,000	150,000	150,000
2023	150,000	150,000	150,000	150,000 a/
2024	150,000	150,000	150,000	150,000 a/
2025	150,000			

a/ Note.—A full-year 2024 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, 2024 and Other Extensions Act (Division A of Public Law 118-15 as Amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

Note: Amounts appropriated are available for 2 years.

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

Amounts Available for Obligation

	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025 President's
	<u>Actual</u>	<u>Estimate</u>	<u>Budget</u>
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>287,605</u>	<u>250,000</u>	<u>250,000</u>
Total obligations	<u>\$12,395</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 2025 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 2025 provides that funds would be available for 2 years, through September 30, 2026.

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RAILROAD RETIREMENT BOARD
INFORMATION TECHNOLOGY (IT) UPDATE

IT Modernization Phase	Specific IT Initiatives	Planned Spending Public Laws 115-141, 115-245, 116-94, 116-260, 116-136, & 117-2
Stabilize	- Establish a Cloud Presence - Enterprise Productivity Applications - Modernization Roadmap	\$18,440,672
Modernize	- 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	\$20,559,328
Perform	Post Implementation Monitoring as Applications and Systems Modernize	--
Subtotal -- IT Modernization Funds (Annual Appropriations)		\$39,000,000
CARES Act P.L. 116-136	CARES Act funding accelerated efforts to increase workforce mobility in light of the COVID-19 Pandemic: - M365 – Cloud Email - M365 – Collaboration Tools - Modernization Strategy Roadmap Development	\$5,000,000
ARPA P.L. 117-2	The American Rescue Plan Act funding authorized to prevent, prepare for, and respond to coronavirus will be used primarily to issue several key contracts: - 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
TOTAL -- IT Modernization & Related Supplemental Funds		\$65,175,000

Information Technology Modernization Program Initiatives
FY 2025 Top Priorities – Modernize Phase as of February 2024

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 the modernization of our enterprise infrastructure. This focus is nearly complete with the full transition to General Services Administration’s Enterprise Infrastructure Solutions Program set to be completed by the third quarter of FY 2024. For FY 2025, the RRB is seeking \$10,000,000 of IT Modernization No-Year funding for the following IT initiatives that enable us to expand our initiation of the multi-year Modernize Phase of the IT Modernization Program. *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-23-18 earlier in this document.*

PHASE	SPECIFIC IT INITIATIVE	AMOUNT
Modernize	Expansion of Online Self-Services to include Additional Forms and Benefits Streams	\$6,500,000
Modernize	Data Model Design and Governance / Implementation	\$1,000,000
Modernize	Establishment and Expansion of Azure Power Platform and Center of Excellence	\$2,500,000
Total FY 2025 IT Modernization No-Year Funding Request		\$10,000,000

The RRB continues to refine its modernization strategy and currently is 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 2025.

Priority 1		
Expansion of Online Self-Services to include Additional Forms and Benefits Streams	Additional Online Forms (Self-Update)	\$2,000,000
	Online Retirement Application and Online Disability Application	\$4,500,000
Total Priority 1		\$6,500,000

In FY 2024, the RRB initiated its first Technology Modernization Fund (TMF) investment project to establish citizen-centric online self-services. As part of that scope, the RRB will provide a new public user interface with the ability to self-update two forms, Change of Direct Deposit and Change of Address, and a complete online sickness application, the first of the agency's five mission benefit programs. The RRB requests funding of \$2,000,000 to support the expansion of available forms, as well as \$4,500,000 to support two online benefit applications for retirement and disability benefits. While the RRB has been successful achieving approval for TMF investment by the TMF Board, the RRB has not accomplished sufficient modernization to realize cost avoidance and potential savings required to readily adhere to future reimbursement commitments incurred with additional TMF investments as a funding strategy for its Modernization Program. This priority aligns with Goal 1 – Improve the User Experience.

Priority 2		
Data Modernization	Data Model Design and Governance Establishment and Implementation	\$1,000,000
Total Priority 2		\$1,000,000

As previously identified, the RRB's systems are running on over 40-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 enable our ability to quickly create new end-user access interfaces to the data on over 675,000 annuitants and their families. For FY 2025, the RRB requests funding of \$1,000,000 to continue its work to transition its numerous legacy databases towards a unified data model compliant with current federal data guidelines. 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 to ensure overall program integrity in our benefits administration services. The RRB began this work as part of the TMF investment, but intends in FY 2025 to expand, adding sufficient governance, additional tools, etc. to its design and implementation of a unified data model resulting from the analysis and consolidation of multiple legacy databases. This unified data model will solidify the foundation of RRB's future modernization efforts. This priority aligns with Goal 1 – Improve the User Experience, as well as Goal 3 – Upskill the IT Team.

Priority 3		
Software Development Platform Expansion	Expansion of Microsoft Power Platform Technology and the Center of Excellence	\$2,500,000
Total Priority 3		\$2,500,000

Additionally, 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 and 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 technology provides the RRB with functionality for developing and implementing services that will increase internal efficiency by digitizing and automating manual processes and increasing tracking and visibility, which will result in our ability to meet the mission of serving the U.S. rail community. The RRB currently is working on delivering solutions developed using Microsoft's Power Platform technology and will continue to develop and deliver into FY 2025 and future fiscal years.

The Center of Excellence provides governance and platform initialization to enable additional solutions to be implemented and meet the needs of the RRB's mission. The Center of Excellence functions as an on-going IT programming support service for additional internal customer mission critical projects. Additional funding of \$2,500,000 will go towards leveraging contractor services to support the Center of Excellence's development and delivery of Microsoft Power Platform solutions for the RRB's internal business units.

This priority aligns with Goal 1 – Improve the User Experience, as well as Goal 3 – Upskill the IT Team, through hiring and 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 Platform.

INFORMATION TECHNOLOGY MODERNIZATION FUND

The RRB continually seeks opportunities to identify funding sources to ensure continuous improvement of our mission critical systems. As the RRB realizes success with these mentioned initiatives, we expect to begin realizing cost savings and avoidance, gained through elimination of paper-based processing and postage costs, to better position the agency to commit to OMB's TMF reimbursement requirements.

RAILROAD RETIREMENT BOARD

Summary of Full-Time Equivalent Employment

Series	Rank	FY 2023 Actual	FY 2024 Estimate	FY 2025 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	44	38	34
	GS/GM-14	72	62	58
	GS/GM-13	94	88	84
	GS-12	194	187	192
	GS-11	148	144	164
	GS-10	10	16	11
	GS-9	25	21	57
	GS-8	34	56	23
	GS-7	55	5	27
	GS-6	5	37	6
	GS-5	28	22	23
	GS-4	4	6	6
	GS-3	1	0	0
	GS-2	0	0	0
All Levels Combined	Total	724	692	695

Positions in the Office of Inspector General are excluded.

Note: The estimated 695 FTEs, provided by the President's proposed budget, is 185 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 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Average ES/SES salary	\$194,172	\$182,661	\$204,946
Average ES/SES benefits	66,601	67,386	76,814
Total, ES/SES	\$260,773	\$250,047	\$281,760
Average GS/GM salary	\$97,787	\$100,647	\$105,362
Average GS/GM benefits	37,042	37,821	39,400
Total, GS/GM	\$134,829	\$138,468	\$144,762
Average GS/GM grade	12.3	12.3	12.3

RAILROAD RETIREMENT BOARD
EMPLOYEE RELOCATION EXPENSES

	Past Year FY 2023	Current Year FY 2024	Budget Year FY 2025
Total	<u>\$236,517</u>	<u>\$180,000</u>	<u>\$210,000</u>

Proposed Legislative Program for Fiscal Year 2025

1. **Amend the annual Limitation on Administration appropriation to allow the RRB to utilize Schedule A hiring authorities.**

This new FY 2025 request would allow the RRB to increase employment opportunities for people with disabilities. Currently, the RRB is unable to utilize hiring authority provided by Schedule A, 5 C.F.R 213.3102(u), for hiring people with severe physical, psychiatric, and intellectual disabilities because of statutory restrictions in the Railroad Retirement Act. The language below would provide the RRB the opportunity to offer employment for people with disabilities.

Provided further, That notwithstanding section 7(b)(9) of the Railroad Retirement Act, this limitation may be used to hire individuals with intellectual disabilities, severe physical disabilities, or psychiatric disabilities using current excepted hiring authorities established by the Office of Personnel Management.

2. **Amend the annual Limitation on Administration appropriation to allow a limited amount of unobligated balances for fiscal year 2025 to remain available until expended in support of the Board's Information Technology Investment Initiatives.**

The RRB has been engaged in a successful, multi-year effort to modernize its information technology systems. The RRB requested similar language in the FY 2024 Appropriations Bill and this language is also proposed in FY 2025 to efficiently utilize funds available for ongoing information technology improvements and investments.

Provided further, That of the unobligated balances of funds provided under this heading at the end of fiscal year 2025 not needed for fiscal year 2025, not to exceed \$2,680,000 shall remain available until expended for information technology improvements and investments.

3. **Maintain hiring authorities included in the annual Limitation on Administration appropriation: attorneys, students, and recent graduates.**

The RRB is not permitted to use excepted service hiring authorities established by Office of Personnel Management (OPM) for attorneys, students, and recent graduates due to the Railroad Retirement Act's establishing legislation. The language below was included in P.L. 117-328, *FY 2023 Consolidated Appropriations Act*, and we request this language be maintained in our FY 2025 Appropriations Bill. This allows the RRB to use current OPM attorney, student, and recent graduate hiring authorities.

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.

Energy Conservation Measures

No funds were requested in FY 2025 Budget Submission for energy conservation measures.

Acquisition Training for Fiscal Year 2025

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 identified budgetary resources for FY 2025 to ensure 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 2025 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 28, 2024.

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

In accordance with the Act, all three sections provide the required reporting elements for recommendations published not less than 1 year before the date on which the annual budget justification is submitted.¹ The GAO–IG Act also requires the agency to include a statement describing the status of implementing public recommendations open less than 1 year. With the exception of the recommendations included in Appendix 4, for the GAO and OIG recommendations meeting this parameter, as of February 28, 2024 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 through 3 provide information on public recommendations in GAO and OIG reports issued on or before February 28, 2024.

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 28, 2024. 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 28, 2024. As required by the GAO-IG Act, the reporting details include the Agency's justification for the decision not to implement the recommendations.
- c. **Appendix 4:** Includes reporting details for public recommendations that are less than 12 months old, for which the Agency has decided not to implement or has issued a "non-concur" management response where the OIG continued to designate the recommendation as either *Open* or *Closed, Unimplemented* (or *Closed without Implementation*). As required by the GAO-IG Act, the reporting details include the justification for the decision not to implement each public recommendation.

Appendix 1:

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

GAO Status	GAO Audit 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: Agency Could Strengthen Plans to Address Key Management Challenges	GAO-24-105545	12/7/2023	1	The Board should develop a written plan detailing how it will implement the remaining unimplemented and partially implemented essential elements and key practices of its enterprise risk management process. The plan should include measurable goals, a timeline, and milestones for completing the remaining essential elements and key risk management practices.	FY 2024	MORC	Concur	Not applicable. Implementation is in progress.	

Appendix 2:

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

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	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 2025	MGRC	Concur	Not applicable. Implementation is in progress.	
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 2025	MGRC	Concur	Not applicable. Implementation is in progress.	
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 2025	MGRC	Concur	Not applicable. Implementation is in progress.	
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	MGRC	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	MGRC	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 MCRB has taken action to monitor all open recommendations on a regular basis and provided such notifications to the respective Executive Committee member; however, the MCRB 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	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 BFO is outside the scope of BFO's authority and would not result in cost effective or efficient improvements to the process for liquidating obligations.
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	10	The Bureau of Fiscal Operations should establish a follow-up process when responses are not provided within the designated timeframe from all organizations with open obligations.	N/A	BFO	Non-concur	Other. See related comments.	See comments to Audit Report No. 15-08, Recommendation 9 above.
OPEN	Select Financial Management Integrated System Business Process Controls Need Improvement	16-02	11/30/2015	8	The Bureau of Fiscal Operations should implement procedures for regularly recurring reviews of the error override log to better assure strong controls and appropriate business practices.	FY 2023	BFO	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	Other. See related comments.	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.

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

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

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Railroad Retirement Board Did Not 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.
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	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2016 PAR	17-05	5/12/2017	1	We recommend that the Bureau of Fiscal Operations take the actions as required by OMB guidance in regard to noncompliance for third consecutive year for the same program to ensure that RRB programs for vendor payments and employee payments are brought into compliance.	N/A	BFO	Non-concur	Other: See related comments.	The RRB disagrees that it was noncompliant with OMB IPERA reporting guidance for vendor and employee payments. Revisions to the referenced risk assessments were completed in accordance with OMB guidance prior to issuance of Audit Report No. 17-05 and that fact confirmed in Audit Report No. 18-05.

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Fiscal Year 2017 Financial Statement Audit Letter to Management	18-04	2/8/2018	6	We recommend that the Bureau of Fiscal Operations revise and document manual and automated internal controls to ensure prevention of Antideficiency Act violations.	N/A	BFO	Non-concur	Other. See related comments.	The Bureau of Fiscal Operations has policies and procedures in place to prevent Antideficiency Act violations. The audit results discussed a recording issue related to a year end adjustment; at no time did expenditures exceed appropriations. Additionally, the audit results did not identify an actual violation of the Antideficiency Act.
OPEN	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 \$100 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.
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.

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

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OPEN	Fiscal Year 2018 Financial Statement Audit Letter to Management	19-06	2/20/2019	3	We recommend the Bureau of Fiscal Operations work with the Financial Management Integrated System contractor to conduct periodic testing to ensure proper mapping of general ledger accounts to the financial statement lines in Financial Management Integrated System.	N/A	BFO	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-06, Recommendation No. 2.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	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.	
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 CGI to implement posting logic fixes in fiscal year 2018. As a result of this completed corrective effort, the intent of the recommendation had been met. The agency provided the OIG evidence of the corrective efforts (i.e. posting logic fixes) during the course of audit fieldwork. The agency considers the corrective action taken sufficient to address this recommendation.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	8	The Bureau of Fiscal Operations should work with the Railroad Retirement Board's Financial Management Integrated System contracted service provider to correct 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	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.

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OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	14	The Bureau of Fiscal Operations should establish and implement control activities to ensure that the Financial Management Integrated System is fully interfaced with the Overpayment Recovery Correspondence System Unapplied Cash Application so that all unapplied cash transactions are properly processed and recorded in the Financial Management Integrated System.	N/A	BFO	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-08, Recommendation No. 11.
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	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.	
OPEN	Audit of RRB's 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	Not applicable. Implementation is in progress.	
OPEN	Audit of RRB's First Quarter of Fiscal Year 2019 DATA Act Submission	20-01	11/6/2019	11	The Bureau of Fiscal Operations develop a plan to obtain an automated interface between the RRB's benefit paying systems and the RRB's financial system that would ensure the RRB is in compliance with Office of Management and Budget Management Performance.	On-Going	BFO	Concur	Not applicable. Implementation is in progress.	As agreed to by the Audit Manager for OIG Report No. 20-01, RRB met the intent of this recommendation by discussing the matter further with the Office of Management and Budget (OMB) in December 2019. On December 5, 2019, OMB granted an extension for this requirement, where OMB and RRB would further discuss the timeline to achieve this recommendation based upon a revised IT modernization plan. BFO will coordinate with the Chief Information Officer and OMB to identify a target timeline to achieve this recommendation pursuant to RRB's current IT modernization plan.
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2019	20-02	11/15/2019	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.
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.	

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OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	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 expertise and experience, or outsource the task to an entity with adequate relevant expertise 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.	
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	2	WAI recommended that the Bureau of Fiscal Operations: assess the work effort required and hire adequate personnel to perform FSS functions.	N/A	BFO	Non-concur	Other. See related comments.	This recommendation was duplicative of aspects of Audit Report 21-08, Finding No. 5 and Recommendations No. 11 and 12. BFO's ability to hire an adequate number of staff for FSS is subject to the availability of sufficient funding and consideration of other Agency priorities as determined by the Board and the Executive Committee.
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	3	WAI recommended that the Bureau of Fiscal Operations: ensure that the development and maintenance of policies and procedures for DRS, FSS, and TS are performed by personnel with appropriate expertise.	N/A	BFO	Non-concur	Other. See related comments.	This recommendation was duplicative of Audit Report 21-08, Recommendation No. 1.
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	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 submit to the OIG for closure of this recommendation.
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 process for developing and modifying thresholds, including those related to waivers and write-offs.	FY 2024	BFO	Concur	Not applicable. Implementation is in progress.	

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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 FSS contractors, and ensure that the framework is reviewed and updated periodically.	N/A	BFO	Non-concur	Other. See related comments.	Non-concur. In consultation with the Contracting Officer and as communicated to the auditors during the course of the audit, the contract with CGI contained a Quality Assurance Surveillance Plan (QASP) that continues to serve as the RRB's oversight framework. The QASP is a scorecard that facilitates fair and equitable performance measurement over the life of the contract. The negotiated QASP document incorporated into the fiscal year 2012 contract identified Service Level Agreements (SLAs) and related measures during the implementation and post-implementation phases. During the course of the audit, BFO staff provided examples of monthly reporting associated with the SLAs as required by the QASP. The COR designated responsibilities includes executing the QASP and evaluating contractor performance. In consultation with the RRB Contracting Officer, the QASP, related SLAs, and the COR designation are satisfactory for the remainder of the contract.
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	10	WAI recommended that the Bureau of Fiscal Operations: require an SLA or equivalent documentation that clearly defines the roles 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.	

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OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	13	WAI recommended 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 these efforts should have resulted in all or a significant number of finalized DRS policies and procedures. Under normal circumstances, the auditor's conclusion may be reasonable. However and as previously communicated to the auditors, the labor hours charged represents the efforts of our experienced DRS staff to develop, review, and/or update numerous procedures and instead underscores the significant resource constraints at the upper management level within TDSO that has prevented finalization of many DRS procedures. Implementing the auditor's recommendation would not address the root cause, therefore, we non-concur.
OPEN	Railroad Retirement Board Bureau of Fiscal Operations Sections' Functions Need Improvement	21-08	9/1/2021	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.	Non-Concur: The BFO through its policies and procedures has no authority to ensure that the Office of Programs provides timely feedback.
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.	Non-concur. The auditors have conflated the validation and reconciliation processes in their finding and related recommendations. The validation process and resolution of discrepancies occurs as employer contributions are received and recorded, whereas the reconciliation between the BA-3 and cumulative DC-1 occurs annually due to the annual submission requirement for the BA-3 and the need for cumulative DC-1 compensation data. The BFO cannot combine the two functions, as they are separate and distinct.

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OPEN	Railroad Retirement Board Audit Compliance Section Did Not Provide Adequate Audit Coverage of Railroad Employers	22-05	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	Other. See related comments.	Non-concur. BFO strongly disagrees with statement "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 II railroad audit coverage," since management directed available FTEs toward satisfying federally mandated responsibilities and continued compliance audits.
OPEN	Railroad Retirement Board Audit Compliance Section Did Not Provide Adequate Audit Coverage of Railroad Employers	22-05	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' lack of peer reviews to auditee organizations whose engagements were identified after the three-year timeframe following ACS' last external peer review.	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	22-05	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 2025	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Audit Compliance Section Did Not Provide Adequate Audit Coverage of Railroad Employers	22-05	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 2024	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 41) and prepare a report that contains the status of each Railroad Unemployment Insurance Act debt recoverable from Railroad Retirement Act benefits that is also to be provided to the Office of Programs to aid in their monitoring efforts of these Railroad Unemployment Insurance Act debts.	FY 2024	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	1	Establish and maintain relationships with key business process owners, including subprocesses, across the RRB to obtain documentation relevant to the support of all aspects of financial management practices in a timely manner.	N/A	BFO	Non-concur	Other. See related comments.	RRB Management non-concurs with RMA's assertion that RRB was not able to provide the required and necessary evidential matter in a timely manner during the audit engagement. RMA has mischaracterized the underlying cause related to the issue of timelines, which may be potentially deceiving to the reader as to the true nature of the problem. It is important to note that since 1993 the RRB's OIG performed the audit of RRB's consolidated financial statements. For fiscal year 2022 the OIG contracted RMA Associates, LLC to perform the audit, where the base period for the OIG's contract with the RMA began on 5/23/22, and the RRB received notice of this contracted audit on 5/24/22. Further, the RMA held the entrance conference on 5/26/22, but was unable to issue the Prepared by Client (PBC) (later changed to Prepared by Auditee (PBA) listing conference on 5/6/21, subsequently met with RRB to discuss audit deliverables and then provided RRB the initial fiscal year 2021 audit deliverables list on 5/20/21. The timeline of events highlight the compressed nature of this audit, where the Bureau of Fiscal Operations (BFO) staff balanced monthly, quarterly, and year-end financial reporting requirements with satisfying audit deliverables by RMA's due dates. RMA's due dates substantially all requested PBC/PBA deliverables by RMA's due dates. RMA's due dates may not have provided RMA with enough time to adequately perform their audit procedures prior to submitting their draft report to OIG for approval on 10/27/22; however, that matter is between the RMA and the OIG. RRB management has no control over the terms of OIG's contract with RMA but did provide substantially all PBC/PBA deliverables per RMA's requested due dates.
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	2	Develop communication or "knowledge sharing" training to ensure RRB stakeholders understand the requirements of financial management and the importance of providing sufficient and appropriate supporting documentation in a timely manner.	N/A	BFO	Non-concur	Other. See related comments.	See comments related to Audit Report No. 23-01, Recommendation No. 1.
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	3	Develop training or reference guides for stakeholders to utilize when providing documentation to ensure the documentation provided meets the required needs.	N/A	BFO	Non-concur	Other. See related comments.	See comments related to Audit Report No. 23-01, Recommendation No. 1.

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OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	4	Develop and communicate an enterprise-wide financial reporting timeline, which includes monthly, quarterly, and yearly deadlines.	N/A	BFO	Non-concur	Other. See related comments.	See comments related to Audit Report No. 23-01, Recommendation No. 1.
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	5	RMA recommends BFO report a statement of no assurance given the materiality of the NRRIT balances reported in the Balance Sheet.	N/A	BFO	Non-concur	Other. See related comments.	RRB Management non-concurs with the RMA recommendation to report a statement of no assurance. Instead the RRB provides a modified statement or reasonable assurance that the internal controls within our authority were operating effectively over operations, reporting, external reporting, and compliance as of September 30, 2022. To reiterate, pursuant to implementation of the Statement of Federal Financial Accounting Standards 47 (SFFAS 47), effective in fiscal year 2018, the Office of Management and Budget (OMB), the Department of the Treasury (Treasury), and the United States Government Accountability (GAO) determined that the NRRIT will be classified as a consolidation entity for the purposes of the governmentwide financial statements. Based upon this determination, NRRIT's Net Asset Value must be included within RRB's Balance Sheet, even though the NRRIT is independent from the RRB and is a non-governmental entity. In accordance with the SFFAS 47 determination, the NRRIT and GAO signed a Memorandum of Understanding (MOU) in October 2018 that provided the GAO access to information necessary to support inclusion of the NRRIT's financial information in the governmentwide financial statements starting in fiscal year 2018. The RRB was not a party to this agreement.
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	7	Round financial statements and other related financial information to thousands or millions to decrease the number of mathematical errors due to rounding.	N/A	BFO	Non-concur	Other. See related comments.	RRB Management non-concurs with the RMA's assertion that RRB management did not establish and maintain internal controls to achieve, among other objectives, reliable financial reporting. Furthermore, it is RRB management's opinion that RMA failed to substantiate their claim that RRB financial statements are not prepared in accordance with U.S. GAAP and with OMB Circular A-136, <i>Financial Reporting Requirements</i> . RMA requested a copy of the draft PAR as of 10/27/22, with knowledge that RRB management would be subjecting the document to ongoing review and revision up through 11/15/22. OMB PAR reporting deadline. RMA formulated their opinion based on their review of a PAR document that was still in process. Furthermore, RMA based their evaluation of RRB's compliance with OMB Circular A-136 on a review of the templates contained therein, without consideration to other language in the Circular allowing RRB's financial statement presentation. Of note, RMA suggested the NRRIT Net Asset Value (NAV) currently presented separately in the Balance Sheet should be presented within Other Assets. RRB Management disagrees with RMA on this presentation and is reporting NRRIT NAV as a distinct line in the Balance Sheet because the NRRIT NAV is the single most significant figure in the Balance Sheet. OMB Circular A-136 allows for the disaggregating of lines in the Balance Sheet and separately reprinting the NRRIT NAV from Other Assets. It is RRB Management's position that RMA was not able to adequately obtain an understanding of RRB financial reporting internal control processes and procedures due to the compressed audit schedule.
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	8	Develop and implement effective controls, including a quality assurance process, necessary to ensure: a. accounting and reporting are in accordance with U.S. GAAP and financial information is presented in compliance with OMB Circular A-136, <i>Financial Reporting Requirements</i> , b. account balances are accurate as of and through the reporting period. c. the proper validation, review, and approval over financial reporting and PAR compilation.	N/A	BFO	Non-concur	Other. See related comments.	See comments related to Audit Report No. 23-01, Recommendation No. 7.
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	9	Develop. Identify and make available the training necessary to ensure that staff obtain and update the skills necessary to ensure compliance with: a. FASAB concepts and accounting standards. b. OMB A-123. c. OMB A-136. d. GAO Disclosure checklist e. Treasury's U.S. Standard General Ledger annual update.	N/A	BFO	Non-concur	Other. See related comments.	See comments related to Audit Report No. 23-01, Recommendation No. 7.

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

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	10	RMA recommends RRB BFO establish a process to maintain detailed corrective action plans for all internal control deficiencies. More specifically, in order to comply with the requirements of OMB A-123, RMA recommends RRB BFO: a. Communicate corrective actions to the appropriate level of the Agency and delegate authority for completing corrective actions to appropriate personnel. b. Determine the resources required to correct a control deficiency. The corrective action plan must indicate the types of resources needed (e.g., additional personnel, contract support, training, etc.) including non-financial resources, such as Senior Leadership support for correcting the control deficiency. c. Include critical path milestones that affect the overall schedule and performance of the corrective actions needed to resolve the control deficiency. Critical path milestones must lead to a date certain of the correction of the control deficiency. d. Require prompt resolution and internal control testing to validate the correction of the control deficiency. e. Ensure that accurate records of the status of the identified control deficiency are maintained and updated throughout the entire process. f. Ensure that the corrective action plans are consistent with laws, regulations, and Agency policy. g. Ensure that performance appraisals of appropriate officials reflect effectiveness in resolving or implementing RMA recommends RRB BFO require responses to the Open Obligations Review for Current and Prior Fiscal Years Memorandum to be submitted at a time that allows RRB to meet its financial reporting deadlines as required by OMB A-136.	N/A	BFO	Non-concur	Other. See related comments.	RRB Management non-concurs with the RMA's assertion that RRB does not have a process to maintain corrective action plans. The RRB's corrective action plan (CAP) process is detailed in RRB's Management Control Review (MCR) guide, Part 5: <i>Material Weakness and Corrective Action</i> . If a material weakness was identified internally through RRB's MCR/Enterprise Risk Management reporting process the appropriate responsible official would develop a CAP in accordance with the MCR guide. The same process would apply, in the event a material weakness was identified through an external audit, where management concurs or agrees with the reported material weakness. RRB management non-concurred with the fiscal year 2021 financial statement audit material weaknesses that reportedly existed.
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	11	RMA recommends RRB BFO improve its internal controls so that supporting documentation for journal entries is available for external review.	N/A	BFO	Non-concur	Other. See related comments.	RRB Management non-concurs with the RMA's assertion that Open Obligations are not timely reviewed. In the audit report, RMA fails to acknowledge that RRB performs Open Obligations on a quarterly basis. The third quarter review provides opportunity for BFO to identify and pursue resolution of material open obligations in sufficient time to record upward or downward adjustments to the obligations prior to year-end close.
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	12	RMA recommends RRB BFO require responses to the Open Obligations Review for Current and Prior Fiscal Years Memorandum to be submitted at a time that allows RRB to meet its financial reporting deadlines as required by OMB A-136.	N/A	BFO	Non-concur	Other. See related comments.	Non-concur. The auditor requested on 10/04/22, by email, unspecified supporting documentation for eliminating entries in the financial statements. This was RMA's first and only request for information on eliminating entries for the FY22 audit. On 10/5/22 the RRB provided the documentation, consisting of instructions and criteria used for identifying subject to elimination within the Trial Balance and Detail USSGL Transaction file, both of which were provided to RMA on 8/15/22. RRB also provided the auditors with RRB laptops and direct access to the Financial Management Integrated System (FMIS) for the purpose of obtaining and reviewing transactional information and documentation. RMA requested no additional information or discussion on the topic. Furthermore, as a routine procedure, RRB BFO accountants analyze the SF 133, <i>Report on Budget Execution and Budgetary Resources</i> , in sufficient detail to clear GTAS validation and edit codes. It is RRB Management's position that RMA was not able to adequately obtain an understanding of RRB eliminatin entries and of RRB's 51 Treasury Account Fund Symbols in use at the end of FY 22 due to the compressed audit schedule.
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	13	Additionally, RMA recommends RRB BFO establish internal controls to support transactions classified within the correct budget fiscal years when initially recorded so that material adjustments as part of the GTAS edit process are not required.	N/A	BFO	Non-concur	Other. See related comments.	See comments related to Audit Report No. 23-01, Recommendation No. 12.
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	14	Complete a detailed balance fluctuation analysis that is adequate to allow management to evaluate the reasonableness of balances and detect the risk of material misstatement.	N/A	BFO	Non-concur	Other. See related comments.	RRB Management non-concurs with RMA's assertion that the current process related to its financial statement fluctuation analysis does not provide detailed level information to adequately explain why or how the differences occurred. RRB performs 3rd and 4th qtr. financial statement analysis for fluctuations between current year and prior year balances. Investigates the reasons for those variances, and discusses at all levels within the RRB BFO. RMA requested, and was provided, a summary of variances greater than \$1 billion for the 3rd quarter interim financial statements; the same variance analysis reported to OMB in the OMB MAX system as required by OMB Circular A-136. A similar analysis was provided to RMA for the 4th quarter year-end financial statements. Both the interim and year-end variance analysis files were marked by RMA in their Client Portal as "Received", and at no point during the audit did RMA request additional discussion or information regarding financial statement variance analysis. It is RRB Management's position that RMA was not able to adequately obtain an understanding of financial analysis processes and procedures due to the compressed fiscal year 22 audit schedule.

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OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2022	23-01	11/15/2022	15	Implement internal controls to ensure financial statements are carefully reviewed, approved, and validated by appropriate RRB staff and account balances are accurate as of and through the reporting period.	N/A	BFO	Non-concur	Other. See related comments.	See comments related to Audit Report No. 23-01, Recommendation No. 14.

Appendix 3:

**Implementation Status for Recommendations
Designated by the OIG as *Closed, Unimplemented*
(or *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	Accuracy and Reliability of GPRA Performance Measures: Timeliness of Non-Disability Survivor Annuity Payments	06-Segal	11/17/2006	2	Use worksheet/protection in combination with the locked cell format to minimize the risk of inadvertent changes to cells that should not change from year to year.	Actuary	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Accuracy and Reliability of GPRA Performance Measures: Timeliness of Non-Disability Survivor Annuity Payments	06-Segal	11/17/2006	3	Use Excel's feature to add comments to flag cells and/or describe leads or hard coded numbers as useful reminders for both users and reviewers. There is an option in Excel to have a comment permanently displayed in the worksheet for anything that should always be highlighted.	Actuary	See comments related to Audit Report No. 06-Segal, Recommendation No. 2 above.
Closed without implementation	Review of Statistical Methods Employed in the Financial Interchange Determination	10-06	5/4/2010	2	KPMG recommends that the Bureau of the Actuary improve its documentation of the statistical sampling employed in the FI process by: Requesting that the Bureau of Information Services augment the existing program code notations to more thoroughly describe the steps performed by the COBOL program used to create the Master Benefit File (MBF).	Actuary	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Review of Statistical Methods Employed in the Financial Interchange Determination	10-06	5/4/2010	6	KPMG recommends that the RRB Bureau of the Actuary. When meaningful auxiliary variables are available, compute the projection of the total benefit amount using regression, ratio and difference estimators, compare the projections with that based on the mean estimator and choose the projection method that has the best sampling precision.	Actuary	See comments related to Audit Report No. 10-06, Recommendation No. 2 above.
Closed without implementation	Review of the Technical Approach and Methodology Used to Determine the Annual Financial Interchange Amount for the FY Ended 08	10-07	5/19/2010	2	KPMG recommends that the RRB Bureau of the Actuary establish a formal review procedure, including documentation of alternatives considered, criteria applied and options selected for all processes, systems and media used in the FI calculation to evaluate efficiency and any risks associated with technologies that are threatened by obsolescence or that have been superseded by superior technologies.	Actuary	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
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	Audit of the Railroad Medicare Integrity Program at Palmetto Government Benefits Administrators	09-04	9/25/2009	6	Palmetto officials should revise its sanction monitoring procedure to ensure that the Provider Enrollment unit performs reconciliation with the EPLIS.	Administration	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Audit of the Railroad Medicare Integrity Program at Palmetto Government Benefits Administrators	09-04	9/25/2009	9	Palmetto officials should request specific funding for fraud related training and actively monitor staff compliance with the CMS PIM and the RRB contract's benefit integrity training requirements.	Administration	See comments related to Audit Report No. 09-04, Recommendation No. 6 above.
Closed without implementation	Railroad Medicare Services Billed with Dates of Service after the Beneficiaries Dates of Death	10-13	9/30/2010	7	Palmetto officials should improve the controls over the annual deceased beneficiary post-payment review process to ensure the review is adequately coordinated, timely completed, sufficiently documented and readily maintained.	Administration	Recommendation directed to Palmetto officials. Palmetto mgmt. stated that in accordance with the Centers for Medicare and Medicaid Services (CMS) Intern 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	Railroad Medicare Services Billed with Dates of Service after the Beneficiaries Dates of Death	10-13	9/30/2010	8	Palmetto officials should work with the EDC to establish a procedure for validating future Railroad Medicare system specifications.	Administration	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.

OIG Designation	Report Title	Report No.	Report date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
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	4	RRB officials should review the Optical Character Recognition Unit's total questioned costs of \$168,539 and determine if they are allowable.	Administration	*9/30/2023-Staff met with OIG staff mid-year and on quarterly basis to determine closure of this recommendation. In the process of drafting memo for closure. The OIG approved to close this recommendation on 12/07/2023.
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	Selected General Information System Controls at the Railroad Retirement Board Were Not Always Adequate	19-07	5/14/2019	3	The Bureau of Human Resources in the Office of Administration should reallocate budget dollars to implement reinvestigations in a timely manner based on Title 5, Code of Federal Regulations, Part 731, Suitability.	Administration	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	10	DPG recommends that the Office of Administration/Division of Acquisition Management review established obligation controls and assess the need to implement stronger systems or supervisory review controls to prevent the situation from recurring.	Administration	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	15	DPG recommends that the Office of Administration/Division of Acquisition Management implement a human capital plan or alternative strategy document that contains specific strategies to support the acquisitions workforce in the longer term and add additional resources in the shorter term.	Administration	See comments related to Audit Report No. 19-14, Recommendation No. 10 above.
Closed without implementation	Audit of Internal Controls Over Dummy Vendor Transactions	11-09	8/4/2011	1	BFO should identify, reconcile and post all erroneously purged transactions to the corresponding FFS vendor document cross-reference table.	BFO	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
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 FIMS into the agency's Financial Management System Security Plan. This action was acceptable to the OIG.
Closed without implementation	Fiscal Year 2015 Financial Statement Audit Letter to Management	16-04	2/2/2016	4	The Bureau of Fiscal Operations should design and implement new controls, policies, and/or procedures for the reconciliation of the statement of net cost to budget note to ensure that amounts are fully supported.	BFO	The agency is adopted the Budget and Accrual Reconciliation (BAR) note effective for the third quarter fiscal year 2018 financial statements. Pursuant to Statement of Federal Financial Accounting Standards (SFFAS) 53 promulgated by the Federal Accounting Standards Advisory Board (FASAB), the BAR is replaced the Reconciliation of Net Cost of Operations to Budget (RNCOB) note used in previous reporting periods. Therefore the recommendation was considered obsolete.
Closed without implementation	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs in Accordance With Federal Requirements	16-10	8/22/2016		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 Intragency Agreement; therefore, the OIG close recommendation 18 without implementation.

OIG Designation	Report Title	Report No.	Report date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
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	Fiscal Year 2017 Financial Statement Audit Letter to Management	18-04	2/8/2018	2	We recommend that the Bureau of Fiscal Operations reconsider whether a higher second level of review should be required for the calculation of transfers that the RRB receives from the National Railroad Retirement Investment Trust and document its consideration and conclusion.	BFO	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Fiscal Year 2017 Financial Statement Audit Letter to Management	18-04	2/8/2018	9	We recommend that the Bureau of Fiscal Operations develop and document criteria for the transition of nonsupervisory staff from voucher preparer to voucher approver.	BFO	See comments related to Audit Report No. 18-04, Recommendation No. 2 above.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	1	WAI recommended that RRB BFO updates its policies and procedures, so that it is comprehensive and covers all key elements in the SCCIB preparation and reporting process, including: maintaining copies of superseded policies and procedures so that changes and superseded elements can be identified and tracked so that the effective date for new and/or superseded elements in the document can be ascertained.	BFO	The BFO produced the SCCIB to provide awareness of RRB's cash and investment balances held by the Treasury, but were not required financial statements per OMB Circular A-136 or the Treasury Financial Manual. The audit results highlighted that it was not cost effective or an efficient use of government resources to continue producing and distributing the SCCIB. Therefore, the BFO no longer produces and distributes the SCCIB. The BFO provides cash information to internal RRB organizations on a case-by-case basis upon request.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	2	WAI recommended that RRB BFO updates its policies and procedures, so that it is comprehensive and covers all key elements in the SCCIB preparation and reporting process, including: adding stipulations to the SCCIB policies and procedures covering all key elements including the 1 T adjustments (authorization, review and approval).	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1 above.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	3	WAI recommended that RRB BFO updates its policies and procedures, so that it is comprehensive and covers all key elements in the SCCIB preparation and reporting process, including: reviewing and/or updating the SQL codes underlying queries used to generate SCCIB data as necessary.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1 above.
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 above.
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 above.
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 above.
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 above.

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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 above.
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 above.
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 above.
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 above.
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 above.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	13	WAI recommended that RRB BFO develop a specific APG that stipulates the user needs, the specific internal control reporting objective, and the requirement surrounding the monthly SCCIB reporting.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1 above.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	14	WAI recommended that RRB BFO establish and document procedures for thresholds for variance investigation and require personnel to investigate significant variances prior to publishing SCCIB.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1 above.
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 above.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	16	WAI recommended that RRB BFO prepares and maintains reconciliation files that tie the transaction detail obtained from FMS 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 above.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	17	WAI recommended that RRB BFO after using SQL codes to split specific USSQL to various SCCIB lines, BFO should maintain readily available documentation that shows the flow of data from FMS through the SQL splitting process and onto the SCCIB lines. That documentation may include, but not limited to, FMS 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 above.
Closed without implementation	Fiscal Year 2007 Evaluation of Information Security at the Railroad Retirement Board	07-08	9/27/2007	8	BIS should research the possibility of using the agency's official fixed asset inventory control system to track the additional data the Bureau requires.	BIS	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.

OIG Designation	Report Title	Report No.	Report date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Audit of Controls to Safeguard Sensitive Personally Identifiable Information	07-09	9/27/2007	1	The Bureau of Information Services should, in coordination with the Information Security and Privacy Committee, develop a more comprehensive program to ensure the physical security of sensitive personally identifiable information at RRB headquarters and in the field offices based on risk assessments tailored to individual locations.	BIS	The OIG approved closed without implementation 2-16-23.
Closed without implementation	Audit of the General and Application Controls in the Financial Management Major Application System	09-05	9/30/2009	5	BIS should ensure that dataset privilege reviews are performed by system owners on an annual basis to enforce least privilege.	BIS	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Audit of the General and Application Controls in the Financial Management Major Application System	09-05	9/30/2009	9	BIS should ensure the inappropriate PREH Correction and EDMA access identified in OIG's review is removed.	BIS	See comments related to Audit Report No. 09-05, Recommendation 5 above.
Closed without implementation	Audit of the General and Application Controls in the Financial Management Major Application System	09-05	9/30/2009	10	BIS should develop procedures to be used by all BIS system owners in conducting system reauthorizations which includes validation of user access by the user's supervisor.	BIS	See comments related to Audit Report No. 09-05, Recommendation 5 above.
Closed without implementation	Audit of the Railroad Retirement Board's Medicare Major Application System	09-06	9/30/2009	1	BIS should establish a standard for the use of wildcard designators when preparing dataset access rules.	BIS	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Audit of the Railroad Retirement Board's Medicare Major Application System	09-06	9/30/2009	2	BIS should evaluate current dataset access rules and enforce the principle of least privilege by restricting overly broad wildcard access use.	BIS	See comments related to Audit Report No. 09-06, Recommendation 1 above.
Closed without implementation	Inspection of the Railroad Retirement Board's Representative Payee Monitoring	12-07	7/27/2012	4	Bureau of Field Service should request and review supporting documentation in order to properly analyze rep payee disclosures.	Field Service	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Audit of the Railroad Retirement Board's Internal Controls over Widow(er) Annuities	13-09	7/31/2013	11	The Management Control Review Committee should establish a separate assessable unit for Field Service's control activities related to the survivor widow(er) annuity application and proof process to ensure that the proper management official is accountable for these control responsibilities.	MCRC	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.

OIG Designation	Report Title	Report No.	Report date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Selected General Information System Controls at the Railroad Retirement Board Were Not Always Adequate	19-07	5/14/2019	2	The Management Control Review Committee should implement controls to ensure that assessable unit documentation is updated timely when changes occur and consider whether an acceleration of the Headquarters Voice over Internet Protocol assessable unit's control test should be performed.	MORC	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Accuracy and Reliability of GPRA Performance Measures: Timeliness of Non-Disability Survivor Annuity Payments	06-03	1/30/2006	7	Identify all applications in the APPLE database showing a paid status with no filing date. Research and correct these cases and implement action needed to correct the cause of this error.	Programs	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Audit of Internal Controls over Medicare Premium Transfers Between the RRB and CMS	10-09	5/21/2010	12	Programs should conduct an independent study to determine the completeness of the identification and calculation of the amounts refunded from CMS.	Programs	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Audit of Railroad Retirement Act Benefit Overpayments and Internal Controls	11-07	6/29/2011	1	Programs should establish and implement reasonable time standards for the processing of RRA overpayment cases.	Programs	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Audit of Railroad Retirement Act Benefit Overpayments and Internal Controls	11-07	6/29/2011	2	Programs should strengthen internal controls to ensure that RRA overpayment cases are identified and processed timely.	Programs	See comments related to Audit Report No. 11-07, Recommendation 1 above.
Closed without implementation	Audit of Railroad Retirement Act Benefit Overpayments and Internal Controls	11-07	6/29/2011	5	Programs should modify ORCS privileges to ensure proper separation of duties.	Programs	See comments related to Audit Report No. 11-07, Recommendation 1 above.
Closed without implementation	Audit of the Application Express (APPLE) System's Date of Death Reliability	12-06	3/30/2012	2	Programs should establish a periodic date of death validation process that will ensure the reliability of date of death data disseminated within and outside of the agency.	Programs	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Audit of the Application Express (APPLE) System's Date of Death Reliability	12-06	3/30/2012	5	Programs should revise its death notification procedures to require retention of a scanned copy of the proof of death in the RRB's claims folder system.	Programs	See comments related to Audit Report No. 12-06, Recommendation 2 above.
Closed without implementation	Inspection of the Railroad Retirement Board's Representative Payee Monitoring	12-07	7/27/2012	9	Programs should ensure that USTAR contains all relevant information on the monitoring process or reference to where the information is available.	Programs	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Inspection of the Railroad Retirement Board's Representative Payee Monitoring	12-07	7/27/2012	17	Programs should establish procedures for a comprehensive "parent-for-child" rep payee monitoring program which ensures that the intent of the regulations for rep payee accountability is carried out.	Programs	See comments related to Audit Report No. 12-07, Recommendation 9 above.
Closed without implementation	Audit of Railroad Medicare Ambulance Charges - Abstract	13-06	3/29/2013	3	Office of Programs should perform additional oversight monitoring activities and conduct periodic reviews to ensure that Palmetto utilizes statistical analysis and post-payment review to maximize and expedite recovery of potentially fraudulent and improper payments paid to providers for ambulance services that were not subject to medical prepayment review.	Programs	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.

OIG Designation	Report Title	Report No.	Report date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Audit of Railroad Medicare Ambulance Charges - Abstract	13-06	3/29/2013	4	Office of Programs should perform additional oversight monitoring activities and conduct periodic reviews to ensure that Palmetto's medical review strategy is revised to include a risk assessment that will identify high risk providers and their error rates, and ascertain that all vulnerable ambulance procedures receive maximum medical prepayment review coverage.	Programs	See comments related to Audit Report No. 13-06, Recommendation 3 above.
Closed without implementation	Audit of Railroad Medicare Ambulance Charges - Abstract	13-06	3/29/2013	5	Office of Programs should perform additional oversight monitoring activities and conduct periodic reviews to ensure that Palmetto quantifies its universe of paid ambulance services and dollars at risk, and develop statistics that will support its medical review strategy.	Programs	See comments related to Audit Report No. 13-06, Recommendation 3 above.
Closed without implementation	Audit of Railroad Medicare Ambulance Charges - Abstract	13-06	3/29/2013	10	Office of Programs should perform additional oversight monitoring activities and conduct periodic reviews to ensure that Palmetto issues timely referrals to its benefit integrity unit and establishes a process for notifying impacted Medicare entities including CMS, MACs, and ZPICs, where appropriate.	Programs	See comments related to Audit Report No. 13-06, Recommendation 3 above.
Closed without implementation	Review of Questionable On-the-Job Injury Claims	13-08	7/18/2013	3	Office of Programs should consider changing the procedures for coding applications for sickness benefits so that the determination of the taxability of sickness benefits is separate from the issuance of the Notices of Lien.	Programs	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Audit of the Railroad Retirement Board's Internal Controls over Widow(er) Annuities	13-09	7/31/2013	7	Office of Programs and Field Service should revise procedures to require the retention of scanned copies of needed proofs in the RRB's claim folder system.	Programs	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Audit of the Railroad Retirement Board's Internal Controls over Widow(er) Annuities	13-09	7/31/2013	8	Office of Programs and Field Service should revise procedures to require the review of proofs for widow(er) annuity applicants who had previously received an RRB annuity.	Programs	See comments related to Audit Report No. 13-09, Recommendation 7 above.
Closed without implementation	Audit of the Railroad Retirement Board's Internal Controls over Widow(er) Annuities	13-09	7/31/2013	9	Office of Programs and Field Service should obtain and retain the copies of proofs to verify the eligibility of the widow(er) annuities for the 65 error cases cited above.	Programs	See comments related to Audit Report No. 13-09, Recommendation 7 above.
Closed without implementation	Audit of the Railroad Retirement Board's Internal Controls over Widow(er) Annuities	13-09	7/31/2013	10	Office of Programs and Field Service should use the results from Recommendation 9 to determine if verification of eligibility should be expanded to the universe of widow(er) annuities processed using proof data transcribed in the APPLE system.	Programs	See comments related to Audit Report No. 13-09, Recommendation 7 above.
Closed without implementation	Audit of Payment Controls over Railroad Medicare Claims Submitted by Physical Therapists - Abstract	14-07	5/16/2014	3	Office of Programs should work with Palmetto to utilize available resources, to maximize recovery of the estimated \$1.8 million in improper payments made to unlicensed physical therapy providers.	Programs	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
Closed without implementation	Audit of Payment Controls over Railroad Medicare Claims Submitted by Physical Therapists - Abstract	14-07	5/16/2014	7	Office of Programs should work with Palmetto and CMS to address the data and record incompatibility between the Railroad Medicare and MAC provider enrollment systems by identifying the Railroad Medicare and MAC provider enrollment systems by identifying the Railroad Medicare provider numbers where the MAC end-date in the update file database has not been properly recorded in the Railroad Medicare provider enrollment system and utilize available resources, to maximize recovery of the estimate \$12.5 million in improper payments to physical therapists.	Programs	See comments related to Audit Report No. 14-07, Recommendation 3 above.
Closed without implementation	Audit of Payment Controls over Railroad Medicare Claims Submitted by Physical Therapists - Abstract	14-07	5/16/2014	8	Office of Programs should work with Palmetto and CMS to establish an appropriate timeliness metric based on available resources and system limitations that will ensure that all provider practice locations verified by the MAC and National Site Visit Contractor are entered in the Railroad Medicare provider enrollment system.	Programs	See comments related to Audit Report No. 14-07, Recommendation 3 above.

OIG Designation	Report Title	Report No.	Report date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Audit of Payment Controls over Railroad Medicare Claims Submitted by Physical Therapists - Abstract	14-07	5/16/2014	9	Office of Programs should work with Palmetto and CMS to determine the feasibility of establishing an automated reconciliation between the Railroad Medicare and MAC provider enrollment systems that would ensure that all verified Railroad Medicare provider practice locations are entered timely.	Programs	See comments related to Audit Report No. 14-07, Recommendation 3 above.
Closed without implementation	Audit of Payment Controls over Railroad Medicare Claims Submitted by Physical Therapists - Abstract	14-07	5/16/2014	10	Office of Programs should work with Palmetto to ensure that Railroad Medicare providers, identified during daily work activities, that have been subject to disciplinary action by their state medical board are referred to the benefit integrity unit for follow-up action.	Programs	See comments related to Audit Report No. 14-07, Recommendation 3 above.
Closed without implementation	Management Information Report - Railroad Medicare Progress and Challenges	14-09	7/25/2014	2	Office of Programs should work with Palmetto to determine if Railroad Medicare inquiries and referrals can be directly assigned to a ZPIC.	Programs	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA, Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.
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	Management Information Report - Railroad Medicare Progress and Challenges	14-09	7/25/2014	7	Office of Programs should work with Palmetto. Evaluate the current nurse clinician staff's medical experience during the recruitment process and determine how specialized nurse clinician experience could be used to minimize improper payments.	Programs	See comments related to Audit Report No. 14-09, Recommendation 2 above.
Closed without implementation	Management Information Report - Railroad Medicare Progress and Challenges	14-09	7/25/2014	9	Office of Programs should work with Palmetto to establish a process for identifying providers who are frequently involved in MSP recoveries and referring these providers to the provider education and benefit integrity units for monitoring and follow-up action.	Programs	See comments related to Audit Report No. 14-09, Recommendation 2 above.
Closed without implementation	Management Information Report - Railroad Medicare Progress and Challenges	14-09	7/25/2014	10	Office of Programs and Palmetto should conduct a cost benefit analysis to determine the optimal budgetary resources needed for MSAD data analysis directed toward minimizing fraud and improper payments.	Programs	See comments related to Audit Report No. 14-09, Recommendation 2 above.
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 related to Audit Report No. 15-06, Recommendation 7 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	3	We recommend that the Office of Programs ensure that the RUA master workbook is properly maintained and updated in accordance with the validation guidelines to ensure that the reported data is accurately supported.	Programs	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA, Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.

OIG Designation	Report Title	Report No.	Report date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2016 PAR	17-05	5/12/2017	4	We recommend that the Office of Programs develop and implement "Do Not Pay" validation guidelines for the RRA program to ensure that the reported data complies with current OMB guidance.	Programs	OIG Response 9/29/17 - We reviewed your request for closure of OIG audit report 17-05 recommendations 4, 5, and 6. We agree that OMB recently revised its guidance (in August 2017) for the "Do Not Pay" portion of the program integrity (formerly IPERA) portion of the performance and accountability report. OMB's revisions (summarized on slides 52-54 of the attachment) no longer require the specific "Do Not Pay" reporting criteria that we used as the basis for our audit recommendations. These audit recommendations will be closed.
Closed without implementation	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2016 PAR	17-05	5/12/2017	5	We recommend that the Office of Programs work with agency management to ensure that the internally established deadline to provide RRA program "Do Not Pay" data is set for a date that will allow data to be reported for the entire fiscal year.	Programs	See comments related 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 IPERA databases include monetary values as required by OMB guidance.	Programs	See comments related to Audit Report No. 17-05, Recommendation 4 above.
Closed without implementation	Report title is not available	97-09	3/31/1997	5	Establish a standard computerized correspondence tracking system for all units including field offices with local area networks.	Programs	Change in Audit Follow-up Procedures for the Status of Rejected by DAIGA. Effective September 1, 2023, using the word rejected to indicate status in the audit follow-up (AFU) team's Microsoft Access database is no longer allowed. Due to this change, the AFU team converted statuses from rejected to closed without implementation. For additional information, please take a look at DAIGA's signed memorandum, Change in Audit Follow-up Procedures for the Status of Rejected Recommendations, dated August 31, 2023. The DAIGA approved closed without implementation 8-31-2023.

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**

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	The Railroad Retirement Board Complied with the Payment Integrity Information Act for Fiscal Year 2022	23-04	5/19/2023	1	We recommend that the Office of Programs update the Railroad Retirement Board and Centers for Medicare and Medicaid Services' Memorandum of Understanding dated August 31, 2022 to ensure the Railroad Medicare payment integrity information complies the Payment Integrity Information Act of 2019 and the enterprise risk management framework.	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 Complied with the Payment Integrity Information Act for Fiscal Year 2022	23-04	5/19/2023	2	We recommend that the Office of Programs request that the Department of Health and Human Services provide a footnote in the Payment Integrity Information Act of 2019 reporting section of either the Department of Health and Human Services' or Centers for Medicare and Medicaid Services' Agency Financial Report to provide the Railroad Medicare program improper payment rate and estimated improper payments in their future years reporting. If the Department of Health and Human Services does not agree, the Railroad Retirement Board should include the improper payment rate and amount from the Comprehensive Error Rate Testing report for the Railroad Medicare program in future Railroad Retirement Board Performance and Accountability Reports to ensure transparency and compliance with the enterprise risk management framework.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 23-04, Recommendation 1
OPEN	The Railroad Retirement Board Complied with the Payment Integrity Information Act for Fiscal Year 2022	23-04	5/19/2023	3	We recommend the Office of Programs update the Railroad Retirement Board and Centers for Medicare and Medicaid Services' Memorandum of Understanding dated August 31, 2022 to ensure the sampling and estimation methodology of the Railroad Medicare program complies with the requirements of Office of Management and Budget Circular A-123, Appendix C and the Payment Integrity Information Act of 2019.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 23-04, Recommendation 1
OPEN	The Railroad Retirement Board Complied with the Payment Integrity Information Act for Fiscal Year 2022	23-04	5/19/2023	4	We recommend Office of Programs coordinate with the Railroad Retirement Board's audit follow-up official to develop a plan to address Railroad Medicare payment integrity outstanding audit recommendations to ensure resolution and prompt corrective action in accordance with the requirements of Office of Management and Budget Circular A-123. Management's Responsibility for Enterprise Risk Management and Internal Control, the Government Accountability Office's Standards for Internal Control in the Federal Government, and Office of Management and Budget Circular A-50, Audit Follow Up.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 23-04, Recommendation 1
OPEN	The Railroad Retirement Board Complied with the Payment Integrity Information Act for Fiscal Year 2022	23-04	5/19/2023	5	We recommend Office of Programs update the Railroad Retirement Board and Centers for Medicare and Medicaid Services' Memorandum of Understanding dated August 31, 2022 to ensure past and future Railroad Retirement Board Office of Inspector General audit recommendations regarding Railroad Medicare payment integrity will be appropriately handled in accordance with the requirements of Office of Management and Budget Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, the Government Accountability Office Standards for Internal Control in the Federal Government, and Office of Management and Budget Circular A-50, Audit Follow Up.	N/A	Programs	Non-concur	Other. See related comments.	See comments related to Audit 23-04, Recommendation 1
OPEN	The Railroad Retirement Board's 12(o) Lien Process Does Not Have Sufficient Controls to Identify, Monitor, and Collect Liens	23-05	8/9/2023	3	Develop a system that calculates and tracks the portion of sickness payments subject to be recovered from potential 12(o) liens.		Programs	Non-concur	Other. See related comments.	Development of a new system is unnecessary since all sickness payments could be subject to section 1230) of the Railroad Unemployment Insurance Act (RUIA). RUIA processes currently track benefits paid to claimants. A separate system would be fruitless and not cost-effective to the agency.
OPEN	The Railroad Retirement Board's 12(o) Lien Process Does Not Have Sufficient Controls to Identify, Monitor, and Collect Liens	23-05	8/9/2023	10	Develop controls to independently verify the outcome of a claimant's settlement.		Programs	Non-concur	Other. See related comments.	RRB staff cannot independently verify the outcome of a settlement. No amount of system modernization will have the ability to program an outcome of a claimant's settlement.

