
RAILROAD RETIREMENT BOARD

Public Release



FISCAL YEAR 2026 BUDGET SUBMISSION



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

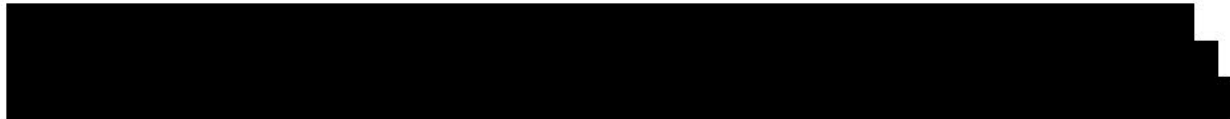
The Honorable Shalanda D. Young
Director
Office of Management and Budget
725 17th Street Avenue, N.W.
Washington, D.C. 20503


Dear Director Young:

Enclosed is our budget request for Fiscal Year 2026. We also submit our request concurrently to the Congress in accordance with Section 7(f) of the Railroad Retirement Act. We do not address resources for the Office of Inspector General in this submission. That office will submit a separate request concerning its needs.

The Railroad Retirement Board (RRB) requests direct funding of \$206.185 million, which supports an estimated 1,082 full time equivalents (FTEs). The RRB requires sufficient staff to sustain benefit determination and payment operations, which rely heavily on manual processing, while ensuring the agency retains knowledge of our laws and systems critical to modernizing benefit payments. In addition, our request of 1,082 FTEs is driven by our Fiscal Year 2024 Human Capital Plan, which evaluated current and future human capital needs. The analysis evaluated and prioritized future workforce requirements and highlighted historical data, trends, projected attrition, and developmental areas. While IT modernization efforts continue, operational costs are rising and the agency is operating both legacy and modernized cloud-based systems. In this hybrid IT environment, the RRB must simultaneously allocate staffing and funding to sustain critical legacy benefits administration operations and systems, maintain modernized IT components, and continue to develop its IT Modernization Program.

As noted in our Fiscal Year 2025 submission, the General Services Administration (GSA) plans to relocate RRB headquarters from the Lipinski Building, our location since 1943, to the Metcalfe Federal Building. While we currently do not request funding for the relocation, we will continue coordinating with GSA and, once plans are finalized, will request no-year funds for this effort.





In addition to requests for the Limitation on Administration appropriation, this submission includes a \$5 million actuarial estimate of Fiscal Year 2026 costs for vested dual benefits, with a 2 percent reserve of \$100,000. The RRB also requests \$1.367 billion for applicable military service credits through December 2020, with interest through September 3, 2024.

Finally, included in this budget submission are three previously requested legislative proposals. The annual Limitation on Administration appropriation language includes each of these legislative proposals. The first, requested in Fiscal Year 2025, increases employment opportunities for individuals with disabilities by allowing the RRB to utilize Schedule A hiring authorities. The second request, included in Fiscal Year 2024 and Fiscal Year 2025, allows a limited amount of unobligated balances to remain available until expended in support of the Board's IT improvements and investments. The final proposal allows the RRB to continue to use Office of Personnel Management hiring authorities for attorneys as well as students and recent graduates as was included in the Fiscal Year 2024 Further Consolidated Appropriations Act.

As required by Section 1108(c) of Title 31, United States Code, we certify all statements of obligations furnished to OMB in connection with our requests for proposed appropriations for Fiscal Year 2026 consist of valid obligations as defined in Section 1501(a) of that title.

Sincerely,

Original signed
FOR THE BOARD
Stephanie Hillyard
Secretary to the Board
September 9, 2024

Enclosure

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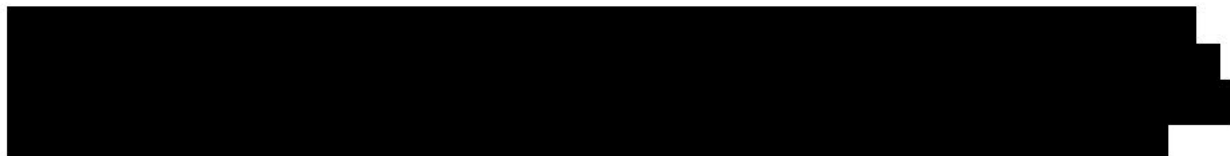
The Honorable Kamala Harris
President of the Senate
S-212 Capitol Building
Washington, D.C. 20510


Dear Madam President:

Enclosed is our budget request for Fiscal Year 2026. We also submit our request concurrently to the Congress in accordance with Section 7(f) of the Railroad Retirement Act. We do not address resources for the Office of Inspector General in this submission. That office will submit a separate request concerning its needs.

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FOR THE BOARD
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Secretary to the Board
September 9, 2024

Enclosure

cc: Honorable Patty Murray
Chairman, Senate Committee on Appropriations

Honorable Susan Collins
Vice Chairman, Senate Committee on Appropriations

Honorable Tammy Baldwin
Chair, Senate Subcommittee on Labor, Health
and Human Services, Education, and Related Agencies

Honorable Shelley Moore Capito
Ranking Member, Senate Subcommittee on Labor, Health
and Human Services, Education, and Related Agencies

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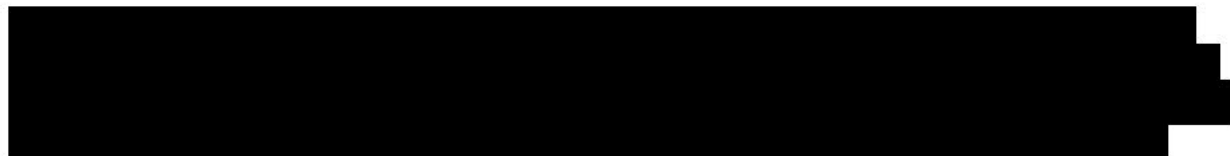
The Honorable Mike Johnson
Speaker of the House of Representatives
H-232 Capitol Building
Washington, D.C. 20515


Dear Mr. Speaker:

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Original signed
FOR THE BOARD
Stephanie Hillyard
Secretary to the Board
September 9, 2024

Enclosure

cc: Honorable Kay Granger
Chair, House Committee on Appropriations

Honorable Rosa DeLauro
Ranking Member, House Committee on Appropriations

Honorable Robert Aderholt
Chair, House Subcommittee on Labor, Health
and Human Services, Education, and Related Agencies

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Ranking Member, House Subcommittee on Labor, Health
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**RAILROAD RETIREMENT BOARD
FISCAL YEAR 2026 BUDGET SUBMISSION**

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**RAILROAD RETIREMENT BOARD
FISCAL YEAR 2026 BUDGET SUBMISSION**

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RAILROAD RETIREMENT BOARD
SUMMARY OF APPROPRIATION ESTIMATES
FOR FISCAL YEARS 2025 and 2026

Account	Fiscal Year 2025 Estimate		Fiscal Year 2026 Fully Resourced Agency Request Level		Page
	FTEs	Amount	FTEs	Amount	
Limitation on Administration	714	\$126,000,000 <u>a/</u>	1,082	\$206,185,000 <u>b/</u>	15
Dual Benefits Payments Account	—	\$7,000,000 <u>a/</u>	—	\$5,000,000 <u>c/</u>	10
Federal Payments to the Railroad Retirement Accounts	—	\$150,000 <u>a/</u>	—	\$150,000 <u>d/</u>	7
Limitation on the Office of Inspector General	56	\$14,600,000 <u>a/</u>	61	\$15,300,000 <u>e/</u>	—

a/ A full-year Fiscal Year 2025 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under an annualized Fiscal Year 2025 Continuing Resolution.

b/ This amount reflects the Fiscal Year 2026 Fully Resourced Agency Request Level for the RRB's Limitation on Administration appropriation. The RRB requests \$206,185,000 for direct obligations to support 1,082 FTEs. RRB's budget request at the Fully Resourced Agency Request Level includes \$29,431,000 for estimated reimbursable and transfer funding.

c/ The proposed appropriation language provides for \$5,000,000 to fund vested dual benefits from general revenues of which \$0 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, 2027.

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.

RAILROAD RETIREMENT BOARD

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 493,100 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.

RAILROAD RETIREMENT BOARD
Social Security Equivalent Benefit Account
Budget Account - 060-8010-0-7-601

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

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

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

In addition, for calendar year 2021 and 2022, the SSEB Account also received transfers from the general fund of the Treasury due to the temporary payroll tax reduction provisions of Public Laws 116-127, Families First Coronavirus Response Act, and 116-136, CARES Act.

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

Requested appropriation

The table on page 4 identifies the estimated budget authority and outlays for this account for Fiscal Years 2024 through 2034. The estimates are based on the Bureau of Actuary and Research's June 2024 midsession review, issued June 2024.

RAILROAD RETIREMENT BOARD
Social Security Equivalent Benefit Account
(Budget Account - 060-8010-0-7-601)

Analysis of Resources
(in thousands of dollars)

			<u>Current Services</u>	
	<u>2024</u>	<u>2025</u>	<u>2026</u>	
Budget authority:	3,657,800	3,797,500	3,907,800	
Outlays:	3,639,500	3,783,800	3,899,000	
	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Budget authority:				
Current Services	3,993,600	4,075,500	4,161,100	4,247,000
Outlays:				
Current services	3,986,200	4,064,500	4,150,100	4,235,700
	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
Budget authority:				
Current Services	4,332,100	4,421,800	4,523,900	4,638,400
Outlays:				
Current services	4,323,500	4,406,000	4,514,800	4,627,100

Notes: In March 2024, the RRB paid social security equivalent benefits to 389,900 beneficiaries. The RRB estimates that in March 2025 and 2026, the agency will pay these benefits to 384,000 and 379,000 beneficiaries, respectively.

RAILROAD RETIREMENT BOARD

Railroad Retirement Account **Budget Account - 060-8011-0-7-601**

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

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

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

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

Requested appropriation

The table on page 6 identifies estimated budget authority and outlays for this account for Fiscal Years 2024 through 2034. The estimates are based on the Bureau of Actuary and Research's update as of June 2024 midsession review, issued June 2024.

RAILROAD RETIREMENT BOARD

Railroad Retirement Account (Budget Account - 060-8011-0-7-601)

Analysis of Resources (in thousands of dollars)

	<u>Current Services</u>			
	<u>2024</u>	<u>2025</u>	<u>2026</u>	
Budget authority:	5,790,400	5,867,800	5,922,500	
Outlays:	5,783,600	5,860,100	5,915,900	
	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Budget authority:				
Current Services	5,960,900	6,003,900	6,055,000	6,106,000
Outlays:				
Current services	5,953,500	5,994,800	6,044,000	6,094,700
	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
Budget authority:				
Current Services	6,152,600	6,191,600	6,221,900	6,262,000
Outlays:				
Current services	6,141,000	6,180,600	6,212,200	6,251,800

Notes: The RRB paid tier II benefits to 444,500 beneficiaries in March 2024. The agency expects to pay these benefits to 438,000 beneficiaries in March 2025 and 432,000 beneficiaries in March 2026. The RRB also paid supplemental annuities to 99,000 beneficiaries in March 2024. The agency expects to pay supplemental annuities to 94,000 beneficiaries in March 2025, and 89,000 beneficiaries in March 2026.

RAILROAD RETIREMENT BOARD

Federal Payments to the Railroad Retirement Accounts

Budget Account - 060-0113-0-1-601

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

Military service credits

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

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

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

In prior years, we have sought concurrence with our methodology for computing the reimbursable amount from the Social Security Administration (SSA), Treasury and OMB. We received responses from SSA and Treasury. SSA has concurred with our methodology while Treasury stated that they had no role in this particular process. Section 15(b) requires that these reimbursements from the general funds be authorized in advance by an appropriation act. The Fiscal Year 2026 appropriation request includes \$1.367 billion for applicable military service credits through December 2020, with interest through September 3, 2024. Excluded are all costs for which the RRB has already received credits.

Interest on uncashed checks

Section 417 of the Railroad Retirement Solvency Act of 1983 amended the Railroad Retirement Act to provide for the reimbursement of principal and interest for unnegotiated railroad retirement benefit checks to the extent that such reimbursements are provided for in advance in appropriation acts. Beginning in Fiscal Year 1991, the principal amount of uncashed railroad retirement and railroad unemployment insurance checks and checks for administrative expenses, under provisions of the Competitive Equality Banking Act of 1987, are made available by Treasury. Treasury transfers principal amounts directly to the appropriate trust fund or administrative limitation. As a result, the RRB is not required to seek prior appropriation authority for the principal amount of the uncashed check transfers. Interest on uncashed checks, however, must be appropriated in advance. This account is the vehicle through which such appropriations are made. Under current law, the RRB requests \$150,000 for estimated interest related to uncashed checks in Fiscal Year 2026, which shall remain available through September 30, 2027.

Other transfers

Appropriations are not necessary for other amounts that flow through this account to the appropriate trust fund accounts under authorizing legislation. Amounts expected to be transferred through this account in Fiscal Year 2026 that do not require appropriation action include \$477 million in income taxes on the social security equivalent portion of tier I benefits, and \$522 million in income taxes on tier II benefits and the non-social security equivalent portion of tier I benefits.

Requested appropriation

The table on page 9 identifies the estimated budget authority and outlays for this account for Fiscal Years 2024 through 2034. The estimates are based on the Bureau of Actuary and Research's June 2024 midsession review, issued June 2024. The current services level includes interest amounts on uncashed checks for all years.

RAILROAD RETIREMENT BOARD

Federal Payments to the Railroad Retirement Accounts (Budget Account - 060-0113-0-1-601)

Analysis of Resources (in thousands of dollars)

	<u>Current Services</u>			
	<u>2024</u>	<u>2025</u>	<u>2026</u> ^{1/}	
Budget authority:	954,150	863,150	2,366,150	
Outlays:	954,150	863,150	2,366,150	
	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Budget authority:				
Current Services	1,070,150	1,105,150	1,138,150	1,171,150
Outlays:				
Current services	1,070,150	1,105,150	1,138,150	1,171,150
	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
Budget authority:				
Current Services	1,205,150	1,241,150	1,278,150	1,332,150
Outlays:				
Current services	1,205,150	1,241,150	1,278,150	1,332,150

^{1/} Fiscal Year 2026 budget authority and outlay amounts for current services include \$1.367 billion for military service credits through December 2020 with interest through September 3, 2024.

RAILROAD RETIREMENT BOARD

Dual Benefits Payments Account **Budget Account - 060-0111-0-1-601**

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

Legislative history

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

This situation was the major cause of the poor financial condition of the railroad retirement system in the early 1970s. In order to improve the 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 benefited and had consistently opposed the creation and expansion of dual benefits. Financing the vested dual benefit component of railroad retirement annuities from general revenues was supported by a precedent regarding military service and by the fact that the dual benefit problem had been brought about by prior Congressional action repealing past dual benefit restrictions over the objections of the railroads.

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

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

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

Requested appropriation

The table on page 12 identifies the estimated budget authority and outlays for the Dual Benefits Payments Account for Fiscal Years 2024 through 2034.

The Further Consolidated Appropriations Act, 2024 (P.L. 118-47) provided \$8,000,000 for the payment of vested dual benefits.

The estimate for Fiscal Year 2025 includes \$7,000,000 for the payment of vested dual benefits, as shown in the table on the following page, plus a 2 percent reserve of \$120,000 to become available in proportion to the amount by which the product of recipients and the average benefit received exceeds the amount available to pay benefits.

For Fiscal Year 2026, the RRB requests an appropriation of \$5,000,000 to pay vested dual benefits, plus a 2 percent reserve of \$100,000 to become available in proportion to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits. An estimated \$0 in income taxes on these benefits will be credited to the Dual Benefits Payments Account. The estimates are based on the Bureau of Actuary and Research's June 2024 review, issued June 2024.

RAILROAD RETIREMENT BOARD

Dual Benefits Payments Account (Budget Account - 060-0111-0-1-601)

Analysis of Resources (in thousands of dollars)

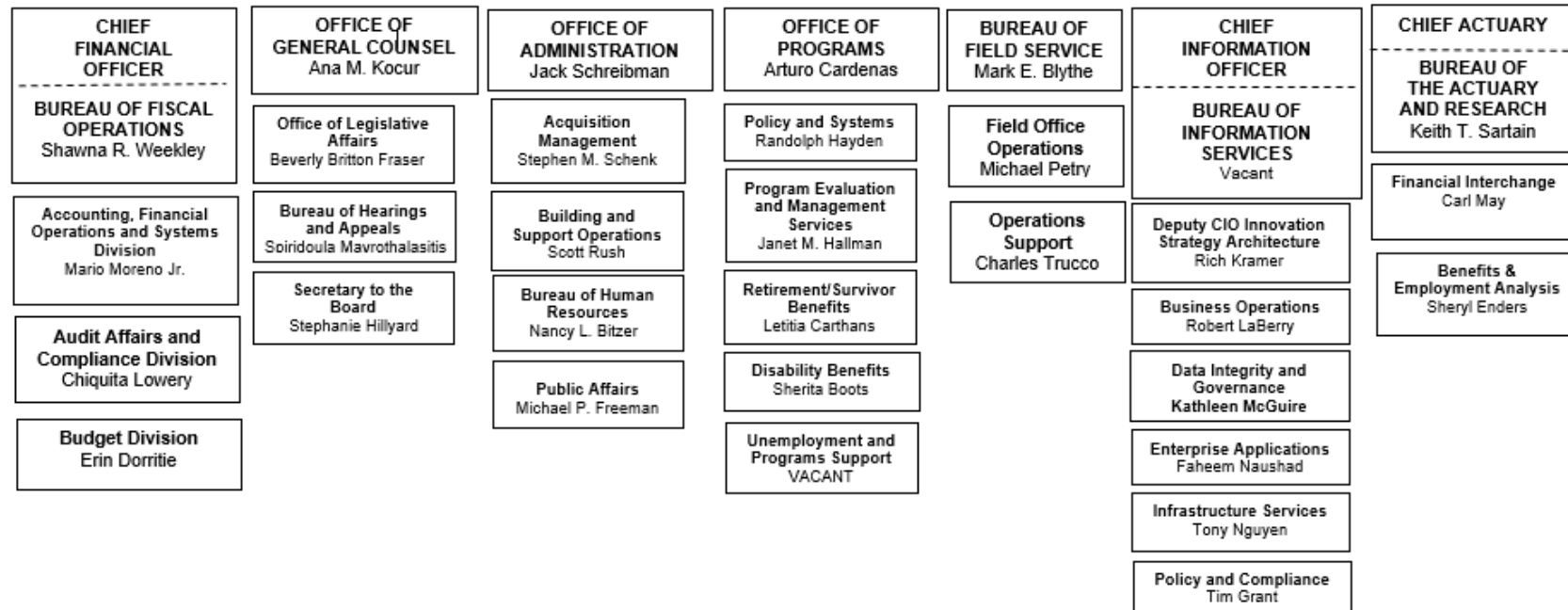
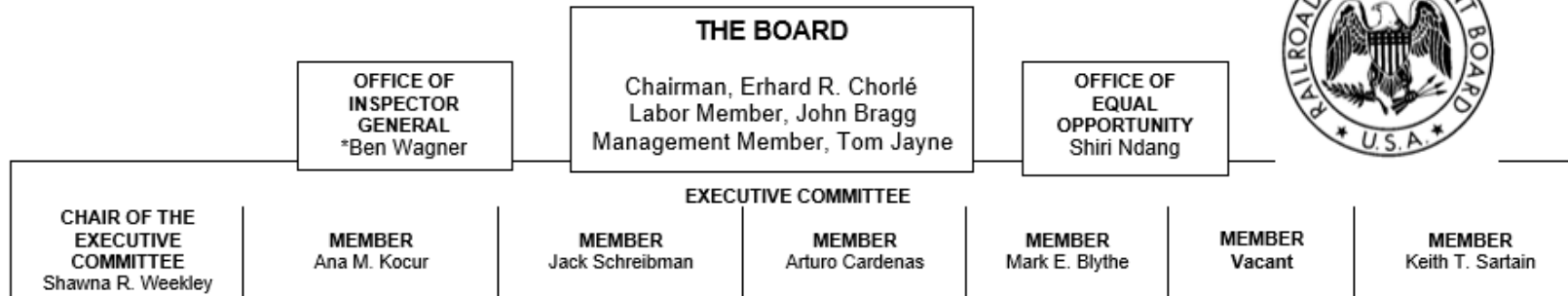
			<u>Current Services</u>	
	<u>2024</u>	<u>2025</u>	<u>2026</u>	
Budget authority:	8,000	7,000	5,000	
Outlays:	8,000	7,000	5,000	
	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Budget authority:				
Current Services	4,000	3,000	3,000	2,000
Outlays:				
Current services	4,000	3,000	3,000	2,000
	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
Budget authority:				
Current Services	2,000	1,000	1,000	1,000
Outlays:				
Current services	2,000	1,000	1,000	1,000

Note: The budget estimates for this account include its share of interest on non-negotiated checks through Fiscal Year 2025. The RRB paid vested dual benefits to 3,300 beneficiaries in March 2024. The agency expects to pay these benefits to 3,000 beneficiaries in March 2025, and 2,000 beneficiaries in March 2026.

OMB A-11 Reference: Section 51.1 (July, 2024)

The Board Members

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



-----The Inspector General reports administratively to the Chairman
 *Indicates temporary

Sept 2024

RAILROAD RETIREMENT BOARD

Limitation on Administration **Budget Account - 060-8237-0-7-601**

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

Retirement/Survivor Benefit Program

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

The RRB estimates that it will pay the following in retirement and survivor benefits through Fiscal Year 2026: \$14.3 billion to 484,000 persons in Fiscal Year 2024, \$14.7 billion to 477,000 persons in Fiscal Year 2025, and \$15.0 billion to 470,000 persons in Fiscal Year 2026.

Legislative history

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

Legislation was enacted in 1934, 1935 and 1937 to establish a railroad retirement system separate from the social security program legislated in 1935. Legislation taking into account the particular circumstances of the railroad industry was not without precedent. Numerous laws pertaining to railroad operations and safety had already been enacted since the Interstate Commerce Act of 1887. Since passage of the Railroad Retirement Acts of the 1930s, numerous other railroad laws have subsequently been enacted.

Railroad Retirement and Survivors' Improvement Act of 2001

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

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

Coordination with Social Security

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

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

Sources of income for the retirement/survivor benefit program

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

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

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

Unemployment/Sickness Insurance Program

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

In the benefit year that ended June 30, 2024, the RRB paid \$21.5 million in unemployment insurance benefits from the Railroad Unemployment Insurance (RUI) Account, and recovered \$5.2 million resulting in net payments of \$16.3 million to a total of 4,200 unemployment insurance claimants. During the same period, the RRB paid \$66.6 million in sickness insurance benefits from the RUI Account, and recovered \$25.1 million resulting in net payments of \$41.5 million to a total of 10,900 sickness insurance claimants. In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, amounts reflect a reduction of 5.7% under sequestration for days of unemployment and sickness after May 9, 2023. Beginning January 4, 2021, the Continued Assistance to Rail Workers Act of 2020 temporarily suspended sequestration through May 9, 2023, 30 days after the Presidential declaration of an end to the national emergency concerning the COVID-19 pandemic. Benefits are currently sequestered at 5.7%.

Provisions for benefits

A new unemployment and sickness insurance benefit year begins every July 1, with eligibility generally based on railroad service and earnings in the preceding calendar year. Up to 26 weeks of normal unemployment insurance benefits and 26 weeks of normal sickness insurance benefits are payable to an individual in a benefit year. Extended benefits may also be payable for up to 13 weeks to persons with 10 or more years of service. Additional extended unemployment benefits, enhanced unemployment benefits, and waiting period waiver unemployment and sickness benefits are also payable to some railroad workers under the Coronavirus Aid, Relief, and Economic Security Act of 2020 (P.L. 116-136), 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), as amended. These benefits are funded separately.

Legislative history

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

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

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

Large scale railroad layoffs during the economic recession in the early 1980s increased unemployment insurance payments to record levels, far exceeding unemployment contributions. By the end of July 1983, the account had a deficit of \$550 million.

The Railroad Retirement Solvency Act, enacted August 12, 1983, increased railroad unemployment and sickness insurance taxes by increasing the limit on compensation subject to the tax from \$400 to \$600 a month. The act also imposed a temporary repayment tax on railroad employers to help repay loans from the Railroad Retirement Account.

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

In November 1988, the Congress enacted the Railroad Unemployment Insurance and Retirement Improvement Act of 1988 (P.L. 100-647) to resolve the system's long-term financing problems. In brief, the legislation improved the program's financing by (1) indexing the tax base to increased wage levels, (2) determining employers' tax rates by using an experience rating

formula, (3) establishing a variable surcharge geared to the balance in the Railroad Unemployment Insurance Account, and (4) ensuring repayment of the debt to the Railroad Retirement Account by extending the repayment tax until the debt was fully repaid, with interest. The loan was repaid in full with a transfer of funds from the Railroad Unemployment Insurance Account to the Railroad Retirement Account on June 29, 1993.

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

RAILROAD RETIREMENT BOARD

Administrative Appropriation Request for Fiscal Year 2026

Limitation on Administration (060-8237-0-7-601)

<u>Budget Level</u>	<u>FTEs</u> ^{2/}	<u>Amount</u> ^{1/} (\$ thousands)
Fully Resourced Agency Request Level	1,082	\$206,185

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

^{2/} FTEs includes reimbursements.

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

	FY 2024	CHANGE	FY 2025	CHANGE	FY 2026
	(A)	(B)	ESTIMATE	(D)	Fully Resourced Agency Request Level (G)
TOTAL FTEs (INCLUDING REIMBURSABLE)	775	(61)	714	368	1082
TOTAL RRB DIRECT PROGRAM OBLIGATIONS					
11.1 FULL-TIME PERMANENT	69,052	(1,567)	67,485	44,341	111,826
11.3 OTHER THAN FULL-TIME PERMANENT	2,138	(1,288)	849	557	1,406
11.5 OTHER PERSONNEL COMPENSATION	2,132	224	2,356	1,829	4,185
11.9 TOTAL PERSONNEL COMPENSATION	73,322	(2,632)	70,690	46,727	117,418
12.1 PERSONNEL BENEFITS: CIVILIAN	26,785	(1,168)	25,617	17,060	42,677
13.0 BENEFITS FOR FORMER PERSONNEL	128	-	128	14	142
21.0 TRAVEL AND TRANSPORTATION OF PERSONS	234	-	234	905	1,139
22.0 TRANSPORTATION OF THINGS	0	-	-	34	34
23.1 RENTAL PAYMENTS TO GSA	3,300	-	3,300	-	3,300
23.3 COMMUNICATIONS, UTILITIES, & MISC. CHARGES	4,862	-	4,862	1,626	6,488
24.0 PRINTING AND REPRODUCTION	375	-	375	137	512
25.0 OTHER SERVICES	16,790	3,800	20,590	12,370	32,960
26.0 SUPPLIES AND MATERIALS	172	-	172	575	748
31.0 EQUIPMENT	30	-	30	737	768
TOTAL RRB DIRECT OBLIGATIONS	126,000	-	126,000	80,185	206,185
REIMBURSABLE AND TRANSFER OBLIGATIONS	41,506	(12,236)	29,181	250	29,431
TOTAL RRB OBLIGATIONS AND NO YEAR	167,506	(12,326)	155,181	80,435	235,616
DIRECT OBLIGATIONS AND NO YEAR	126,000	-	126,000	80,185	206,185

- Salary and benefit estimates reflect a pay increase in January 2025 and in January 2026.
- The average FTE cost for Fiscal Year 2024 is \$143,240, Fiscal Year 2025 average FTE cost of \$149,042, and Fiscal Year 2026 average FTE cost of \$155,193.
- This budget submission does not reflect anticipated cost of implementation of significant FTE reductions.
- Column (A): Fiscal Year 2024 amounts reflect allocations as of PP 14 for Railroad Retirement Board funding of the Limitation on Administration provided by FY 2024 PL 118-47.
- Column (C) amount is based on assuming a Full Year CR for 25
- Fiscal Year 2024 CMS Reimbursables and Transfer consists of \$11,457,264 for Medicare Parts B and C, \$675,142 for Medicare Part D, \$28,861,477 for SMAC Transfer and \$512,306 miscellaneous.
Fiscal Year 2025 CMS Reimbursables and Transfer consists of \$11,503,506 for Medicare Parts B and C, \$664,813 for Medicare Part D, \$16,500,000 for SMAC Transfer and \$512,306 miscellaneous.
Fiscal Year 2026 CMS Reimbursables and Transfer consists of \$11,503,506 for Medicare Parts B and C, \$664,813 for Medicare Part D, \$16,750,000 for SMAC Transfer and \$512,306 miscellaneous.
BOC 25.0 does not include SMAC transfer.
- Details may not add to totals due to rounding.

Explanation of Changes between the Estimated Budget for Fiscal Year 2025 and
Budget Levels for Fiscal Year 2026

Limitation of Administration, Direct Obligations (Dollar in Thousands)

Category	<i>FY 2025 Estimate to FY 2026 Fully Resourced Agency Request Level</i>
	<i>80,185 ^{1/}</i>
1. Personnel Compensation	46,727
<p>Changes reflect variations in RRB staffing at each of the budget levels.</p> <p>The Fully Resourced Agency Request Level provides funding for 1082 FTEs, 368 FTEs more than projected for Fiscal Year 2025 Estimate.</p> <p>Projected compensation costs reflect an estimated pay increase of 2.0% in January 2025 and [REDACTED].</p> <p>Overtime is estimated at \$606,662 for Fiscal Year 2025 Estimate, \$1,062,500 at the Fiscal Year 2026 Fully Resourced Agency Request Level.</p>	

<i>Category</i>	<i>FY 2025 Estimate to FY 2026 Fully Resourced Agency Request Level</i>
	<i>80,185 ^{1/}</i>
2. Civilian Personnel Benefits	17,060
Employee benefits are estimated to total approximately 27% of salary costs in 2025 and 2026. At all funding levels, the cost for change-of-station is \$260,000.	
3. Benefits for Former Personnel	14
A total of \$142,000 is included for Fiscal Year 2026 for worker's compensation benefits to be billed by the Department of Labor in Fiscal Year 2026.	
4. Travel and Transportation of Persons	905
At the Fully Resourced Agency Request Level, Travel for Fiscal Year 2026 is \$1,139,000; \$905,000 more than the Fiscal Year 2025 Estimate.	
5. Transportation of Things	34
At the Fully Resourced Agency Request Level, Transportation of things for Fiscal Year 2026 is \$34,000, and \$0 is estimated in Fiscal Year 2025.	
6. Rental Payments to the General Services Administration (GSA)	0
At the Fully Resourced Agency Request Level for Fiscal Year 2026, a total of \$3,300,000 is requested for GSA rent. This budget request is based upon GSA's estimate of RRB's annual rent of \$3,300,000. The total is \$0 difference from the Fiscal Year 2025 Estimate.	

<i>Category</i>	<i>FY 2025 Estimate to FY 2026 Fully Resourced Agency Request Level</i>
	<i>80,185 ^{1/}</i>
7. Communications, Utilities, and Miscellaneous Charges ^{2/}	1,626
At the Fully Resourced Agency Request Level Fiscal Year 2026 communications, utilities, and miscellaneous charges total \$6,488,000; \$1,626,000 more than Fiscal Year 2025. The Fiscal Year 2026 details are shown below. (Amounts have been rounded to thousands.) The decreased miscellaneous estimated costs of \$91,000 relates to the absence of mainframe costs.	
<u>FY 2026 Funding at the Fully Resourced Agency Request Level</u>	
Miscellaneous charges - \$45	(91)
Postage - \$1,660	1,372
Utilities - \$892	822
Communications - \$3,893	(477)
8. Printing and Reproduction	137
At the Fully Resourced Agency Request Level Printing and reproduction for Fiscal Year 2026 is \$511,939. This category reflects an increase in costs for printing benefit rate letters, tax statements, and earnings information for railroad retirement and unemployment/sickness insurance beneficiaries. The category also includes costs for official publication of agency information in the Federal Register and Code of Federal Regulations.	
9. Other Services ^{2/}	12,370
At the Fully Resourced Agency Request Level, the planned spending for Fiscal Year 2026 is \$32,960,000; \$12,370,000 more than 2025. Fiscal Year 2026 details are shown below. (Amounts have been rounded to thousands.)	

<i>Category</i>	<i>FY 2025 Estimate to FY 2026 Fully Resourced Agency Request Level</i>
	<i>80,185 ^{1/}</i>
<u>FY 2026 Funding at Fully Resources Agency Request Level</u>	
Consulting services - \$509	108
Government contracts - \$5,014	(148)
Other services non-fed'l ^{a/} - \$17,820	6,439
Operation & Maintenance of equipment - \$3,341	1,123
Medical fees - \$1,367	163
Training - \$1,406	1,351
Maintenance of facilities ^{b/} - \$3,504	3,336
^{a/} At all budget levels, the SMAC reimbursement contract in the amount of \$16,750,000 is not included in the totals. ^{b/} Funding for operation & maintenance of facilities in Fiscal Year 2026 may be partly offset by "no-year" money brought forward from prior Fiscal Years pursuant to P.L. 117-103.	
10. Supplies and Materials	575
At Fully Resourced Agency Request Level supplies and materials for Fiscal Year 2026 total \$748,000. The amount represents an increase of \$575,000 from the Fiscal Year 2025 estimate.	
11. Equipment	737
At Fully Resourced Agency Request Level equipment totals \$768,000 for Fiscal Year 2026, an increase of \$737,000 from the Fiscal Year 2025 estimate. The funding is for replacement of IT software, parts, devices, and other miscellaneous equipment needed by the bureaus and offices.	
Total Increase/Decrease ^{2/}	80,185 ^{1/}

^{1/} See page 21, line TOTAL RRB DIRECT OBLIGATIONS. Difference is computed by subtracting the amount in column C from the amount in column E.

^{2/} Details may not add to totals due to rounding.

Funding for Major Contracts

This chart shows contracts of \$100,000 or more planned for Fiscal Year 2026 in the following Budget Object Class (BOC) categories: consulting services (BOC 251), contractual services (BOC 252), government contracts (BOC 253), maintenance of facilities (BOC 254), medical fees (BOC 256), and equipment and equipment maintenance (BOC 310/257).

The major contracts are included at the Fully Resourced Agency Request Level.

BOC	Title and Description	Estimated FY 2026 Funding
<u>Information Technology</u>		
252	<u>IT Operations Support and Memberships.</u> IT Experience membership and Core research services for CIO, and direct reports.	350,000
252	<u>Help Desk Contract.</u> Helpdesk contract renewal for the helpdesk staff to augment RRB staff.	1,794,179
252	<u>Cloud Services.</u> IBM ZCloud.	3,600,000
252/253	<u>License Agreement.</u> Microsoft Enterprise Service Agreement (MSEA) includes M365. Login.Gov secure sign in services. JSAM LOB Program - GRC Tool.	1,687,250 <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.	2,700,000
252/257	<u>Services and Installations.</u> Mainframe ISV software support services. Microsoft Unified support services. AZURE usage managed services. IT support services contract. IBM zCloud-IVR API support. Sentinel contract. Document management system CA Endeavor (Imaging and records management). Global 360 document imaging software license. Server access for network (NT).	4,535,979
257	<u>IT Software & Maintenance Renewals.</u> IBM Scheduler, CISCO Smartnet support.	762,615
<i>Subtotal</i>		<u>15,430,023</u>

BOC	Title and Description	Estimated FY 2026 Funding
<u>Support of Benefit Program Activities</u>		
256	<u>Medical Fees.</u> Initial medical examinations and other tests ordered.	1,346,100
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. Review of disability cases and onsite guidance to examiners.	419,328
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.	462,000
		<i>Subtotal</i> <u>2,712,828</u>
<u>Financial Management</u>		
253	<u>Financial Services.</u> TMF reimbursement.	350,000 <u>a/</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/CGI Annual O&M.	2,200,000
		<i>Subtotal</i> <u>3,015,000</u>

BOC	Title and Description	Estimated FY 2026 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.	290,000 <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. Reimbursable Work Authorization (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.	120,000 <u>a/</u>
253	<u>Federal Occupational Health.</u> Funding is required for nurse services with for the provision of licensed, Basic Life Support certified, registered nurse for emergency services and preventive health services.	150,000 <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.	460,000 <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.	210,000
<i>Subtotal</i>		<u>2,065,600</u>

BOC	Title and Description	Estimated FY 2026 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.	1,900,000 <u>a/</u>
254	<u>Janitorial Services.</u> Funding is needed for janitorial services for the RRB headquarters building.	850,000
254	<u>After-Hours Labor.</u> Labor in excess of those allowed under Delegation of Authority.	220,000
254	<u>Miscellaneous Building Contracts.</u> Various miscellaneous maintenance, facilities maintenance, maintain Uninterruptible Power Supply (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. Fire system upgrade.	1,592,000
<i>Subtotal</i>		<u>4,562,000</u>
Agency total		<u>\$27,785,451</u>

a/ Contractual services provided by Federal Government agencies comprise \$4,502,250 of the agency program total.

Cybersecurity Priorities Identified for M-24-14

The RRB's overall cybersecurity program requires both Operations and Maintenance (O&M) funding (\$1,152,633) and Development, Modernization and Enhancement (DME) funding (\$2,700,000) for a total of \$3,852,633. The RRB Fiscal Year 2026 funding request for cybersecurity DME is aligned with the priorities outlined in OMB Memorandum M-24-14. 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 Fiscal Year 2026 Cybersecurity investment priorities in the following areas from the memorandum. Note: The priorities outlined below were also outlined in the agency's Fiscal Year 2025 Budget request, and are being detailed again given early indications that the RRB's Fiscal Year 2025 budget may not allow for the Cybersecurity DME initiatives:

Defend Critical Infrastructure (NCS Pillar 1) (\$2,700,000)

The RRB is in the midst of an enterprise-wide modernization of its legacy IT systems and 2000+ legacy applications which directly enable its mission. As such, the RRB is developing and integrating a strategic approach to implementing cybersecurity controls that secures our organization by eliminating implicit trust and continuously validating every stage of network interaction. Rooted in the principle of "never trust, always verify," the RRB's Zero Trust strategy will be designed to protect our current environment, and as we modernize, our future environments enabling a digital transformation by using strong authentication methods, leveraging network segmentation, preventing lateral movement, providing layer 7 threat prevention, and simplifying granular, "least access" policies. Please be advised that as the RRB modernization strategy evolves, our Zero Trust strategy will evolve to align with those requirements as well. To continue progress with the RRB's Zero Trust implementation, the agency is requesting Fiscal Year 2026 funding to defend the RRB's critical infrastructure as required in CNC Pillar 1 of M-24-14, specifically:

- 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 Fiscal Year 2025 to acquire consulting services for execution of the plan.

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 Fiscal Year 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-24-14. The above M-24-14 priorities align with Goal 2 – Secure the Enterprise, one of the RRB’s four strategic goals for its modernization.

RAILROAD RETIREMENT BOARD

STAFFING HISTORY

Actual Full-Time Equivalent Employment

Fiscal <u>Year</u>	<u>Total FTEs</u>	<u>a/</u>	Change from <u>previous year</u>	Percent change from previous <u>year</u>	Cumulative FTE <u>reduction</u>	Cumulative percent change since fiscal <u>year 1993</u>
1993	1,698	<u>b/</u>	---	---	---	---
1994	1,615	<u>b/</u>	-83	-4.9%	83	-4.9%
1995	1,483	<u>b/</u>	-132	-8.2%	215	-4.9%
1996	1,401	<u>b/</u>	-82	-5.5%	297	-17.5%
1997	1,297		-104	-7.4%	401	-23.6%
1998	1,227		-70	-5.4%	471	-27.7%
1999	1,196		-31	-2.5%	502	-29.6%
2000	1,136		-60	-5.0%	562	-33.1%
2001	1,101		-35	-3.1%	597	-35.2%
2002	1,099		-2	-0.2%	599	-35.3%
2003	1,079		-20	-1.8%	619	-36.5%
2004	1,048		-31	-2.9%	650	-38.3%
2005	957		-91	-8.7%	741	-43.6%
2006	940		-17	-1.8%	758	-44.6%
2007	927		-13	-1.4%	771	-45.4%
2008	918		-9	-1.0%	780	-45.9%
2009	897		-21	-2.3%	801	-47.2%
2010	908		11	1.2%	790	-46.5%
2011	903		-5	-0.6%	795	-46.8%
2012	884		-19	-2.1%	814	-47.9%
2013	865		-19	-2.1%	833	-49.1%
2014	825		-40	-4.6%	873	-51.4%
2015	835		10	1.2%	863	-50.8%
2016	824		-11	-1.3%	874	-51.5%
2017	853		29	3.5%	845	-49.8%
2018	816		-37	-4.3%	882	-51.9%
2019	799		-17	-2.1%	899	-52.9%
2020	794		-5	-0.6%	904	-53.2%
2021	777		-17	-2.1%	921	-54.2%
2022	763		-14	-1.8%	935	-55.0%
2023	724		-39	-5.1%	974	-57.4%
2024	775	<u>c/</u>	51	7.0%	923	-45.7%
2025	714	<u>d/</u>	61	-7.9%	984	-58.0%
2026	635	<u>e/</u>	79	-11.1%	1,063	-62.6%

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 allocations as of PP14 for Railroad Retirement Board funding of the Limitation on Administration provided by Fiscal Year 2024 PL 118-47.

d/ Estimated amount of 714 FTEs is based on assuming a Full Year CR for 2025.

e/ The estimated 635 FTEs is 447 FTEs fewer than the Fully Resourced Agency Request Level.

RAILROAD RETIREMENT BOARD
Summary of Full-Time Equivalent Employment ^{a/c/}

Series	Rank	FY 2024	FY 2025 ^{b/} Estimate	FY 2026 Fully Resourced Agency Request
Executive	Level III	1	1	1
	Level IV	2	2	2
	Subtotal	3	3	3
Senior Executive Service	ES-00	8	8	10
	Subtotal	8	8	10
General Schedule/Management	GS/GM-15	46	42	55
	GS/GM-14	69	64	89
	GS/GM-13	89	84	113
	GS-12	191	175	241
	GS-11	157	144	227
	GS-10	12	11	15
	GS-9	56	75	91
	GS-8	20	18	40
	GS-7	58	38	46
	GS-6	6	5	20
	GS-5	48	38	97
	GS-4	12	9	35
	GS-3	---	---	---
	GS-2	---	---	---
	Subtotal	764	703	1,069
Combined	Total	775	714	1,082

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

^{b/} FTEs reflect estimates in the budget for Fiscal Year 2025.

^{c/} Positions in the Office of Inspector General are excluded.

RAILROAD RETIREMENT BOARD
Full-Time Equivalent Employees by Organization

ESTIMATE

Organization	FY 2024 ^{1/}	FY 2025 Estimate ^{2/}	FY 2026 Fully Resourced Agency Request
Chairman	4	4	5
Labor	7	7	7
Management	4	4	4
Subtotal, Board	15	15	16
General Counsel/Law	17	16	17
Hearings and Appeals	8	8	8
Legislative Affairs	3	3	3
Secretary to the Board	2	2	2
Subtotal, General Counsel	30	29	30
Office of Equal Opportunity	4	4	4
Office of Programs	271	251	492
CFO/Fiscal Operations	61	57	65
Actuary Research	20	18	21
Office of Administration	61	57	69
Field Service	232	210	274
Information Services	81	73	111
Total	775	714	1,082

^{1/} Amounts are rounded to the nearest FTE and reflect projected use through end of Fiscal Year PP14 as of June 29, 2024. The RRB's Fiscal Year 2024 budget includes funding for 775 FTEs.

^{2/} Reflects projected estimated FTE staffing at the Fiscal Year 2025 Estimate of \$126 million for agency operations.

^{3/} Amounts may not add to total due to rounding.

OMB A-11 Reference: Section 51.1 (July, 2024)

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

	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Fully Resourced Agency Request
Average ES/SES salary	\$200,476	\$206,116	\$212,300
Average ES/SES benefits	\$75,130	\$76,574	\$78,871
Total, ES/SES	\$275,606	\$282,690	\$291,171
Average GS/GM salary	\$90,438	\$93,996	\$103,545
Average GS/GM benefits	\$34,027	\$35,242	\$38,785
Total, GS/GM	\$124,465	\$129,238	\$142,330
Average GS/GM grade	12.1	12.1	12.1

1. Estimated as of PP 14 June 29, 2024. Amounts may not add to total due to rounding.

**RAILROAD RETIREMENT BOARD
EMPLOYEE RELOCATION EXPENSES**

	FY 2024 Estimate	FY 2025 Estimate	FY 2026 Fully Resourced Agency Request
Total	\$0	\$210,000	\$260,000

RAILROAD RETIREMENT BOARD

Narrative Description of Strategic Goals

The RRB's budget request for ongoing operations is distributed between three areas that match the goals stated in the agency's Strategic Plan for Fiscal Years 2022 through 2026.

- | | |
|---------------------|---|
| Strategic Goal I. | Modernize Information Technology (IT) Operations to Sustain Mission Essential Services. |
| Strategic Goal II. | Provide excellent customer service. |
| Strategic Goal III. | Serve as responsible stewards for our customers' trust funds and agency resources. |

Amounts requested by the RRB represent the resources needed to achieve the performance goals stated in the RRB's Performance Plan for Fiscal Year 2026. Activities in each area are described in the following sections. The Performance Plan contains additional information concerning performance measures for each goal.

I. Modernize Information Technology (IT) Operations to Sustain Mission Essential Services.

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 Fiscal Year 2026 funding request has additional detail regarding our compliance with OMB Memorandum, M-24-14, Administration Cybersecurity Priorities. More detail regarding our application modernization funding request and plan for compliance with the federal Zero Trust strategy is in Cybersecurity Priorities Identified for M-24-14 section of this budget 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 its IT Modernize Program. Those initiatives are captured in the Information Technology (IT) Update section of this budget submission.

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

FY 2026 Performance Plan Strategic Goal I-A.	IRM Strategic Plan for Modernization Goals.
I-A-6. Complete the development of business rules strategy and data layer components of the modernization.	<ol style="list-style-type: none">1. Improve the User Experience2. Upskill the IT Team
I-A-7. Deliver citizen-centric services and applications to railroad employees through mobile- and web-ready interfaces.	<ol style="list-style-type: none">1. Improve the User Experience2. Secure the Enterprise3. Upskill the IT Team
I-A-8. Complete the streamlining of core business processes and modernize key applications, which support these processes.	<ol style="list-style-type: none">1. Improve the User Experience2. Secure the Enterprise3. Upskill the IT Team
I-A-9. Refine critical management processes in the following areas within the IT organization: change, project, program, and configuration.	<ol style="list-style-type: none">1. Secure the Enterprise2. Upskill the IT Team3. Optimize the Infrastructure
I-A-10. Evaluate the re-engineering assessment deliverables to determine a cost-effective path forward to application rationalization and streamline business processes.	<ol style="list-style-type: none">1. Improve the User Experience2. Secure the Enterprise3. Upskill the IT Team4. Optimize the Infrastructure

II. Provide Excellent Customer Service.

Regarding the RRB's strategic goal of providing excellent customer service, strategic objectives and supporting initiatives in the RRB's Performance Plan includes the following:

II-A. Strategic Objective: Pay benefits timely.

- 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.

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

- 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.

III. Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources.

Regarding the RRB's strategic goal of safeguarding our customers' trust funds through prudent stewardship, strategic objectives and supporting initiatives in the RRB's Performance includes the following:

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

- 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.

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

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

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

- 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.

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

Appropriation Request by Strategic Goal

The RRB Performance Budget for Fiscal Year 2026 contains a discussion of the administration of the railroad retirement/survivor and unemployment/sickness insurance benefit programs. The tables on the following pages identify the estimated costs of administering these programs in terms of the following strategic goals:

- I. Modernize Information Technology (IT) Operations
- II. Customer service
- III. Stewardship

These goals are consistent with the RRB's Strategic Plan for Fiscal Years 2022-2026.

Projections for the Fiscal Year 2026 budget reflect two funding levels, as follows:

- The Fully Resourced Agency Request Level for Fiscal Year 2026 for direct obligations is \$206,185,000. The direct obligations at this level would fund 1,082 FTEs to sustain the agency's mission essential functions.

Summary of Strategic Goal Amounts
Budget Account - Limitation on Administration (060-8237-0-7-601)

Analysis of Resources
(in thousands of dollars)

<u>Fiscal Year/Level</u>	<u>2024</u>	<u>Estimate 2025</u>	<u>Fully Resourced Agency Request 2026</u>			
<i>Budget authority:</i>	126,000	126,000	206,185			
<i>Outlays:</i>	126,000	126,000	206,185			
<i>Full-time equivalent employment:</i>	775	714	1,082			
<u>Fiscal Year</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
<i>Budget authority:</i>						
<i>Fully Resourced Agency Request Level</i>	*	*	*	*	*	*
<i>Outlays:</i>						
<i>Fully Resourced Agency Request Level</i>	*	*	*	*	*	*

* Amounts for these years are to be determined.

Strategic Goal - IT Modernization

Budget Account - Limitation on Administration (060-8237-0-7-601)

Analysis of Resources
(in thousands of dollars)

<u>Fiscal Year/Level</u>	<u>2024</u>	<u>Estimate 2025</u>	<u>Fully Resourced Agency Request 2026</u>			
<i>Budget authority:</i>	21,505	20,106	25,270			
<i>Outlays:</i>	21,505	20,106	25,270			
<i>Full-time equivalent employment:</i>	108	85	92			
<u>Fiscal Year</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
<i>Budget authority:</i>						
<i>Fully Resourced Agency Request Level</i>	*	*	*	*	*	*
<i>Outlays:</i>						
<i>Fully Resourced Agency Request Level</i>	*	*	*	*	*	*

* Amounts for these years are to be determined.

Strategic Goal – Customer Service

Budget Account - Limitation on Administration (060-8237-0-7-601)

Analysis of Resources
(in thousands of dollars)

<u>Fiscal Year/Level</u>	<u>2024</u>	<u>Estimate 2025</u>	<u>Fully Resourced Agency Request 2026</u>			
<i>Budget authority:</i>	72,884	74,956	129,394			
<i>Outlays:</i>	72,884	74,956	129,394			
<i>Full-time equivalent employment:</i>	520	487	759			
<u>Fiscal Year</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
<i>Budget authority:</i>						
<i>Fully Resourced Agency Request Level</i>	*	*	*	*	*	*
<i>Outlays:</i>						
<i>Fully Resourced Agency Request Level</i>	*	*	*	*	*	*

* Amounts for these years are to be determined.

Strategic Goal – Stewardship

Budget Account - Limitation on Administration (060-8237-0-7-601)

Analysis of Resources
(in thousands of dollars)

<u>Fiscal Year/Level</u>	<u>2024</u>	Estimate <u>2025</u>	Fully Resourced Agency Request <u>2026</u>			
<i>Budget authority:</i>	31,612	30,938	51,521			
<i>Outlays:</i>	31,612	30,938	51,521			
<i>Full-time equivalent employment:</i>	147	143	231			
<u>Fiscal Year</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
<i>Budget authority:</i>						
<i>Fully Resourced Agency Request Level</i>	*	*	*	*	*	*
<i>Outlays:</i>						
<i>Fully Resourced Agency Request Level</i>	*	*	*	*	*	*

* Amounts for these years are to be determined.

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)	461,000	20,000	500	3,000	53,000	6,070,000	7,000
2025 (est)	454,000	20,000	<500 ^{3/}	3,000	53,000	5,970,000	7,000
2026 (est)	448,000	20,000	<500 ^{3/}	3,000	51,000	5,880,000	7,000

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

^{2/} Excludes attainments.

^{3/} Less than 500.

Unemployment/Sickness Insurance Program

Summary Processing Workload Table

Fiscal Years	Railroad Employment ^{1/}	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	187,799 ^{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
2026 (est)	192,000	16,000	77,000	66,000	17,000	111,000	99,000

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

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

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

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

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

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

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

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

PERFORMANCE PLAN



Fiscal Year 2026

Railroad Retirement Board

Railroad Retirement Board - Fiscal Year 2026 Initial Performance Plan

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Introduction

The Railroad Retirement Board (RRB) developed this performance budget for Fiscal Year 2026 to support our mission (see mission statement on the following page) and to communicate our intentions for meeting challenges and seeking opportunities. We will use the plan to hold managers accountable for achieving program results and to improve program effectiveness and public accountability by promoting a continued focus on results, service quality, and customer satisfaction. We will also use the plan to help managers improve service delivery by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality.

This plan is closely linked to our **Strategic Plan for Fiscal Years 2022 - 2026** and can be easily cross-referenced to that plan. The performance budget provides detailed performance goals, performance indicators and target levels to guide agency managers as they implement our Strategic Plan. It also communicates our plans to our stakeholders, including the railroad community, the Administration, the Congress, and other government agencies. It is part of a comprehensive set of interlocking plans covering all major aspects of agency operations. In this plan, we established specific performance goals (with performance indicators and projected performance levels) to be achieved in Fiscal Year 2026. 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 2026 for each performance goal is provided at the Fully Resourced Agency Request Level. 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 and result in meaningful outcomes, and that agency managers are accountable for achieving performance goals.

We will also prepare and submit to the President and the Congress a report on program performance for Fiscal Year 2026, 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.

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***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.

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Strategic Goal I: *Modernize Information Technology (IT) Operations to sustain mission essential services.*

At the Fully Resourced Agency Request Level, we plan to allocate \$25,270,000 and 92 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 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-24-14, Administration Cybersecurity Priorities for the fiscal year 2026 Budget (July 10, 2024). 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-24-14 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 we will utilize to assess our progress toward our strategic objective and reference to the IRM Strategic Plan for Modernization Goals are as follows:

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FY 2026 Performance Plan Strategic Goal I-A.	IRM Strategic Plan for Modernization Goals.
I-A-6. Complete the development of business rules strategy and data layer components of the modernization.	<ol style="list-style-type: none"> 1. Improve the User Experience 2. Upskill the IT Team
I-A-7. Deliver citizen-centric services and applications to railroad employees through mobile- and web-ready interfaces.	<ol style="list-style-type: none"> 1. Improve the User Experience 2. Secure the Enterprise 3. Upskill the IT Team
I-A-8. Complete the streamlining of core business processes and modernize key applications, which support these processes.	<ol style="list-style-type: none"> 1. Improve the User Experience 2. Secure the Enterprise 3. Upskill the IT Team
I-A-9. Refine critical management processes in the following areas within the IT organization: change, project, program, and configuration.	<ol style="list-style-type: none"> 1. Secure the Enterprise 2. Upskill the IT Team 3. Optimize the Infrastructure
I-A-10. Evaluate the re-engineering assessment deliverables to determine a cost-effective path forward to application rationalization and streamline business processes.	<ol style="list-style-type: none"> 1. Improve the User Experience 2. Secure the Enterprise 3. Upskill the IT Team 4. Optimize the Infrastructure

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Strategic Goal II: *Provide Excellent Customer Service.*

The RRB’s Customer Service Plan promotes the principles and objectives of customer- driven quality service. An important part of the plan is to keep customers informed of RRB timeliness standards and how well the agency is meeting those standards. The RRB publicizes the Customer Service Plan and performance results by posting them to the agency website and in every field office. The plan is reviewed and updated periodically based on agency experience, customer feedback, and comparison with similar best-in business models, and it is also shared with OMB. For Fiscal Year 2023, the plan included a new “Benefit Adjustments” section that addresses annuity adjustment workloads related to self-reported activities by beneficiaries, such as post-retirement work activity and earnings.

We aim to satisfy our customers’ expectations for quality service in terms of service delivery options and levels and manner of performance. At the Fully Resourced Agency Request Level, we plan to allocate \$129,394,000 and 759 FTEs to customer service. We established two performance goals that focus on the specifics of achieving this strategic goal.

II-A. Strategic Objective: Pay benefits timely.

The RRB is committed to ensuring 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:

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- *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.*

The agency uses an index to measure the overall timeliness of customer service in four benefit areas: retirement applications; survivor applications; disability applications and payments; and railroad unemployment and sickness benefit applications and claims. The Fiscal Year 2024 timeliness index through March 31, 2024, for retirement applications and survivor applications was 98.1 percent and 98.3 percent, respectively. The Fiscal Year 2024 timeliness index through March 31, 2024, for railroad unemployment and sickness benefit applications, a highly automated process, was 99.8 percent. Finally, the Fiscal Year 2024 timeliness index through March 31, 2024, for disability applications and payments was 50.4 percent.

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

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

Performance was lower than expected due to priority given to focusing on the initial adjudication of claims with older filing dates resulting in achieving a significant reduction in the on-hand balances of these cases. 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.

The agency is experiencing unprecedented delays in processing disabilities, post awards, and rate adjustments. This is directly related to inadequate budget appropriations and loss of experienced staff. Although the RRB met or exceeded most Fiscal Year 2024 customer performance goals through March 31, 2024, our constituents are experiencing delays in disability decisions, payment adjustments, and phone wait times.

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:

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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 utilize Fiscal Year 2024 to focus on improvements and enhancements to the existing 31 services and expects to develop two more services by the end of Fiscal Year. These services include development of on-line ERSNet processes for the GL-99, Deemed Service Questionnaire and the GL-132, Notice of Service After the Annuity Beginning Date.

The RRB will utilize Fiscal Year 2025 to focus on 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 35 in the ERSNet system.

The RRB will utilize Fiscal Year 2026 to focus on improvements and enhancements to the existing 35 services and expects to develop one more service by the end of that Fiscal Year - the AESOP Employee retirement estimate file.

Strategic Goal III: *Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources.*

The RRB is committed to fulfilling its fiduciary responsibilities to the rail community. At the Agency's Request level, we would plan to allocate \$51,521,000 and 231 FTEs to stewardship.

We 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.

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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 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 Payment Integrity Information Act (PIIA) of 2019, 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 paying programs (the RRA and the RUIA) have consistently fallen below the statutory thresholds for "significant improper payments" under the PIIA. These programs currently operate under Phase 1 per OMB Circular A-123, Appendix C (M-21-19), which outlines the PIIA requirements.

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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 OIG 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 2023, the RRB invested the equivalent of about 19 FTEs, at a cost of approximately \$2.38 million, in program integrity efforts. This resulted in about \$19.96 million in recoverables, \$542,554 in benefits saved, and the referral of 98 cases to the OIG for investigation. This is approximately \$8.62 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 Fiscal Year 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 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.

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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 IT 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

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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

The RRB continues to evaluate its workforce strategies to include accounting for succession planning efforts into its management of human capital. Nearly 30 percent of our employees have 20 or more years of service and 21 percent of the current workforce will be eligible for retirement by Fiscal Year 2026. The Bureau of Human Resources has shifted to a strategic approach in managing its human capital through such efforts as workforce and succession planning, alignment of the mission with employee performance to ensure efficient and effective accomplishment of RRB operations and evaluating job-fit and recruitment efforts to ensure a developed, diverse, inclusive, engaged and accountable workforce. We continue to automate and streamline antiquated and outdated personnel policies and procedures and educate, develop, and train our employees and supervisors both in technical and soft skills in alignment with the RRB's mission, values and goals. The RRB continues to strategically align our most important human resources with the RRB's mission and best human capital management practices within the Federal government.

The Workforce Organization Management section (WOMS) continues to refine recruitment efforts to ensure the RRB receives applications from a talented, diverse, and inclusive pool of applicants. Through USAJOBS, the RRB has been able to reach candidates from across the country. By maximizing workplace flexibilities and using a variety of recruitment strategies, including targeted advertising and hiring programs, such as internship and recent graduate programs, as well as other hiring authorities for the RRB's more difficult positions to fill, the RRB continues to create the opportunities to a diverse and high-quality applicant pool.

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

The Training and Development section within the Bureau of Human Resources utilizes the results from training needs assessments, workforce planning, and employee surveys to create the RRB's training strategies and develop training (whether it be virtual or in-person). The Training and Development section also utilizes available technology, low-cost training options and innovative and best practices in training and development in order to deliver varied training modalities for all agency employees, whether the training is mandatory or developmental in nature. The RRB continues to

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update and automate training modules available to all of our employees, from entry-level and mission critical claims and benefit training to leadership classes, to ensure a successful training environment for new employees and the successful accomplishment of our mission.

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

Although the RRB no longer has primary responsibility for the investment of the trust fund monies, it continues to have responsibilities in ensuring 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.

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RRB FY 2026 Initial Performance Plan	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Fully Resourced Agency Request
<i>STRATEGIC GOAL 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: Richard Kramer, Deputy Chief Information Officer						
I-A-1. Prepare to consolidate and rationalize applications to improve the effectiveness and efficiency of mission essential functions.	Azure Migration: 100%	Goal Complete	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.	100%	Goal Complete	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.	100%	Goal Complete	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 FY 2024 address mission critical functions.	100%	Goal Complete	Goal Complete	Goal Complete	Performance Indicator Complete and Closed Starting FY24	Performance Indicator Complete and Closed Starting FY24
I-A-5. Enhance infrastructure components to stabilize the information systems and the related ecosystems to prepare for the modernize phase.	100%	Goal Complete	Goal Complete	Goal Complete	Performance Indicator Complete and Closed Starting FY24	Performance Indicator Complete and Closed Starting FY24
I-A-6. Complete the development of business rules strategy and data layer components of the modernization.	New Performance Goal for FY 2022	50%	50%	50%	100%	Performance Indicator Complete and Closed Starting FY25

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RRB FY 2026 Initial Performance Plan	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Fully Resourced Agency Request
<i>Strategic Objective: RRB's Transformation (formerly Legacy Systems Modernization).</i> Goal Leader: Richard Kramer, Deputy Chief Information Officer						
I-A-7. Deliver citizen-centric services and applications to railroad employees through mobile- and web-ready interfaces.	New Performance Goal for FY 2022	0%	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	0%	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	50%	75%	75%	100%	Performance Indicator Complete and Closed Starting FY26
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	50%	100%	100%	Performance Indicator Complete and Closed Starting FY25	Performance Indicator Complete and Closed Starting FY25

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RRB FY 2026 Initial Performance Plan	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Fully Resourced Agency Request
<i>STRATEGIC GOAL II: Provide Excellent Customer Service</i>						
<i>Strategic Objective: Pay benefits timely.</i> Goal Leader for performance goals II-A-1 through II-A-5; II-A-7 and II-A-8: Arturo Cardenas, Director of Programs Goal Leader for performance goal II-A-6: Mark Blythe, Director of Field Service Goal Leader for performance goal 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)	97.0%	96.7%	96.4%	98.0%	94.0%	94.0%
II-A-2. RRB makes a decision to pay or deny a railroad retirement employee or spouse initial annuity application within 60 days of the date the application was filed. (Measure: % ≤ 60 days)	97.0%	96.7%	96.4%	98.3%	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)	92.2%	91.9%	96.6%	96.0%	94.0%	94.0%
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 35 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)	94.8%	95.8%	96.8%	98.8%	94.0%	94.0%

Railroad Retirement Board - Fiscal Year 2026 Initial Performance Plan

RRB FY 2026 Initial Performance Plan	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Fully Resourced Agency Request
<i>STRATEGIC GOAL II: Provide Excellent Customer Service</i>						
<i>Strategic Objective: Pay benefits timely.</i> Goal Leader for performance goals II-A-1 through II-A-5; II-A-7 and II-A-8: Arturo Cardenas, Director of Programs Goal Leader for performance goal II-A-6: Mark Blythe, Director of Field Service Goal Leader for performance goal II-A-9: Spiridoula Mavrothalasitis, Director of Hearings and Appeals						
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)	95.0%	94.4%	99.2%	98.7%	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%	99.9%
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)	18.6%	12.6%	8.0%	6.7%	70.0% ^{5/}	30.0%
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)	87.5%	89.4%	92.6%	91.7%	91.0%	91.0%
II-A-9. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: average elapsed days)	208	174	204	283	225	275

Railroad Retirement Board - Fiscal Year 2026 Initial Performance Plan

RRB FY 2026 Initial Performance Plan		2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Fully Resourced Agency Request
STRATEGIC GOAL II: Provide Excellent Customer Service							
Strategic Objective: Provide a range of choices in service delivery methods. Goal leader: Arturo Cardenas, Director of Programs							
II-B-1. Offer electronic options to our customers, allowing them alternative ways to perform primary services via the Internet or interactive voice response systems. (Measure: Number of services available through electronic media)		19 services available	19 services available	19 services available	20 services available	20 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	99.1%	99.3%	96.0%	99.5%	99.1%	99.1%
	b) Internet Services	30 Internet services available	31 Internet services available	31 Internet services available	31 Internet services available	35 Internet services available ^{6/}	36 Internet services available
STRATEGIC GOAL III: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources.							
Strategic Objective: Ensure that trust fund assets are protected, collected, recorded, and reported appropriately. Goal leader: Shawna R. Weekley, Chief Financial Officer							
III-A-1. Debts will be collected through billing, offset, reclamation, referral to outside collection programs, and a variety of other collection efforts. (Measure: total overpayments recovered in the Fiscal Year/total overpayments established in the Fiscal Year)		89.08%	89.35%	88.53%	87.27%	85.00%	85.00%

Railroad Retirement Board - Fiscal Year 2026 Initial Performance Plan

RRB FY 2026 Initial Performance Plan		2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Fully Resourced Agency Request
STRATEGIC GOAL III: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources							
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): Jebby Rasputnis, 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	99.79%	99.90%	100% (through 3/31/23)	Not Available	99.00%	99.00%
	b) Sample post recurring payments	99.59%	99.68%	FY 2023 Post Study Suspended	Not Available	99.00%	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	97.58%	96.90%	96.82%	99.10% (through 12/31/23)	95.00%	97.00%
	b) Sickness	97.38%	98.53%	100%	97.21% (through 12/31/23)	95.50%	97.00%
III-B-3. Overall Initial Disability Determination Accuracy. (Measure: % of Case Accuracy)		83.30%	80.60%	Not Available	Not Available	95.00%	85.00%
III-B-4. Maintain the level of Railroad Retirement Act (RRA) improper payments below the OMB threshold. (Measure: Below 1.5%)		N/A ^{8/}	N/A ^{8/}	N/A ^{8/}	N/A ^{8/}	N/A ^{8/}	N/A ^{8/}
III-B-5. Achieve a return of at least \$3.60 for each dollar spent on program integrity activities. (Measure recoverable and savings per dollar spent)		\$7.38: \$1.00	\$6.99: \$1.00	\$8.62: \$1.00	Not Available	\$5.00: \$1.00	\$6.00: \$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). ^{9/}		Superseded by III-B-13	Superseded by III-B-13	Superseded by III-B-13	Superseded by III-B-13	Superseded by III-B-13	Superseded by III-B-13

Railroad Retirement Board - Fiscal Year 2026 Initial Performance Plan

RRB FY 2026 Initial Performance Plan	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Fully Resourced Agency Request
<i>STRATEGIC GOAL III: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency resources</i>						
<i>Strategic Objective: Ensure the accuracy and integrity of benefit programs.</i>						
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): Jebby Rasputnis, Deputy Director of Programs						
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). ^{u/}	Superseded by III-B-14	Superseded by III-B-14	Superseded by III-B-14	Superseded by III-B-14	Superseded by III-B-14	Superseded by III-B-14
III-B-8. Reduce the backlog of earnings report annuity adjustment cases by 20% (less than 12,000 for FY 2024). ^{u/}	Superseded by III-B-15	Superseded by III-B-15	Superseded by III-B-15	Superseded by III-B-15	Superseded by III-B-15	Superseded by III-B-15
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). ^{u/}	Superseded by III-B-16	Superseded by III-B-16	Superseded by III-B-16	Superseded by III-B-16	Superseded by III-B-16	Superseded by III-B-16
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). ^{u/}	Superseded by III-B-17	Superseded by III-B-17	Superseded by III-B-17	Superseded by III-B-17	Superseded by III-B-17	Superseded by III-B-17

Railroad Retirement Board - Fiscal Year 2026 Initial Performance Plan

RRB FY 2026 Initial Performance Plan	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Fully Resourced Agency Request
<i>STRATEGIC GOAL III: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources</i>						
<i>Strategic Objective: Ensure the accuracy and integrity of benefit programs.</i> 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): Jebby Rasputnis, Deputy Director of Programs						
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). ^u	Superseded by III-B-18	Superseded by III-B-18	Superseded by III-B-18	Superseded by III-B-18	Superseded by III-B-18	Superseded by III-B-18
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). ^u	Superseded by III-B-19	Superseded by III-B-19	Superseded by III-B-19	Superseded by III-B-19	Superseded by III-B-19	Superseded by III-B-19
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	Not Available	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	Not Available	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	Not Available	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	Not Available	80.0%	80.0%

Railroad Retirement Board - Fiscal Year 2026 Initial Performance Plan

RRB FY 2026 Initial Performance Plan	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Fully Resourced Agency Request
<i>STRATEGIC GOAL III: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources</i>						
<i>Strategic Objective: Ensure the accuracy and integrity of benefit programs.</i> 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): Jebby Rasputnis, Deputy Director of Programs						
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	Not Available	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	Not Available	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	Not Available	80.0%	80.0%

Railroad Retirement Board - Fiscal Year 2026 Initial Performance Plan

RRB FY 2026 Initial Performance Plan		2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Fully Resourced Agency Request
STRATEGIC GOAL III: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency resources							
Strategic Objective: Ensure effectiveness, efficiency, and security of operations.							
Goal leader: Richard Kramer, Deputy 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 Expectation. WWW.RRB.GOV Internet Services (Mainline and employer Reporting System) Continuous availability experienced by end users.	a) Continuous availability target	98.80%	99.76%	99.17%	99.82%	99.00%	99.00%
	b) Hours of outage allowed per month	8.83 Hours	1.67 Hours	5.79 Hours	1.33 Hours	7.00 Hours	7.00 Hours
III-C-3. Innovate – Design for Modularity. Strategy for Continuity of Operations Improvements.		Microsoft Azure Cloud: Yes	Microsoft Azure Cloud: Yes	Microsoft Azure Cloud: Yes	Decommission Legacy Disaster Recovery Site: Yes	Table Top Exercise: Yes	Table Top Exercise: Yes
III-C-4. Innovate – Adopt New Technologies. Percentage of investments that evaluated cloud alternatives.		100%	100%	100%	Performance Indicator Complete and Closed Starting in FY24	Performance Indicator Complete and Closed Starting in FY24	Performance Indicator Complete and Closed Starting in 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%	Performance Indicator Complete and Closed Starting in FY24	Performance Indicator Complete and Closed Starting in FY24	Performance Indicator Complete and Closed Starting in FY24
III-C-6. Protect – Percentage of agency employees required to use a Personal Identity Verification (PIV) card to authenticate.							
Unprivileged Network Users		> 54%	> 49%	> 83%	> 83%	> 85%	> 85%
Privileged Network Users		> 98%	>100%	> 100%	> 100%	> 100%	> 100%

Railroad Retirement Board - Fiscal Year 2026 Initial Performance Plan

RRB FY 2026 Initial Performance Plan	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Fully Resourced Agency Request
<i>STRATEGIC GOAL III: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency resources</i>						
<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

Footnotes:

- ^{1/} Fiscal Year 2024 actual results represent status as of March 31, 2024, unless otherwise noted.
- ^{2/} Planned amounts reflect the Fiscal Year 2025 performance targets shown in the RRB's Congressional Justification of Budget Estimates, released March 11, 2024.
- ^{3/} Fiscal Year 2024 amount includes \$126 million for Limitation on Administration account.
- ^{4/} Fiscal Year 2025 estimated amount includes \$126 million for Limitation on Administration account.
- ^{5/} 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.
- ^{6/} In Fiscal Year 2023, the ERSNet team worked diligently with BIS to complete projects projected to be in production by the end of the Fiscal Year. In Fiscal Year 2023, BIS was involved in the Main Frame Modernization Project, and we were competing with other teams for the few resources available. As a result, we were unable to meet our goal in Fiscal Year 2023. As the Main Frame Modernization Project continues into Fiscal Year 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 reassessed our goals for Fiscal Years 2025 and 2026 to relieve the demand we are placing on BIS.
- ^{7/} The payment accuracy rate is the percentage of dollars paid correctly as a result of adjudication actions performed.
- ^{8/} 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 Fiscal Year 2020 and Fiscal Year 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 Fiscal Year 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.
- ^{9/} Goals III-B-6 through III-B-12 were first published in the Fiscal Year 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 Fiscal Year 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.

Information Technology Modernization Program Initiatives

From 2018 through 2021, the RRB received 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 has been on modernization of our enterprise infrastructure supporting our enterprise productivity applications.

On December 13, 2022, the RRB was selected for an \$8.69M investment from GSA and OMB's Technology Modernization Fund (TMF) to improve the Customer Experience for our citizens.

Technology Modernization Funding

The goals of the investment, "Citizen-Centric Online Self-Services" (CCOSS), from GSA and OMB's Technology Modernization Fund (TMF) will implement new online self-services for the railroad community. In the first stage, the project will engage with railroad customers to create an intuitive user interface enabling them to make online self-updates of personal information for selected actions. Subsequent phases will modernize the sickness benefits application process so it can be completed online. Ultimately, the project also will enable railroad customers to obtain sickness application status updates online.

The RRB's first engagement with GSA 18F (18F) resulted in a recommendation that the RRB start its modernization efforts with its benefits administration system, and specifically with sickness benefits. Starting with a new, online sickness benefits administration system strikes a good balance in terms of complexity, ability to have user impact, and opportunity to establish a significant path forward for overall technical modernization at the RRB.

Building out this new system will also enable the RRB to make progress on several key technical goals, including moving onto more efficient, cost-effective, streamlined, and secure tools, platforms, and architecture, as well as building out a new data model. With a solid foundation in place, the RRB could then extend this work to other benefit lines and additional customer and account management features.

A new sickness benefits administration system-centered on the customer and RRB staff experience, is still a large first slice of work to tackle. 18F recommends focusing on an even thinner sub-slice of work. Thinner sub-slices will help the RRB deliver value sooner, test hypotheses, incorporate earnings and feedback more rapidly, and reduce risk, laying a strong foundation that the RRB can build upon and extend to additional sub-slices, benefit lines, and account management services. For the first sub-slice, 18F recommends starting with the sickness application process, as this gives the RRB the best chance to deliver value early and make tangible improvements for customers and staff.

The RRB would then be able to leverage what it has built, what it has learned in the process, and user feedback on the results to better inform priorities and plans for the next steps towards modernization.

Railroad Retirement Board - OMB Exhibits

Leveraging Use of Shared Services

Our use of shared services is a critical piece of our overall IT strategy. As an independent agency, we sought and are using shared services where appropriate and focusing on modernizing legacy systems unique to our mission of benefits administration for the rail industry. The RRB is a consumer of shared services for its operations in the areas of identity management from GSA's Login.Gov and cybersecurity from the Cybersecurity & Infrastructure Security Agency (CISA) and the Department of Justice.

In addition to supporting the day-to-day mission of the agency, the RRB has sought out the services of GSA's 18F team for assisting the agency with the TMF investment in providing:

- Agile software development training that focuses on creating project backlogs, managing sprints and backlogs, addressing risks and completing sprint cycles.
- Product planning training that focuses on vision setting, prioritization, and roadmap User-centered design training that will focus on user research, technical requirements, user story creation and prototyping.
- Agile procurement consulting services and training that focuses on helping to de-risk and select the best acquisition strategy. Pairing with the cross-functional program team and procurement officials, leveraging learnings from the user research and product planning phases of work, assist in creating a procurement strategy and solicitation that aligns with the product plan and user needs. Topics that might get covered include conducting market research, draft solicitation formation, learning the best suited contract types, modern proposal evaluation tactics, and how to establish and manage the best QASP for your procurement. Consult on a solicitation for agile development services.

The RRB has been working diligently with 18F on the Agile methodology-based acquisitions process. With 18F's assistance, the RRB has been able to refine the scope for the future development contractor, learn more about the agile contract process, and release a solicitation. Our proposal for the TMF request included three main components; create public facing online services such as change of address and change of direct deposit for the rail community; improve our agency's internal system interfaces and create a new online sickness benefit application for the rail community. The RRB initiated its first TMF project in Q4 Fiscal Year 2023 focused on the creation of new public facing services. The RRB will utilize agile contracting methods to identify a partner with the functionality required to access our data and provide intuitive end-user interfaces to aid in adoption and streamline benefit processing.

In Fiscal Year 2026, the agency will focus on moving to completion the Citizen-Centric Online Self-Services projects. As the RRB continues success in its modernization efforts, the RRB plans to propose additional TMF investments to continue modernizing the remaining major legacy applications.

Railroad Retirement Board - OMB Exhibits

Proposed Legislative Program for Fiscal Year 2026

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

This language, requested in Fiscal Year 2025, allows 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 2026 to remain available until expended in support of the Board's Information Technology Investment Initiatives.

The RRB is engaged in a successful, multi-year effort to modernize its information technology systems. The RRB proposed similar language in Fiscal Year 2025 and again requests this language in Fiscal Year 2026 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 2026 not needed for Fiscal Year 2026, not to exceed \$2,700,000 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. 118-47, *Fiscal Year 2024 Further Consolidated Appropriations Act*, and we request this language be maintained in our Fiscal Year 2026 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.

Railroad Retirement Board - OMB Exhibits

Energy Conservation Measures for Fiscal Year 2026

No funds are requested in the Fiscal Year 2026 Budget Submission for energy conservation measures.

Acquisition Training for Fiscal Year 2026

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 Office of Federal Procurement Policy (OFPP) in OMB policy letters. The RRB identified budgetary resources for Fiscal Year 2026 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; (2) maintain professional certifications required by OPM and (3) 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 Fiscal Year 2026 AWF training budget supports AWF staff to both complete their required training for attaining certification levels, appropriate to their position and AWF duties, as well as to sustain their acquisition acumen by completing appropriate targeted continuous education courses that further their competencies and enable them to execute their roles in the agency's acquisition mission. Notably the AWF training plan, supported by this budget request, will maximize the use of instructor-led virtual classroom training, where available and best suited to enable the learning objectives and competency development in the RRB AWF.

Railroad Retirement Board - OMB Exhibits

Evidence and Evaluation

As in the past, the following report is in accordance with OMB Circular A-11, Section 51.9. The discussion serves to document the agency's progress towards meeting requirements of the Foundations for Evidence-Based Policymaking Act of 2018 ("Evidence Act") (P.L. 115-435), OMB memos M-19-23 and M-20-12, the Presidential Memorandum entitled "Restoring Trust in Government Through Scientific Integrity and Evidence-Based Policymaking" (1/27/2021), OMB M-21-27, and the January 2022 Scientific Integrity Task Force Report entitled "Protecting the Integrity of Government Science." Further, this discussion references evidence-building proposals accounted for in the budget request.

The RRB is a non-CFO Act agency and is only required to address, and discuss, certain elements as detailed in OMB Memorandum M-19-23, *Phase I Implementation of the Foundations for Evidence-Based Policymaking Act of 2018: Learning Agendas, Personnel, and Planning Guidance*. Per the further guidance contained in OMB M-21-27, *Evidence-Based Policymaking: Learning Agendas and Annual Evaluation Plans*, the RRB, as a small agency, is "undertaking the activities outlined in [the] guidance to the extent practicable." Certain sections of the "Evidence Template" are not required for the RRB or other non-CFO Act agencies.

- The RRB created a full-time Chief Data Officer (CDO) during this reporting cycle, who continues to operate under the Chief Information Officer's purview.
- The RRB has a Data Governance Body (DGB) with membership representing each RRB Executive Committee member. The DGB members provide coordination and act as the spokesperson for their respective bureau/office.
- The RRB's Scientific Integrity Official (SIO) continues working with the CDO toward finding ways to implement the goals and guidance of the Presidential Memorandum regarding Evidence-Based Policymaking.
- The RRB formed a Scientific Integrity Compliance Team (SICT) to review OMB guidance on Evidence-Based Policymaking, which consists of the CDO, SIO, the Deputy Director of Administration and a CIO Representative.
- During this reporting cycle, the SICT continues to meet with the Office of Science and Technology Policy (OSTP). OSTP has reviewed the agency's draft Scientific Integrity policy. The SICT is developing a final draft of that policy and is creating a handbook for Scientific Integrity violation reporting. Due to shrinking staff, the SICT is not able to provide a solid anticipated release date for public release of the policy and handbook.

The RRB recognizes the importance of evidence and evaluation to understand and improve the efficiency and effectiveness of its programs and operations in pursuit of the agency's mission. The RRB's SICT established communications with the OSTP. Through this communication, the RRB will continue to update OMB on progress furthering the goals of evidence-based policymaking.

Railroad Retirement Board - OMB Exhibits

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

	2026 Estimates	
	Budget Authority	Outlays
060-0111-0-1-601		
Dual Benefits Payments Account.....	5,000	5,000
060-0113-0-1-601		
Federal Payments to the Railroad Retirement Accounts.....	2,366,049	2,366,049
060-8010-0-7-601		
Social Security Equivalent Benefit Account.....	9,274,900	9,266,100
060-8011-0-7-601		
Railroad Retirement Account.....	5,922,500	5,915,900
060-8118-0-7-601		
National Railroad Retirement Investment Trust.....	1,825,600	1,825,600
060-8237-0-7-601		
Limitation on Administration		
Agency Request level	206,185	206,185
Summary	2026 Estimates	
	Budget Authority	Outlays
Federal funds ^{1/}	2,371,049	2,371,049
Trust funds ^{2/}	17,023,000	16,943,000
Deductions for offsetting receipts:		
Intrafund transactions (Advances) ^{3/}	-5,367,100	-5,367,100
Intrafund transactions (NRRIT transfers) ^{3/}	-1,761,000	-1,761,000
Proprietary receipts from the public ^{4/}	-184,680	-184,680
Interfund transactions ^{5/}	<u>-2,366,049</u>	<u>-2,366,049</u>
TOTAL	<u>9,715,220</u>	<u>9,635,220</u>

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

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

^{3/} Represents the estimated advances RRB plans to borrow from Treasury in anticipation of the annual financial interchange transfer from the Social Security Administration's Old Age and Survivors Insurance and Disability Insurance (OASDI) Funds of \$5,367,100 and a transfer of \$1,761,000 from the NRRIT to the Railroad Retirement Account.

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

^{5/} Represents budget authority and outlays for the Federal Payments to the Railroad Retirement Accounts.