

# PERFORMANCE BUDGET



*Fiscal Year 2005*

---

**U. S. Railroad Retirement Board**

**TABLE OF CONTENTS**

Introduction..... 36

Mission Statement..... 37

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

    Performance Goal I-A: Pay benefits accurately and timely ..... 38

    Performance Goal I-B: Provide relevant, timely and accurate information which is easy  
    to understand ..... 39

    Performance Goal I-C: Provide a range of choices in service delivery methods ..... 39

    Performance Goal I-D: Ensure efficient and effective business interactions with covered  
    railroad employers ..... 39

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

    Performance Goal II-A: Ensure that trust fund assets are projected, collected, recorded,  
    and reported appropriately..... 40

    Performance Goal II-B: Ensure the integrity of benefit programs ..... 40

    Performance Goal II-C: Ensure effectiveness, efficiency, and security of operations ..... 41

    Performance Goal II-D: Effectively carry out the responsibilities of the Railroad Retirement  
    Board under the Railroad Retirement and Survivors’ Improvement Act of 2001 with respect  
    to the activities of the National Railroad Retirement Investment Trust ..... 43

Information Security Program ..... 44

Exhibit 1: Initial Performance Budget - FY 2005 ..... 45

## **Introduction**

The Railroad Retirement Board (RRB) has developed this performance budget for fiscal year 2005 to support our mission (see Figure 1 on page 37) 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 renewed 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.

*The RRB has a long and distinguished tradition of excellence in serving our customers. In fiscal year 2002, we met or exceeded 77 percent of the reportable indicators in our performance budget.*

*A survey ranked the RRB's web site 12<sup>th</sup> out of 148 Federal government web sites that were studied for excellence.*

This plan is closely linked to our **Strategic Plan for Fiscal Years 2003 - 2008** and can be easily cross-referenced to that plan. The President's budget identified a set of government-wide reforms that agencies are expected to carry out over the next several years. These reforms are reflected in this performance budget in order to communicate our intentions for meeting these challenges. We will hold managers accountable for achieving these reforms, thereby making our agency more citizen-centered, results-oriented, and market-based.

The performance budget provides detailed performance goals, performance indicators and target levels to guide agency managers as they implement our Strategic Plan. It also communicates our plans to our stakeholders, including the railroad community, the Administration, the Congress, and other government agencies. It is one part of a comprehensive set of interlocking plans that cover all major aspects of agency operations. In this plan, we have established specific performance goals (with performance indicators and projected performance levels) to be achieved in fiscal year 2005. Additionally, it supports our other functional plans required to manage the agency. These functional plans include the **Customer Service Plan**, the **Strategic Information Resources Management (IRM) Plan**, and the **Information Technology (IT) Capital Plan**. These plans reflect input and feedback from our stakeholders, and they result in the annual submission of the agency budget to OMB and the Congress.

*In fiscal year 2002, the RRB's unemployment/sickness insurance program earned a score of 75 in an American Customer Satisfaction Index (ACSI) survey, 5 points higher than the current overall Federal government score. In fiscal year 2001, we received an ACSI score of 82 for the initial retirement program.*

The RRB's strategic and performance goals are presented on pages 38-43. Information on anticipated performance in fiscal year 2005 for each performance goal, at the President's \$102 million budget level and at the agency's request level of \$110.9 million, is provided in Exhibit 1.

In support of the President's Management Agenda initiative to improve financial performance, by

November 15, 2005, we will prepare and submit to the President and the Congress a report on program performance for fiscal year 2005, as part of our combined Performance and Accountability Report. The report will be audited by the RRB's Office of Inspector General (OIG) to help ensure the reliability and utility of our performance reports. The reported information will be derived from agency systems and will compare the performance goals and indicators to actual program performance for that fiscal year. This performance budget meets the requirements of the Government Performance and Results Act (GPRA) and was prepared by RRB employees.

Figure 1

***RAILROAD RETIREMENT BOARD  
MISSION STATEMENT***

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

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

**Strategic Goal I: *Provide Excellent Customer Service.*** We aim to satisfy our customers' expectations for quality service both in terms of service delivery options and levels and manner of performance. At the President's budget level, we plan to allocate \$77,324,000 and 769 full-time equivalent employees to this goal. At the agency request level, we are requesting \$84,128,000 to fund 818 full-time equivalent employees to maintain our high level of customer service. We have established four performance goals that focus on the specifics of achieving this strategic goal.

**Performance Goal I-A: *Pay benefits accurately and timely.*** The RRB is committed to ensuring that we pay the right benefits to the right people in a timely manner. We have a number of measures in place to track the accuracy and timeliness of the actions we take in a year, both in Railroad Retirement Act (RRA) and Railroad Unemployment Insurance Act (RUIA) programs.

The principal indicators of **accuracy** are the benefit payment and case 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. (Payment accuracy is defined as the percentage of dollars paid correctly as a result of the adjudication action performed.) We have also established case accuracy goals (the number of cases paid without material error/the number of cases paid) so that at least 94 percent of cases handled under the RRA are accurate, and that at least 97 percent of those paid under the RUIA are handled correctly. To accomplish these goals, we will:

- *Monitor payment and case accuracy and identify problems.*
- *Provide feedback and take additional preventive actions as appropriate.*
- *Ensure accurate, up-to-date, accessible instructions to support our front-line employees as they provide customer support.*
- *Inform our customers about their responsibilities.*
- *Ensure that the Customer Service Plan is comprehensive and is revised when appropriate.*
- *Monitor key payment workloads.*

The President's Management Agenda includes a government-wide initiative for improved financial performance through the reduction of improper payments. The U.S. General Accounting Office has identified the systematic measurement of the extent of improper payments as a key step in addressing this problem. The RRB is evaluating current OMB guidance to assist in developing a methodology for estimating improper payments. Once this methodology is implemented, we can determine if the improper payments are significant enough to require corrective action, how much to cost-effectively invest in internal controls to correct any problems, and the impact of the actions taken to reduce improper payments.

Benefit payment accuracy rates have historically exceeded 99 percent. However, adequate funding is needed to continue high levels of payment accuracy. Without adequate funding, payment accuracy will decline.

Our performance in the area of benefit **timeliness** is also a key indicator of our customer service. Although we have consistently achieved timeliness rates well in excess of 90 percent in almost all areas of claims processing, we must acknowledge our continued inability to achieve higher goals for timeliness in the disability program. In spite of significant improvements in this area over the past several years, we realize that our current goals, which are restricted by our limited available resources, are still not high enough to satisfy our customers' needs and expectations. We will continue to strive for improved performance in this area and to achieve higher goals in future years.

**Performance Goal I-B: Provide relevant, timely, and accurate information which is easy to understand.** In addition to making payments, we provide a variety of information to our customers. We provide general information through our website, publications, and our toll-free automated Help Line. We also provide information to individuals through annual statements of wages and compensation, annuity estimates, notices of annuity and benefit awards and changes, annual income tax statements, and answers to questions regarding benefits. It is important that we provide this information in a timely manner and in ways that are accessible and responsive to the individual's needs. The information must also be meaningful to the customer and easy to understand. The timeliness of our information is measured by how well we succeed in achieving the levels of service designated in our Customer Service Plan and by maintaining acceptable workload balances. Customer feedback through American Customer Satisfaction Index (ACSI) surveys and directly from customers will help us determine if the information we are providing satisfies the customer's needs and expectations. To accomplish this, we will:

- *Listen to our customers to determine their expectations and whether those expectations are being met.*
- *Adjust our Customer Service Plan or our processes, based on customer feedback.*
- *Monitor key informational workloads.*
- *Focus on interactive electronic solutions that provide immediate responses and intermediate status updates.*
- *Fully develop a Customer Care Support System.*

**Performance Goal I-C: 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 deliver service when, where and how our customers want it. Our customers have indicated strongly that they want us to continue personal service. We intend to do so through our nationwide network of local district offices. We will also take advantage of technological developments that will satisfy our customers.

Our level of performance will be measured by how well we succeed in providing the level of service our customers expect, and by the number of new electronic services we can provide in each program at reasonable cost. Our goal is to expand customer choice by offering alternative access to our major services. To achieve this objective, over the course of the next 5 years, we plan to:

- *Provide our customers with information as well as the ability to apply for benefits over the Internet.*
- *Provide additional services through the interactive voice recognition telephone system.*
- *Seek customers' service delivery preferences.*

**Performance Goal I-D: Ensure efficient and effective business interactions with covered railroad employers.** To correctly pay benefits, the RRB must receive timely and accurate reports of the wages and service months of covered employees. It is the responsibility of the employer to provide these reports with respect to its employees. To ensure the receipt of accurate and timely annual reports, as well as the proper filing of other reports and forms, the RRB must strive for a system of reporting which is easily understood, places minimal burden on employers and ensures compliance with the applicable laws. To accomplish this, the RRB intends to:

- *Continue to develop a system whereby the employer can conduct daily business transactions and file required reports over a secure website.*
- *Continue to look for ways to encourage employers to file accurate and timely annual service and compensation reports.*

- *Monitor the number and types of protests by employees disputing the accuracy of their service and compensation records.*

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

**Resources.** The RRB is committed to fulfilling its fiduciary responsibilities to the rail community. At the President's budget level, we plan to allocate \$24,676,000 and 226 full-time equivalent employees to this goal. At the agency request level, we are requesting \$26,810,000 to fund 240 full-time equivalent employees to maintain our high level of stewardship. We have established four objectives that focus on this goal.

**Performance Goal II-A: Ensure that trust fund assets are projected, 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, our financial projections, debt collection, experience-based contribution rates, and payroll tax and railroad employee compensation reconciliations. To accomplish this commitment, we will:

- *Continue to issue annual audited financial statements.*
- *Continue to perform the RRB's actuarial valuations and financial projections.*
- *Continue to estimate the RRB's funding requirements for the Dual Benefits Payments Account.*
- *Continue to carry out the RRB's debt collection policy.*
- *Continue to accurately and timely determine the experience-based contribution rates required under the unemployment and sickness insurance program.*
- *Verify that payroll taxes are fully collected and properly recorded.*

In January 2003, the RRB's Office of Inspector General issued an unqualified ("clean") opinion on the RRB's 2002 financial statements. In their evaluation of internal controls, the OIG noted two material weaknesses. While RRB management does not agree that there is a material weakness in the overall control environment, significant efforts are underway to correct a material weakness regarding information security training and access controls. In support of the President's initiative to improve financial performance, we will prepare and submit to the President and the Congress a combined Performance and Accountability Report, beginning with fiscal year 2003.

**Performance Goal II-B: Ensure the integrity of benefit programs.** As part of our fiduciary responsibilities to the rail community, we must ensure that the correct amount of benefits is 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 and Medicaid Systems' utilization and death records, the Office of Personnel Management's benefit records, and State wage reports, usually via computer tapes, and administer other benefit monitoring programs to identify and prevent erroneous payments. We also refer some cases to the RRB's Office of Inspector General for investigation. After investigation, the Inspector General may pursue more aggressive collection methods, which include civil and criminal prosecution.

We measure the effectiveness of the matching programs each year by comparing the dollars collected or saved through these initiatives to their cost. For example, in fiscal year 2002, the RRB invested almost 28 full-time equivalent employees at a cost of approximately \$1.9 million, in program integrity efforts. This resulted in \$9.7 million in recoveries, \$483,000 in benefits denied, and the referral of 135 cases to the Office of Inspector General for investigation. This is approximately \$5.48 in savings for each dollar invested in these activities.

To accomplish this objective, we will conduct comprehensive and integrated monitoring activities to identify and prevent erroneous payments:

- *Maintain established matching programs.*
- *Explore opportunities for additional matching programs where cost-effective.*
- *Continue our program integrity reviews.*

**Performance Goal II-C: Ensure effectiveness, efficiency, and security of operations.** How we do our business is a critical component of good stewardship. The RRB is committed to effective, efficient and secure internal operations. Many factors and programs contribute to this goal. We have ongoing programs which help us assess our performance in these areas. 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 swift, aggressive corrective action. In addition, we perform a variety of quality assurance activities to ensure that our benefit programs comply with established policies, standards and procedures. We consider the findings from these reviews as we plan our information technology initiatives. To achieve our goals for efficient, effective and secure operations, we will:

- *Continue to develop an effective succession planning program.*
- *Ensure the privacy and security of our customers' transactions with the RRB.*
- *Improve our ability to control and monitor information technology investments.*
- *Continue to seek ways to increase competitive sourcing opportunities.*
- *Make greater use of performance-based contracts.*
- *Expand our participation in e-Government initiatives.*
- *Request additional funding for information technology initiatives under the RRB's Enterprise Architecture Capital Asset Plan.*

<b>Fiscal Year 2005 Information Technology Capital Plan Investments at the Agency Request Level</b>	
Mainframe .....	\$175,000
System development tools .....	100,000
Network/server operations .....	250,000
Standard workstation infrastructure.....	200,000
E-government .....	200,000
Information security .....	150,000
Enterprise architecture services .....	25,000
IT task orders .....	225,000
Subtotal at the \$102 million level .....	\$1,325,000
Standard workstation infrastructure.....	300,000
Total Investments.....	\$1,625,000
See the Information Technology tab for more information.	

In addition to our ongoing activities, during the planning period we will be placing special emphasis on strategic management of human capital, competitive sourcing and expanded electronic government. These have been identified as key areas in the President's Management Agenda.

**Strategic Management of Human Capital** -- The RRB has worked on several aspects of human capital management. Our focus has been on succession planning, organizational analysis and technology improvements.

We completed a detailed analysis of structural and historical data to enable us to analyze the patterns of retirement and project them into the future. This data enabled us to fully see that any succession problems will affect not only the top tiers of management, but also significantly affect those employees who currently face the customer directly. We not only need to better prepare current mid-level employees to be effective if promoted into the managerial ranks, but also prepare the lower-level employees who will



need different sets of skills to carry on agency business. In addition, we realize the impact of limited budget resources on our ability to hire new employees. To assist the agency in that area, the RRB has been granted early retirement authorization from the Office of Personnel Management for fiscal year 2003.

We have begun to analyze certain job families to create competency profiles of critical positions for which we have the greatest number of new employees. We are working with supervisors and employees to define the gaps that exist between necessary competencies and the employees' current skills. We used a training assessment profile developed by the U.S. Department of Agriculture to assess the employees' needs. At this time, employees and supervisors are working together to develop individual learning plans. To bridge the gap for some, the RRB has made available the Virtual University. RRB employees can take any course(s) they believe may assist them currently or in the future. These classes can be accessed not only at the employee's workstation, but also from remote locations so that learning can be done at home at the employee's convenience.

In the area of organizational analysis, we completed an analysis in fiscal year 2002 that identified opportunities to reduce managerial/supervisory positions or layers and to strengthen front line positions. Fiscal year 2003 has brought change of some top managerial positions in large organizational areas, and we are updating the analysis for use in planned reorganizations. In fiscal year 2004, we will again complete a full analysis of the agency's structure to assess the impact of technological, organizational, and employee changes to increase the ratio of employees to supervisors.

Technological improvements in the human resources environment have included the implementation of Employee Express. This has streamlined or eliminated much of the paperwork that was required, particularly during the various open seasons. In keeping with the President's consolidation of payroll systems, the RRB will be migrating to one of the four approved e-payroll systems. The migration effort will occur during 2004.

***Competitive Sourcing*** -- In 2001, the RRB listed 14 commercial activities on its FAIR Act inventory. In fiscal year 2002, the RRB completed a detailed study of its activities to ensure the accuracy of its inventory. We completed the fiscal year 2003 inventory in May 2003. The RRB completed public-private or direct conversion competitions on 5 percent of the FTE's listed on the FAIR Act inventory in fiscal year 2002. We are currently reviewing the revised OMB Circular A-76 to determine the impact on competitions in fiscal year 2003. For fiscal year 2005, our goal is to continue to meet the goals established by the Office of Management and Budget.

In 1994, the Office of Federal Procurement Policy (OFPP) developed a pilot project in which agencies volunteered to convert continuing contract requirements to performance-based service contracts (PBSC) when they came up for renewal. The RRB was one of eight agencies that participated in the pilot. This pilot demonstrated that the use of these methods should lead to more cost-effective acquisitions, better value and greater competition. OFPP's Best Practices Guide on PBSC cites the RRB program as an example of proactive management support and direction from the highest agency levels. In fiscal years 2003 and 2004, we will award contracts over \$25,000 using PBSC techniques for not less than 20 percent of the total eligible service contracting dollars.

***Expanded Electronic Government*** -- Our purchasing staff publishes all required and many optional procurement notices via an Internet connection to the government-wide point-of-entry web site ([www.FedBizOpps.gov](http://www.FedBizOpps.gov)). The notices include pre-solicitation and award notices, as well as market surveys. We have over 90 employees authorized to use Fast Pay Credit Card for rapid micro-purchases or other simplified acquisitions. In 2002, we competitively awarded a Blanket Purchasing Agreement to a

vendor to acquire office supplies, with a next business day delivery, by using an Internet-based ordering system.

Also, as one of the 24 initiatives under the e-Government goal of the President's Management Agenda, we are participating in the Integrated Acquisition Environment (IAE). The RRB has registered as a business partner to make use of electronic data exchange for intra-governmental

ordering and billing to reduce payment and collection problems. We expect to begin using this system through the intra-governmental transaction portal starting October 1, 2003, the OMB target date. We are assisting in implementing the President's August 2002 directive to establish an interagency disability web site. We are also participating with the Social Security Administration in the E-Vital project. In 2004, we will provide an online Retirement Planning Estimation program, the capability for customers to submit unemployment insurance applications online, and will continue to expand our online Employer Reporting capability.

We anticipate providing additional e-Government options to our customers, eventually allowing them to perform all primary functions electronically. Our immediate goal is to provide change of address and unemployment claims capabilities. The number and functionality of options provided will be constrained by available funding.

**Performance Goal II-D: Effectively carry out the responsibilities of the Railroad Retirement Board under the Railroad Retirement and Survivors' Improvement Act of 2001 with respect to the activities of 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 new National Railroad Retirement Investment Trust, 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 reports submitted by the Trust, the annual management reports submitted by the Trust, and the review of the annual audit reports of the Trust's financial statements.

The RRB has authority to bring civil action should these reviews indicate any violation of the Railroad Retirement Act or non-compliance with any of the provisions of the Act.

**Fiscal Year 2005 e-Government Initiatives**

*File an unemployment benefit claim online*  
*File a sickness benefit claim online*  
*Apply for an employee retirement annuity online*  
*Apply for a spouse retirement annuity online*  
*Provide change of address online*  
*Provide new or revised bank routing information online*

## **Information Security Program**

The RRB continues to take actions to strengthen its information security program as a whole. In fiscal year 2003, we continued to expand the agency's disaster recovery capability by conducting business impact analysis using contractual assistance. The Chief Security Officer who heads the Risk Management Group is responsible for the RRB's information security program; additional staffing includes an Information Technology (IT) Security Specialist and an IT Assurance Analyst. Contractual support has provided additional resources to address effective risk management for specialized areas, as needed.

Risk management at the RRB has been classified as either **strategic or operational**.

- **Strategic Risk Management:** The Chief Security Officer, who acts in the larger capacity of director of enterprise risk management, is responsible for strategic elements that include:
  - Planning and integrating enterprise-wide IT risk management policy, procedures and guidance.
  - Assisting business units in conducting certification and accreditation of the RRB's major applications and general support systems.
  - Coordinating agency-wide security policy as well as assessing and underwriting agency-wide security infrastructure and resource investments, and implementing effective enforcement solutions.
- **Operational Risk Management:** Various IT and business unit managers are responsible for day-to-day monitoring and management of the risk posture of the agency including the administration of access rights (e.g., passwords), ultimate accountability for the integrity of information assets usually associated with application design and information ownership, and security operations processes (research, monitoring, scanning, incident response management, reporting, and forensics).

RRB Administrative Circular IRM-8, The Information Security Program of the Railroad Retirement Board, identifies the responsibilities for security throughout the organization. During fiscal year 2005, the Risk Management Group will be involved in the following activities:

- responding to Corrective Action Plan (CAP) items identified during the fiscal year 2004 Federal Information Security Management Act (FISMA) annual review,
- utilizing intrusion detection tools and software to monitor network vulnerabilities and suspicious activity,
- conducting the fiscal year 2005 annual security review,
- ensuring that RRB security policies and procedures are up-to-date and effective,
- ensuring that security awareness training is provided, in all phases of system development life cycle activities, as required,
- ensuring maintenance of security plans for major applications and general support systems, and Continuity of Operations Plans, and
- handling other security-related responsibilities of the group.

The annual budget for the group during fiscal year 2005 will be approximately \$510,000, including salaries, benefits, training, and contractual assistance to perform audits and evaluations of systems or to provide expertise and guidance on preventative measures required to address the latest threats and vulnerabilities.

<b>Railroad Retirement Board FY 2005 Initial Performance Budget</b>	<b>2000 Actual (At \$90.7m)</b>	<b>2001 Actual (At \$94.9m)</b>	<b>2002 Actual (At \$97.6m)</b>	<b>2003 Projected (At \$99.35m)</b>	<b>2004 Request Level (At \$102.5m)</b>	<b>2004 President's Budget Level (At \$99.82m)</b>	<b>2005 Request Level (At \$110.9m)</b>	<b>2005 President's Budget Level (At \$102m)</b>	
<b>STRATEGIC GOAL I: Provide Excellent Customer Service</b>									
<b>Performance Goal I-A: Pay benefits accurately and timely.</b>									
1. Achieve a railroad retirement benefit payment recurring accuracy rate of at least 99%. <sup>1/</sup> (Measure: % accuracy rate)	Initial payments:	99.87%	99.89%	99.97%	99.50%	99.80%	99.00%	99.80%	99.00%
	Sample post recurring payments:	99.95%	99.98%	99.94%	99.50%	99.90%	99.00%	99.90%	99.00%
2. Achieve a railroad unemployment/sickness insurance benefit payment accuracy rate of at least 99%. <sup>1/</sup> (Measure: % accuracy rate)	Unemployment:	99.08%	99.34%	99.12%	98.00%	99.60%	97.50%	99.60%	96.50%
	Sickness:	100.0%	99.76%	99.94%	98.00%	99.80%	97.50%	99.80%	96.50%
3. Review benefit payment programs in accordance with the Improper Payments Information Act of 2002 and initiate action required under the Act. (Measure: Yes/No)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	Yes	Yes	
4. Achieve a railroad retirement case accuracy rate of at least 94%. <sup>1/</sup> (Measure: % of case accuracy)	Initial cases:	New indicator	New indicator	94.7%	90.0%	94.0%	90.0%	94.0%	90.0%
	Post cases:	New indicator	New indicator	98.2%	90.0%	97.0%	93.0%	97.0%	93.0%
5. Achieve a railroad unemployment/sickness insurance case accuracy rate of at least 97%. <sup>1/</sup> (Measure: % of case accuracy)	Unemployment:	New indicator	New indicator	98.1%	90.0%	97.0%	93.0%	97.0%	93.0%
	Sickness:	New indicator	New indicator	99.5%	90.0%	98.0%	94.0%	98.0%	94.0%

<sup>1/</sup> Payment Accuracy Rate – the percentage of **dollars** paid correctly as a result of adjudication actions performed.

Case Accuracy Rate – the percentage of **cases** that do not contain a material payment error. Case accuracy rates reflect only those errors that are detected as a result of reviewing award actions performed during the fiscal year being studied. (A material error is (1) an incorrect payment of \$5.00 or more at the point the error is identified, (2) an incorrect payment of less than \$5.00 totaling 1 percent or more of the monthly rate, or (3) any situation in which a non-entitled benefit is paid.)

<b>Railroad Retirement Board FY 2005 Initial Performance Budget</b>	<b>2000 Actual (At \$90.7m)</b>	<b>2001 Actual (At \$94.9m)</b>	<b>2002 Actual (At \$97.6m)</b>	<b>2003 Projected (At \$99.35m)</b>	<b>2004 Request Level (At \$102.5m)</b>	<b>2004 President's Budget Level (At \$99.82m)</b>	<b>2005 Request Level (At \$110.9m)</b>	<b>2005 President's Budget Level (At \$102m)</b>
6. Railroad retirement employee or spouse receives initial annuity payment, or a decision, within 35 days of annuity beginning date, if advanced filed. (Measure: % ≤ 30 processing days <sup>2/</sup> )	95.8%	95.6%	94.7%	92.5%	93.0%	91.0%	93.0%	91.0%
7. Railroad retirement employee or spouse receives initial annuity payment, or notice of denial, within 65 days of the date the application was filed, if not advanced filed. (Measure: % ≤ 60 processing days <sup>2/</sup> )	94.7%	95.2%	96.0%	93.0%	95.0%	92.0%	95.0%	92.0%
8. Survivor annuitant not already receiving a benefit receives initial payment, a decision, or notice of transfer to SSA within 65 days of the annuity beginning date, or date filed (whichever is later). (Measure: % ≤ 60 processing days <sup>2/</sup> )	78.3%	80.9%	81.4%	75.0%	80.0%	75.0%	80.0%	75.0%
9. Survivor annuitant receiving benefits as spouse receives payment as survivor, notice of denial, or notice of application transfer to SSA, within 35 days of RRB receipt of the notice of employee's death. (Measure: % ≤ 30 processing days <sup>2/</sup> )	93.8%	91.1%	91.3%	89.0%	90.0%	88.0%	90.0%	88.0%
10. Applicant for any railroad retirement death benefit receives payment, or notice of denial within 65 days of date filed. (Measure: % ≤ 60 processing days <sup>2/</sup> )	93.7%	93.7%	96.0%	90.0%	94.5%	88.0%	94.5%	88.0%
11. Unemployed railroad worker receives UI claim form, or notice of denial, within 15 days of the date application filed. (Measure: % ≤ 10 processing days <sup>2/</sup> )	98.8%	99.7%	98.7%	95.0%	98.0%	95.0%	98.0%	94.0%
12. Railroad employee unable to work due to temporary illness or injury, receives SI claim form, or notice of denial, within 15 days of the date application filed. (Measure: % ≤ 10 processing days <sup>2/</sup> )	99.3%	99.5%	99.3%	95.0%	97.0%	95.0%	98.0%	94.0%

<sup>2</sup> Allows 5 days for customer receipt.

<b>Railroad Retirement Board FY 2005 Initial Performance Budget</b>	<b>2000 Actual (At \$90.7m)</b>	<b>2001 Actual (At \$94.9m)</b>	<b>2002 Actual (At \$97.6m)</b>	<b>2003 Projected (At \$99.35m)</b>	<b>2004 Request Level (At \$102.5m)</b>	<b>2004 President's Budget Level (At \$99.82m)</b>	<b>2005 Request Level (At \$110.9m)</b>	<b>2005 President's Budget Level (At \$102m)</b>
13. Railroad employee, unemployed or unable to work due to temporary illness or injury, receives a payment for unemployment or sickness insurance benefits, or a decision, within 15 days of claim receipt. (Measure: % ≤ 10 processing days <sup>2/</sup> )	99.7%	99.7%	99.7 %	95.0%	98.0%	95.0%	99.0%	95.0%
14. Disabled applicant or family member receives notice of decision to pay or deny within 105 days of the date application for disability is filed. (Measure: % ≤ 100 processing days <sup>2/</sup> )	63.6%	56.5%	53.7%	55.0%	65.0%	55.0%	65%	53.0%
15. Disabled applicant receives payment within 25 days of decision or earliest payment date (whichever is later). (Measure: % ≤ 20 processing days <sup>2/</sup> )	94.1%	94.1%	94.2%	90.0%	93.5%	90.0%	93.5%	90.0%
16. Maintain an end-of-year normal carry-forward balance in targeted workload categories. (Measure: number on hand at end of year)	3,966	4,915	5,147	11,000	7,500	11,000	7,500	11,000
17. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: average elapsed days)	171	189	200	180	150	195	180	180
<b><i>Performance Goal I-B: Provide relevant, timely, and accurate information which is easy to understand.</i></b>								
1. Inquirer receives answer or acknowledgment of written correspondence within 15 days of receipt. (Measure: % ≤ 10 processing days <sup>2/</sup> )	97.6%	99.00%	98.9%	96.0%	98.0%	95.0%	98.0%	94.0%

<b>Railroad Retirement Board FY 2005 Initial Performance Budget</b>	<b>2000 Actual (At \$90.7m)</b>	<b>2001 Actual (At \$94.9m)</b>	<b>2002 Actual (At \$97.6m)</b>	<b>2003 Projected (At \$99.35m)</b>	<b>2004 Request Level (At \$102.5m)</b>	<b>2004 President's Budget Level (At \$99.82m)</b>	<b>2005 Request Level (At \$110.9m)</b>	<b>2005 President's Budget Level (At \$102m)</b>
2. Achieve quality and accuracy of correspondence, publications, and voice communications. (Measure: surveys and reviews; number of valid challenges to published data)	A special study of initial award letters is underway.	Completed study of initial award letters.	Draft report completed in FY 2002, as scheduled.	Deferred	Determine what actions can be taken to make improvements in our communications, as needed.	Deferred	Conduct an ACSI survey to obtain related data.	ACSI survey deferred
					The FY 2003 report on information complaints will be submitted to OMB by 01/01/04.	The FY 2003 report on information complaints will be submitted to OMB by 01/01/04.	The FY 2004 report will be submitted to OMB by 01/01/05.	The FY 2004 report will be submitted to OMB by 01/01/05.
3. Maintain the combined balance of unprocessed record corrections and cases requiring review for corrected tax statements below the end-of-year normal working level. (Measure: number on hand at end of year)	145	517	432	1,200	500	1,200	500	1,200
<b>Performance Goal I-C: Provide a range of choices in service delivery methods.</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: # of services available through electronic media)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	20 services available through electronic media	17 services available through electronic media
<b>Performance Goal I-D: Ensure efficient and effective business interactions with covered railroad employers.</b>								
1. Improve timeliness and efficiency in posting service and compensation data to agency records. (Measure: % of service and compensation records posted by April 15)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	95.0% (of employees)	95.0% (of employees)

<b>Railroad Retirement Board FY 2005 Initial Performance Budget</b>	<b>2000 Actual (At \$90.7m)</b>	<b>2001 Actual (At \$94.9m)</b>	<b>2002 Actual (At \$97.6m)</b>	<b>2003 Projected (At \$99.35m)</b>	<b>2004 Request Level (At \$102.5m)</b>	<b>2004 President's Budget Level (At \$99.82m)</b>	<b>2005 Request Level (At \$110.9m)</b>	<b>2005 President's Budget Level (At \$102m)</b>
2. Improve accuracy in posting service and compensation data to agency records. (Measure: % of service and compensation records posted accurately)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	95.0%	95.0%
3. Covered employer annual reports of employees filed electronically, or on magnetic media. (Measure: % of employee records filed electronically, or on magnetic media)	97.7%	97.45%	98.2%	96.0%	97.0%	96.0%	97.0%	97.0%
4. Enable employers to use the Internet to conduct business with the RRB, in support of the Government Paperwork Elimination Act. (Measure: % of employers who use the new online reporting process; # of services available through electronic media)	New indicator	New indicator	New indicator	We will conduct a survey of employers to determine the number that have Internet access.	50% 5 Internet services available	40% 3 Internet services available	50% 5 Internet services available	30% 3 Internet services available
5. Resolve problem situations with covered employers timely and appropriately. (Measure: % of reported problems resolved within 90 days)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	97.0%	95.0%
<b><i>STRATEGIC GOAL II: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources</i></b>								
<b><i>Performance Goal II-A: Ensure that trust fund assets are projected, collected, recorded and reported appropriately.</i></b>								
1. Debts will be collected through billing, offset, reclamation, referral to outside collection programs and a variety of other collection efforts. (Measure: funds collected vs. total debts outstanding)	New indicator	53%	64%	49%	49%	45%	49%	45.6%
2. Release quarterly and annual notices accurately and timely to employers regarding their experience rating based contributions. (Measure: Yes/No)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	Yes	Yes



<b>Railroad Retirement Board FY 2005 Initial Performance Budget</b>	<b>2000 Actual (At \$90.7m)</b>	<b>2001 Actual (At \$94.9m)</b>	<b>2002 Actual (At \$97.6m)</b>	<b>2003 Projected (At \$99.35m)</b>	<b>2004 Request Level (At \$102.5m)</b>	<b>2004 President's Budget Level (At \$99.82m)</b>	<b>2005 Request Level (At \$110.9m)</b>	<b>2005 President's Budget Level (At \$102m)</b>
3. Complete compensation reconciliations at least 1 year before the statute of limitations expires. (Compensation reconciliations involve a comparison of compensation reported by railroad employers to the RRB for benefit calculation purposes with compensation reported to the IRS for tax purposes.) (Measure: % completed)	100% of the 1997 reconciliations by 02/28/2000.	100% of the 1998 reconciliations by 02/26/2002.	100% of the 1999 reconciliations by 02/15/2002.	100% of the 2000 reconciliations by 02/18/2003. (Actual)	100% of the 2001 reconciliations by 02/28/2004.	75% of the 2001 reconciliations by 02/28/2004.	100% of the 2002 reconciliations by 02/28/2005.	75% of the 2002 reconciliations by 02/28/2005.
4. Perform monthly reasonableness tests comparing railroad retirement taxes deposited electronically, which represent over 99 percent of all railroad retirement taxes, against tax receipts transferred to the RRB trust funds by the Department of the Treasury (Treasury) to provide reasonable assurance the RRB trust funds are receiving appropriate tax funds. (Measure: reasonableness test performed and anomalies reconciled with Treasury (Yes/No))	New indicator	New indicator	New indicator	Yes	Yes	Yes	Yes	Yes
5. Prepare annual Performance and Accountability Reports (including audited financial statements and other financial and performance reports) by the required due dates. (Measure: Yes/No)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	Yes	No. The annual performance and accountability report will be prepared, but not by the required due date.
6. Take prompt corrective action on audit recommendations. (Measure: % of audit recommendations implemented by target date)	87.8%	91.7%	94.4%	80%	90%	80%	90%	80%

<b>Railroad Retirement Board FY 2005 Initial Performance Budget</b>	<b>2000 Actual (At \$90.7m)</b>	<b>2001 Actual (At \$94.9m)</b>	<b>2002 Actual (At \$97.6m)</b>	<b>2003 Projected (At \$99.35m)</b>	<b>2004 Request Level (At \$102.5m)</b>	<b>2004 President's Budget Level (At \$99.82m)</b>	<b>2005 Request Level (At \$110.9m)</b>	<b>2005 President's Budget Level (At \$102m)</b>
<i>Performance Goal II-B: Ensure the integrity of benefit programs.</i>								
1. Achieve a return of at least \$3.60 for each dollar spent on program integrity activities. (Measure: \$ recoveries & savings per \$ spent)	\$4.16 : \$1	\$5.47 : \$1	\$5.48 : \$1	\$3.80 : \$1	\$3.80 : \$1	\$3.80 : \$1	\$5.00 : \$1	\$3.80 : \$1
2. Maintain active wage matches with all 50 States to ensure the accuracy of benefit payments. (Measure: # of States matching)	50 States, plus Puerto Rico & Washington, DC	50 States, plus Puerto Rico & Washington, DC	50 States, plus Puerto Rico & Washington, DC	50 States, plus Puerto Rico & Washington, DC	50 States, plus Puerto Rico & Washington, DC	50 States, plus Puerto Rico & Washington, DC	50 States, plus Puerto Rico & Washington, DC	50 States, plus Puerto Rico & Washington, DC
3. Ensure ongoing entitlement to disability by conducting continuing disability reviews. (Measure: # of continuing disability reviews on hand at the end of year does not exceed normal working balance. (Yes/No.))	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	Yes	No
<i>Performance Goal II-C: Ensure effectiveness, efficiency, and security of operations.</i>								
1. Continue succession planning by ensuring there is a cadre of highly skilled employees available for key positions. (Measure: # of position types (descriptions) for which core competencies have been defined	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	3	1
# of employees whose skills have been assessed	New indicator	New indicator	New indicator	New Indicator	New Indicator	New Indicator	93	43
# of employees involved with skills-enhancement programs)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	93	43
2. Annually assess/update all computer security, disaster recovery, and business resumption plans for the agency. (Measure: Yes/No)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	Yes	Yes
3. Develop and implement new procedures for responding to and reporting computer security incidents. (Measure: Yes/No)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	Yes	Yes

<b>Railroad Retirement Board FY 2005 Initial Performance Budget</b>	<b>2000 Actual (At \$90.7m)</b>	<b>2001 Actual (At \$94.9m)</b>	<b>2002 Actual (At \$97.6m)</b>	<b>2003 Projected (At \$99.35m)</b>	<b>2004 Request Level (At \$102.5m)</b>	<b>2004 President's Budget Level (At \$99.82m)</b>	<b>2005 Request Level (At \$110.9m)</b>	<b>2005 President's Budget Level (At \$102m)</b>
4. Assess computer security training requirements and implement an ongoing training program for agency staff. (Measure: Yes/No)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	Yes	Yes
5. Implement a methodology to successfully estimate, track and monitor total costs and time schedules for information technology investments through the project life cycle, incorporating both web and mainframe investments. (Measure: Yes/No)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	Yes	No
6. Assemble and publicize an annual inventory of RRB commercial activities on the RRB Website. (Measure: Yes/No)	New indicator	Yes	Yes (The annual inventory has been submitted to OMB.)	Yes	Yes	Yes	Yes	Yes
7. Complete public-private competitions on the required activities listed on the Federal Activities Inventory Reform (FAIR) Act inventory. (Measure: % of the FTE's listed on the FAIR Act inventory for which competitions completed)	New indicator	New indicator	5%	We are reviewing the revised circular to determine the impact on competitions.	Meet target level established by OMB	Meet target level established by OMB	Meet target level established by OMB	Meet target level established by OMB
8. Meet government percentage goal for use of performance-based contracting techniques for eligible service contract funds. (Measure: Yes/No)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	Yes	Yes
9. Support government-wide procurement e-Government initiatives using the point of entry vehicle of <a href="http://www.FedBizOpps.gov">www.FedBizOpps.gov</a> for all eligible actions. (Measure: Yes/No)	New indicator	New indicator	New indicator	New indicator	New indicator	New indicator	Yes	Yes
10. Complete migration from the agency's current payroll system to the consolidated Federal e-Payroll system. (Measure: Meet target dates for the migration. Yes/No)	New indicator	New indicator	New indicator	New indicator	Yes	Yes	Yes	Yes

<b>Railroad Retirement Board FY 2005 Initial Performance Budget</b>	<b>2000 Actual (At \$90.7m)</b>	<b>2001 Actual (At \$94.9m)</b>	<b>2002 Actual (At \$97.6m)</b>	<b>2003 Projected (At \$99.35m)</b>	<b>2004 Request Level (At \$102.5m)</b>	<b>2004 President's Budget Level (At \$99.82m)</b>	<b>2005 Request Level (At \$110.9m)</b>	<b>2005 President's Budget Level (At \$102m)</b>
11. Implement a methodology to determine unit costs of key production workloads. (Measure: # of key workloads with unit cost information )	Deferred	Deferred	A methodology for disability processing has been developed.	Deferred	1 workload	Deferred	1 workload	Deferred
12. Achieve specific goals for unit costs of key workloads for years subsequent to implementation of new methodology. (Measure: #of unit cost goals achieved)	Deferred	Deferred	Deferred	Deferred	1 workload	Deferred	1 workload	Deferred
<b>Performance Goal II-D:</b> Effectively carry out the responsibilities of the Railroad Retirement Board under the Railroad Retirement and Survivors' Improvement Act of 2001 with respect to the activities of the National Railroad Retirement Investment Trust.								
1. Review monthly reports submitted by the Trust. (Measure: Yes/No)	New indicator	New indicator	New indicator	New indicator	Yes	Yes	Yes	Yes
2. Review annual management reports submitted by the Trust. (Measure: Yes/No)	New indicator	New indicator	New indicator	New indicator	Yes	Yes	Yes	Yes
3. Review annual audit reports of the Trust's financial statements. (Measure: Yes/No)	New indicator	New indicator	New indicator	New indicator	Yes	Yes	Yes	Yes