

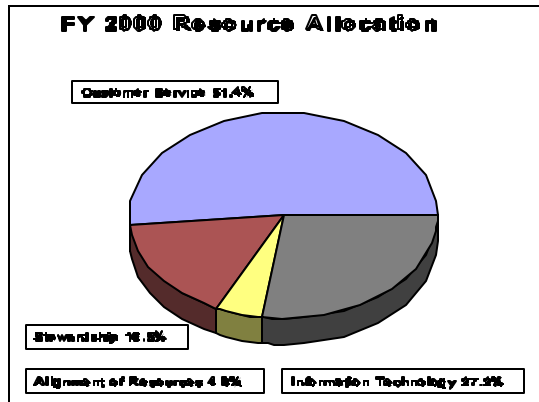
Railroad Retirement Board
Annual Program Performance Report
Fiscal Year 2000

The Government Performance and Results Act (GPRA) requires Federal agencies to submit annual program performance reports to the President and the Congress. The report is to cover the agency's program and operational activities during the previous fiscal year, and provide information on actual performance and progress in achieving the goals and objectives presented in the agency's Strategic Plan and Annual Performance Plan. Actual performance is to be compared to the specific projected performance levels shown in the agency's Annual Performance Plan. Explanations are to be provided where target levels were not achieved.

In accordance with GPRA, this report presents the Railroad Retirement Board's (RRB's) comparison of actual performance results with the goals and objectives specified in its Strategic Plan for 1997-2002 and its Annual Performance Plan for Fiscal Year 2000. Following a brief introduction is a detailed comparison of planned versus actual performance for fiscal year 2000, with comparable performance information provided for fiscal years 1998 and 1999. We also provide an explanation for non-achievement of any performance goals. To provide reasonable assurance that the reported performance information is relevant and reliable, performance goals have been incorporated into performance standards for managers and supervisors, monitored on an agency-wide basis, and made subject to audit by the agency's Office of Inspector General, as part of our annual financial statements. Accordingly, we believe the performance information included in this annual report to be accurate and valid. This performance report was prepared by RRB employees.

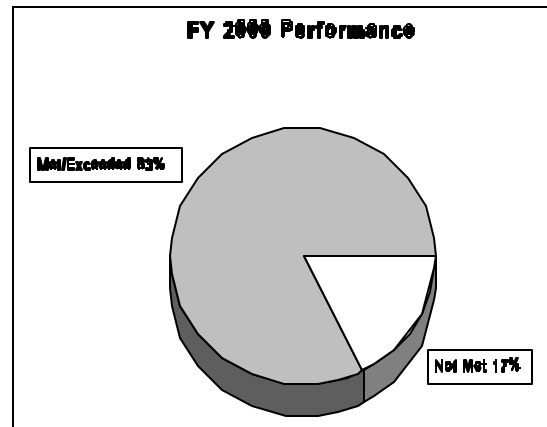
Over the last several years, the RRB has restructured its operations and has implemented

significant automation initiatives and other improvements. Because of these accomplishments, the RRB is able to operate with reduced resources and is continuing to streamline its operations with the assistance of information technology. We believe that continued investments in information technology will allow us to meet or exceed our customer service goals efficiently. As the chart on the left shows, we devote most of our budgetary resources to customer service and information technology.



Our fiscal year 2000 results are encouraging. We met or exceeded planned performance levels for 38 out of 46 reportable indicators. Of the remaining

eight, we came close to the planned levels for many of them. For example, we planned to achieve a 65% timeliness rate for initial railroad retirement disability applications, and achieved a timeliness rate of 63.6%, a considerable improvement over the fiscal year 1999 rate of 50.6%. When compared to actual fiscal year 1999 results, our fiscal year 2000 performance was equal to, or better, in most categories. Our fiscal year 2000 Federal Managers- Financial Integrity Act



(FMFIA) report¹ concluded that we have achieved overall compliance with the requirements of the FMFIA. In preparing this report, we considered the Inspector General's February 18, 2000 Report on Internal Controls². Although he concluded that the RRB's overall control environment is a material weakness, after careful consideration, we continue to conclude that sufficient corrective action has been taken, and the overall control environment is not a material weakness.

Actual fiscal year 2000 performance was considered in setting the levels of performance in our Annual Performance Plan for Fiscal Year 2001. The indicators we developed support our mission and communicate our awareness and intentions for meeting challenges and seeking opportunities for greater efficiency, effectiveness and economy. To achieve our performance goals, the RRB holds managers accountable for achieving program results and improving program effectiveness by focusing on results, service quality, and customer satisfaction. In addition, the plan is used 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.

¹ Copy available upon request by calling (312)-751-4930.

² Copy available upon request by calling (312)-751-4690.

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Railroad Retirement Board	Actual 1998	Actual 1999	Planned 2000	Actual 2000	
Strategic Goal I: We Will Provide Excellent Customer Service	FTEs: 673	689	640	644	
	Funds: \$48,379,000	\$47,574,000	\$47,430,683	\$46,599,719	
Performance Goal I-A: Optimize accuracy in providing benefits.					
1. Achieve a railroad retirement benefit payment accuracy rate of at least 99%. [Excludes the supplemental annuity component of employee annuities.] (Measure: % Accuracy rate)	Initial payments:	99.64%	99.68%	99.40%	99.87%
	Post payments:	99.95%	99.91%	99.60%	99.95%
2. Achieve a railroad unemployment/sickness insurance benefit payment accuracy rate of at least 99%. (Measure: % Accuracy rate)	Unemployment:	99.80%	100.0% 1/	99.50%	99.08%
	Sickness:	99.60%	99.92% 1/	99.60%	100%
Performance Goal I-B: Make payments timely.					
1. Railroad retirement employee or spouse receives initial annuity payment, or notice of denial, within 35 days of annuity beginning date, if advanced filed. (Measure: % # 35 days)	94.3%	94.6%	89%	95.8%	
2. 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: % # 65 days)	91.9%	93.1%	87%	94.7%	
3. Survivor annuitant not already receiving a benefit receives initial payment, notice of denial, or notice of transfer to SSA within 65 days of the annuity beginning date, or date filed (whichever is later). (Measure: % # 65 days)	76.5%	77.3%	70%	78.3%	
4. 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: % # 35 days)	90.0%	90.7%	85%	93.8%	
5. Applicant for any railroad retirement death benefit receives payment, or notice of denial, within 65 days of date filed. (Measure: % # 65 days)	91.0%	93.8%	80%	93.7%	
6. Unemployed railroad worker receives UI claim form, or notice of denial, within 15 days of the date application filed. (Measure: % # 15 days)	97.10%	99.00%	95.0%	98.8%	
7. 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: % # 15 days)	99.20%	99.00%	95.0%	99.3%	

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Railroad Retirement Board	Actual 1998	Actual 1999	Planned 2000	Actual 2000
8. 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: % # 15 days)	99.20%	99.50%	95.0%	99.7%
9. 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: % # 105 days)	28.1%	50.6%	65%	63.6%
10. Disabled applicant receives payment within 25 days of decision or earliest payment date (whichever is later). (Measure: % # 25 days)	84.2%	90.0%	88%	94.1%
11. Maintain an end-of-year normal carry-forward balance of 11,055 cases or less in 8 targeted workload categories. (Measure: number on hand at end of year)	5,264	3,636	5,600	3,966
12. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: average elapsed days)	New indicator	203	220	171
Performance Goal I-C: Provide relevant, timely, and accurate information which is easy to understand.				
1. Inquirer receives answer or acknowledgment of written correspondence within 15 days of receipt. (Measure: % # 15 days)	98.2%	99.00%	98.00%	97.6%
2. Achieve quality and accuracy of correspondence, publications, and voice communications. (Measure: Surveys & reviews)	During FY 1999, we will establish a methodology to measure our performance in this area.	Developed a plan of activities over the next several years to measure quality and accuracy.	Deferred	A special study of award letters is underway. It will be completed in fiscal year 2001.
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 (1,200 items). (Measure: number on hand at end of year)	550	170 (Revised)	-550	145
Performance Goal I-D: Provide a range of choices in service delivery methods.				
1. Offer service for the retirement program by telephone, interactive voice response (IVR), mail, personal computer and in person via field offices and itinerant service. (Measure: # of choices)	5 choices	5 choices	5 choices	5 choices
2. Offer service for the unemployment/sickness program by telephone, IVR, mail, personal computer and in person via field offices and itinerant service. (Measure: # of choices)	5 choices	5 choices	5 choices	5 choices

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3. Customer feedback. (Measure: Surveys & reviews)	Customer satisfaction survey forms being revised and will be available in district offices in FY 1999.	Comprehensive survey deferred due to lack of funding. Revised customer satisfaction survey forms were available in district offices in February 1999.	Deferred	In fiscal year 2000, the agency developed a proposal to participate in the American Customer Satisfaction Index, with administration of an independent survey taking place during fiscal year 2001.
Performance Goal I-E: Ensure an efficient and effective reporting system for railroad employers.				
1. Railroad employer reports filed on time, without problems. (Measure: % of reports filed on time, without problems)	71.8% (Based on report problems)	52% (Based on report problems)	65% (Based on report problems)	38.55% (Based on report problems)
2. Railroad employer reports filed electronically, or on magnetic media. (Measure: % filed electronically, or on magnetic media)	96.1% (Of employees)	96.0% (Of employees)	96.0% (Of employees)	97.67% (Of employees)
Strategic Goal II: We Will Safeguard Our Customers- Trust Funds Through Prudent Stewardship	FTEs: 257	197	217	188
	Funds: \$17,960,000	\$14,549,000	\$16,028,368	\$14,978,816
Performance Goal II-A: Ensure the integrity of benefit programs through comprehensive and integrated monitoring and prevention programs.				
1. Maintain active wage matches with all 50 States to ensure the accuracy of benefit payments. (Measure: # of States matching)	50 States, Puerto Rico & Washington, DC	50 States, Puerto Rico & Washington, DC	50 States, Puerto Rico & Washington, DC	50 States, Puerto Rico & Washington, DC
2. Achieve a return of \$3.60 for each dollar spent on program integrity activities. (Measure: \$ recoveries & savings per \$ spent)	\$3.79 : \$1	\$4.69 : \$1	\$3.60 : \$1	\$4.16 : \$1
3. Perform continuing disability reviews. (Measure: # performed)	1,621	2,944	1,200	4,148
Performance Goal II-B: Ensure efficient operations through effective management control and quality assurance programs.				
1. Take prompt action to correct any material weaknesses. (Measure: # of material weaknesses open at beginning of fiscal year.)	2 open	1 open	0 open	0 open
2. Submit to the President and Congress the annual Federal Managers' Financial Integrity Act Report by December 31 st each year. (Measure: Date report submitted)	12/23/97	12/28/98	12/31/99	12/27/99
3. Resolve audit findings promptly. (Measure: # of audit recommendations to put	0 recommendations	0 recommendations	0 recommendations	0 recommendations

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Railroad Retirement Board	Actual 1998	Actual 1999	Planned 2000	Actual 2000
funds to better use that are not resolved within 6 months of report)				
4. Take prompt corrective action on audit recommendations. (Measure: % of audit recommendations implemented by target date)	Tracking system and FY 1999 goal established in FY 1998.	63.83%	65%	87.8%
Performance Goal II-C: Ensure that trust fund assets are projected, collected, recorded, and invested appropriately through an effective and efficient trust fund management program.				
1. Railroad Retirement Accounts market rate of return will exceed the Bloomberg index of Treasury notes and bonds with more than 1 year of maturity. (Measure: Yes/No) [Note: Future rates of return cannot be forecasted.]	Exceeded Bloomberg Index	Exceeded Bloomberg Index	Exceed Bloomberg Index	Exceeded Bloomberg Index
2. Debts will be collected through referrals to outside collection programs, including the Treasury Offset Program, Treasury cross-servicing, Federal Tax Offset Program, and private collection agencies. (Measure: funds collected)	\$882,818	\$1,747,354	\$800,000	\$1,335,169
3. Debts will be collected through a variety of other collection efforts. (Measure: funds collected (excludes II-C.2 collections))	New indicator	New indicator	\$54,400,000	\$61,880,957
4. 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 1995 reconciliations on 2/18/1998	100% of the 1996 reconciliations on 2/12/1999	100% of the 1997 reconciliations by 2/29/2000	100% of the 1997 reconciliations on 2/28/2000
5. Perform reconciliations between the amount of taxes shown as paid on each railroad CT-1 (employers Annual Railroad Retirement Tax Return) filed with the IRS, and the amounts received and deposited in the RRB trust funds accounts. (The IRS will send us the 1998 CT-1's in late 1999.) (Measure: % of dollars reconciled)	New indicator	New indicator	97.0%	82%
Strategic Goal III: We Will Align Resources to Effectively and Efficiently Meet Our Mission	FTEs: 46	40	39	47
	Funds: \$3,240,000	\$3,692,000	\$3,165,090	\$4,383,968
Performance Goal III-A: Align our resources using a performance approach based on contribution to mission.				
1. By 1999, implement a methodology to determine unit cost of key production workloads. (Measure: # of key workloads with unit cost information)	FY 1999 goal	1 workload	Deferred	Deferred
2. Set specific goals for unit costs of key workloads for years subsequent to implementation of new methodology. (Measure: # of unit cost goals)	FY 1999 goal	1 workload	Deferred	Deferred
3. Maintain or reduce the ratio of total administrative expenses to benefit outlays. (Measure: ratio of expenses to outlays)	Approx. \$1 : \$100	\$1.02 : \$100	Approx. \$1 : \$100	\$1.02 : \$100

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Performance Goal III-B: Strive to deliver service at the point-of-contact (A one and done®).				
1. Reduce the number of handoffs in providing service. (Measure # of handoffs in claims & key post-entitlement processes.)	FY 1999 goal	Baseline developed	Deferred	Deferred
2. Develop a methodology by 9/30/99, to measure percentage of services provided at point-of-contact. (Measure: Date methodology developed)	FY 1999 goal	06/30/99	Not applicable	We conducted a review of point of contact services provided by field offices using the methodology established in fiscal year 1999.
3. Complete trend analysis by 9/30/99, of reversals in at least 1 workload. (Measure: Date)	FY 1999 goal	Completed in February 1999	Not applicable	Reversals of disability decisions are tracked and reported monthly. Any trends are noted and analyzed.
Performance Goal III-C: Use outside sources and partnerships, when appropriate, to accomplish our mission.				
1. Perform benefit/cost evaluations of commercially available activities. (Measure: Completion of benefit/cost analyses)	No studies were required. Performed a comprehensive survey of commercial activities.	No studies required in FY 1999	Yes	We identified and reported to OMB the RRB's list of commercial activities for fiscal year 2000. However, no benefit/cost evaluations were conducted or needed to be done.
2. Partner with other government agencies or outside organizations to achieve our mission. (Measure: # of partnerships)	69	67	67	67
Performance Goal III-D: Ensure that all employees can link their daily activities with the agency's mission in an environment that is discrimination-free and characterized by cooperation, empowerment, and mutual commitment to our stakeholders.				
1. Individual performance appraisal plans for managers and supervisors contain elements that link to the agency's mission. (Measure: Yes/No)	FY 1999 goal	Yes	Yes	Yes
2. Solicit employee feedback on work environment to determine if it is discrimination-free and supports cooperation, empowerment, and mutual commitment. (Measure: Employee survey)	Developed plan	Survey completed and final report issued	None	Employee survey to be conducted in FY 2003.

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Performance Goal III-E: Ensure that the RRB consistently pays the lowest price for products and services commensurate with quality, service, delivery and reliability.				
1. The percentage of fiscal year dollars competitively obligated via simplified acquisition and contract procedures shall exceed the Government percent of procurement dollars awarded competitively as reported in the Federal Procurement Data System Reporting Manual, Federal Procurement Data Center. (Measure: % of funds awarded)	RRB: 91.81%	87%	Will exceed government percentage.	92%
	Government: 64.1%	63%		Not available until March 2001.
2. 90 percent of purchase orders/contracts meet or exceed the purchase/contract delivery date. (Measure: % meeting/exceeding date)	Tracking system available	85.8%	90%	86%
3. All solicitations include past performance as an evaluation factor. Each contract file will exhibit a formal determination and finding of contractor responsibility. (Measure: % meeting requirement)	100%	100%	100%	100%
Strategic Goal IV: We Will Expand Our Use of Technology and Automation to Achieve Our Mission	FTEs: 251	270	240	257
	Funds: \$17,594,000	\$23,962,000	\$24,030,859	\$24,611,698
Performance Goal IV-A: Ensure that the technology infrastructure supports achievement of the agency's Strategic Plan.				
1. The Strategic IRM Plan demonstrates a linkage between the infrastructure and the agency's strategic plan. (Measure: Yes/No)	Yes	Yes	Yes	Yes
2. Capital IT Plan used to support the Strategic IRM Plan. (Measure: Yes/No)	Yes	Yes	Yes	Yes
3. Development of an updated Strategic IRM Plan annually, in time to provide input for the annual budget submission. (Measure: Yes/No)	Yes	Yes	Yes	No
Performance Goal IV-B: Ensure effective and efficient management of IT resources.				
1. Successfully implement major projects as specified in project plans, project definition and requirements documents. (Measure: % completed and signed off on by due date within no more than 10% of the estimated time frame.)	Not available	100%	94%	100%
2. Provide accurate cost estimates for major projects. (Measure: Total actual costs compared to total estimated costs)	Not available	All projects were within 10% of cost estimate	" 10% of cost estimate	-11%
3. Computer operations satisfy service levels as specified in user service agreements. (Measure: Exception reports)	Performance target established for FY 1999	Two	No more than 12	12

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Endnotes

Full-time equivalent staff years (FTEs) include FTEs reimbursed by the Health Care Financing Administration (HCFA).

FY 2000 funds do not include the unobligated balance of \$80,800 and the rescission of \$345,000.

1/ Information as of January 26, 2001. This data is for claims processed during the 9-month period 1/01/1999 through 9/30/1999.

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Discussion of Unmet Performance Goals and Indicators for Fiscal Year 2000

Performance indicator I-A.2

Achieve a railroad unemployment insurance benefit accuracy rate of 99.50%.

While we exceeded the target in three out of the four quarters in the year, unemployment payment accuracy in the sample study dropped in the third quarter. This was the result of two cases improperly handled within the same field office. A discussion with the manager revealed that two of the five employees in the office were recently hired. While reviewing their work the manager did notice some problems and provided additional training. We do not see a trend here, and are not adjusting our future performance expectations in this area.

Performance indicator I-B.9

Disabled applicant or family member receives notice of decision to pay or deny within 105 days of the date application for disability is filed.

Goal was not met because of staffing shortages. We lost a number of disability examiners to retirements, reassignments, promotions, etc. New examiners will be trained during FY 2001. We continue to make improvements in this area. The percentage of cases completed within the standard during FY 1998 was 28.1%, in FY 1999, 50.6%, and in FY 2000, 63.6%. Based on our past performance and funding at \$95 million, we project a performance level of 62% in FY 2001.

Performance indicator I-C.1

Inquirer receives answer or acknowledgment of written correspondence within 15 days of receipt.

Correspondence tracking is done in several units to compile this data. All units met the 98% goal except two, which resulted in not meeting the agency-wide goal. Both units experienced staffing shortages during FY 2000. Because both units expect to rebuild their staffs during FY 2001, we have increased the goal to 98.5% within 15 days of receipt.

Performance indicator I-E.1

Railroad employer reports filed on time, without problems.

Employers used new CD-ROM technology for reporting in FY 2000. More problems occurred than we anticipated when setting the FY 2000 goal. We are improving procedures. Based on our actual performance in FY 1998 through FY 2000, and FY 2001 funding at \$95 million, we project a performance level of 60% in FY 2001.

Performance indicator II-C.5

Perform reconciliations between the amount of taxes shown as paid on each railroad CT-1 (employers Annual Railroad Retirement Tax Return) filed with the IRS, and the amounts received and deposited in the RRB trust funds accounts.

The FY 2000 reconciliation was related to calendar year 1998 tax data. For the comparison of electronic deposits with CT-1 records for individual railroad employers to be meaningful, the individual railroad employers needed to make all their reports electronically for calendar year 1998. Calendar year 1998, however, was a transition year between non-electronic tax deposits and the new electronic tax deposit systems. Specifically, in January 1998, only about 60% of railroad retirement taxes were deposited electronically, compared to over 99% by early 1999. Therefore, the percentage of railroad employers that fall within our criteria when we perform the comparison for 1999 tax data during FY 2001 will be much higher than for the 1998 comparison.

Performance indicator III-E.2

90 percent of purchase orders/contracts meet or exceed the purchase/contract delivery date.

In FY 1998, we completed work on a tracking system for monitoring the delivery date for purchase orders and contracts. Our goal that 90% of purchase orders/contracts meet or exceed the purchase/contract delivery date was established before we had reliable historical data. Despite our best efforts, the 90% goal has proven to be impractical. Effective for FY 2001, we have set a more realistic goal of 85%.

Performance indicator IV-A.3

Development of an updated Strategic IRM Plan annually, in time to provide input for the annual budget submission.

Information for the update of the Strategic Information Resources Management Plan (for fiscal years 2000 through 2005) has been gathered and discussed, but the final plan is still being developed. A draft of the Capital Information Technology Plan for fiscal years 2000 through 2005 has been developed and is being used in the FY 2002 budget process.

Performance indicator IV-B.2

Provide accurate cost estimates for major projects.

The staff time required to complete the major Information Technology projects covered by this goal was slightly less than estimated. We will work toward preparing more accurate cost estimates in the future.