



ASSOCIATION OF  
AMERICAN RAILROADS

***Rail Labor Division***

April 29, 2019

The Honorable Rosa DeLauro  
Chairwoman  
Subcommittee on Labor, Health and Human Services, Education and Related Agencies  
Committee on Appropriations  
United States House of Representatives  
Washington, DC 20515

The Honorable Tom Cole  
Ranking Member  
Subcommittee on Labor, Health and Human Services, Education and Related Agencies  
Committee on Appropriations  
United States House of Representatives  
Washington, DC 20515

Dear Chairwoman DeLauro and Ranking Member Cole:

On behalf of the Association of American Railroads (AAR) and the Rail Labor Division (RLD) of the Transportation Trades Department, AFL-CIO (TTD), we write in support of funding for the Railroad Retirement Board (RRB) in the fiscal year (FY) 2020 Labor, Health and Human Services, Education and Related Agencies (Labor-HHS) appropriations bill at \$137.216 million. This funding request includes \$11,861,800 in no year funding for information technology (IT) modernization to ensure the agency's ability to continue to efficiently serve our nation's railroad workers. This modest funding, \$20.991 million above the President's budget request, is spent solely from the RRB's trust funds and does not require appropriated funds from general revenues.

As authorized by the Railroad Retirement and Railroad Unemployment Insurance Acts, the RRB is an independent agency that administers disability, retirement-survivor and unemployment-sickness insurance benefit programs to over 753,000 beneficiaries who live in every state and congressional district across the United States. These benefits, funded by employer and employee payroll taxes, play an important role in the lives of current and retired railroad workers and their families.

**21<sup>st</sup> Century IT Modernization Needs**

Recognizing the RRB's critical IT modernization funding needs, Congress appropriated \$10 million in no year funding in both FY 2018 and FY 2019 to invest in the agency's IT systems

modernization. The RRB estimates the total cost of modernizing its IT systems will be \$42.5 million. Recent agency actuarial valuation not only shows the agency is in sound financial shape, but can support the FY 2020 IT and personnel expenditures. We therefore support the RRB's need in FY 2020 for an additional \$11,861,800 in no year funding to continue the agency's efforts. The agency's IT system's hardware and COBOL applications, which are over 40 years old, can no longer be efficiently maintained to serve RRB clients in processing claims and benefit payments. Failure to overhaul these IT systems exposes the RRB to cybersecurity threats and attacks, endangers personal RRB client sensitive information, increases the IT systems' maintenance costs, and threatens any future agency cost savings efforts.

Currently, the RRB's IT systems offer extremely limited online service functions for beneficiaries applying for sickness, disability or retirement benefits. Basic online functions such as change of address requests, direct deposit enrollment, unemployment PIN requests or benefit application submittals are unavailable to RRB clients. Instead, clients must either mail or fax personal sensitive information to the agency or visit short-staffed RRB field offices for assistance.

Internally, RRB clerks and examiners must operate with an unintegrated IT system via multiple green screens and outdated functions. Without basic search function capabilities, RRB staffers must sift through hundreds of pages of documents, including medical documents, severely prolonging the benefit claims process. For example, the disability process today takes nearly 345 days to approve or deny benefits. The agency's benchmark of adjudicating 70 percent of their disability applications in 100 days is currently at the 11 percent marker. This inefficient system has not only caused significant delays in dispensing needed benefits to RRB clients, but requires the agency to spend nearly \$2 million in mailings and postage costs.

### **Staffing Shortages**

Years of stagnant federal funded administrative budgets and rapid loss of staff, many of whom have institutional knowledge, has left the RRB severely understaffed and unable to invest in the workforce that support the agency's mission critical operations. Currently staffed at about 800 full time equivalents (FTEs), the RRB needs a minimum of 850 FTEs to ensure that benefit programs are administered in optimal fashion as it upgrades its IT systems.

Without an increase to RRB's administrative budget, the agency will have to further reduce service and office hours in the field, including temporary office closures. Less staff means longer wait times to schedule appointments to apply for benefits and increased wait times for clients calling the toll-free customer service number for assistance. Moreover, the RRB expects the current manual casework backlog to grow considerably and further delay the payment of benefits. In addition, without appropriate staffing in human resources and acquisition management supportive services, the IT Modernization projects are jeopardized as well. With a small increase in the administrative budget, the agency can hire and train the next generation of RRB employees to provide the customer service RRB customers deserve.

**Continued Congressional Support**

We respectfully request Congress provide the RRB with \$137,216,000 in FY 2020 funding, which includes \$11,861,800 in no year IT modernization funding, to support the continued implementation of its IT modernization program and address the agency's staffing needs.

Sincerely,



Ian Jefferies  
President and CEO  
Association of American Railroads



F.L. McCann  
Chair  
Rail Labor Division