



RRB News

U.S. Railroad Retirement Board

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Proposed Funding Level Will Severely Impact RRB Customer Service & Operations

The House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies has released its funding bill for fiscal year (FY) 25. When the Railroad Retirement Board's (RRB) budget for FY 24 was finalized (six months into the year), the approved budget was \$126 million, reflecting a \$2 million decrease from FY 23. The agency, already understaffed, was forced to implement a hiring freeze and make wholesale budget cuts. Although the Subcommittee stated that it was “[p]rioritizing funding for early education, childcare, child welfare, and programs for seniors and the disabled,” it is allocating just **\$100 million** to the RRB—a decrease of another \$26.0 million, which represents an almost 21 percent reduction from FY 24.¹

The RRB's administrative budget is financed by payroll taxes paid by rail employees and rail employers. Funding is appropriated from the RRB Trust Funds and **not from the U.S. Treasury's general fund.**

The proposed \$100 million budget, a 21 percent reduction from the prior year, **would be catastrophic for the RRB.** With several years of reduced or flat budgets, the RRB has struggled to accomplish its mission. The House Appropriation Subcommittee's proposal would result in drastically reduced staffing and even more spending cuts. For our customers, this translates into:

- longer phone wait times, with peak season wait times of 2-2.5 hours and over hour-long wait times becoming the norm, as well as projected answer rates of only 30-35 percent of incoming calls;
- field-office closures in railroad communities, and field offices with minimal or no on-site staff as well as reduced customer service hours;
- longer application processing times, with processing times of 18 months or more likely;
- indefinite delays for annuity corrections;
- an inability to sustain and improve our security posture against 21st century cybersecurity threats, putting the agency's data and benefits administration services at risk and curtailing our ability to meet federal security guidelines;

(More)

- an inability to move forward with our multi-year IT modernization plan, which has been fully supported by Congress and the rail industry and which would not only harm customers but be wasteful and risk our ability to meet federal mandates;
- risk of failing to sustain basic operations of legacy information systems and applications; and
- an inability to improve our program integrity and risk management programs and to facilitate multiple, ongoing yearly audits.

A budget cut of this proportion will directly harm the rail employees and annuitants who have paid into the system their entire careers. The agency has requested that Congress fund the agency at \$172.331 million, because without a significant increase, the agency will not be able to provide the rail community with the customer services that it deserves. The current House proposal puts the agency at high risk of mission failure.

ⁱ For reference, the agency's request level was \$172.331 million and the President's budget request was \$134.0 million.

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