

**FY 2015**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**SPECIAL BENEFITS FOR DISABLED COAL MINERS**



# SPECIAL BENEFITS FOR DISABLED COAL MINERS

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# **SPECIAL BENEFITS FOR DISABLED COAL MINERS**

## **APPROPRIATION LANGUAGE**

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, as amended by Public Law 107–275, [~~\$93,235,000~~] \$77,262,000, to remain available until expended.

For making after July 31 of the current fiscal year, benefit payments to individuals under title IV of such Act, for costs incurred in the current fiscal year, such amounts as may be necessary.

For making benefit payments under title IV for the first quarter of fiscal year [~~2015~~]2016, [~~\$24,000,000~~] \$21,000,000, to remain available until expended. (*Department of Labor Appropriations Act, 2014.*)

# SPECIAL BENEFITS FOR DISABLED COAL MINERS

## ANALYSIS OF APPROPRIATION LANGUAGE

"For making, after July 31 of the current fiscal year, benefit payments to individuals under title IV of the Federal Mine Safety and Health Act of 1977, for costs incurred in the current fiscal year, such amounts as may be necessary."

Provides an indefinite appropriation to finance any shortfall in the definite appropriation of benefit costs during the last two months of fiscal year 2015.

"For making benefit payments under title IV of the Federal Mine Safety and Health Act of 1977 for the first quarter of fiscal year [2015]2016, [\$24,000,000] \$21,000,000, to remain available until expended."

Appropriates funds for benefit payments in the first quarter of the subsequent fiscal year. Ensures that beneficiaries will continue to receive benefits during the first quarter of FY 2016 in the event of a temporary funding hiatus.

## SPECIAL BENEFITS FOR DISABLED COAL MINERS

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>						
(Dollars in Thousands)						
	<b>FY 2013 Enacted</b>		<b>FY 2014 Enacted</b>		<b>FY 2015 Request</b>	
	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>
<b>A. Appropriation</b>	<b>15</b>	<b>\$123,227</b>	<b>15</b>	<b>\$93,235</b>	<b>15</b>	<b>\$77,262</b>
Sequestration reduction to admin funds	0	-\$267	0	-\$377	0	\$0
First Quarter Advance Appropriation, prior year	0	\$40,000	0	\$40,000	0	\$24,000
<b>B. Gross Budget Authority</b>	<b>15</b>	<b>\$162,960</b>	<b>15</b>	<b>\$132,858</b>	<b>15</b>	<b>\$101,262</b>
<b>C. Obligational Authority before Committee</b>	<b>15</b>	<b>\$162,960</b>	<b>15</b>	<b>\$132,858</b>	<b>15</b>	<b>\$101,262</b>
Unexpired unobligated balance end-of- year	0	-\$16,230	0	\$0	0	\$0
<b>D. Total, Estimated Obligations</b>	<b>15</b>	<b>\$146,730</b>	<b>15</b>	<b>\$132,858</b>	<b>15</b>	<b>\$101,262</b>

# SPECIAL BENEFITS FOR DISABLED COAL MINERS

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2014 Enacted	FY 2015 Request	Net Change
<b>Obligational Authority</b>			
Benefit Payments	\$88,000	\$72,000	-\$16,000
Administrative	\$4,858	\$5,262	+\$404
Advanced Appropriation – Benefits	\$40,000	\$24,000	-\$16,000
<b>Total Obligational Authority</b>	<b>\$132,858</b>	<b>\$101,262</b>	<b>-\$31,596</b>
<b>Full Time Equivalent</b>			
Operating Activities	16	15	-1
<b>Total</b>	<b>16</b>	<b>15</b>	<b>-1</b>

Explanation of Change	FY 2014 Base		Trust Funds		FY 2015 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Costs of pay adjustments	15	\$1,221	0	\$0	0	\$14	0	\$14
Personnel benefits	0	\$284	0	\$0	0	\$3	0	\$3
Employee health benefits	0	\$30	0	\$0	0	\$0	0	\$0
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$0	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$0	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$0	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$5	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$647	0	\$0	0	\$10	0	\$10
Communications, utilities, and miscellaneous charges	0	\$37	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$0	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$0	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$0	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$207	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$0	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$103	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$2,302	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$17	0	\$0	0	\$0	0	\$0
Equipment	0	\$5	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0

## SPECIAL BENEFITS FOR DISABLED COAL MINERS

Explanation of Change	FY 2014 Base		Trust Funds		FY 2015 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Insurance claims and indemnities	0	\$0	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>15</b>	<b>+\$4,858</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$27</b>	<b>0</b>	<b>+\$27</b>
<b>B. Programs:</b>								
Increases for Administrative Modernization resources	0	\$0	0	\$0	0	\$377	0	\$377
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$377</b>	<b>0</b>	<b>+\$377</b>
<b>Total Increase</b>	<b>15</b>	<b>+\$4,858</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$404</b>	<b>0</b>	<b>+\$404</b>
<b>Decreases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Insurance claims and indemnities	0	\$128,000	0	\$0	0	-\$32,000	0	-\$32,000
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>+\$128,000</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$32,000</b>	<b>0</b>	<b>-\$32,000</b>
<b>B. Programs:</b>								
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>Total Decrease</b>	<b>0</b>	<b>+\$128,000</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$32,000</b>	<b>0</b>	<b>-\$32,000</b>
<b>Total Change</b>	<b>15</b>	<b>+\$132,858</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$31,596</b>	<b>0</b>	<b>-\$31,596</b>

## SPECIAL BENEFITS FOR DISABLED COAL MINERS

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2013 Enacted</b>	<b>FY 2014 Enacted</b>	<b>FY 2015 Request</b>	<b>Diff. FY15 Request / FY14 Enacted</b>
	Full-Time Equivalent				
	Full-time Permanent	15	15	15	0
	<b>Total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>0</b>
	Average ES Salary	\$0	\$0	\$0	\$0
	Average GM/GS Grade	12	12	12	0
	Average GM/GS Salary	\$71,080	\$71,790	\$73,226	\$1,436
	Average Salary of Ungraded Positions	0	0	0	0
11.1	Full-time permanent	1,255	1,215	1,229	14
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	0	6	6	0
11.9	<b>Total personnel compensation</b>	<b>1,255</b>	<b>1,221</b>	<b>1,235</b>	<b>14</b>
12.1	Civilian personnel benefits	296	314	317	3
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	0	0	0	0
22.0	Transportation of things	5	5	5	0
23.1	Rental payments to GSA	661	647	775	128
23.3	Communications, utilities, and miscellaneous charges	37	37	40	3
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	0	0	0	0
25.3	Other goods and services from Federal sources 1/	318	310	336	26
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,371	2,302	2,531	229
26.0	Supplies and materials	17	17	18	1
31.0	Equipment	0	5	5	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	158,000	128,000	96,000	-32,000
	<b>Total</b>	<b>162,960</b>	<b>132,858</b>	<b>101,262</b>	<b>-31,596</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	212	207	207	0
	Services by DOL Agencies	106	103	129	26

# SPECIAL BENEFITS FOR DISABLED COAL MINERS

## AUTHORIZING STATUTES

<b>Public Law / Act</b>	<b>Legislation</b>	<b>Statute No. / US Code</b>	<b>Volume No.</b>	<b>Page No.</b>	<b>Expiration Date</b>
PUB. L. 91-173	Federal Coal Mine Health and Safety Act of 1969, (now called Federal Mine Safety and Health Act of 1977), as amended.	30 U.S.C. 901, et seq.			N/A
PUB. L. 107-275	Black Lung Consolidation of Administrative Responsibility Act, as amended.				N/A

## SPECIAL BENEFITS FOR DISABLED COAL MINERS

<b>APPROPRIATION HISTORY</b>					
(Dollars in Thousands)					
	<b>Budget Estimates to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriations</b>	<b>FTE</b>
2005...1/	357,000	364,000	364,000	363,997	17
2006...2/	306,250	306,250	306,250	313,250	17
2007...3/	303,373	303,373	303,373	303,373	17
2008...4/	276,221	276,221	276,221	276,221	17
2009...5/	250,130	0	250,130	250,130	17
2010...6/	225,180	225,180	225,180	225,180	17
2011...7/	203,220	203,220	203,220	203,220	17
2012...8/	182,227	182,227	182,227	182,227	16
2013...9/	163,220	0	0	162,960	15
2014...10/	133,235	0	0	132,858	15
2015...11/	101,262	0	0	0	15

- 1/ Includes first quarter Advance appropriation of \$88,000 requested in Fiscal Year 2004.
- 2/ Includes first quarter Advance appropriation of \$81,000 requested in Fiscal Year 2005.
- 3/ Includes first quarter Advance appropriation of \$74,000 requested in Fiscal Year 2006.
- 4/ Includes first quarter Advance appropriation of \$68,000 requested in Fiscal Year 2007.
- 5/ Includes first quarter Advance appropriation of \$62,000 requested in Fiscal Year 2008.
- 6/ Includes first quarter Advance appropriation of \$56,000 requested in Fiscal Year 2009.
- 7/ Includes first quarter Advance appropriation of \$45,000 requested in Fiscal Year 2010.
- 8/ Includes first quarter Advance appropriation of \$41,000 requested in Fiscal Year 2011.
- 9/ Includes first quarter Advance appropriation of \$40,000 requested in Fiscal Year 2012 and the appropriation includes sequestration amount of -\$267 pursuant to P.L. 113-6.
- 10/ Includes first quarter Advance appropriation of \$40,000 requested in Fiscal Year 2013 and the appropriation includes sequestration amount of -\$377 pursuant to P.L. 113-6.
- 11/ Includes first quarter Advance appropriation of \$24,000 requested in Fiscal Year 2014.

# SPECIAL BENEFITS FOR DISABLED COAL MINERS

## Overview

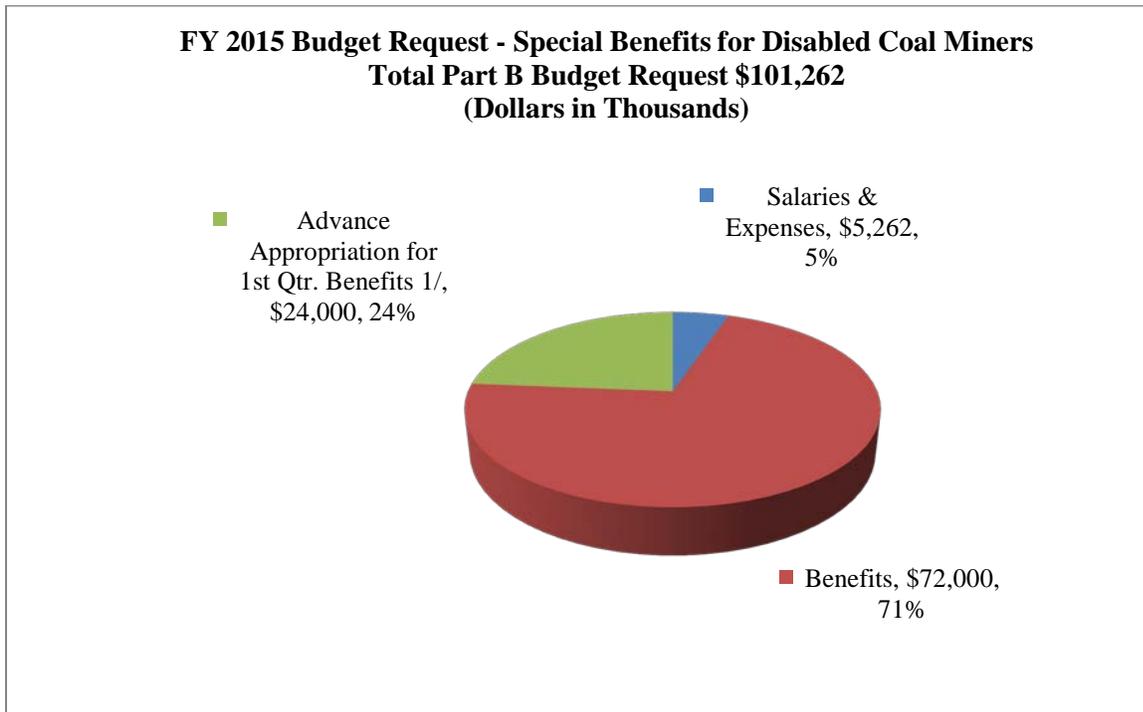
The Black Lung Benefits Act authorizes monetary benefits to former coal mine workers (and their dependent survivors) who are totally disabled by occupational pneumoconiosis. This account, Special Benefits for Disabled Coal Miners, referred to as Part B of the Act, pertains to Black Lung claims filed on or before December 31, 1973. These monetary benefits support the Secretary's vision of *Promoting and Protecting Opportunity* and the Department's *Strategic Goal 4: Secure retirement, health, and other employee benefits and, for those not working, provide income security, and Strategic Objective 4.1: Provide income support when work is impossible or unavailable and facilitate return to work*. Historically, the Black Lung Benefits Act was administered by the Social Security Administration (Part B) and the Department of Labor (Part C). In FY 2002, Congress passed legislation permanently transferring responsibility for Part B to the DOL effective October 1, 2003, thus combining all components of program administration under the Black Lung Benefits Act and resulting in fiscal and operational efficiencies and improved service delivery. The Division of Coal Mine Workers' Compensation (DCMWC) now carries responsibilities for both Parts B and C of the Act.

The beneficiary population covered by the Special Benefits for Disabled Coal Mine Workers appropriation is essentially closed and declining in number. The primary activities of the program are to ensure accurate and timely benefit payments. Service to these beneficiaries focuses on monitoring dependent eligibility and processing changes to the miner's entitlement or to that of his survivors promptly. DCMWC must also validate representative payee requests and accounting reports. DCMWC seeks to implement new Federal financial management requirements, minimize erroneous payments, and increase administrative efficiencies.

# SPECIAL BENEFITS FOR DISABLED COAL MINERS

## Cost Model

OWCP requests \$101,262,000, a decrease of \$31,596,000 below the FY 2014 Enacted level. This level of funding will enable OWCP to meet FY 2015 obligations for the population receiving benefits under Part B of the Black Lung program. The decrease in benefits and advanced appropriations requests are due to reductions in the closed beneficiary population. The distribution of requested funds across DCMWC's Part B cost components is displayed below.



<sup>1/</sup> This amount is the advance appropriation for benefits received in the FY 2014 Enacted and is included in the FY 2015 Budget Request of \$101,262,000. The amount requested for the first quarter of FY 2016 to ensure that Part B benefit payments are delivered in a timely manner, even if enactment of the FY 2015 appropriation is delayed, is \$21,000,000. This amount is not included in the cost model depicting the FY 2015 Budget Request of \$101,262,000.

## SPECIAL BENEFITS FOR DISABLED COAL MINERS

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2013 Enacted</b>	<b>FY 2014 Enacted</b>	<b>FY 2015 Request</b>	<b>Diff. FY15 Request / FY14 Enacted</b>
<b>Activity Appropriation</b>	<b>122,960</b>	<b>92,858</b>	<b>77,262</b>	<b>-15,596</b>
Benefits	118,000	88,000	72,000	-16,000
Administration	4,960	4,858	5,262	404
Appropriation Advanced in the Prior Year	40,000	40,000	24,000	-16,000
<i>Advanced Appropriations Requested for the Next Fiscal Year</i>	<i>40,000</i>	<i>24,000</i>	<i>21,000</i>	<i>-3,000</i>
Total Budget Authority for the Fiscal Year <sup>1</sup>	162,960	132,858	101,262	-31,596
FTE	15	15	15	0

<sup>1</sup>Total Budget Authority includes the Advanced Appropriation from the Prior Year and excludes Appropriations Requested for the Next Fiscal Year.

### **Introduction**

The Division of Coal Mine Workers' Compensation (DCMWC) strives to be a premier service organization, viewed by its stakeholders as a fair and balanced adjudicator that exercises sound case and fiscal management. Since the beneficiary population covered by the Special Benefits for Disabled Coal Miners appropriation is essentially closed, the primary activities of the program are to ensure accurate and timely benefit payments. Service to these beneficiaries focuses on monitoring dependent eligibility and processing changes to the miner's entitlement or to that of his survivors promptly. DCMWC must also validate representative payee requests and accounting reports. DCMWC seeks to implement new Federal financial management requirements, minimize erroneous payments, and increase administrative efficiencies.

### **Five-Year Budget Activity History**

<b>SPECIAL BENEFITS FOR DISABLED COAL MINERS PART B</b>				
(Dollars in Thousands)				
<b>Fiscal Year</b>	<b>Total Appropriation<sup>1/</sup></b>	<b>Benefits<sup>1/</sup></b>	<b>Salaries and Expenses</b>	<b>FTE</b>
2010	\$225,180	\$220,000	\$5,180	17
2011	\$203,220	\$198,000	\$5,220	17
2012	\$182,227	\$177,000	\$5,227	16
2013	\$162,960	\$158,000	\$4,960	15
2014	\$132,858	\$128,000	\$4,858	15

<sup>1/</sup>Includes the Advance Appropriation requested in the prior fiscal year and excludes Advance Appropriation for the next Fiscal Year.

## **SPECIAL BENEFITS FOR DISABLED COAL MINERS**

### **FY 2015**

The FY 2015 Request is \$101,262,000 which includes administrative funding of \$5,262,000 and 15 FTE dedicated to Part B and \$96,000,000 for benefits, of which \$24,000,000 is an advance appropriation that was provided in the FY 2014 Enacted level. In addition, a \$21,000,000 advance appropriation is requested for the first quarter of FY 2016 to ensure continuity of benefit payments during the transition between fiscal year appropriations.

At the funding level requested in FY 2015, DCMWC will focus resources on continuing to provide benefits to its beneficiary population in support of the Department's *Strategic Goal 4: Secure retirement, health, and other employee benefits and, for those not working, provide income security, and Strategic Objective 4.1: Provide income support when work is impossible or unavailable and facilitate return to work* by providing income support for an average of 14,520 Part B beneficiaries who are unable to work.

### **FY 2014**

The FY 2014 Enacted level is \$132,858,000 which includes administrative funding of \$4,858,000 and 15 FTE dedicated to Part B, and \$128,000,000 for benefits, of which \$40,000,000 is an advance appropriation that was provided in FY 2013 Enacted level. In addition, a \$24,000,000 advance appropriation was enacted for the first quarter of FY 2015 to ensure continuity of benefit payments during the transition between fiscal year appropriations.

### **FY 2013**

The FY 2013 Enacted level was \$162,960,000 which includes administrative funding of \$4,960,000 and 15 FTE dedicated to Part B, and \$158,000,000 for benefits, of which \$40,000,000 was an advance appropriation that was provided in FY 2012. In addition, a \$35,000,000 advance appropriation was provided for the first quarter of FY 2014 to ensure continuity of benefit payments during the transition between fiscal year appropriations.

## SPECIAL BENEFITS FOR DISABLED COAL MINERS

<b>DETAILED WORKLOAD AND PERFORMANCE</b>				
	<b>FY 2013 Enacted</b>		<b>FY 2014 Enacted</b>	<b>FY 2015 Request</b>
	<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Special Benefits for Disabled Coal Miners</b>				
<b>Strategic Goal 4 - Secure retirement, health, and other employee benefits and, for those not working, provide income security</b>				
<b>Strategic Objective 4.1 - Provide income support when work is impossible or unavailable and facilitate return to work</b>				
SBDCM Maintenance of Benefits for Part B Beneficiaries WL 1	18,650	18,410	16,500	14,520

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

## **SPECIAL BENEFITS FOR DISABLED COAL MINERS**

The activities that fall under the maintenance of benefits in FY 2015 for an average of 14,520 Part B beneficiaries support the program's core mission function of processing benefits for claimants. DCMWC's activities include: payment of benefits, monitoring of beneficiary status for the suspension/termination of benefits, reinstatement of benefits, addition/deletion of dependents, conversion of benefits to widows upon death of miners, resolution of over/under payments, and representative payee determinations. DCMWC will continue to meet new and evolving financial management requirements, and achieve strategic and operational performance targets.

# SPECIAL BENEFITS FOR DISABLED COAL MINERS

## CHANGES IN FY 2015

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments		\$14
Personnel benefits		3
Employee health benefits		0
Moving allowance		0
Federal Employees' Compensation Act (FECA)		0
Benefits for former personnel		0
Travel and transportation of persons		0
Transportation of things		0
Rental payments to GSA		10
Communications, utilities, and miscellaneous charges		0
Printing and reproduction		0
Advisory and assistance services		0
Other services from non-Federal sources		0
Working Capital Fund		0
Other Federal sources (DHS Charges)		0
Other goods and services from Federal sources		0
Research & Development Contracts		0
Operation and maintenance of facilities		0
Operation and maintenance of equipment		0
Supplies and materials		0
Equipment		0
Grants, subsidies, and contributions		0
Insurance claims and indemnities		0

**Built-Ins Subtotal** **\$27**

**Net Program** **\$377**

**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$4,885</b>	<b>15</b>
<b>Program Increase</b>	<b>\$377</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>