

FY 2013

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 107-272, [\$141,227,000] \$123,220,000, to remain available until expended.

For making after July 31 of the current fiscal year, benefit payments to individuals under title IV of the 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 [2013] 2014, [\$40,000,000] \$35,000,000, to remain available until expended. (*Department of Labor Appropriations Act, 2012*)

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 2 months of fiscal year [2012]2013.

"For making benefit payments under title IV of the Federal Mine Safety and Health Act of 1977 for the first quarter of fiscal year [2013]2014, [\$40,000,000]\$35,000,000, 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 [2013]2014 in the event of a temporary funding hiatus.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$0	0	\$0	0	\$0
Annual (definite)	17	\$203,220	16	\$182,227	16	\$163,220
Regular Appropriation	0	\$158,220	0	\$141,227	0	\$123,220
First Quarter Advance Appropriation	0	\$45,000	0	\$41,000	0	\$40,000
Rescission	0	\$0	0	\$0	0	\$0
Comparative Transfer To:	0	\$0	0	\$0	0	\$0
Comparative Transfer From:	0	\$0	0	\$0	0	\$0
B. Subtotal, adjusted	0	\$0	0	\$0	0	\$0
Appropriation	17	\$203,220	16	\$182,227	16	\$163,220
C. Obligational Authority before Committee	0	\$203,220	0	\$182,227	0	\$163,220
Unobligated balance start of year	0	\$78,789	0	\$89,148	0	\$0
Unobligated balance end-of-year	0	\$89,148	0	\$0	0	\$0
D. Total, Estimated Obligations	17	\$192,861	16	\$271,375	16	\$163,220

SPECIAL BENEFITS FOR DISABLED COAL MINERS

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2012 Enacted	FY 2013 Request	Net Change
Obligational Authority			
Benefit Payments	136,000	118,000	-18,000
Administrative	5,227	5,220	-7
Advanced Appropriation – Benefits	41,000	40,000	-1,000
Total Obligational Authority	182,227	163,220	-19,007
Full Time Equivalents			
Administrative	16	16	0
Total	16	16	0

Explanation of Change	FY 2012 Request Base		Administrative Activities		FY 2013 Change Program Activities		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	16	\$1,436	0	\$0	0	\$5	0	\$5
Personnel benefits	0	\$185	0	\$0	0	\$0	0	\$0
Employee health benefits	0	\$110	0	\$0	0	\$0	0	\$0
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
One day more of pay	0	\$0	0	\$0	0	\$6	0	\$6
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	\$2	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$661	0	\$0	0	\$46	0	\$46
Communications, utilities, and miscellaneous charges	0	\$47	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	0	\$0	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$225	0	\$0	0	\$0	0	\$0
Other government accounts (DHS Charges)	0	\$0	0	\$0	0	\$0	0	\$0
Other purchases of goods and services from Government accounts	0	\$0	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	\$0	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$14	0	\$0	0	\$0	0	\$0
Equipment	0	\$20	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 2012 Request Base		Administrative Activities		FY 2013 Change Program Activities		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Insurance claims and indemnities	0	\$0	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	16	+\$2,700	0	\$0	0	+\$57	0	+\$57
B. Programs:								
Total Increase	16	+\$2,700	0	\$0	0	+\$57	0	+\$57
Decreases:								
A. Built-Ins:								
To Provide For:								
Operation and maintenance of equipment	0	\$2,527	0	\$0	0	-\$64	0	-\$64
Insurance claims and indemnities	0	\$177,000	0	\$0	0	-\$19,000	0	-\$19,000
Built-Ins Subtotal	0	+\$179,527	0	\$0	0	-\$19,064	0	-\$19,064
B. Programs:								
Total Decrease	0	+\$179,527	0	\$0	0	-\$19,064	0	-\$19,064
Total Change	16	+\$182,227	0	\$0	0	-\$19,007	0	-\$19,007

SPECIAL BENEFITS FOR DISABLED COAL MINERS

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY13 Req./ FY12 Enacted
	Full-Time Equivalent				
	Full-time Permanent	17	16	16	0
	Total	17	16	16	0
	Average ES Salary	\$0	\$0	\$0	\$0
	Average GM/GS Grade	12	12	12	0
	Average GM/GS Salary	\$70,727	\$70,727	\$71,080	\$353
	Average Salary of Ungraded Positions	0	0	0	0
11.1	Full-time permanent	1,392	1,421	1,431	10
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	97	15	15	0
11.9	Total personnel compensation	1,489	1,436	1,446	10
12.1	Civilian personnel benefits	300	295	296	1
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	2	2	2	0
23.1	Rental payments to GSA	661	661	707	46
23.3	Communications, utilities, and miscellaneous charges	45	47	47	0
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/	225	225	225	0
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	2,360	2,527	2,463	-64
26.0	Supplies and materials	17	14	14	0
31.0	Equipment	121	20	20	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	198,000	177,000	158,000	-19,000
	Total	203,220	182,227	163,220	-19,007
	1/Other goods and services from Federal sources				
	Working Capital Fund	225	225	225	0

SPECIAL BENEFITS FOR DISABLED COAL MINERS

PERFORMANCE STRUCTURE

Strategic and Outcome Goals Supporting Secretary Solis' Vision of <i>Good Jobs for Everyone</i>	Supporting Budget Activities
Strategic Goal 1 – Prepare Workers for Good Jobs and Ensure Fair Compensation	
1.1 Increase workers' incomes and narrowing wage and income inequality.	
1.2 Assure skills and knowledge that prepare workers to succeed in a knowledge-based economy, including in high-growth and emerging industry sectors like "green" jobs.	
1.3 Help workers who are in low-wage jobs or out of the labor market find a path into middle class jobs.	
1.4 Help middle-class families remain in the middle class.	
1.5 Secure wages and overtime.	
1.6 Foster acceptable work conditions and respect for workers' rights in the global economy to provide workers with a fair share of productivity and protect vulnerable people.	
Strategic Goal 2 – Ensure Workplaces Are Safe and Healthy	
2.1 Secure safe and healthy workplaces, particularly in high-risk industries.	
Strategic Goal 3 – Assure Fair and High Quality Work-Life Environments	
3.1 Break down barriers to fair and diverse work places so that every worker's contribution is respected.	
3.2 Provide workplace flexibility for family and personal care-giving.	
3.3 Ensure worker voice in the workplace.	
Strategic Goal 4 – Secure Health Benefits and, for Those Not Working, Provide Income Security	
4.1 Facilitate return to work for workers experiencing workplace injuries or illnesses who are able to work.	
4.2 Ensure income support when work is impossible or unavailable.	X
4.3 Improve health benefits and retirement security for all workers.	
Strategic Goal 5 – Assure the Production of Timely and Accurate Data on Social and Economic Conditions of Workers and their Families	
5.1 Provide sound and impartial information on labor market activity, working conditions, and price changes in the economy for decision making, including support for the formulation of economic and social policy affecting virtually all Americans.	

SPECIAL BENEFITS FOR DISABLED COAL MINERS

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2003...1/	\$432,094	\$432,094	\$432,094	\$431,578	17
2004...2/	397,000	397,000	397,000	396,991	17
2005...3/	357,000	364,000	364,000	363,997	17
2006...4/	306,250	306,250	306,250	313,250	17
2007...5/	303,373	303,373	303,373	303,373	17
2008...6/	276,221	276,221	276,221	276,221	17
2009...7/	250,130	0	250,130	250,130	17
2010...8/	225,180	225,180	225,180	225,180	17
2011...9/	203,220	203,220	203,220	203,220	17
2012...10/	182,227	182,227	182,227	182,227	16
2013...11/	163,220	0	0	0	16

^{1/} This program was transferred from the Social Security Administration to the Department of Labor in FY 2003, effective February 1, 2003.

^{2/} Includes \$9,000,000 rescission. Includes first quarter Advance appropriation of \$97,000,000 included in FY 2003.

^{3/} Includes first quarter Advance appropriation of \$88,000,000 requested in Fiscal Year 2004.

^{4/} Includes first quarter Advance appropriation of \$81,000,000 requested in Fiscal Year 2005.

^{5/} Includes first quarter Advance appropriation of \$74,000,000 requested in Fiscal Year 2006.

^{6/} Includes first quarter Advance appropriation of \$68,000,000 requested in Fiscal Year 2007.

^{7/} Includes first quarter Advance appropriation of \$62,000,000 requested in Fiscal Year 2008.

^{8/} Includes first quarter Advance appropriation of \$56,000,000 requested in Fiscal Year 2009.

^{9/} Includes first quarter Advance appropriation of \$45,000,000 requested in Fiscal Year 2010.

^{10/} Includes first quarter Advance appropriation of \$41,000,000 requested in Fiscal Year 2011.

^{11/} Includes first quarter Advance appropriation of \$40,000,000 requested in Fiscal Year 2012.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

Overview

Introduction

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 "**good jobs for everyone**" and *Strategic Goal 4: Secure health benefits and, for those not working, provide income security* by providing income support for those who are unable 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. The Division of Coal Mine Workers' Compensation (DCMWC) now carries responsibilities for both Parts B and C of the Act.

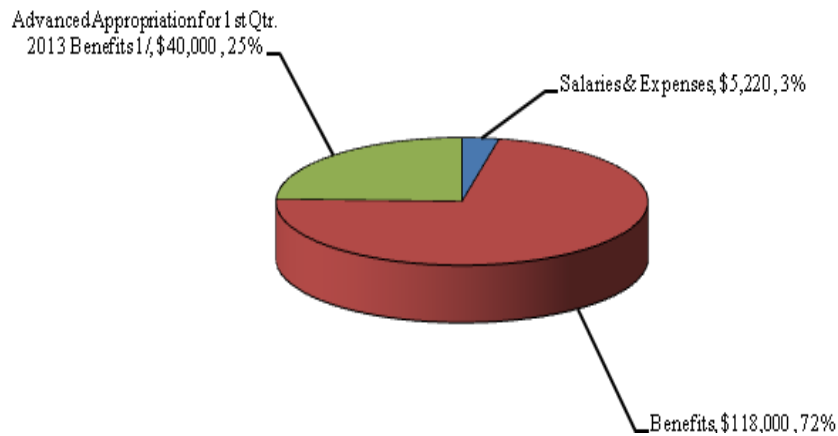
The beneficiary population covered by the Special Benefits for Disabled Coal Mine Workers appropriation is essentially closed and declining in number. The primary activities of the program are to ensure accurate and timely benefit payments. Service to these beneficiaries focuses on monitoring dependent 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

DCMWC requests \$163,220,000, a decrease of \$19,007,000 below the FY 2012 Enacted level. This level of funding will enable OWCP to meet FY 2013 obligations for the closed population receiving benefits under Part B of Black Lung program. The distribution of requested funds across DCMWC's Part B cost components is displayed below.

FY 2013 Budget Request - Special Benefits for Disabled Coal Miners
Total Part B Budget Request \$163,220
(Dollars in Thousands)



^{1/} This amount is the advanced appropriation for benefits requested in the FY 2012 Budget and is included in the FY 2013 Budget Request of \$163,220,000. The amount requested for the first quarter of FY 2014 to ensure that Part B benefit payments are delivered in a timely manner, even if enactment of the FY 2014 appropriation is delayed is \$35,000,000. This amount is not included in the cost model depicting the FY 2013 Budget Request of \$163,220,000.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Request	Diff. FY 13 Req. / FY 12 Enacted
Budget Authority	5,220	5,227	5,220	-7
FTE	17	16	16	0

NOTE: FY 2011 reflects actual FTE. Authorized FTE for FY 2011 was 17.

Introduction

Special Benefits for Disabled Coal Miners implements Part B of the Black Lung Benefits Act. Part B provides benefits for coal miners totally disabled by pneumoconiosis who filed claims on or before December 31, 1973. Part B benefits are paid from general funds. Historically, the statute divided program administration between the Social Security Administration (Part B) and the DOL (Part C). However, in FY 2002, Congress passed legislation permanently transferring jurisdiction over Part B to the DOL. With the Part B appropriation transferred to the Department on October 1, 2003, all components of program administration under the Black Lung Benefits Act were thus combined, resulting in fiscal and operational efficiencies and improved service delivery.

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. Because the beneficiary population covered by the Special Benefits for Disabled Coal Miners 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.

Five-Year Budget Activity History

SPECIAL BENEFITS FOR DISABLED COAL MINERS PART B				
(Dollars in Thousands)				
Fiscal Year	Total Appropriation^{1/}	Benefits^{1/}	Salaries and Expenses	FTE
2008	\$276,221	\$271,000	\$5,221	17
2009	\$250,130	\$245,000	\$5,130	17
2010	\$225,180	\$220,000	\$5,180	17
2011	\$203,220	\$198,000	\$5,220	17
2012	\$182,227	\$177,000	\$5,227	16

^{1/} 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 2013

DCMWC requests \$163,220,000 for administrative funding of \$5,220,000 and 16 FTE dedicated to Part B and \$158,000,000 for benefits, of which \$40,000,000 was an advance appropriation of FY 2013 funds requested in FY 2012. In addition, a \$35,000,000 advance appropriation is requested for the first quarter of FY 2014 to ensure continuity of benefit payments during the transition between fiscal year appropriations. The request of \$5,220,000 for Part B administrative funding is \$7,000 below the FY 2012 enacted level.

DCMWC supports the Secretary's strategic vision of "good jobs for everyone" and the program's strategic and outcome goals by providing income support for Black Lung beneficiaries. DCMWC pays compensation benefits and provides administrative and financial management activities that support core mission functions and promote successful financial management of the program.

FY 2012

The FY 2012 enacted level is \$182,227,000 which includes administrative funding of \$5,227,000 and 16 FTE dedicated to Part B and \$177,000,000 for benefits, of which \$41,000,000 is an advance appropriation enacted in FY 2011. In addition, a \$40,000,000 advance appropriation was enacted in FY 2012 for the first quarter of FY 2013 to ensure continuity of benefit payments during the transition between fiscal year appropriations.

The funding will provide compensation benefits for an average of 21,150 beneficiaries in FY 2012, program core mission functions of processing benefits for claimants, and administrative and financial management activities that support core mission functions and promote successful management of the program. DCMWC will continue to meet new and evolving financial management requirements, and achieve strategic and operational performance targets.

FY 2011

The FY 2011 enacted level was \$203,220,000 which included administrative funding of \$5,220,000 and 17 FTE dedicated to Part B and \$198,000,000 for benefits, of which \$45,000,000 was an advance appropriation enacted in FY 2010. In addition, a \$41,000,000 advance appropriation was enacted in FY 2011 for the first quarter of FY 2012 to ensure continuity of benefit payments during the transition between fiscal year appropriations.

The funding provided compensation benefits for an average of 23,935 beneficiaries in FY 2011, program core mission functions of processing benefits for claimants, and administrative and financial management activities that support core mission functions and promote successful management of the program.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

DETAILED WORKLOAD AND PERFORMANCE				
	FY 2011 Enacted		FY 2012 Enacted	FY 2013 Request
	Target	Result	Target	Target
Special Benefits for Disabled Coal Miners				
Strategic Goal 4 - Secure health benefits and, for those not working, provide income security	--		--	--
Outcome Goal 4.2 - Ensure income support when work is impossible or unavailable	--		--	--
Maintenance of Benefits for Part B Beneficiaries	24,000	23,935	21,150	18,650

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

The activities that fall under the maintenance of benefits for the Part B beneficiaries support the program's core mission function of processing benefits for claimants. These 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.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

CHANGES IN FY 2013

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$5
Personnel benefits	0
Employee health benefits	0
Moving allowance	0
One day more of pay	6
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	46
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services	0
Working Capital Fund	0
Other government accounts (DHS Charges)	0
Other purchases of goods and services from Government accounts	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	-64
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **-\$7**

Net Program **\$0**

Direct FTE **0**

	Estimate	FTE
Base	\$5,220	16