

**FY 2019**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**FEDERAL PROGRAMS FOR WORKERS' COMPENSATION**

**SALARIES AND EXPENSES**

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# FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

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# FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

## APPROPRIATION LANGUAGE

### Salaries and Expenses

*For necessary expenses for the Office of Workers' Compensation Programs, \$113,109,000, together with \$2,173,000 which may be expended from the Special Fund in accordance with sections 39(c), 44(d), and 44(i) of the Longshore and Harbor Workers' Compensation Act.*

Note.—A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

## FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>						
(Dollars in Thousands)						
	<b>FY 2017 Enacted</b>		<b>FY 2018 Full Year C.R.</b>		<b>FY 2019 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>730</b>	<b>\$115,424</b>	<b>713</b>	<b>\$115,424</b>	<b>702</b>	<b>\$113,109</b>
Rescission reduction Pursuant to P.L. 115-56 for FY 2018	0	\$0	0	-\$795	0	\$0
A.1) Subtotal Appropriation (adjusted)	730	\$115,424	713	\$114,629	702	\$113,109
Offsetting Collections From:						
Black Lung Disability Trust Fund	152	\$38,246	158	\$38,246	158	\$38,246
Sequestration reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	-\$2,639	0	-\$2,524	0	\$0
Longshore Trust	9	\$2,177	8	\$2,177	8	\$2,173
Rescission reduction Pursuant to P.L. 115-56 for FY 2018	0	\$0	0	-\$4	0	\$0
A.1) Subtotal Trust Funds	161	\$37,784	166	\$37,895	166	\$40,419
<b>B. Gross Budget Authority</b>	<b>891</b>	<b>\$153,208</b>	<b>879</b>	<b>\$152,524</b>	<b>868</b>	<b>\$153,528</b>
Offsetting Collections to:	0	\$0	0	\$0	0	\$0
Black Lung Disability Trust Fund	-152	-\$35,607	-158	-\$35,722	-158	-\$38,246
Longshore Trust	-9	-\$2,177	-8	-\$2,173	-8	-\$2,173
B.1) Subtotal Trust Funds	-161	-\$37,784	-166	-\$37,895	-166	-\$40,419
<b>C. Budget Authority Before Committee</b>	<b>730</b>	<b>\$115,424</b>	<b>713</b>	<b>\$114,629</b>	<b>702</b>	<b>\$113,109</b>
Offsetting Collections From:	0	\$0	0	\$0	0	\$0
Black Lung Disability Trust Fund	152	\$35,607	158	\$35,722	158	\$38,246
Longshore Trust	9	\$2,177	8	\$2,173	8	\$2,173
C.1) Subtotal	161	\$37,784	166	\$37,895	166	\$40,419
<b>D. Total Budgetary Resources</b>	<b>891</b>	<b>\$153,208</b>	<b>879</b>	<b>\$152,524</b>	<b>868</b>	<b>\$153,528</b>
Unobligated Balance Expiring	10	-\$601	0	\$0	0	\$0
<b>E. Total, Estimated Obligations</b>	<b>901</b>	<b>\$152,607</b>	<b>879</b>	<b>\$152,524</b>	<b>868</b>	<b>\$153,528</b>

# FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2018 Full Year C.R.	FY 2019 Request	Net Change
<b>Budget Authority</b>			
General Funds	\$114,629	\$113,109	-\$1,520
Trust Funds	\$37,895	\$40,419	+\$2,524
<b>Total</b>	<b>\$152,524</b>	<b>\$153,528</b>	<b>+\$1,004</b>
<b>Full Time Equivalents</b>			
General Funds	713	702	-11
Trust Funds	166	166	0
<b>Total</b>	<b>879</b>	<b>868</b>	<b>-11</b>

### FY 2019 Change

Explanation of Change	FY 2018 Base		Trust Funds		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	879	\$81,319	0	\$0	0	\$0	0	\$0
Personnel benefits	0	\$25,787	0	\$0	0	\$0	0	\$0
Employee health benefits	0	\$0	0	\$0	0	\$0	0	\$0
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
One day more of pay	0	\$0	0	\$78	0	\$335	0	\$413
Federal Employees' Compensation Act (FECA)	0	\$0	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$31	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$238	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$20	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$10,639	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$0	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$2,110	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$79	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$486	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$3,503	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$16,253	0	\$0	0	\$0	0	\$0
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$1,013	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$976	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0

# FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

Explanation of Change	FY 2019 Change							
	FY 2018 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Operation and maintenance of facilities	0	\$54	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$0	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$577	0	\$0	0	\$0	0	\$0
Equipment	0	\$430	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$0	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>879</b>	<b>+\$143,515</b>	<b>0</b>	<b>+\$78</b>	<b>0</b>	<b>+\$335</b>	<b>0</b>	<b>+\$413</b>
<b>B. Programs:</b>								
Processing of Mandatory Workload - DCMWC	0	\$0	0	\$2,524	0	\$0	0	\$2,524
<b>Programs Subtotal</b>			<b>0</b>	<b>+\$2,524</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>+\$2,524</b>
<b>Total Increase</b>	<b>879</b>	<b>+\$143,515</b>	<b>0</b>	<b>+\$2,602</b>	<b>0</b>	<b>+\$335</b>	<b>0</b>	<b>+\$2,937</b>
<b>Decreases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Federal Employees' Compensation Act (FECA)	0	\$1,346	0	-\$4	0	-\$125	0	-\$129
Operation and maintenance of equipment	0	\$7,663	0	-\$74	0	-\$210	0	-\$284
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>+\$9,009</b>	<b>0</b>	<b>-\$78</b>	<b>0</b>	<b>-\$335</b>	<b>0</b>	<b>-\$413</b>
<b>B. Programs:</b>								
Discretionary Program Change - FTE Reduction to Absorb Inflationary Increases for DFEC	0	\$0	0	\$0	-10	-\$1,363	-10	-\$1,363
Discretionary Program Decrease - FTE Reduction to Absorb Inflationary Increases for Longshore	0	\$0	0	\$0	-1	-\$157	-1	-\$157
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>-11</b>	<b>-\$1,520</b>	<b>-11</b>	<b>-\$1,520</b>
<b>Total Decrease</b>	<b>0</b>	<b>+\$9,009</b>	<b>0</b>	<b>-\$78</b>	<b>-11</b>	<b>-\$1,855</b>	<b>-11</b>	<b>-\$1,933</b>
<b>Total Change</b>	<b>879</b>	<b>+\$152,524</b>	<b>0</b>	<b>+\$2,524</b>	<b>-11</b>	<b>-\$1,520</b>	<b>-11</b>	<b>+\$1,004</b>



## FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b>								
(Dollars in Thousands)								
	FY 2017 Enacted		FY 2018 Full Year C.R.		FY 2019 Request		Diff. FY19 Request / FY18 Full Year C.R	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>FEDERAL PROGRAMS FOR WORKERS' COMPENSATION</b>	<b>901</b>	<b>153,208</b>	<b>879</b>	<b>152,524</b>	<b>868</b>	<b>153,528</b>	<b>-11</b>	<b>1,004</b>
<b>General Funds</b>	<b>734</b>	<b>115,424</b>	<b>713</b>	<b>114,629</b>	<b>702</b>	<b>113,109</b>	<b>-11</b>	<b>-1,520</b>
<b>Trust Funds</b>	<b>167</b>	<b>37,784</b>	<b>166</b>	<b>37,895</b>	<b>166</b>	<b>40,419</b>	<b>0</b>	<b>2,524</b>
<b>Division of Federal Employees' Compensation</b>	<b>654</b>	<b>102,330</b>	<b>636</b>	<b>101,973</b>	<b>626</b>	<b>100,610</b>	<b>-10</b>	<b>-1,363</b>
General Funds	654	102,330	636	101,973	626	100,610	-10	-1,363
<b>Division of Longshore and Harbor Workers' Compensation</b>	<b>88</b>	<b>15,271</b>	<b>85</b>	<b>14,829</b>	<b>84</b>	<b>14,672</b>	<b>-1</b>	<b>-157</b>
General Funds	80	13,094	77	12,656	76	12,499	-1	-157
Longshore Trust Funds	8	2,177	8	2,173	8	2,173	0	0
<b>Division of Coal Mine Workers' Compensation</b>	<b>159</b>	<b>35,607</b>	<b>158</b>	<b>35,722</b>	<b>158</b>	<b>38,246</b>	<b>0</b>	<b>2,524</b>
Black Lung Disability Trust Funds	159	35,607	158	35,722	158	38,246	0	2,524

NOTE: 2017 reflects actual FTE.

## FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		FY 2017 Enacted	FY 2018 Full Year C.R.	FY 2019 Request	Diff. FY19 Request / FY18 Full Year C.R.
	Full-Time Equivalent				
	Full-time Permanent	891	879	868	-11
	Total	891	879	868	-11
	Total Number of Full-Time Permanent Positions	891	879	868	-11
	Average ES Salary	\$176,794	\$180,153	\$180,153	\$0
	Average GM/GS Grade	12/3	12/3	12/3	0
	Average GM/GS Salary	\$84,207	\$85,807	\$85,807	\$0
11.1	Full-time permanent	79,804	80,086	79,261	-825
11.3	Other than full-time permanent	48	0	18	18
11.5	Other personnel compensation	1,143	1,233	1,233	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	80,995	81,319	80,512	-807
12.1	Civilian personnel benefits	27,979	27,133	26,704	-429
13.0	Benefits for former personnel	39	31	31	0
21.0	Travel and transportation of persons	401	238	238	0
22.0	Transportation of things	21	20	20	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	10,486	10,639	10,639	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	2,061	2,110	2,110	0
24.0	Printing and reproduction	96	79	79	0
25.1	Advisory and assistance services	541	486	486	0
25.2	Other services from non-Federal sources	3,441	3,503	4,134	631
25.3	Other goods and services from Federal sources 1/	19,405	18,242	18,242	0
25.4	Operation and maintenance of facilities	5	54	54	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	6,260	7,663	9,272	1,609
26.0	Supplies and materials	887	577	577	0
31.0	Equipment	506	430	430	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	85	0	0	0
	<b>Total</b>	<b>153,208</b>	<b>152,524</b>	<b>153,528</b>	<b>1,004</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	18,032	16,253	16,253	0
	DHS Services	911	1,013	1,013	0
	Services by DOL Agencies	0	475	475	0
	GSA Services	15	0	0	0
	Services by Other Government Departments	447	501	501	0

## FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

<b>APPROPRIATION HISTORY 1/</b> (Dollars in Thousands)					
	<b>Budget Estimates to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriations</b>	<b>FTE</b>
2009					
Base Appropriation...2/	\$128,299			\$102,910	867
2010					
Base Appropriation...2/	\$125,722			\$111,631	872
2011					
Base Appropriation...3/	\$127,346			\$118,059	858
2012					
Base Appropriation...4/	\$123,538			\$117,840	856
2013					
Base Appropriation...5/	\$122,190			\$111,783	845
2014					
Base Appropriation	\$120,600			\$111,783	836
2015					
Base Appropriation	\$115,115			\$113,000	820
2016					
Base Appropriation	\$119,574			\$115,501	796
2017					
Base Appropriation	\$126,159			\$117,601	739
2018					
Base Appropriation...6/	\$115,282	\$116,550			
2019					
Base Appropriation	\$115,282				710

1/ Appropriation amounts do not include amounts for the Black Lung Disability Trust Fund which are provided under separate appropriation.

2/ FY 2009 and FY 2010 are comparable levels that include the resources for the work transferred from the former Employment Standards Administration, Program Direction and Support Budget Activity.

3/ Appropriation for FY 2011 includes rescission amount of -\$234 pursuant to P.L. 112-10

4/ Appropriation for FY 2012 includes rescission amount -\$223 pursuant to P.L. 112-74.

5/ Appropriation for FY 2013 includes rescission amount of -\$235 pursuant to P.L. 113-6 and sequestration amount of -\$5,821.

6/ A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.



## FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
<b>Activity Appropriation</b>	<b>153,208</b>	<b>152,524</b>	<b>153,528</b>	<b>1,004</b>
FTE	901	879	868	-11

NOTE: FY 2017 reflects actual FTE. Authorized FTE for FY 2017 was 891.

### OVERVIEW

#### Introduction

Federal Programs for Workers' Compensation (FPWC) provides funding for OWCP and three of its program divisions:

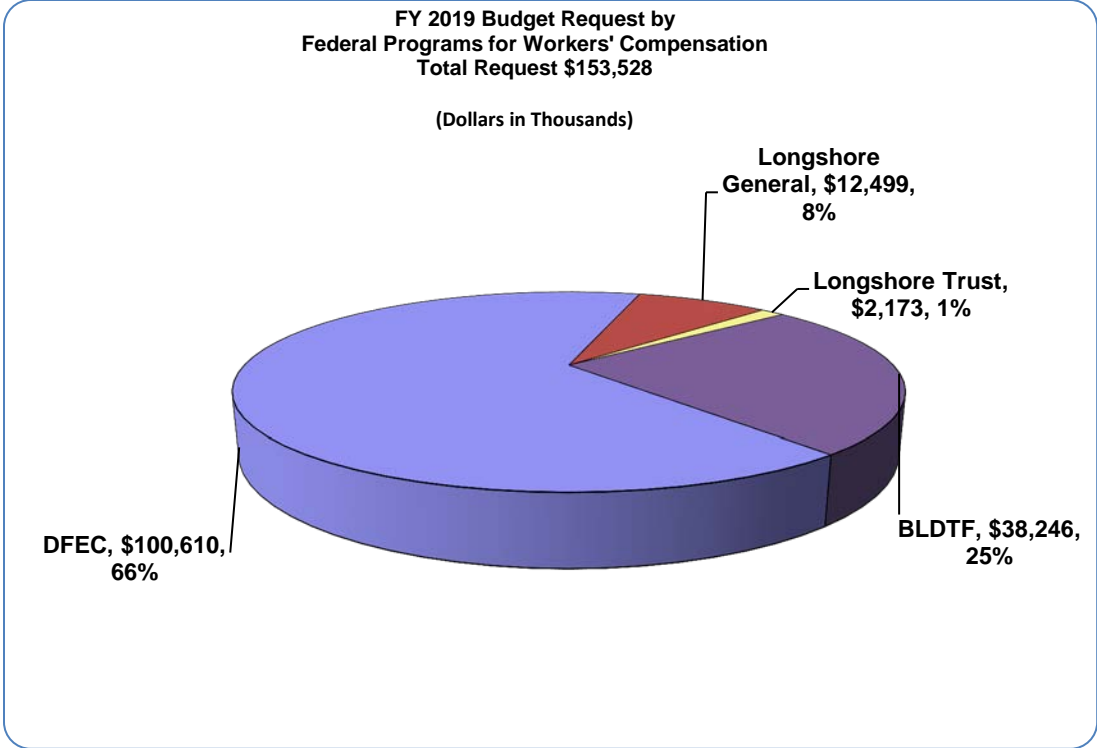
- The Division of Federal Employees' Compensation (DFEC) provides wage-loss compensation, medical treatment, return-to-work assistance and vocational rehabilitation to civilian employees of the Federal Government injured at work and to certain other designated groups.
- The Division of Longshore and Harbor Workers' Compensation (DLHWC) provides benefits to injured private-sector workers engaged in certain maritime and related employment. Longshore also provides benefits to overseas contractors covered by the provisions of the Defense Base Act (DBA).
- The Division of Coal Mine Workers' Compensation (DCMWC) provides monetary compensation and medical benefits to coal miners totally disabled by pneumoconiosis (Black Lung) stemming from mine employment, and monetary benefits to their dependent survivors.

Total resources requested in FY 2019 for the FPWC are \$153,528,000 and 868 FTE.

The FY 2019 Request Level by activity component is as follows:

- \$100,610,000 and 626 FTE for the Division of Federal Employees' Compensation;
- \$12,499,000 and 76 FTE for Longshore General;
- \$2,173,000 and 8 FTE for Longshore Trust; and
- \$38,246,000 and 158 FTE for the Division of Coal Mine Workers' Compensation.

# FEDERAL PROGRAMS FOR WORKERS' COMPENSATION



## DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
Activity Appropriation	102,330	101,973	100,610	-1,363
FTE	654	636	626	-10

NOTE: FY 2017 reflects actual FTE. Authorized FTE for FY 2017 was 653.

### **Introduction**

Since its creation over 100 years ago, the Federal Employees' Compensation Act (FECA) program has ensured that the civilians who contribute to the nation's well-being as public servants are compensated for any injuries or illnesses resulting from their employment. The program provides workers' compensation benefits to several hundreds of thousands of civilian employees each year.

OWCP's Division of Federal Employees' Compensation (DFEC) directs FECA claims processing operations in six regions and twelve district offices. FECA is the exclusive remedy by which Federal employees may obtain compensation from the United States for a work-related injury. The Act covers approximately 2.8 million civilian Federal employees, including U.S. Postal Service (USPS) employees, in more than 70 different agencies. It provides benefits to those who sustain an injury or illness in the performance of duty anywhere in the world. Benefits include wage-replacement payments and payments for reasonable and necessary medical treatment related to the injury, as well as vocational rehabilitation training and job-placement assistance to help disabled workers return to gainful employment. Injured workers may also be compensated for permanent impairment of limbs and other parts of the body. Survivors are compensated in the event of work-related death.

In FY 2019, OWCP will continue to provide benefits to those that sustain a work-related injury or illness, pay medical expenses and compensation benefits to injured workers and survivors, and help injured employees return to work when they are medically able to do so.

### *War Hazards Compensation Act Claims*

The program is responsible for processing claims filed under the War Hazards Compensation Act (WHCA). The WHCA supplements the Defense Base Act (DBA) by reimbursing contract employers and insurance carriers for compensation and medical benefits paid by them for injuries or deaths arising from a "war risk hazard" which represents nearly all the claims filed under this Act. The WHCA also provides for making direct payments to individuals when detained by a "hostile force" or when injury or death occurs as a result of a "war risk hazard" and the claim is not compensable under the DBA. OWCP anticipates continuing significant workload for WHCA claims in connection with the wars in Iraq and Afghanistan. Claims from Iraq and Afghanistan are more complex than typical claims for compensation. The majority of WHCA payments for these conflicts have yet to be paid. OWCP expects to continue to receive both DBA

## DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

and WHCA claims in FY 2019 and beyond, which will require adjudication, data analysis, reporting, customer assistance, and correspondence workload.

### Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2014	\$97,128	737
2015	\$98,296	725
2016	\$100,519	706
2017	\$102,330	653
2018	\$0	0

NOTE: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

### FY 2019

Requested resources for FY 2019 are \$100,610,000 and 626 FTE. The FY 2019 request includes a reduction of 10 FTE to absorb unfunded inflationary costs. At this funding level, the FECA program will continue the core activities of its mission, including adjudication of new injury and illness claims, processing initial wage-loss compensation claims, and disability management and return-to-work services.

### FY 2018

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended). The amounts included and figures shown for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

### FY 2017

Total resources at the FY 2017 Revised Enacted level for the FECA program were \$102,330,000 and 653 FTE. The FECA program continued the core activities of its mission, including adjudication of new injury and illness claims, processing initial wage-loss compensation claims, and disability management and return-to-work services.

### Workload Summary

DFEC performs a variety of activities to accomplish the program's goals, including initial claims intake and adjudication, wage-loss claims processing and payment, early disability case management, periodic roll management, and appeals processing.

### Case Creation and Initial/Wage-loss Intake and Adjudication

In FY 2017, DFEC received 108,406 new injury claims and 16,801 initial claims for FECA



## **DIVISION OF FEDERAL EMPLOYEES' COMPENSATION**

wage-loss compensation. Over 85 percent of the new injury claims were for traumatic injuries, such as those caused by slips and falls. The remainder involved more complex situations in which a medical condition arose due to occupational exposure. DFEC continues to exceed established targets for the timely processing of wage-loss claims. In FY 2017, DFEC processed 91.9 percent of claims that did not need further development within 14 days and processed 94.5 percent of all wage-loss claims within 90 days.

### Compensation & Medical Payments

DFEC staff process benefits for those who sustain a work-related injury or illness in the performance of duty anywhere in the world. Benefits include wage-replacement payments and payments for reasonable and necessary medical treatment related to the injury. In FY 2017, OWCP processed a total of 8,245,468 compensation and medical payments. In Chargeback Year 2017 (1 July 2016 to 30 June 2017), 222,616 beneficiaries received \$2.946 billion in benefit payments, including \$1.852 billion for wage-loss compensation, \$157 million for death benefits, and \$936 million for medical benefits.

## DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

<b>BUDGET ACTIVITY COMPONENT BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
11.1	Full-time permanent	58,615	58,586	57,792	-794
11.3	Other than full-time permanent	0	0	18	18
11.5	Other personnel compensation	871	876	876	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>59,486</b>	<b>59,462</b>	<b>58,686</b>	<b>-776</b>
12.1	Civilian personnel benefits	20,602	20,287	19,881	-406
13.0	Benefits for former personnel	26	31	31	0
21.0	Travel and transportation of persons	223	135	135	0
22.0	Transportation of things	5	7	7	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	7,669	7,925	7,925	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	1,234	1,230	1,230	0
24.0	Printing and reproduction	39	58	58	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	579	393	393	0
25.3	Other goods and services from Federal sources 1/	10,619	10,887	10,887	0
25.4	Operation and maintenance of facilities	4	54	54	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	794	931	750	-181
26.0	Supplies and materials	591	339	339	0
31.0	Equipment	374	234	234	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	85	0	0	0
	<b>Total</b>	<b>102,330</b>	<b>101,973</b>	<b>100,610</b>	<b>-1,363</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	9,394	9,632	9,632	0
	DHS Services	764	781	781	0
	Services by DOL Agencies	0	474	474	0
	GSA Services	15	0	0	0
	Services by Other Government Departments	446	0	0	0

# DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

## CHANGES IN FY 2019

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
Employee health benefits	0
Moving allowance	0
One day more of pay	299
Federal Employees' Compensation Act (FECA)	-118
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
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 (Census Bureau)	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	-181
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

**Built-Ins Subtotal** **\$0**

**Net Program** **-\$1,363**

**Direct FTE** **-10**

	Estimate	FTE
<b>Base</b>	<b>\$101,973</b>	<b>636</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>-\$1,363</b>	<b>-10</b>



## DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
Activity Appropriation	15,271	14,829	14,672	-157
FTE	88	85	84	-1

NOTE: FY 2017 reflects actual FTE. Authorized FTE for FY 2017 was 86.

### Introduction

OWCP's Division of Longshore and Harbor Workers' Compensation (DLHWC) is charged with the administration of the Longshore and Harbor Workers' Compensation Act (LHWCA), as amended. LHWCA is a program of income replacement and medical and rehabilitation benefits for individuals who are injured during the course of covered maritime employment or who suffer an occupational disease arising from such employment. DLHWC also administers injury and occupational disease coverage for non-maritime employees under several extensions of the LHWCA, including the Defense Base Act (DBA), Outer Continental Shelf Lands Act (OCSLA), Non-appropriated Fund Instrumentalities Act (NFIA), and the District of Columbia Workmen's Compensation Act (DCWCA) for injuries sustained prior to July 26, 1982.

The core mission activities of the Longshore Program are:

- **Insurance Authorization and Risk Securitization:** The Longshore program authorizes private employers to self-insure and insurance carriers to provide coverage for benefits provided under the Act, while overseeing proper collateralization to ensure the continuing provision of benefits for covered workers in case of insolvency.
- **Special Workers' Compensation Fund (SWCF) Management:** The Longshore program administers, provides oversight, and ensures the solvency and financial strength of the SWCF, for which it has fiduciary responsibility. OWCP also makes direct benefit payments on cases covered by the SWCF, as provided in Section 944 of the LHWCA.
- **Claims Processing and Benefits Delivery Oversight:** The Longshore program provides administrative oversight of the award and delivery of wage replacement compensation, medical treatment, and vocational rehabilitation benefits provided by employers and insurance carriers to injured private sector workers, as well as death benefits to their eligible survivors in the event of work-related death.
- **Issue Identification and Resolution:** The Longshore program identifies potential issues in the claims processing and benefits delivery process and completes intervention actions by providing information, technical and compliance assistance, support, and informal dispute resolution services to workers, employers, and insurers.

OWCP receives approximately 27,000 new lost-time injury claims per year and collects assessments for the SWCF, which provides benefits directly to certain individuals (claimants), including bi-weekly recurring benefit payments to over 3,700 beneficiaries. There are approximately 800 companies authorized to write insurance or self-insure liabilities under the

## **DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION**

LHWCA and its extensions. Over \$2,900,000,000 in securities is maintained to ensure the continuing provision of benefits for covered workers in case of employer/carrier insolvency.

The SWCF is financed by assessments on the carriers and self-insured employers who underwrite or perform Longshore-related work. While program operations are funded from the General Fund, management of the SWCF is supported by a direct transfer from the SWCF that is referred to as “Longshore Trust Funds.” The Longshore Trust Funds are utilized primarily to administer, provide oversight, and ensure the solvency and financial strength of the SWCF, as well as to provide vocational rehabilitation services.

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

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2014	\$14,655	99
2015	\$14,704	95
2016	\$14,982	90
2017	\$15,271	86
2018	\$0	0

NOTE: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

### **FY 2019**

The FY 2019 Request level for the Division of Longshore and Harbor Workers’ Compensation (DLHWC) is \$14,672,000 and 84 FTE. The FY 2019 request includes a reduction of 1 FTE to absorb unfunded inflationary increases. Of the total requested, General Funds provide \$12,499,000 and 76 FTE; and Trust Funds provide \$2,173,000 and 8 FTE.

*Claims Processing and Benefits Delivery Oversight / Issue Identification and Resolution:* The Longshore Program collects detailed data and tracks each case until resolution or permanency has been reached. Each final case outcome can determine specifically whether the injured worker has any lasting effects from the injury. When the injured worker is entitled to compensation, detailed information will be collected with regard to the timeliness and accuracy of the initial payments. When payment delivery is not timely or accurate, staff will investigate the reasons and work with the employer/carrier to identify the root of the problem.

*Insurance Authorization and Risk Securitization / SWCF Management:* The Longshore Program plans to increase the emphasis on these activities. The LHWCA authorizes the Secretary of Labor to utilize funds from the SWCF to ensure its solvency and financial strength (see Sections 44(d) and 44(j) of the Longshore and Harbor Workers’ Compensation Act Amendments of 1984). To support these activities in FY 2019, as well as vocational rehabilitation services per Section 39(c) of the Act, a direct transfer of \$2,173,000 is requested from the SWCF, which is financed by industry assessments on the carriers and self-insured employers who underwrite or perform Longshore-related work. The Longshore Program also conducts audits of selected

## **DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION**

entities in order to protect the SWCF from potential risk as required under the LHWCA. These program integrity audit activities need to be modernized as demand for more underwriting will inevitably grow with increased ship building and with \$1 trillion in new infrastructure investment proposed by the administration.

### **FY 2018**

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included and figures shown for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

### **FY 2017**

Total resources at the FY 2017 Revised Enacted level for the DLHWC program were \$15,271,000 and 86 FTE. Of the total requested, General Funds were \$13,094,000 and 77 FTE; and Trust Funds were \$2,177,000 and 9 FTE.

Longshore continued to ensure that injury reports and first payment of benefits were timely. The program also continued to improve the use of electronic claims filing, case creation, and claims management systems to drive shorter compliance timeframes, as well as conduct ongoing and quarterly performance management meetings with stakeholders to ensure that the program addressed issues that may have impeded performance.

### **Workload Summary**

#### *Performance Measures*

*Claims Processing and Benefits Delivery Oversight:* These measures focus on employer/carrier performance to ensure that injury reports and first payment of benefits are timely. Significant improvement in performance measure results have been realized in recent years. In FY 2017, the results for our first report of injury measure and first payment measure for non-DBA cases, which account for the majority of cases, were 94 percent and 88 percent against targets of 89 percent and 86 percent, respectively. OWCP will implement a number of strategies aimed to continue delivering results for these measures. The Longshore program will use improved electronic claims filing, case creation, and claims management systems to drive shorter compliance timeframes. It will also conduct ongoing and quarterly performance management meetings with stakeholders to ensure that the program addresses emerging issues that may impede performance. In addition, the program will use its statutory and regulatory authority where necessary to foster greater compliance with its programmatic goals including the issuance of penalties for late injury reporting and late first payments.

*Insurance Authorization and Risk Securitization / SWCF Management:* A major program responsibility is collecting annual industry assessments that support the SWCF. As part of the

## **DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION**

program's obligations to ensure the Fund has adequate resources to pay benefits, it must collect these assessments from those entities that utilize the Fund in a timely manner, first for an estimated amount and then a final adjusted amount each year. In recognition of its importance and reflecting an increase in emphasis on these activities as described in the FY 2019 Request section, a new performance measure has been added: Percent of Industry SWCF (Longshore Trust) Final Assessment Bills Collected within 60-days of Issuance.

### Workload Measures

*Claims Processing and Benefits Delivery Oversight:* Injury claims reported with lost time require more adjudication and management because they involve processing of lost wage compensation payments and/or medical treatment authorizations and payments. If current trends continue, OWCP expects to see the number of claims with lost time/injuries reported to be over 30,000 in FY 2019. Many external factors, economics, and policies affect these workload figures, though, and changes to these factors could change projections accordingly. Claims can be driven by economic activity in areas like shipping/trade, port/harbor construction, shipbuilding, and oil exploration. If, for example, the administration's proposed infrastructure investments and Navy shipbuilding expansion occur in the next several years, we can expect significant workload increases for the program. In addition, DBA claims can be driven by an increase in government contracting activities overseas.

*Insurance Authorization and Risk Securitization / SWCF Management:* The new workload measure, Number of Industry SWCF (Longshore Trust) Final Assessment Bills Issued, identifies the work associated with the program's obligation to ensure that the carrier and self-insured entities authorized by the program and who receive financial relief from the SWCF are timely and accurately paying their proportional share of the SWCF's obligations as assessed by the program under the statute. The addition of this workload measure reflects an increase in emphasis on these activities, as described in the FY 2019 Request section and the related new performance measure.



**DIVISION OF LONGSHORE AND HARBOR WORKERS'  
COMPENSATION**

<b>BUDGET ACTIVITY COMPONENT BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
11.1	Full-time permanent	8,157	8,140	8,052	-88
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	110	134	134	0
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>8,267</b>	<b>8,274</b>	<b>8,186</b>	<b>-88</b>
12.1	Civilian personnel benefits	2,679	2,779	2,743	-36
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	70	59	59	0
22.0	Transportation of things	16	9	9	0
23.1	Rental payments to GSA	1,176	1,077	1,077	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	178	163	163	0
24.0	Printing and reproduction	27	12	12	0
25.1	Advisory and assistance services	541	486	486	0
25.2	Other services from non-Federal sources	142	128	128	0
25.3	Other goods and services from Federal sources 1/	707	599	599	0
25.4	Operation and maintenance of facilities	1	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	1,305	1,136	1,103	-33
26.0	Supplies and materials	63	42	42	0
31.0	Equipment	99	65	65	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>15,271</b>	<b>14,829</b>	<b>14,672</b>	<b>-157</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	559	444	444	0
	DHS Services	147	154	154	0
	Services by DOL Agencies	0	1	1	0
	Services by Other Government Departments	1	0	0	0

# DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

## General Funds

<b>PROGRAM CATEGORY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
11.1	Full-time permanent	7,364	7,318	7,227	-91
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	96	122	122	0
11.9	<b>Total personnel compensation</b>	<b>7,460</b>	<b>7,440</b>	<b>7,349</b>	<b>-91</b>
12.1	Civilian personnel benefits	2,448	2,558	2,521	-37
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	46	35	35	0
22.0	Transportation of things	16	9	9	0
23.1	Rental payments to GSA	1,176	1,077	1,077	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	178	163	163	0
24.0	Printing and reproduction	18	11	11	0
25.1	Advisory and assistance services	8	0	0	0
25.2	Other services from non-Federal sources	142	128	128	0
25.3	Other goods and services from Federal sources 1/	478	311	311	0
25.4	Operation and maintenance of facilities	1	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	976	827	798	-29
26.0	Supplies and materials	60	42	42	0
31.0	Equipment	87	55	55	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>13,094</b>	<b>12,656</b>	<b>12,499</b>	<b>-157</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	330	156	156	0
	DHS Services	147	154	154	0
	Services by DOL Agencies	0	1	1	0
	Services by Other Government Departments	1	0	0	0

# DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

## Trust Funds

<b>PROGRAM CATEGORY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
11.1	Full-time permanent	793	822	825	3
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	14	12	12	0
11.9	<b>Total personnel compensation</b>	<b>807</b>	<b>834</b>	<b>837</b>	<b>3</b>
12.1	Civilian personnel benefits	231	221	222	1
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	24	24	24	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	0	0	0	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	0	0	0	0
24.0	Printing and reproduction	9	1	1	0
25.1	Advisory and assistance services	533	486	486	0
25.2	Other services from non-Federal sources	0	0	0	0
25.3	Other goods and services from Federal sources 1/	229	288	288	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	329	309	305	-4
26.0	Supplies and materials	3	0	0	0
31.0	Equipment	12	10	10	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>2,177</b>	<b>2,173</b>	<b>2,173</b>	<b>0</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	229	288	288	0

# DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

## CHANGES IN FY 2019

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
Employee health benefits	0
Moving allowance	0
One day more of pay	40
Federal Employees' Compensation Act (FECA)	-7
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
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 (Census Bureau)	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	-33
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

**Built-Ins Subtotal** **\$0**

**Net Program** **-\$157**

**Direct FTE** **-1**

	Estimate	FTE
<b>Base</b>	<b>\$14,829</b>	<b>85</b>
<b>Program Increase</b>	<b>\$0</b>	<b>0</b>
<b>Program Decrease</b>	<b>-\$157</b>	<b>-1</b>

## DIVISION OF COAL MINE WORKERS' COMPENSATION

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE<sup>1</sup></b>				
(Dollars in Thousands)				
	<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
Activity Appropriation	35,607	35,722	38,246	2,524
FTE	159	158	158	0

<sup>1</sup> FY 2017 and FY 2018 levels reflect post-sequestration amounts. FY 2019 level reflects pre-sequestration amounts  
NOTE: FY 2017 reflects actual FTE. Authorized FTE for FY 2017 was 152.

### **Introduction**

OWCP's Division of Coal Mine Workers' Compensation (DCMWC) serves coal industry workers, and their dependent survivors, who are totally disabled by pneumoconiosis as a result of their exposure to coal mine dust. Pneumoconiosis - also known as Black Lung disease – is a debilitating condition that currently has no cure. OWCP draws its mandate from Title IV of the Federal Coal Mine Health and Safety Act of 1969, as amended. The core mission and budget activities of the program are to develop and adjudicate claims and pay benefits. Claims examiners and supporting staff in eight district offices across the country process benefit applications and make decisions on benefit eligibility. In addition, staff members monitor benefit payments and medical treatment provided by self-insured coal mine operators or their insurance carriers.

OWCP also supports the Secretary's fiduciary responsibility for the Black Lung Disability Trust Fund by processing coal mine operator self-insurance requests, confirming that self-insurers post the appropriate amounts to cover potential benefit security liabilities, and working with coal mine operators to encourage voluntary compliance with statutory insurance requirements. Other activities include overseeing and managing the program's automated case management systems, medical bill processing activities, and its accounting and debt management functions; coordinating litigation with the Solicitor of Labor; and providing procedural guidance to field operations.

Federal Coal Mine Health and Safety Act Part B funding and activities are discussed in the Special Benefits for Disabled Coal Miners section of the OWCP budget. Part C activities funded by the Black Lung Disability Trust Fund are discussed below.

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

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2014	\$30,655	163
2015	\$30,889	163
2016	\$32,847	163
2017	\$35,607	152
2018	\$0	0

NOTE: A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared.

## **DIVISION OF COAL MINE WORKERS' COMPENSATION**

### **FY 2019**

The FY 2019 Request level is \$38,246,000 and 158 FTE. The program will maximize the productivity of staff resources to keep pace with new claims volumes and manage the inventory of claims pending decision to ensure that every claim is adjudicated in an equitable and timely manner. OWCP will continue to adjudicate incoming and pending claims, pay monthly compensation and ongoing medical treatment benefits to an estimated 14,300 recipients, continue to monitor cash and medical treatment benefits disbursed by coal mine operators in the private sector to approximately 5,000 additional recipients, and process an estimated 7,000 incoming claims under Part C, as well as 5,000 claims pending decision.

The program will leverage efficiencies gained by centralizing and modernizing administrative functions to enable professional staff to increase decision-making productivity on new and pending claims.

### **FY 2018**

A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution. The Department will provide an Operating Plan after a full-year appropriation bill is enacted.

### **FY 2017**

Total resources at the FY 2017 Revised Enacted level were \$35,607,000 and 152 FTE. In FY 2017, the Black Lung program received 7,386 new claims, and issued 7,072 Proposed Decisions and Orders, a record high since FY 2006. Recognizing the need to work on reducing the overall age of the claims pending decisions, the Black Lung program focused resources on managing and decreasing the inventory of all pending claims. During FY 2017, the total pending inventory was reduced by 9 percent (from 6,244 to 5,691) with an average age of 227 days. The continued focus on pending inventory ensures that these claims remain a part of the decision workload and are not allowed to age without further attention.

OWCP improved program performance in FY 2017 using data analytics to adjust staffing and workload assignments to increase productivity without additional FTE, implemented prototype claims examiner standards to maximize production, streamlined work processes, and ensured greater uniformity of processes across the Division. OWCP also used stakeholder and customer outreach and feedback directed towards the importance of timely filing and accurate information, identifying needed improvements in service quality and effectiveness, assessing claimant and stakeholder experiences, and service satisfaction. Information technology was leveraged to improve the speed of claim intake, customer service, and benefit delivery, to lessen the development timeframes. Centralized printing capabilities were also initiated, increasing business process efficiencies. In addition, Centralized Case Create and Assignment was implemented in order to ensure equitable distribution of workload across offices and speed claims processing.

# DIVISION OF COAL MINE WORKERS' COMPENSATION

## Workload Summary

The program received 7,386 claims in FY 2017. The program projects the number of claims in FY 2018 to remain high at 7,500. In FY 2019, the program expects to receive 7,000 new claims and will manage the adjudication of a pending inventory of an additional 5,000. In FY 2017, the program issued 7,072 PDOs, a record high since FY 2006. The program projects this number will increase to 7,005 in FY 2019.

Over the past several years, changes in the law and challenges faced by coal companies led to a substantial increase in the volume of incoming Black Lung claims. As the claim volume rose and staffing decreased by 5 percent, the claims in process continued to age, creating a significant risk to mission delivery. In response, the program focused resources on adjudicating the oldest of its pending claims inventory in FY 2016 and FY 2017. Recognizing the need to continue to work on reducing the overall age of the claims pending decisions, the Black Lung program's performance priority in FY 2019 will continue to focus on managing and decreasing the inventory of pending claims and increased claims examiner productivity. The ongoing focus on pending inventory ensures that these claims remain a part of the decision workload and are not allowed to age without further attention.

In FY 2017, the total pending inventory was reduced by nine percent. The program expects to reduce the pending inventory to 5,000 in FY 2019. OWCP will continue to collect and analyze aggregate performance data for all PDOs to provide context for tracking performance across all claims.

OWCP will employ the following strategies to improve the Black Lung program in FY 2019:

- Use data analytics and imaging capabilities to dynamically adjust/balance workload assignments to increase productivity and decrease aged inventory;
- Promote stakeholder utilization of electronic document submission;
- Leverage and expand existing imaging capabilities with internal and external stakeholders to improve the speed and security of claim intake and exchange, customer service, and benefit delivery, and lessen the development timeframes;
- Continue to collect feedback from Black Lung program customers and stakeholders in order to identify needed improvements in service quality and effectiveness, and assess claimant and stakeholder experiences and satisfaction with services;
- Enhance prototype claims examiner standards (implemented in FY 17) and standardized workers' compensation assistant standards (implemented in FY 18) to further maximize production, streamline work processes, and ensure greater uniformity of processes across the Division; and
- Analyze performance data to identify training and development opportunities for staff and opportunities for process improvements.

## DIVISION OF COAL MINE WORKERS' COMPENSATION

<b>BUDGET ACTIVITY COMPONENT BY OBJECT CLASS<sup>2</sup></b>					
(Dollars in Thousands)					
		<b>FY 2017 Enacted</b>	<b>FY 2018 Full Year C.R.</b>	<b>FY 2019 Request</b>	<b>Diff. FY19 Request / FY18 Full Year C.R.</b>
11.1	Full-time permanent	13,032	13,360	13,417	57
11.3	Other than full-time permanent	48	0	0	0
11.5	Other personnel compensation	162	223	223	0
11.9	<b>Total personnel compensation</b>	<b>13,242</b>	<b>13,583</b>	<b>13,640</b>	<b>57</b>
12.1	Civilian personnel benefits	4,698	4,067	4,080	13
13.0	Benefits for former personnel	13	0	0	0
21.0	Travel and transportation of persons	108	44	44	0
22.0	Transportation of things	0	4	4	0
23.1	Rental payments to GSA	1,641	1,637	1,637	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	649	717	717	0
24.0	Printing and reproduction	30	9	9	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	2,720	2,982	3,613	631
25.3	Other goods and services from Federal sources 1/	8,079	6,756	6,756	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	4,161	5,596	7,419	1,823
26.0	Supplies and materials	233	196	196	0
31.0	Equipment	33	131	131	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>35,607</b>	<b>35,722</b>	<b>38,246</b>	<b>2,524</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	8,079	6,177	6,177	0
	DHS Services	0	78	78	0
	Services by Other Government Departments	0	501	501	0

<sup>2</sup> FY 2017 and FY 2018 levels reflect post-sequestration amounts. FY 2019 level reflects pre-sequestration amounts.



# DIVISION OF COAL MINE WORKERS' COMPENSATION

## CHANGES IN FY 2019

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
Employee health benefits	0
Moving allowance	0
One day more of pay	74
Federal Employees' Compensation Act (FECA)	-4
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
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 (Census Bureau)	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	-70
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

**Built-Ins Subtotal** **\$0**

**Net Program** **\$2,524**

**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$35,722</b>	<b>158</b>
<b>Program Increase</b>	<b>\$2,524</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>