

FY 2020

CONGRESSIONAL BUDGET JUSTIFICATION

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

SALARIES AND EXPENSES

This page is intentionally left blank.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

TABLE OF CONTENTS

Appropriation Language	1
Amounts Available for Obligation.....	2
Summary of Changes	3
Summary of Budget Authority and FTE by Activity and Component	5
Budget Authority by Object Class	6
Appropriation History	7
Budget Activity	9
Federal Programs for Workers' Compensation	9
Overview	9
Division of Federal Employees' Compensation	11
Division of Longshore and Harbor Workers' Compensation.....	19
Division of Coal Mine Workers' Compensation.....	29

This page is intentionally left blank.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

APPROPRIATION LANGUAGE

Salaries and Expenses

For necessary expenses for the Office of Workers' Compensation Programs, [\$115,424,000] \$115,609,000, together with [\$2,177,000] \$2,173,000 which may be expended from the Special Fund in accordance with sections 39(c), 44(d), and 44([j] i) of the Longshore and Harbor Workers' Compensation Act.

(Department of Labor Appropriations Act, 2019.)

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2018 Enacted		FY 2019 Enacted		FY 2020 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	714	\$115,424	702	\$115,424	683	\$115,609
A.1) Subtotal Appropriation (adjusted)	714	\$115,424	702	\$115,424	683	\$115,609
Offsetting Collections From:						
Black Lung Disability Trust Fund	158	\$38,246	158	\$38,246	158	\$38,246
Sequestration reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	-\$2,524	0	-\$2,371	0	\$0
Longshore Trust	7	\$2,177	8	\$2,177	8	\$2,173
A.1) Subtotal Trust Funds	165	\$37,899	166	\$38,052	166	\$40,419
B. Gross Budget Authority	879	\$153,323	868	\$153,476	849	\$156,028
Offsetting Collections to:	0	\$0	0	\$0	0	\$0
Black Lung Disability Trust Fund	-158	-\$35,722	-158	-\$35,875	-158	-\$38,246
Longshore Trust	-7	-\$2,177	-8	-\$2,177	-8	-\$2,173
B.1) Subtotal Trust Funds	-165	-\$37,899	-166	-\$38,052	-166	-\$40,419
C. Budget Authority Before Committee	714	\$115,424	702	\$115,424	683	\$115,609
Offsetting Collections From:	0	\$0	0	\$0	0	\$0
Black Lung Disability Trust Fund ¹	158	\$35,722	158	\$35,875	158	\$38,246
Longshore Trust	7	\$2,177	8	\$2,177	8	\$2,173
C.1) Subtotal	165	\$37,899	166	\$38,052	166	\$40,419
D. Total Budgetary Resources	879	\$153,323	868	\$153,476	849	\$156,028
Unobligated Balance Expiring	-25	-\$665	0	\$0	0	\$0
E. Total, Estimated Obligations	854	\$152,658	868	\$153,476	849	\$156,028

¹ FY 2018 and FY 2019 amounts are enacted levels after sequestration. The FY 2020 figure is the amount requested prior to sequestration.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2019 Enacted	FY 2020 Request	Net Change
Budget Authority			
General Funds	\$115,424	\$115,609	+\$185
Trust Funds	\$38,052	\$40,419	+\$2,367
Total	\$153,476	\$156,028	+\$2,552
 Full Time Equivalents			
General Funds	702	683	-19
Trust Funds	166	166	0
Total	868	849	-19

Explanation of Change	FY 2020 Change							
	FY 2019 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	868	\$82,190	0	\$0	0	\$0	0	\$0
Personnel benefits	0	\$26,193	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	\$74	0	\$336	0	\$410
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	\$444	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$41	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$0	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$2,033	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$37	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$190	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$4,200	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$18,703	0	\$12	0	\$23	0	\$35
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$1,598	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$449	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 2020 Change							
	FY 2019 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
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	\$653	0	\$0	0	\$0	0	\$0
Equipment	0	\$70	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$250	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	868	+\$137,051	0	+\$86	0	+\$359	0	+\$445
B. Programs:								
WCF - Worker Protection IT Modernization Efforts	0	\$0	0	\$0	0	\$2,500	0	\$2,500
Processing of Mandatory Workload - DCMWC	0	\$0	0	\$2,371	0	\$0	0	\$2,371
Programs Subtotal			0	+\$2,371	0	+\$2,500	0	+\$4,871
Total Increase	868	+\$137,051	0	+\$2,457	0	+\$2,859	0	+\$5,316
Decreases:								
A. Built-Ins:								
To Provide For:								
Federal Employees' Compensation Act (FECA)	0	\$1,263	0	-\$3	0	-\$76	0	-\$79
Rental payments to GSA	0	\$8,835	0	\$0	0	-\$245	0	-\$245
Operation and maintenance of equipment	0	\$6,327	0	-\$83	0	-\$38	0	-\$121
Built-Ins Subtotal	0	+\$16,425	0	-\$86	0	-\$359	0	-\$445
B. Programs:								
DFEC S&E Decrease	0	\$0	0	\$0	-17	-\$2,060	-17	-\$2,060
Longshore General S&E Decrease	0	\$0	0	\$0	-2	-\$255	-2	-\$255
Longshore Trust Decrease	0	\$0	0	-\$4	0	\$0	0	-\$4
Programs Subtotal			0	-\$4	-19	-\$2,315	-19	-\$2,319
Total Decrease	0	+\$16,425	0	-\$90	-19	-\$2,674	-19	-\$2,764
Total Change	868	+\$153,476	0	+\$2,367	-19	+\$185	-19	+\$2,552

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY² (Dollars in Thousands)								
	FY 2018 Enacted		FY 2019 Enacted		FY 2020 Request		Diff. FY20 Request / FY19 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
FEDERAL PROGRAMS FOR WORKERS' COMPENSATION	854	153,323	868	153,476	849	156,028	-19	2,552
General Funds	696	115,424	702	115,424	683	115,609	-19	185
Trust Funds	158	37,899	166	38,052	166	40,419	0	2,367
Division of Federal Employees' Compensation	620	102,670	626	102,670	609	103,110	-17	440
General Funds	620	102,670	626	102,670	609	103,110	-17	440
Division of Longshore and Harbor Workers' Compensation	82	14,931	84	14,931	82	14,672	-2	-259
General Funds	76	12,754	76	12,754	74	12,499	-2	-255
Longshore Trust Funds	6	2,177	8	2,177	8	2,173	0	-4
Division of Coal Mine Workers' Compensation	152	35,722	158	35,875	158	38,246	0	2,371
Black Lung Disability Trust Funds	152	35,722	158	35,875	158	38,246	0	2,371

NOTE: 2018 reflects actual FTE.

² For the Division of Coal Mine Workers' Compensation, FY 2018 and FY 2019 levels reflects the post-sequestration amounts and the FY 2020 level reflects the pre-sequestration amount.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	Diff. FY20 Request / FY19 Enacted
	Full-Time Equivalent				
	Full-time Permanent	879	868	849	-19
	Total	879	868	849	-19
	Total Number of Full-Time Permanent Positions	879	868	868	0
	Average ES Salary	\$180,153	\$180,153	\$180,153	\$0
	Average GM/GS Grade	12/3	12/3	12/3	0
	Average GM/GS Salary	\$85,807	\$85,807	\$85,807	\$0
11.1	Full-time permanent	80,424	80,964	79,733	-1,231
11.3	Other than full-time permanent	46	21	96	75
11.5	Other personnel compensation	1,317	1,205	1,205	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	81,787	82,190	81,034	-1,156
12.1	Civilian personnel benefits	27,474	27,456	26,628	-828
13.0	Benefits for former personnel	32	0	0	0
21.0	Travel and transportation of persons	247	444	444	0
22.0	Transportation of things	22	41	41	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	10,505	8,835	8,590	-245
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	2,110	2,033	2,033	0
24.0	Printing and reproduction	79	37	37	0
25.1	Advisory and assistance services	486	190	190	0
25.2	Other services from non-Federal sources	3,551	4,200	4,200	0
25.3	Other goods and services from Federal sources 1/	18,293	20,750	23,285	2,535
25.4	Operation and maintenance of facilities	54	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	7,553	6,327	8,573	2,246
26.0	Supplies and materials	637	653	653	0
31.0	Equipment	493	70	70	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	250	250	0
	Total	153,323	153,476	156,028	2,552
	1/Other goods and services from Federal sources				
	Working Capital Fund	16,312	18,703	21,238	2,535
	DHS Services	1,013	1,598	1,598	0
	Services by DOL Agencies	476	449	449	0
	Services by Other Government Departments	492	0	0	0

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations³	FTE
2010					
Base Appropriation...1/	\$125,722			\$111,631	872
2011					
Base Appropriation...2/	\$127,346			\$118,059	858
2012					
Base Appropriation...3/	\$123,538			\$117,840	856
2013					
Base Appropriation...4/	\$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	\$115,282	\$116,550		\$117,261	721
2019					
Base Appropriation...5/	\$115,282		\$117,601	\$117,601	710
2020					
Base Appropriation	\$117,782				691

^{1/} FY 2010 is a comparable level that include the resources for the work transferred from the former Employment Standards Administration, Program Direction and Support Budget Activity.

^{2/} Appropriation for FY 2011 includes rescission amount of -\$224 pursuant to P.L. 112-10

^{3/} Appropriation for FY 2012 includes rescission amount -\$219 pursuant to P.L. 112-74.

^{4/} Appropriation for FY 2013 includes rescission amount of -\$235 pursuant to P.L. 113-6 and sequestration amount of -\$5,821.

^{5/} This bill was passed by the Senate. It was passed out of the House Subcommittee but was not reported out of the House Committee or by the full House.

³ Appropriation amounts do not include amounts for the Black Lung Disability Trust Fund which are provided under a separate appropriation.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	Diff. FY20 Request / FY19 Enacted
Activity Appropriation	153,323	153,476	156,028	2,552
FTE	854	868	849	-19

NOTE: FY 2018 reflects actual FTE. Authorized FTE for FY 2018 was 879.

Introduction

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

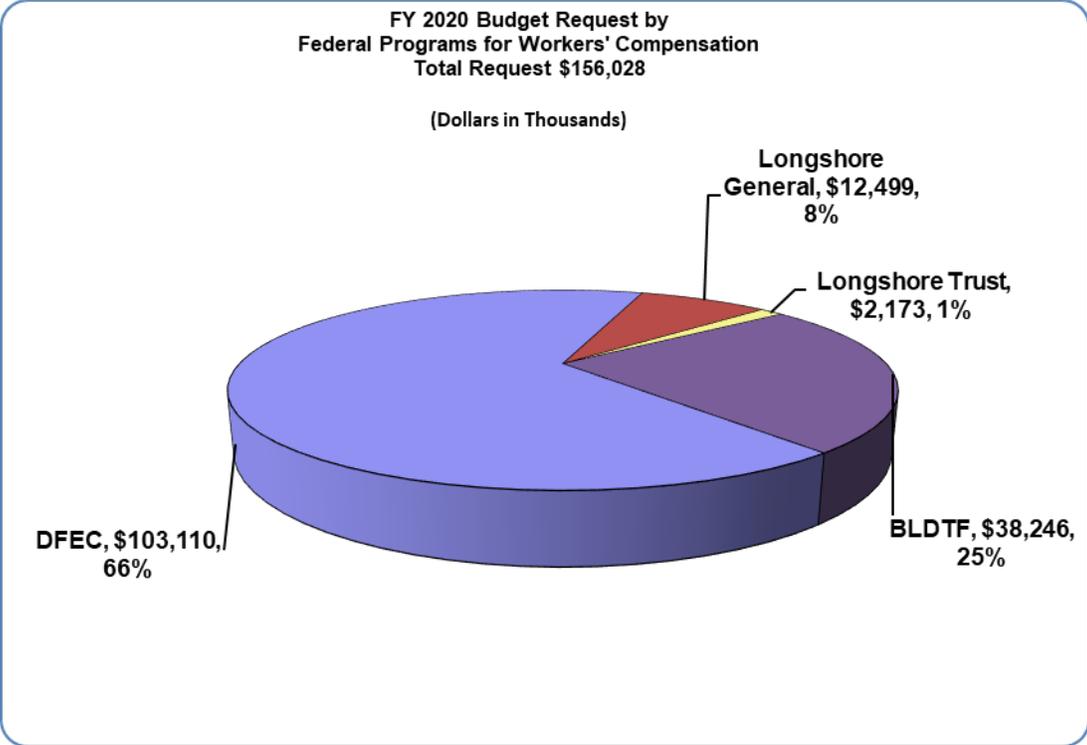
- The Division of Federal Employees' Compensation (DFEC) provides wage-loss compensation, medical treatment, return-to-work assistance and vocational rehabilitation to civilian employees of the Federal Government injured at work and to certain other designated groups.
- The Division of Longshore and Harbor Workers' Compensation (DLHWC) provides administrative oversight of the award and delivery of benefits to injured private-sector workers engaged in certain maritime and related employment and 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 2020 for the FPWC are \$156,028,000 and 849 FTE.

The FY 2020 Request Level by activity component is as follows:

- \$103,110,000 and 609 FTE for the Division of Federal Employees' Compensation;
- \$12,499,000 and 74 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

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	Diff. FY20 Request / FY19 Enacted
Activity Appropriation	102,670	102,670	103,110	440
FTE	620	626	609	-17

NOTE: FY 2018 reflects actual FTE. Authorized FTE for FY 2018 was 638.

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.

The Office of Workers' Compensation Program's (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 2.6 million civilian Federal employees, including U.S. Postal Service 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. The program may also compensate injured workers for permanent impairment of limbs and other parts of the body and compensate survivors in the event of work-related death.

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 and WHCA claims in FY 2020 and beyond, which will require adjudication, data analysis, reporting, customer assistance, and correspondence workload.

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2015	\$98,296	725
2016	\$100,519	706
2017	\$102,330	653
2018	\$102,330	638
2019	\$102,670	626

FY 2020

Requested resources for the FY 2020 Budget are \$103,110,000 and 609 FTE. The FY 2020 Budget level includes a net increase of \$440,000 and decrease of 17 FTE. This includes a programmatic increase of \$2,500,000 to fund Worker Protection IT Modernization efforts, offset by a programmatic decrease of \$2,060,000 and 17 FTE. 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.

In FY 2020, OWCP DFEC is requesting \$2,500,000 to support the Department's Worker Protection Agencies' IT Modernization efforts. In total, the Department is requesting \$20,000,000 for this initiative with resources requested in the following appropriations: Employee Benefits Security Administration, Office of Workers' Compensation Programs, Office of Federal Contract Compliance Programs, Office of Labor-Management Standards, Wage and Hour Division, Occupational Safety and Health Administration, Mine Safety and Health Administration, and the Office of the Solicitor in the Departmental Management appropriation. These resources will be managed by OCIO on behalf of the worker protection agencies and OCIO will work in collaboration with the worker protection agencies to determine the specific funding requirements and where funding can best support the Department's IT modernization efforts.

In FY 2020, OWCP will support the President's Management Agenda of developing a workforce for the 21st Century and the Cross Agency Priority Goal to improve the customer experience with federal services. DFEC will ensure that staff have the right skills and operate with the responsiveness and flexibility to perform initial claims intake and adjudication, wage-loss claims processing and payment, early disability case management, periodic roll management, and appeals processing. Aligning staff to perform all aspects of case management on a given case from beginning to end will best serve the government by creating equitable work assignments and standardized processes, and will benefit our stakeholders by working with a single claims examiner who is familiar with the entire life of a claim.

FY 2019

Total resources at the FY 2019 Enacted level for the FECA program are \$102,670,000 and 626 FTE. The FECA program will continue the core activities of its mission, including the

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

adjudication of new injury and illness claims, processing wage-loss compensation claims, and providing disability management and return-to-work services.

In FY 2019, the FECA program will support the Secretary's vision by focusing on the following strategies:

- An important part of improving claims processing and benefits delivery includes DFEC's focus on helping injured and ill employees return to work. While most injured and ill workers return to work on their own, some require assistance because of the severity or nature of their injuries or illnesses. OWCP's proactive disability management oversees medical treatment and entails interventions designed to increase and accelerate return-to-work. The FECA program works proactively with federal departments and agencies on re-employment initiatives and will continue to do so in FY 2019.
- DFEC will also work to improve the quality of decisions and overall adjudication and benefit delivery process by strengthening stakeholder engagement. Specifically, DFEC will increase utilization of the Disability Management Interface so that employing agencies can communicate with claims staff regarding the management of cases involving wage-loss, pending job offers, or an absence of medical evidence.

FY 2018

Total resources at the FY 2018 Enacted level for the FECA program were \$102,670,000 and 638 FTE. In FY 2018, the FECA program continued the core activities of its mission, including the adjudication of new injury and illness claims, processing wage-loss compensation claims, and providing disability management and return-to-work services.

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2018 Enacted		FY 2019 Enacted	FY 2020 Request
		Target	Result	Target	Target
Division of Federal Employees' Compensation					
Strategic Goal 3 - Administer Strong Workers' Compensation and Benefits Programs					
Strategic Objective OWCP 3.1 - Provide workers' compensation benefits for workers who are injured or become ill on the job.					
Performance Measures					
FEC 1a	Percent of wage-loss claims timely processed within 14 days: claims not requiring further development	90.0%	92.4%	90.0%	90.0%
FEC 1b	Percent of all wage-loss claims timely processed within 90 days: all claims	90.0%	94.6%	90.0%	90.0%
Workloads					
FEC WL 1	Cases Created	110,000[p]	106,956	108,500[p]	107,900[p]
FEC WL 3	Initial Wage-loss Claims Received	17,200[p]	16,762	16,800[p]	16,800[p]
FEC WL 6	Number of Compensation and Medical Payments Processed (By Chargeback Year)	8,600,000[p]	8,014,676	8,300,000[p]	8,200,000[p]

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

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

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 2018, DFEC received 106,956 new injury claims and 16,762 initial claims for FECA 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 2018, DFEC processed 92.4 percent of claims that did not need further development within 14 days and processed 94.6 percent of all wage-loss claims within 90 days. DFEC expects to meet the target for the timely processing of wage-loss claims in FY 2020, but the FTE decrease will impact the handling of claims generally, including claims adjudication, medical authorization, and disability management. Specifically, the disability management interventions currently undertaken to develop cases for the necessary medical evidence to determine employment capacity will be affected.

Compensation and 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 Chargeback Year (CBY) 2018 (July 1, 2017 to June 30, 2018), OWCP processed a total of 8,014,676 compensation and medical payments. In CBY 2018, 216,581 beneficiaries received \$3.047 billion in benefit payments, including \$1.935 billion for wage-loss compensation, \$166 million for death benefits, and \$947 million for medical benefits.

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

BUDGET ACTIVITY COMPONENT BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	Diff. FY20 Request / FY19 Enacted
11.1	Full-time permanent	58,699	58,502	57,386	-1,116
11.3	Other than full-time permanent	11	21	96	75
11.5	Other personnel compensation	948	824	824	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	59,658	59,347	58,306	-1,041
12.1	Civilian personnel benefits	20,533	20,385	19,588	-797
13.0	Benefits for former personnel	31	0	0	0
21.0	Travel and transportation of persons	143	248	248	0
22.0	Transportation of things	9	31	31	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	7,792	6,121	5,876	-245
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	1,230	1,188	1,188	0
24.0	Printing and reproduction	58	26	26	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	490	348	348	0
25.3	Other goods and services from Federal sources 1/	10,947	13,461	15,984	2,523
25.4	Operation and maintenance of facilities	54	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	1,029	836	836	0
26.0	Supplies and materials	400	385	385	0
31.0	Equipment	296	44	44	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	250	250	0
	Total	102,670	102,670	103,110	440
	1/Other goods and services from Federal sources				
	Working Capital Fund	9,691	12,100	14,623	2,523
	DHS Services	781	1,361	1,361	0
	Services by DOL Agencies	475	0	0	0

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

CHANGES IN FY 2020

(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	298
Federal Employees' Compensation Act (FECA)	-76
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	-245
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	23
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	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$0**

Net Program **\$440**

Direct FTE **-17**

	Estimate	FTE
Base	\$102,670	626
Program Increase	\$2,500	0
Program Decrease	-\$2,060	-17

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	Diff. FY20 Request / FY19 Enacted
Activity Appropriation	14,931	14,931	14,672	-259
FTE	82	84	82	-2

NOTE: FY 2018 reflects actual FTE. Authorized FTE for FY 2018 was 83.

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, Non-appropriated Fund Instrumentalities Act, and the District of Columbia Workmen's Compensation Act 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 600 companies authorized to write insurance or self-insure liabilities under the

DIVISION OF LONGSHORE AND HARBOR WORKERS’ COMPENSATION

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

While the program funds operations 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.” OWCP finances the SWCF by assessments on the carriers and self-insured employers who underwrite or perform Longshore-related work. 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(i) of the Longshore and Harbor Workers’ Compensation Act Amendments of 1984). For FY 2020, these activities (as well as vocational rehabilitation services in Sec 39(c) of the Act) will be supported by the direct transfer of \$2,173,000 from the SWCF. In addition, the Longshore program conducts audits of selected entities in order to protect the SWCF from potential risk as required under the LHWCA and to ensure those entities are accurately reporting their claim liabilities.

OWCP supports the President’s Management Agenda priority of data, accountability, and transparency by using Longshore financial data to inform decision-making and foster public accountability and transparency by providing accurate and timely spending information gathered through financial compliance audits.

Funding for Longshore Trust has been flat over the years. The program primarily uses the funds to support assessment and SWCF management activities and rehabilitation services/personnel and to conduct limited back-end audits of selected entities in order to protect the SWCF from potential risk as required under the Act.

Additional financial compliance audits that would strengthen SWCF participants’ accountability and deter under-reporting would require further resources from the SWCF.

Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2015	\$14,704	95
2016	\$14,982	90
2017	\$15,271	86
2018	\$14,931	83
2019	\$14,931	84

FY 2020

The FY 2020 President’s Budget level for the Division of Longshore and Harbor Workers’ Compensation (DLHWC) is \$14,672,000, level with the 2019 President’s Budget, and 82 FTE. Of the total requested, General Funds provide \$12,499,000 and 74 FTE; Trust Funds provide \$2,173,000 and 8 FTE.

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

The Longshore Program will strive to improve the process for electronic submission of new claims as well as utilizing technology to better achieve strategic goals of improving claims processing and data collection, financial management of the SWCF, and cost savings.

FY 2019

The FY 2019 Enacted level for the Division of Longshore and Harbor Workers' Compensation (DLHWC) is \$14,931,000 and 84 FTE. Of the total requested, General Funds provide \$12,754,000 and 76 FTE; Trust Funds provide \$2,177,000 and 8 FTE.

In FY 2019, the Longshore program will continue its focus on leveraging technology to facilitate claims process improvements, cost savings, and management of the SWCF. The principal strategy for the Program to achieve these goals will involve increasing electronic submission of new claims. By accelerating the delivery of documents to the Longshore staff, the program can better achieve the following strategic objectives:

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(i) 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 \$2,177,000 is provided 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 entities in order to protect the SWCF from potential risk as required under the LHWCA. It should be noted that these program integrity audit activities will need to be modernized as demand for more underwriting grows.

Cost savings

The Longshore Program will continue to partner with industry stakeholders to increase electronic document submissions to reduce the costly receipt of paper correspondence and forms used in the later life of a claim. The program aims to build upon its achievements of increasing the proportion of electronic claims filing and has set a FY 2019 goal of 65 percent of all documents in digital format for FY 2019.

FY 2018

Total resources at the FY 2018 Enacted level for the DLHWC program were \$14,931,000 and 83

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

FTE. Of the total requested, General Funds were \$12,754,000 and 76 FTE; Trust Funds were \$2,177,000 and 7 FTE.

Throughout FY 2018 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. In FY 2018, the Longshore program achieved and surpassed the goal of 50 percent of correspondence and forms in digital format through data exchanges or document portals.

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2018 Enacted		FY 2019 Enacted	FY 2020 Request
		Target	Result	Target	Target
Division of Longshore and Harbor Workers' Compensation					
Strategic Goal 3 - Administer Strong Workers' Compensation and Benefits Programs					
Strategic Objective OWCP 3.1 - Provide workers' compensation benefits for workers who are injured or become ill on the job.					
Performance Measures					
LS 3	Percent of Employer's First Report of Injury filed within 30 days: non-Defense Base Act cases	89%	95%	89%	89%
LS 4	Percent of first payment of compensation issued within 30 days: non-Defense Base Act cases	87%	88%	87%	87%
LS 6	Percent of Industry Special Workers' Compensation Fund (Longshore Trust) Final Assessment Bills Collected within 60-days of Issuance	[base]	--	[base]	TBD
Workload Measures					
LS WL 2	Number of Claims with Lost Time / Injuries Reported	28,397[p]	28,208	30,720[p]	32,631[p]

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

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

Workload Summary

DLHWC provides administrative oversight of benefit award and delivery by employers and insurance carriers to injured private sector workers and is responsible for collecting annual industry assessments to support the SWCF.

Claims Processing and Benefits Delivery Oversight

DLHWC focuses on employer/carrier performance to ensure that injury reports and first payment of benefits are timely. The program has realized significant improvement in performance measure results in recent years. In FY 2018, the results for the first report of injury measure and first payment measure for non-DBA cases, which account for the majority of cases, were 95 percent and 88 percent against targets of 89 percent and 87 percent, respectively. OWCP expects to see the number of claims with lost time/injuries reported to be over 32,000 in FY 2020. Many external factors, economics, and policies affect these workload figures, though, and changes to these factors could change projections accordingly. Economic activity in areas like shipping/trade, port/harbor construction, shipbuilding, and oil exploration can influence the number of claims. 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, an increase in government contracting activities overseas can drive up the number of DBA claims.

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 and 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 program's obligations to ensure the Fund has adequate resources to pay benefits, it must collect these assessments in a timely manner from those entities that utilize the Fund, 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 2020 Request section, the program will establish a new performance measure in FY 2019: Percent of Industry SWCF (Longshore Trust) Final Assessment Bills Collected within 60 days of Issuance.

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

BUDGET ACTIVITY COMPONENT BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	Diff. FY20 Request / FY19 Enacted
11.1	Full-time permanent	8,218	8,602	8,440	-162
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	134	142	142	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	8,352	8,744	8,582	-162
12.1	Civilian personnel benefits	2,803	2,759	2,709	-50
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	59	109	109	0
22.0	Transportation of things	9	6	6	0
23.1	Rental payments to GSA	1,076	1,077	1,077	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	163	164	164	0
24.0	Printing and reproduction	12	7	7	0
25.1	Advisory and assistance services	486	190	190	0
25.2	Other services from non-Federal sources	128	68	68	0
25.3	Other goods and services from Federal sources 1/	599	720	721	1
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	1,136	1,032	984	-48
26.0	Supplies and materials	42	50	50	0
31.0	Equipment	66	5	5	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	14,931	14,931	14,672	-259
1/Other goods and services from Federal sources					
	Working Capital Fund	444	569	570	1
	DHS Services	154	149	149	0
	Services by DOL Agencies	1	2	2	0

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

General Funds

PROGRAM CATEGORY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	Diff. FY20 Request / FY19 Enacted
11.1	Full-time permanent	7,394	7,604	7,438	-166
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	122	127	127	0
11.9	Total personnel compensation	7,516	7,731	7,565	-166
12.1	Civilian personnel benefits	2,581	2,483	2,432	-51
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	35	85	85	0
22.0	Transportation of things	9	6	6	0
23.1	Rental payments to GSA	1,076	1,077	1,077	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	163	164	164	0
24.0	Printing and reproduction	11	6	6	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	128	68	68	0
25.3	Other goods and services from Federal sources 1/	311	391	391	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	827	688	650	-38
26.0	Supplies and materials	42	50	50	0
31.0	Equipment	55	5	5	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	12,754	12,754	12,499	-255
	1/Other goods and services from Federal sources				
	Working Capital Fund	156	240	240	0
	DHS Services	154	149	149	0
	Services by DOL Agencies	1	2	2	0

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

Trust Funds

PROGRAM CATEGORY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	Diff. FY20 Request / FY19 Enacted
11.1	Full-time permanent	824	998	1,002	4
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	12	15	15	0
11.9	Total personnel compensation	836	1,013	1,017	4
12.1	Civilian personnel benefits	222	276	277	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	1	1	1	0
25.1	Advisory and assistance services	486	190	190	0
25.2	Other services from non-Federal sources	0	0	0	0
25.3	Other goods and services from Federal sources 1/	288	329	330	1
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	309	344	334	-10
26.0	Supplies and materials	0	0	0	0
31.0	Equipment	11	0	0	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	2,177	2,177	2,173	-4
	1/Other goods and services from Federal sources				
	Working Capital Fund	288	329	330	1

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

CHANGES IN FY 2020 (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	43
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	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	1
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	-44
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$0**

Net Program **-\$259**

Direct FTE **-2**

	Estimate	FTE
Base	\$14,931	84
Program Increase	\$0	0
Program Decrease	-\$259	-2

DIVISION OF COAL MINE WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE⁴				
(Dollars in Thousands)				
	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	Diff. FY20 Request / FY19 Enacted
Activity Appropriation	35,722	35,875	38,246	2,371
FTE	152	158	158	0

NOTE: FY 2018 reflects actual FTE. Authorized FTE for FY 2018 was 158.

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.

DCMWC will continue to streamline, modernize, and restructure program operations to enhance overall efficiency and improve customer service. The program will also extend ongoing efforts to strategically modernize its workforce by backfilling administrative and other non-critical positions with claims examiners who can perform the full-range of claims adjudication activities central to program mission, while at the same time transferring administrative work to contractor staff where possible. By reshaping the workforce to better align claims examiners with their primary mission of adjudicating claims and issuing decisions, the program will improve the overall efficiency of the claims process and maximize quality, timely, and accurate outcomes for the program's stakeholders.

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

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

⁴ FY 2018 and FY 2019 levels reflect post-sequestration amounts. FY 2020 levels reflect pre-sequestration amounts.

DIVISION OF COAL MINE WORKERS' COMPENSATION

2018	\$35,722	158
2019	\$35,875	158

FY 2020

The FY 2020 Request level for the Division of Coal Mine Workers' Compensation is \$38,246,000 and 158 FTE. At this funding level, DCMWC will continue the core activities of its mission to adjudicate incoming and pending claims, pay monthly compensation and ongoing medical treatment benefits to an estimated 12,900 beneficiaries, monitor cash and medical treatment benefits disbursed by coal mine operators in the private sector to approximately 5,400 additional recipients, and process an estimated 7,000 incoming claims under Part C, as well as 5,080 claims pending decision.

DCMWC will focus its resources on strategies to optimize overall productivity and efficiency through operational standardization and process streamlining, maintain a balanced, sustainable approach to claims inventory management with a special emphasis on claims pending for more than 365 days, and enhance the quality and timeliness of claims decisions. Through execution of these strategies, the program will continue to maximize the productivity of staff resources to keep pace with new claims volumes and manage the inventory of pending claims to ensure that every claim is adjudicated in an equitable and timely manner. All requested resources are necessary to keep pace with the sustained, high incoming claims volume, ensure accurate and timely adjudication of benefits, and to modernize and streamline program operations.

FY 2019

Total resources at the FY 2019 Enacted level for the Division of Coal Mine Workers' Compensation are \$35,875,000 and 158 FTE. In FY 2019, DCMWC will process an estimated 7,000 incoming claims, manage a pending inventory of an estimated 5,180 claims, pay monthly compensation and ongoing medical treatment benefits to 13,500 beneficiaries, and monitor cash and medical treatment benefits disbursed by coal mine operators in the private sector to an estimated 5,350 additional recipients. In this regard, DCMWC's efforts will focus on achieving optimal productivity levels by facilitating uniformity, consistency, and standardization across the program, prioritizing the resolution of claims pending for more than 365 days, and enhancing the quality and timeliness of claims decisions. Services will include adjudicating claims, paying benefits, monitoring eligibility, processing beneficiary and entitlement changes, and validating representative payee requests and accounting reports in order to enforce Federal financial management requirements, minimize erroneous payments, and increase administrative efficiencies. The program will continue to 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

Total resources at the FY 2018 Enacted level for the Division of Coal Mine Workers' Compensation were \$35,722,000 and 158 FTE. In FY 2018, DCMWC processed 6,673 incoming claims, managed a pending inventory of roughly 5,281 claims, paid monthly compensation and ongoing medical treatment benefits to 14,237 beneficiaries, and monitored

DIVISION OF COAL MINE WORKERS' COMPENSATION

cash and medical treatment benefits disbursed by coal mine operators in the private sector to approximately 5,302 additional recipients. DCMWC developed and implemented a new DOL Strategic Plan goal to reduce the number of claims pending decision more than 365 days. This effort heightened awareness of the issue and resulted in creation of a five-year plan with the objective of achieving this key strategic objective. As part of its strategy, DCMWC initiated the Aged Case Elimination (ACE) project – an overwhelming success. The ACE project began with 20.3 percent of DCMWC's claims inventory pending 365 days or longer. At the end of FY 2018, that number decreased to 15.2 percent, exceeding the DOL Strategic Goal of 18 percent. The program achieved near-record productivity in FY 2018, issuing more than 6,600 decisions, following the issuance of more than 7,000 decision in FY 2017 – the most in over a decade. FY 2018 was also the first year since 2011 where production outpaced claim receipts. Sustained productivity and a balanced approach to claims inventory management furthers DCMWC's mission to delivering timely and accurate decisions to all claimants.

DIVISION OF COAL MINE WORKERS' COMPENSATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2018 Enacted		FY 2019 Enacted	FY 2020 Request
		Target	Result	Target	Target
Division of Coal Mine Workers' Compensation					
Strategic Goal 3 - Administer Strong Workers' Compensation and Benefits Programs					
Strategic Objective OWCP 3.1 - Provide workers' compensation benefits for workers who are injured or become ill on the job.					
Performance Measures					
CM 2b	Percent of black lung claims over 365 days in pending Proposed Decision and Order (PDO) inventory	18%	15%	15%	13%
Workload Volumes					
CM WL 1	Number of Claims Received	7,500[p]	6,673	7,000[p]	7,000[p]
CM WL 2	Number of Proposed Decisions and Orders (PDO) Issued	6,645[e]	6,676	7,005[e]	6,900[e]
CM WL 6	Number of Claims in Pending PDO Inventory	5,200	5,281	5,180	5,000[e]

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

DIVISION OF COAL MINE WORKERS' COMPENSATION

Workload Summary

In FY 2019, the program expects to receive 7,000 new claims and will manage the adjudication of a pending inventory of an additional 5,180. In FY 2020, it is estimated that another 7,000 new claims will be received and the program will manage the adjudication of an additional 5,000 cases in its pending inventory. The program estimates that it will issue 7,005 Proposed Decision and Orders (PDOs) in FY 2019. In FY 2020, the number will drop slightly to 6,900 due to the attrition of experienced claims examiners. The continued focus on aged claims, which tend to be more complex, will be handled by less experienced claims examiners.

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 levels remained constant, 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. 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 2020 will continue to focus on managing and decreasing the inventory of pending claims and increasing 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. The program will also work on the timelines of internal processes that lead to pre-decisional actions and ultimately claims outcomes.

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 2020:

- Maintain and optimize Centralized Case Create and Assignment to ensure equitable distribution of workload across offices and improve claims processing timeframes.
- Strategically realign the workforce by backfilling workers' compensation assistant positions with claims examiners who can perform the full-range of claims adjudication activities critical to the program's mission.
- Continue efforts to centralize printing, mailing, and call intake functions to improve overall efficiency.
- Recruit and train highly skilled 413(b) physicians to conduct specialized diagnostic testing.
- Leverage existing information technology to improve the speed of claims intake, reduce development timeframes, improve customer service, and improve benefit delivery.

DIVISION OF COAL MINE WORKERS' COMPENSATION

BUDGET ACTIVITY COMPONENT BY OBJECT CLASS⁵					
(Dollars in Thousands)					
		FY 2018 Enacted	FY 2019 Enacted	FY 2020 Request	Diff. FY20 Request / FY19 Enacted
11.1	Full-time permanent	13,507	13,860	13,907	47
11.3	Other than full-time permanent	35	0	0	0
11.5	Other personnel compensation	235	239	239	0
11.9	Total personnel compensation	13,777	14,099	14,146	47
12.1	Civilian personnel benefits	4,138	4,312	4,331	19
13.0	Benefits for former personnel	1	0	0	0
21.0	Travel and transportation of persons	45	87	87	0
22.0	Transportation of things	4	4	4	0
23.1	Rental payments to GSA	1,637	1,637	1,637	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	717	681	681	0
24.0	Printing and reproduction	9	4	4	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	2,933	3,784	3,784	0
25.3	Other goods and services from Federal sources 1/	6,747	6,569	6,580	11
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	5,388	4,459	6,753	2,294
26.0	Supplies and materials	195	218	218	0
31.0	Equipment	131	21	21	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	35,722	35,875	38,246	2,371
	1/Other goods and services from Federal sources				
	Working Capital Fund	6,177	6,034	6,045	11
	DHS Services	78	88	88	0
	Services by DOL Agencies	0	447	447	0
	Services by Other Government Departments	492	0	0	0

⁵ FY 2018 and FY 2019 levels reflect post-sequestration amounts. FY 2020 levels reflect pre-sequestration amounts.

DIVISION OF COAL MINE WORKERS' COMPENSATION

CHANGES IN FY 2020

(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	69
Federal Employees' Compensation Act (FECA)	-3
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	11
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	-77
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$0**

Net Program **\$2,371**

Direct FTE **0**

	Estimate	FTE
Base	\$35,875	158
Program Increase	\$2,371	0
Program Decrease	\$0	0