

FY 2021

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, [\$115,424,000] *\$114,962,000*, together with [\$2,177,000] *\$4,350,000* 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, 2020.)

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2019 Enacted		FY 2020 Enacted		FY 2021 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	702	\$115,424	683	\$115,424	670	\$114,962
A.1) Subtotal Appropriation (adjusted)	702	\$115,424	683	\$115,424	670	\$114,962
Offsetting Collections From:						
Black Lung Disability Trust Fund	158	\$38,246	158	\$38,246	159	\$40,643
Sequestration reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	-\$2,371	0	-\$2,257	0	\$0
Longshore Trust	8	\$2,177	8	\$2,177	10	\$4,350
A.1) Subtotal Trust Funds	166	\$38,052	166	\$38,166	169	\$44,993
B. Gross Budget Authority	868	\$153,476	849	\$153,590	839	\$159,955
Offsetting Collections to:	0	\$0	0	\$0	0	\$0
Black Lung Disability Trust Fund	-158	-\$35,875	-158	-\$35,989	-159	-\$40,643
Longshore Trust	-8	-\$2,177	-8	-\$2,177	-10	-\$4,350
B.1) Subtotal Trust Funds	-166	-\$38,052	-166	-\$38,166	-169	-\$44,993
Shared Services Realignment	-12	\$0	-12	\$0	0	\$0
C. Budget Authority Before Committee	690	\$115,424	671	\$115,424	670	\$114,962
Offsetting Collections From:	0	\$0	0	\$0	0	\$0
Black Lung Disability Trust Fund	158	\$35,875	158	\$35,989	159	\$40,643
Longshore Trust	8	\$2,177	8	\$2,177	10	\$4,350
C.1) Subtotal	166	\$38,052	166	\$38,166	169	\$44,993
D. Total Budgetary Resources	856	\$153,476	837	\$153,590	839	\$159,955
Unobligated Balance Expiring	-13	-\$323	0	\$0	0	\$0
Shared Services Realignment	12	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	855	\$153,153	837	\$153,590	839	\$159,955

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2020 Enacted	FY 2021 Request	Net Change
Budget Authority			
General Funds	\$115,424	\$114,962	-\$462
Trust Funds	\$38,166	\$44,993	+\$6,827
Total	\$153,590	\$159,955	+\$6,365
 Full Time Equivalents			
General Funds	672	670	-2
Trust Funds	165	169	4
Total	837	839	2

Explanation of Change	FY 2021 Change							
	FY 2020 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	837	\$81,373	0	\$122	0	\$1,308	0	\$1,430
Personnel benefits	0	\$26,683	0	\$40	0	\$545	0	\$585
Employee health benefits	0	\$0	0	\$0	0	\$0	0	\$0
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
One day less of Pay	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$1,184	0	\$0	0	\$29	0	\$29
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	\$8,590	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$0	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$1,983	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$37	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$161	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$4,990	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$18,117	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	\$1,598	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

FY 2021 Change

Explanation of Change	FY 2020 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	\$6,967	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	837	+\$153,590	0	+\$162	0	+\$1,882	0	+\$2,044
B. Programs:								
Processing of Mandatory Workload - DCMWC	0	\$0	0	\$2,328	0	\$0	0	\$2,328
Longshore Trust Insurance								
Authorization and Risk Securitization	8	\$2,173	2	\$2,173	0	\$0	2	\$2,173
DCMWC - Digital Case File								
Transition From Paper To Digital Format	0	\$0	0	\$2,000	0	\$0	0	\$2,000
DCMWC - 2 FTE for Self-Insurance Activities	0	\$0	2	\$235	0	\$0	2	\$235
Programs Subtotal			4	+\$6,736	0	\$0	4	+\$6,736
Total Increase	845	+\$155,763	4	+\$6,898	0	+\$1,882	4	+\$8,780
Decreases:								
A. Built-Ins:								
To Provide For:								
One day less of Pay	0	\$0	0	-\$71	0	-\$351	0	-\$422
Built-Ins Subtotal	0	\$0	0	-\$71	0	-\$351	0	-\$422
B. Programs:								
Reduction to Absorb Pay Increases	0	\$0	0	\$0	0	-\$1,773	0	-\$1,773
FTE Reduction to Absorb Pay Increases	73	\$12,754	0	\$0	-2	-\$220	-2	-\$220
Programs Subtotal			0	\$0	-2	-\$1,993	-2	-\$1,993
Total Decrease	73	+\$12,754	0	-\$71	-2	-\$2,344	-2	-\$2,415
Total Change	918	+\$168,517	4	+\$6,827	-2	-\$462	2	+\$6,365

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY¹								
(Dollars in Thousands)								
	FY 2019 Enacted		FY 2020 Enacted		FY 2021 Request		Diff. FY21 Request / FY20 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
FEDERAL PROGRAMS FOR WORKERS' COMPENSATION	843	153,476	837	153,590	839	159,955	2	6,365
General Funds	692	115,424	672	115,424	670	114,962	-2	-462
Trust Funds	151	38,052	165	38,166	169	44,993	4	6,827
Division of Federal Employees' Compensation	619	102,670	599	102,670	599	102,262	0	-408
General Funds	619	102,670	599	102,670	599	102,262	0	-408
Division of Longshore and Harbor Workers' Compensation	78	14,931	81	14,931	81	17,050	0	2,119
General Funds	73	12,754	73	12,754	71	12,700	-2	-54
Longshore Trust Funds	5	2,177	8	2,177	10	4,350	2	2,173
Division of Coal Mine Workers' Compensation	146	35,875	157	35,989	159	40,643	2	4,654
Black Lung Disability Trust Funds	146	35,875	157	35,989	159	40,643	2	4,654

NOTES: 2019 reflects actual FTE. FTE for all years reflect the Shared Services Realignment.

¹ For the Division of Coal Mine Workers' Compensation, FY 2019 and FY 2020 levels reflect 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 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
	Full-Time Equivalent				
	Full-time Permanent	856	837	839	2
	Total	856	837	839	2
	Total Number of Full-Time Permanent Positions	856	837	839	2
	Average ES Salary	\$180,153	\$185,737	\$187,595	\$1,858
	Average GM/GS Grade	12/3	12/3	12/3	0
	Average GM/GS Salary	\$85,807	\$88,467	\$89,352	\$885
11.1	Full-time permanent	79,364	80,072	81,450	1,378
11.3	Other than full-time permanent	21	96	96	0
11.5	Other personnel compensation	1,205	1,205	2,015	810
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	80,590	81,373	83,561	2,188
12.1	Civilian personnel benefits	26,927	27,867	28,443	576
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	444	444	444	0
22.0	Transportation of things	41	41	41	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	8,835	8,590	8,590	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	2,033	1,983	1,983	0
24.0	Printing and reproduction	37	37	37	0
25.1	Advisory and assistance services	190	161	161	0
25.2	Other services from non-Federal sources	4,200	4,990	5,548	558
25.3	Other goods and services from Federal sources 1/	22,879	20,164	20,164	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	950	950
25.7	Operation and maintenance of equipment	6,327	6,967	9,205	2,238
26.0	Supplies and materials	653	653	508	-145
31.0	Equipment	70	70	70	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	250	250	250	0
	Total	153,476	153,590	159,955	6,365
	1/Other goods and services from Federal sources				
	Working Capital Fund	20,832	18,117	18,117	0
	DHS Services	1,598	1,598	1,598	0
	Services by DOL Agencies	449	449	449	0

NOTE: FTE for all years reflect the Shared Services Realignment.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations²	FTE
2011					
Base Appropriation...1/	\$127,346			\$118,059	858
2012					
Base Appropriation...2/	\$123,538			\$117,840	856
2013					
Base Appropriation...3/	\$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...4/	\$115,282		\$117,601	\$117,601	710
2020					
Base Appropriation...5/ 6/	\$117,782	\$120,782		\$117,601	680
2021					
Base Appropriation...6/	\$119,312				680

^{1/} Appropriation for FY 2011 includes rescission amount of -\$224 pursuant to P.L. 112-10

^{2/} Appropriation for FY 2012 includes rescission amount -\$219 pursuant to P.L. 112-74.

^{3/} Appropriation for FY 2013 includes rescission amount of -\$235 pursuant to P.L. 113-6 and sequestration amount of -\$5,821.

^{4/} 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.

^{5/} This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or full Appropriations Committee.

^{6/} FTE for FY 2020 and FY 2021 reflect the Shared Services Realignment.

² 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 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	153,476	153,590	159,955	6,365
FTE	843	837	839	2

NOTE: FTE for all years reflect the Shared Services Realignment.

NOTE: FY 2019 reflects actual FTE. Authorized FTE for FY 2019 was 868.

Introduction

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

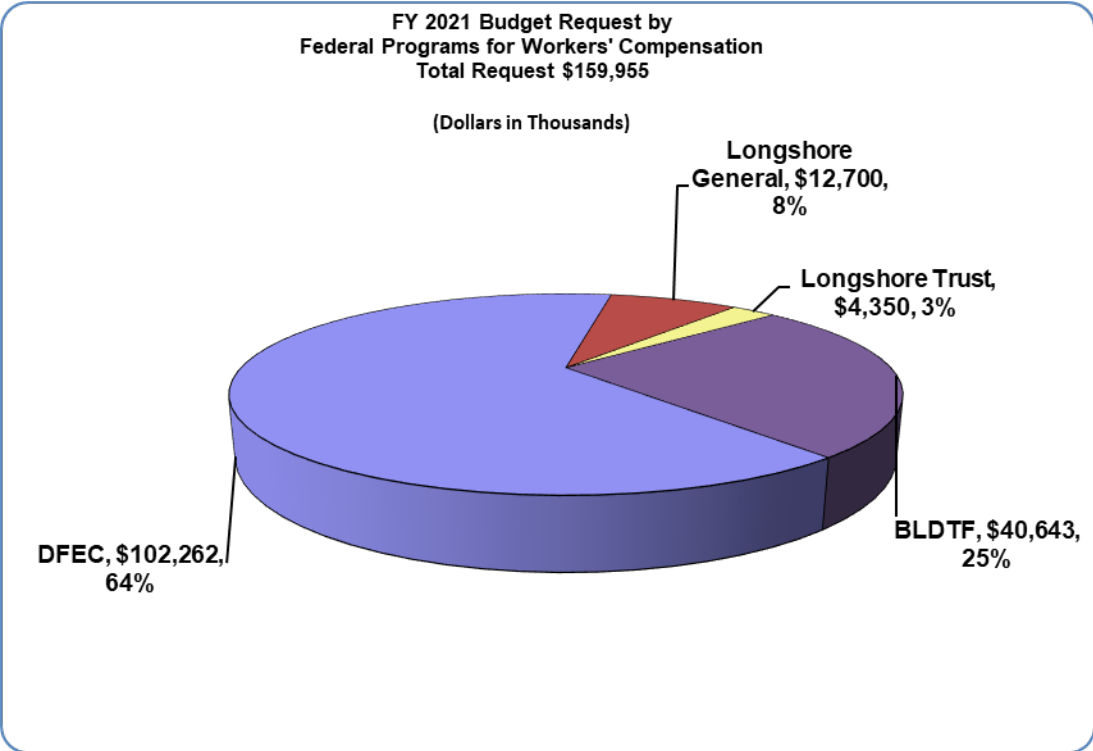
- The Division of Federal Employees' Compensation (DFEC) provides wage-loss compensation, medical treatment, return-to-work assistance and vocational rehabilitation to civilian employees of the Federal Government injured at work and to certain other designated groups.
- The Division of Longshore and 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 2021 for the FPWC are \$159,955,000 and 839 FTE.

The FY 2021 Request Level by activity component is as follows:

- \$102,262,000 and 599 FTE for the Division of Federal Employees' Compensation;
- \$12,700,000 and 71 FTE for Longshore General;
- \$4,350,000 and 10 FTE for Longshore Trust; and
- \$40,643,000 and 159 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 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	102,670	102,670	102,262	-408
FTE	619	599	599	0

NOTE: FTE for all years reflect the Shared Services Realignment.

NOTE: FY 2019 reflects actual FTE. Authorized FTE for FY 2019 was 626.

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 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 2021 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>
2016	\$100,519	706
2017	\$102,330	653
2018	\$102,330	638
2019	\$102,670	626
2020	\$102,670	599

FY 2021

Requested resources for FY 2021 are \$102,262,000 and 599 FTE. The requested amount includes a net decrease of \$408,000 from the FY 2020 Enacted level. 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 2021, OWCP will support the President's Management Agenda of developing a workforce for the 21st Century. 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 2020

Total resources at the FY 2020 Enacted level for the FECA program are \$102,670,000 and 599 FTE. The enacted amount reflects the same funding level as FY 2019. 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, the FECA program is supporting 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 continues to work proactively with federal departments and agencies on re-employment initiatives.

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

- DFEC works to improve the quality of decisions and overall adjudication and benefit delivery process by strengthening stakeholder engagement. Specifically, DFEC is increasing 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 2019

Total resources at the FY 2019 Enacted level for the FECA program were \$102,670,000 and 626 FTE. 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 2019 Enacted		FY 2020 Enacted	FY 2021 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%	93.2%	90.0%	90.0%
FEC 1b	Percent of all wage-loss claims timely processed within 90 days: all claims	90.0%	94.7%	90.0%	90.0%
Workloads					
FEC WL 1	Cases Created	108,500[p]	100,534	100,000[p]	100,000[p]
FEC WL 3	Initial Wage-loss Claims Received	16,800[p]	16,335	16,100[p]	15,900[p]
FEC WL 6	Number of Compensation and Medical Payments Processed (By Chargeback Year)	8,300,000[p]	8,138,835	8,100,000[p]	8,000,000[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 2019, DFEC received 100,534 new injury claims and 16,335 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 2019, DFEC processed 93.2 percent of claims that did not need further development within 14 days and processed 94.7 percent of all wage-loss claims within 90 days.

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) 2019 (July 1, 2018 to June 30, 2019), OWCP processed a total of 8,138,835 compensation and medical payments. In CBY 2019, 217,465 beneficiaries received \$3.014 billion in benefit payments, including \$1.959 billion for wage-loss compensation, \$153 million for death benefits, and \$902 million for medical benefits.

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

BUDGET ACTIVITY COMPONENT BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
11.1	Full-time permanent	57,150	57,711	58,647	936
11.3	Other than full-time permanent	21	96	96	0
11.5	Other personnel compensation	824	824	1,407	583
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	57,995	58,631	60,150	1,519
12.1	Civilian personnel benefits	19,934	20,879	21,308	429
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	248	248	248	0
22.0	Transportation of things	31	31	31	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	6,121	5,876	5,876	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	1,188	1,188	1,188	0
24.0	Printing and reproduction	26	26	26	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	348	2,041	140	-1,901
25.3	Other goods and services from Federal sources 1/	15,264	12,537	12,537	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	836	534	224	-310
26.0	Supplies and materials	385	385	240	-145
31.0	Equipment	44	44	44	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	250	250	250	0
	Total	102,670	102,670	102,262	-408
	1/Other goods and services from Federal sources				
	Working Capital Fund	13,903	11,176	11,176	0
	DHS Services	1,361	1,361	1,361	0

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

CHANGES IN FY 2021

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$1,154
Personnel benefits	494
Employee health benefits	0
Moving allowance	0
One day less of Pay	-312
Federal Employees' Compensation Act (FECA)	29
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	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$1,365**

Net Program **-\$1,773**

Direct FTE **0**

	Estimate	FTE
Base	\$104,035	599
Program Increase	\$0	0
Program Decrease	-\$1,773	0

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	14,931	14,931	17,050	2,119
FTE	78	81	81	0
General Funds	12,754	12,754	12,700	-54
General Funds FTE	73	73	71	-2
Longshore Trust Funds	2,177	2,177	4,350	2,173
Longshore Trust Funds FTE	5	8	10	2

NOTE: FTE for all years reflect the Shared Services Realignment.

NOTE: FY 2019 reflects actual FTE. Authorized FTE for FY 2019 was 84.

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 for injuries sustained prior to July 26, 1982, the District of Columbia Workmen's Compensation Act.

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),

DIVISION OF LONGSHORE AND HARBOR WORKERS’ COMPENSATION

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 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 2021, these activities (as well as vocational rehabilitation services in Sec 39(c) of the Act) will be supported by the direct transfer of \$4,350,000 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.

Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$14,982	90
2017	\$15,271	86
2018	\$14,931	83
2019	\$14,931	84
2020	\$14,931	81

FY 2021

The FY 2021 Request level for DLHWC is \$17,050,000 and 81 FTE. Of the total requested, General Funds provide \$12,700,000 and 71 FTE; Longshore Trust Funds provide \$4,350,000 and 10 FTE.

In support of the President’s Management Agenda priority of utilizing data as a strategic asset to improve program effectiveness, oversight and transparency, the FY 2021 Budget includes a \$2,173,000 increase for the SWCF to enhance the program’s collection of financial data to inform decision-making and foster public accountability and transparency. This funding will allow the Longshore program to perform more financial compliance audits to hold all SWCF participants accountable for their fair share of the annual assessment by increasing financial recoveries, serve as a deterrent to under-reporting, and reduce additional costs to compliant employers who are left to make the SWCF whole. This increase in funding will also provide

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

DLHWC with resources to better assess and monitor carriers' and self-insureds' financial strength and securitization of risk.

In FY 2021, the Longshore program will continue its focus on 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.

FY 2020

Total resources at the FY 2020 Enacted level for the Division of Longshore and Harbor Workers' Compensation is \$14,931,000, level with the 2019 President's Budget, and 81 FTE. Of the total enacted amount, General Funds provide \$12,754,000 and 73 FTE; Trust Funds provide \$2,177,000 and 8 FTE.

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, strengthening financial management of the SWCF, and enhancing cost savings.

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

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

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 2020 goal of 65 percent of all documents in digital format.

FY 2019

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

In FY 2019, the Longshore program continued to make significant strides to create a 21st century work environment, leveraging the technology of electronic claims submission to facilitate process improvements, cost savings, and management of the SWCF. In addition to ensuring timely submission of injury reports and first payment of benefits, Longshore also 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 2019 Enacted		FY 2020 Enacted	FY 2021 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%	94%	--	--
LS 4	Percent of First Payment of Compensation issued within 30 days: non-Defense Base Act cases	87%	89%	--	--
LS 6	Percent of Industry Special Workers' Compensation Fund (Longshore Trust) Final Assessment Bills Collected within 60-days of Issuance	[base]	94%	90%[r]	90%
Workload Measures					
LS WL 2	Number of Claims with Lost Time / Injuries Reported	30,720[p]	30,689	32,631[p]	31,676[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

OWCP expects to see the number of claims with lost time/injuries reported to be over 31,000 in FY 2021. Many external factors, such as economic trends and federal policies, affect these workload figures, 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. For example, increased infrastructure investments and Navy shipbuilding expansions could mean significant workload increases for DLHWC. In addition, an increase in government contracting activities overseas can drive up the number of DBA claims. 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 2019, 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 94 percent and 89 percent against targets of 89 percent and 87 percent, respectively. In FY 2020, the Longshore program will begin to implement the OWCP Workers' Compensation System, OWCP's new claims management system. In order to maximize efficiencies with the new claims management system, OWCP will introduce new measures to better ensure the timely submission of injury reports and issuance of first payment of benefits.

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, in FY 2021 the program expects to achieve 90 percent of a new performance measure: 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 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
11.1	Full-time permanent	8,480	8,580	8,777	197
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	142	142	228	86
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	8,622	8,722	9,005	283
12.1	Civilian personnel benefits	2,721	2,697	2,763	66
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	109	109	109	0
22.0	Transportation of things	6	6	6	0
23.1	Rental payments to GSA	1,077	1,077	1,077	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	164	164	164	0
24.0	Printing and reproduction	7	7	7	0
25.1	Advisory and assistance services	190	161	161	0
25.2	Other services from non-Federal sources	68	68	668	600
25.3	Other goods and services from Federal sources 1/	880	881	881	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	950	950
25.7	Operation and maintenance of equipment	1,032	984	1,204	220
26.0	Supplies and materials	50	50	50	0
31.0	Equipment	5	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	17,050	2,119
1/Other goods and services from Federal sources					
	Working Capital Fund	729	730	730	0
	DHS Services	149	149	149	0
	Services by DOL Agencies	2	2	2	0

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

General Funds

PROGRAM CATEGORY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
11.1	Full-time permanent	7,482	7,547	7,507	-40
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	127	127	203	76
11.9	Total personnel compensation	7,609	7,674	7,710	36
12.1	Civilian personnel benefits	2,445	2,418	2,404	-14
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	85	85	85	0
22.0	Transportation of things	6	6	6	0
23.1	Rental payments to GSA	1,077	1,077	1,077	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	164	164	164	0
24.0	Printing and reproduction	6	6	6	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	68	68	68	0
25.3	Other goods and services from Federal sources 1/	551	551	551	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	688	650	574	-76
26.0	Supplies and materials	50	50	50	0
31.0	Equipment	5	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	12,700	-54
	1/Other goods and services from Federal sources				
	Working Capital Fund	400	400	400	0
	DHS Services	149	149	149	0
	Services by DOL Agencies	2	2	2	0

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

Trust Funds

PROGRAM CATEGORY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
11.1	Full-time permanent	998	1,033	1,270	237
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	15	15	25	10
11.9	Total personnel compensation	1,013	1,048	1,295	247
12.1	Civilian personnel benefits	276	279	359	80
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	190	161	161	0
25.2	Other services from non-Federal sources	0	0	600	600
25.3	Other goods and services from Federal sources 1/	329	330	330	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	950	950
25.7	Operation and maintenance of equipment	344	334	630	296
26.0	Supplies and materials	0	0	0	0
31.0	Equipment	0	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	4,350	2,173
	1/Other goods and services from Federal sources				
	Working Capital Fund	329	330	330	0

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

CHANGES IN FY 2021

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$154
Personnel benefits	51
Employee health benefits	0
Moving allowance	0
One day less of Pay	-39
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	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	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$166**

Net Program **\$1,953**

Direct FTE **0**

	Estimate	FTE
Base	\$15,097	81
Program Increase	\$2,173	2
Program Decrease	-\$220	-2

DIVISION OF COAL MINE WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE³				
(Dollars in Thousands)				
	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
Activity Appropriation	35,875	35,989	40,643	4,654
FTE	146	157	159	2

NOTE: FTE for all years reflect the Shared Services Realignment.

NOTE: FY 2019 reflects actual FTE. Authorized FTE for FY 2019 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 create a Workforce for the 21st Century in DOL that is capable of delivering increased and improved services to the taxpayers. DCMWC's workforce will streamline, modernize, and restructure program operations to enhance overall efficiency and improve customer experience. The program will continue 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 the program's 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.

³ FY 2019 and FY 2020 levels reflect the post-sequestration amounts and the FY 2020 level reflects the pre-sequestration amount.

DIVISION OF COAL MINE WORKERS' COMPENSATION

Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2016	\$32,847	163
2017	\$35,607	152
2018	\$35,722	158
2019	\$35,875	158
2020	\$35,989	157

FY 2021

The FY 2021 Request level for the Division of Coal Mine Workers' Compensation is \$40,643,000 and 159 FTE. This includes program increases of \$235,000 and 2 FTE for Black Lung Self- Insurance Audit Activities, and \$2,000,000 to convert all paper files to electronic files and implement a fully digital claims process.

DCMWC will focus on continuing to implement the new process for evaluating requests from coal mine operators to self-insure their black lung benefits obligations under the Black Lung Benefits Act. This process, which includes a robust analysis of coal mine operators' financial health and projected black lung liabilities, protects the Black Lung Disability Trust Fund from future operator bankruptcies.

To improve Black Lung program operations in FY 2021, DCMWC will use \$2,000,000 in additional funding to finalize a transition from a paper-based system to a fully digital environment. This effort, which will involve digitizing millions of pages of paper case files, will significantly enhance the efficiency and cost-effectiveness of program operations. Specifically, it will result in cost savings associated with storage of paper records as the program will no longer require large file rooms. In addition, it will allow the program to transfer FTE resources from low-value work like copying, filing, and mailing to higher-value work in furtherance of the program's mission. Fully digital case files will also result in better data security and improved customer service with faster response times.

DCMWC will also continue the core activities of its mission to adjudicate incoming and pending claims, pay monthly compensation and ongoing medical treatment benefits to an estimated 12,350 beneficiaries, monitor cash and medical treatment benefits disbursed by coal mine operators in the private sector to approximately 5,900 additional beneficiaries, and receive an estimated 7,000 new, incoming claims under Part C, as well as manage approximately 5,000 claims pending decision.

DCMWC will direct its resources and strategies towards maximizing productivity and efficiency through operational standardization and process streamlining, and maintaining a balanced, sustainable approach to claims inventory management with a special emphasis on claims pending for more than 365 days. DCMWC will use informed analysis and information technology (IT) innovations to enhance performance and keep pace with the sustained, high incoming claims volume, ensure accurate and timely adjudication of benefits, and modernize and streamline program operations.

DIVISION OF COAL MINE WORKERS' COMPENSATION

FY 2020

Total resources at the post-sequester FY 2020 Enacted level for the Division of Coal Mine Workers' Compensation are \$35,989,000 and 157 FTE. In FY 2020, DCMWC will receive an estimated 7,000 new, incoming claims, manage approximately 5,000 claims in its pending inventory, pay monthly compensation and ongoing medical treatment benefits to 12,800 beneficiaries, and monitor cash and medical treatment benefits disbursed by coal mine operators in the private sector to an estimated 5,650 additional beneficiaries. DCMWC's efforts will focus on maximizing claims examiner productivity using standardized performance management, optimized organizational structure and new training initiatives, and prioritizing the resolution of claims pending for more than 365 days using data analysis to inform targeted case management. 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 enhance records management capabilities and make significant progress toward a fully digitized claims process.

FY 2019

Total resources at the FY 2019 Enacted level for the Division of Coal Mine Workers' Compensation were \$35,875,000 and 158 FTE. In FY 2019, DCMWC issued 6,239 decisions, managed a pending inventory of roughly 5,000 claims, paid monthly compensation and ongoing medical treatment benefits to 113,257 beneficiaries, and monitored cash and medical treatment benefits disbursed by coal mine operators in the private sector to approximately 5,386 beneficiaries. In addition, DCMWC reduced the claims inventory pending 365 days or longer from 15.2 percent to 12.3 percent.

DIVISION OF COAL MINE WORKERS' COMPENSATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2019 Enacted		FY 2020 Enacted	FY 2021 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 inventory	15%	12%	13%	11%
CM 8	Number of decisions issued	--	--	6,850	6,900
Workload Volumes					
CM WL 1	Number of Claims Received	7,000[p]	6,806	7,000[p]	7,000[p]
CM WL 6	Number of Claims in Pending Proposed Decision and Order Inventory	5,180[e]	5,046	5,000[e]	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 2021, the program expects to receive 7,000 new claims and issue 6,900 decisions, resulting in a relatively stable pending inventory of approximately 5,000 claims. This will continue a trend of high incoming claims volume where the program received roughly 7,000 incoming claims on average annually since 2014, after receiving less than 6,000 on average annually during the prior five years.

DCMWC will continue to prioritize the resolution of claims pending for more than 365 days as a key strategic objective by optimizing productivity and promoting a balanced approach to claims management. In furtherance of this effort, the program will utilize data analytics to evaluate internal processes and identify opportunities to improve program effectiveness.

DIVISION OF COAL MINE WORKERS' COMPENSATION

BUDGET ACTIVITY COMPONENT BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request	Diff. FY21 Request / FY20 Enacted
11.1	Full-time permanent	13,734	13,781	14,026	245
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	239	239	380	141
11.9	Total personnel compensation	13,973	14,020	14,406	386
12.1	Civilian personnel benefits	4,272	4,291	4,372	81
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	87	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	681	631	631	0
24.0	Printing and reproduction	4	4	4	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	3,784	2,881	4,740	1,859
25.3	Other goods and services from Federal sources 1/	6,735	6,746	6,746	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	4,459	5,449	7,777	2,328
26.0	Supplies and materials	218	218	218	0
31.0	Equipment	21	21	21	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	35,875	35,989	40,643	4,654
	1/Other goods and services from Federal sources				
	Working Capital Fund	6,200	6,211	6,211	0
	DHS Services	88	88	88	0
	Services by DOL Agencies	447	447	447	0

DIVISION OF COAL MINE WORKERS' COMPENSATION

CHANGES IN FY 2021

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$122
Personnel benefits	40
Employee health benefits	0
Moving allowance	0
One day less of Pay	-71
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	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	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$91**

Net Program **\$4,563**

Direct FTE **2**

	Estimate	FTE
Base	\$36,080	157
Program Increase	\$4,563	2
Program Decrease	\$0	0