

FY 2025

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, \$128,271,000, together with \$2,274,000 which shall be available from the Special Fund in accordance with sections 39(c), 44(d), and 44(j) of the Longshore and Harbor Workers' Compensation Act: Provided, That such amounts shall remain available through September 30, 2026.

Note.--A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

ANALYSIS OF APPROPRIATION LANGUAGE

The Department requests two-year availability to increase flexibility for program execution. The annual uncertainty in the appropriations timing results in delayed hiring and rushed execution of contracts. The multi-year availability would reduce the impact of short-term continuing resolutions at no cost to the annual appropriations bill. This change would also enhance staff oversight of the programs they are administering.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2023 Enacted		FY 2024 Estimate		FY 2025 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	668	\$120,500	654	\$120,500	663	\$128,271
A.1) Subtotal Appropriation (adjusted)	668	\$120,500	654	\$120,500	663	\$128,271
Offsetting Collections From:						
Black Lung Disability Trust Fund	150	\$42,194	151	\$44,059	152	\$51,580
Sequestration reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	-\$2,405	0	\$0	0	\$0
Longshore Trust	7	\$2,205	7	\$2,205	7	\$2,274
A.1) Subtotal Trust Funds	157	\$41,994	158	\$46,264	159	\$53,854
B. Gross Budget Authority	825	\$162,494	812	\$166,764	822	\$182,125
Offsetting Collections to:	0	\$0	0	\$0	0	\$0
Black Lung Disability Trust Fund	-150	-\$39,789	-151	-\$44,059	-152	-\$51,580
Longshore Trust	-7	-\$2,205	-7	-\$2,205	-7	-\$2,274
B.1) Subtotal Trust Funds	-157	-\$41,994	-158	-\$46,264	-159	-\$53,854
C. Budget Authority Before Committee	668	\$120,500	654	\$120,500	663	\$128,271
Offsetting Collections From:	0	\$0	0	\$0	0	\$0
Black Lung Disability Trust Fund	150	\$39,789	151	\$44,059	152	\$51,580
Longshore Trust	7	\$2,205	7	\$2,205	7	\$2,274
C.1) Subtotal	157	\$41,994	158	\$46,264	159	\$53,854
D. Total Budgetary Resources	825	\$162,494	812	\$166,764	822	\$182,125
Unobligated Balance	-19	-\$489	0	\$0	0	\$0
E. Total, Estimated Obligations	806	\$162,005	812	\$166,764	822	\$182,125

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2024 Estimate	FY 2025 Request	Net Change
Budget Authority			
General Funds	\$120,500	\$128,271	+\$7,771
Trust Funds	\$46,264	\$53,854	+\$7,590
Total	\$166,764	\$182,125	+\$15,361
 Full Time Equivalents			
General Funds	654	663	9
Trust Funds	158	159	1
Total	812	822	10

Explanation of Change	FY 2025 Change							
	FY 2024 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	812	\$90,066	0	\$278	0	\$4,297	0	\$4,575
Personnel benefits	0	\$27,199	0	\$17	0	\$1,621	0	\$1,638
Employee health benefits	0	\$6,062	0	\$89	0	\$0	0	\$89
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	\$1,377	0	\$0	0	\$94	0	\$94
Benefits for former personnel	0	\$0	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$291	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$8	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$7,048	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$9	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$1,610	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$232	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$385	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$8,861	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$11,817	0	\$6	0	\$1,320	0	\$1,326
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$1,047	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$7,392	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

FY 2025 Change

Explanation of Change	FY 2024 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	\$2,899	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$397	0	\$0	0	\$0	0	\$0
Equipment	0	\$64	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$0	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	812	+\$166,764	0	+\$390	0	+\$7,332	0	+\$7,722
B. Programs:								
IT Modernization & Project Management-DCMWC	0	\$0	0	\$7,000	0	\$0	0	\$7,000
DFELHWC FTE Maintenance	0	\$0	0	\$0	9	\$439	9	\$439
Customer Experience-DCMWC	0	\$0	1	\$200	0	\$0	1	\$200
Programs Subtotal			1	+\$7,200	9	+\$439	10	+\$7,639
Total Increase	812	+\$166,764	1	+\$7,590	9	+\$7,771	10	+\$15,361
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Decrease	0	\$0	0	\$0	0	\$0	0	\$0
Total Change	812	+\$166,764	1	+\$7,590	9	+\$7,771	10	+\$15,361

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY¹								
(Dollars in Thousands)								
	FY 2023 Enacted		FY 2024 Estimate		FY 2025 Request		Diff. FY25 Request/ FY24 Estimate	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
FEDERAL PROGRAMS FOR WORKERS' COMPENSATION	806	162,494	812	166,764	822	182,125	10	15,361
General Funds	651	120,500	654	120,500	663	128,271	9	7,771
Trust Funds	155	41,994	158	46,264	159	53,854	1	7,590
Division of Federal Employees Longshore and Harbor Workers' Compensation	658	122,705	661	122,705	670	130,545	9	7,840
DFELHWC General Funds	651	120,500	654	120,500	663	128,271	9	7,771
DFELHWC Trust Funds	7	2,205	7	2,205	7	2,274	0	69
Division of Coal Mine Workers' Compensation	148	39,789	151	44,059	152	51,580	1	7,521
Black Lung Disability Trust Funds	148	39,789	151	44,059	152	51,580	1	7,521

NOTE: FY 2023 reflects actual FTE.

¹ For the Division of Coal Mine Workers' Compensation, the FY 2023 level reflects the post-sequestration amount pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2023 Enacted	FY 2024 Estimate	FY 2025 Request	Diff. FY25 Request / FY24 Estimate
	Full-Time Equivalent				
	Full-time Permanent	825	812	822	10
	Total	825	812	822	10
	Total Number of Full-Time Permanent Positions	825	799	809	10
	Average ES Salary	\$193,734	\$201,290	\$205,316	\$4,026
	Average GM/GS Grade	12/3	12/3	12/3	0
	Average GM/GS Salary	\$94,830	\$98,528	\$100,499	\$1,971
11.1	Full-time permanent	82,936	88,044	93,079	5,035
11.3	Other than full-time permanent	144	144	144	0
11.5	Other personnel compensation	1,878	1,878	1,878	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	84,958	90,066	95,101	5,035
12.1	Civilian personnel benefits	33,079	34,638	36,638	2,000
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	251	291	291	0
22.0	Transportation of things	8	8	8	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	7,048	7,048	7,048	0
23.2	Rental payments to others	9	9	9	0
23.3	Communications, utilities, and miscellaneous charges	1,610	1,610	1,610	0
24.0	Printing and reproduction	232	232	232	0
25.1	Advisory and assistance services	443	385	385	0
25.2	Other services from non-Federal sources	6,166	8,861	8,861	0
25.3	Other goods and services from Federal sources 1/	24,955	20,256	28,582	8,326
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	3,274	2,899	2,899	0
26.0	Supplies and materials	397	397	397	0
31.0	Equipment	64	64	64	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	162,494	166,764	182,125	15,361
	1/Other goods and services from Federal sources				
	Working Capital Fund	16,677	11,817	13,143	1,326
	DHS Services	1,047	1,047	1,047	0
	Services by DOL Agencies	7,081	7,242	14,242	7,000
	Services by Other Government Departments	150	150	150	0

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

APPROPRIATION HISTORY²					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
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	\$115,282		\$117,601	\$117,601	710
2020					
Base Appropriation...1/	\$117,782	\$120,782		\$117,601	680
2021					
Base Appropriation...1/	\$119,312			\$117,601	614
2022					
Base Appropriation...2/	\$140,809	\$140,809		\$120,129	664
2023					
Base Appropriation	\$145,977			\$122,705	675
2024					
Base Appropriation...3/	\$151,946		\$122,705		661
2025					
Base Appropriation	\$130,545				670

^{1/} FTE for FY 2020 and FY 2021 reflect the Shared Services Realignment.

^{2/} This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or the full Senate Appropriations Committee.

^{3/} The full-year FY 2024 appropriation was not enacted at the time the budget was prepared.

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 2023 Enacted	FY 2024 Estimate	FY 2025 Request	Diff. FY25 Request / FY24 Estimate
Activity Appropriation	162,494	166,764	182,125	15,361
FTE	806	812	822	10

NOTE: FY 2023 reflects actual FTE. Authorized FTE for FY 2023 was 825.

Introduction

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

1. The Division of Federal Employees', Longshore and Harbor Workers' Compensation (DFELHWC)'s Federal Employees Compensation Act (FECA) Program 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. Under the War Hazards Compensation Act, also administered by the FECA program, insurance carriers can file reimbursement claims for workers' compensation benefits paid under the Defense Base Act for injury or death caused by a war-risk hazard as defined in the statute. DFELHWC's Longshore Program 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 workers covered by DFELHWC's FECA and Longshore Programs should be able to sleep at night knowing if they get injured at work, they will receive equitable, timely service no matter who they are, what they do, or where they live.

2. 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 coal mine employment, and monetary benefits to their dependent survivors. DCMWC will support the priorities of the President's Management Agenda by delivering excellent Federal services and improving customer experience while managing the business of Government. The program will also further the Department's priorities of protecting workers by ensuring equity, being bold, and building the team. To achieve these objectives, in FY 2025 DCMWC will advance equity initiatives to support underserved stakeholder communities. DCMWC will also implement strategic efforts to streamline, modernize, and enhance program operations to boost overall efficiency, improve customer service, and facilitate the effective and equitable delivery of benefits and services.

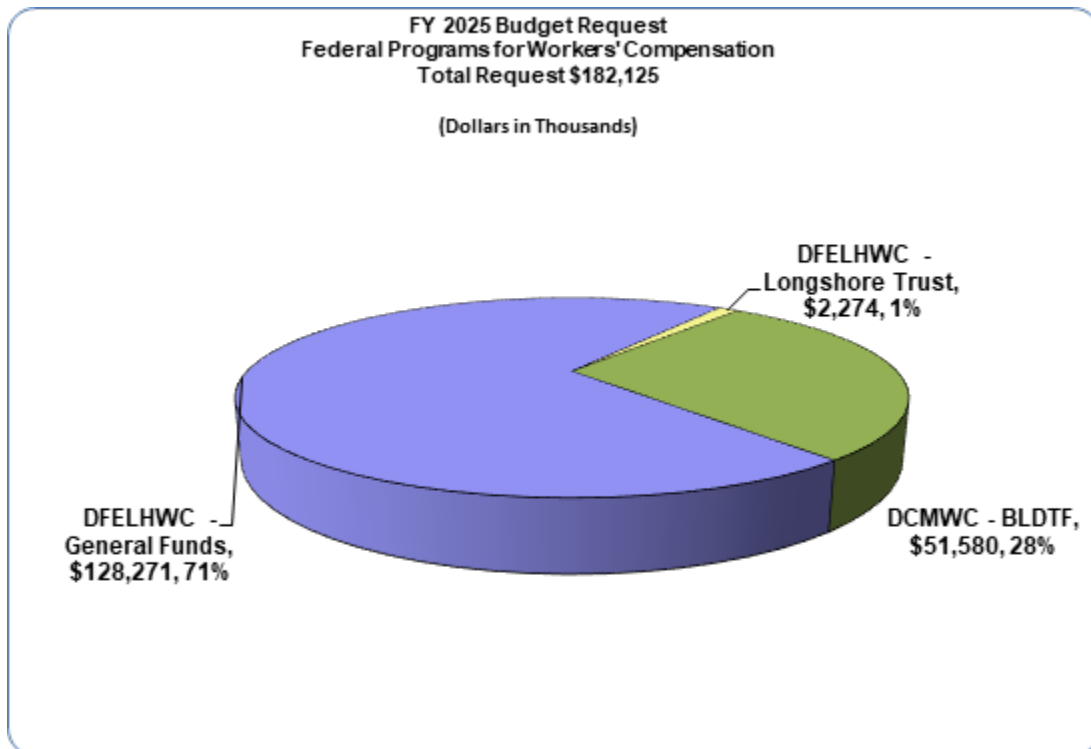
FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

Total resources requested in FY 2025 for FPWC are \$182,125,000 and 822 FTE. The FY 2025 Request Level by budget activity is as follows:

- \$130,545,000 and 670 FTE for DFELHWC consisting of:
 - \$128,271,000 and 663 FTE for DFELHWC in General Funds Salaries & Expenses funding.
 - \$2,274,000 and 7 FTE for DFELHWC in Longshore Trust funding.
- \$51,580,000 and 152 FTE for DCMWC in funding transferred from the Black Lung Disability Trust Fund.

The requests include additional resources for:

- \$439,000 and 9 FTE for Maintenance of DFELHWC FTE at FY 2023 levels;
- \$7,000,000 and 0 FTE for OWCP's IT Modernization & Project Management request in funding transferred from the BLDTF;
- \$200,000 and 1 FTE for OWCP's Customer Service request in funding transferred from the BLDTF.



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

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2023 Enacted	FY 2024 Estimate	FY 2025 Request	Diff. FY25 Request / FY24 Estimate
Activity Appropriation	122,705	122,705	130,545	7,840
FTE	658	661	670	9

NOTE: FY 2023 reflects actual FTE. Authorized FTE for FY 2023 was 675.

Introduction

The Division of Federal Employees', Longshore and Harbor Workers' Compensation (DFELHWC)'s Federal Employees' Compensation Act (FECA) 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. Under the War Hazards Compensation Act, also administered by the FECA program, insurance carriers can file reimbursement claims for workers' compensation benefits paid under the Defense Base Act for injury or death caused by a war-risk hazard as defined in the statute.

DFELHWC's Longshore program 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 Longshore program receives approximately 35,000 new claims per year and collects assessments for the Special Workers Compensation Fund (SWCF), which provides benefits directly to certain individuals (claimants), including bi-weekly recurring benefit payments to over 2,500 beneficiaries. There are approximately 550 companies authorized to write insurance or self-insure liabilities under the LHWCA and its extensions. The program maintains approximately \$4,360,000,000 in securities to ensure the continuing provision of benefits for covered workers in case of employer/carrier insolvency.

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2020	\$117,601	680
2021	\$117,601	614
2022	\$120,129	664
2023	\$122,705	675
2024	\$0	661

NOTE: A full-year 2024 appropriation for this account was not enacted at the time the budget was prepared.

FY 2025

Requested resources for FY 2025 are \$130,545,000 and 670 FTE. Of these amounts, the Longshore Trust Fund provides \$2,274,000 and 7 FTE. The requested amount includes a program increase of \$439,000 and 9 FTE and increase of \$5,981,000 for built-in pay and benefits funding to maintain FTE levels at the FY 2023 FTE usage levels. It also includes \$1,326,000 for Working Capital Fund and \$94,000 for FECA Chargeback built-in increases.

At the request level, the FECA program would sustain current service levels, including core activities of its mission such as the adjudication of new injury and illness claims, processing initial wage-loss compensation claims, and disability management and return-to-work services. The request would enable the program to keep pace with inflationary increases in federal salaries and contractual costs, thereby maintaining existing levels of customer service, medical provider/care delivery, and performing periodic entitlement reviews. This maintenance-level request does not provide for expanding the availability of medical providers or for decreasing the current workload of claims examiners in the FECA program (approximately 550 cases per examiner).

At this level, with the objective of utilizing data as a strategic asset to improve program effectiveness, oversight and transparency, the request includes continued funding to support the SWCF. This funding would allow the Longshore program to maintain performance of ongoing longstanding 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. While the Longshore program funds its operations from OWCP's salaries and expenses funding, 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 2025, these activities (as well as vocational rehabilitation services in Sec 39(c) of the Act) will be supported by the direct transfer of \$2,274,000 from the SWCF.

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

In FY 2025, DFELHWC will maintain existing levels of support for the President's Management Agenda priority of delivering excellent, equitable, and secure Federal Services and customer experience, as well as the Secretary's vision of empowering workers by ensuring 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. The program will also continue its focus on four fundamental tenets of workers' compensation: 1) Learn about the injury as soon as possible; 2) Provide timely access to treatment; 3) Engage with federal agencies to ensure all necessary information is promptly submitted and perform outreach to educate on the importance of agency regulatory cooperation; and 4) Return the injured worker to pre-injury status both economically and medically.

In support of the President's Management Agenda priority of strengthening and empowering the federal workforce, DFELHWC will maintain existing levels of its efforts to promote equity across all levels of the organization—from all non-supervisors through managers. DFELHWC plans to build on our efforts to recruit a diverse workforce by working to ensure that job announcements are widely publicized within marginalized communities. The Division also plans to encourage employees from underrepresented worker groups to apply for supervisory and managerial positions. Active support of the OWCP mentorship program and participation in OWCP's "Day in the Life" series are two concrete ways that we are empowering underrepresented groups to apply for higher level positions within the organization.

In alignment with the Department's priority of advancing racial and gender equity and support for underserved communities, DFELHWC is committed to finding ways to make a thoughtful and intentional focus on equity a routine part of how the agency does business in FY 2025.

FY 2024

Figures for FY 2024 are an estimate. Discretionary amounts shown for FY 2024 reflect an annualized Continuing Resolution (Division A of P.L. 118-15, as amended), as a full-year appropriation, had not been enacted at the time the budget was produced. Mandatory amounts are equal to the FY 2024 President's Budget and do not reflect sequestration.

FY 2023

Enacted resources for FY 2023 were \$122,705,000 and 675 FTE. Of these amounts, the Longshore Trust Fund provided \$2,205,000 and 7 FTE.

At this funding level, the FECA program continued the core activities of its mission, including adjudication of new injury and illness claims, processing initial wage-loss compensation claims, and disability management and return-to-work services.

In FY 2023, the Longshore program continued its focus on improved electronic claims filing, case creation, and claims management systems to drive shorter compliance timeframes and rolled out several outreach initiatives to inform stakeholders of the importance of timely filing and the consequences for failure to timely file the reports of injury.

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

To support the Department's priority of advancing racial and gender equity and support for underserved communities, DFELHWC piloted a survey to identify demographic and other barriers of entry to the programs. DFELHWC took action based on the survey results and increased outreach to large federal employee unions and local longshore-related unions, as well as updating the FECA and Longshore websites to more prominently display the link to ECOMP case access and claim filing.

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2023 Enacted		FY 2024 Estimate	FY 2025 Request
		Target	Result	Target	Target
Division of Federal Employees Longshore and Harbor Workers' Compensation					
Strategic Goal 3 - Improve Administration of and Strengthen Worker Safety Net Programs					
Strategic Objective 3.1 - Ensure timely and accurate income support when work is unavailable by strengthening benefits programs and program administration.					
Performance Measures					
FEC 1a	Percent of wage-loss claims timely processed within 14 days: claims not requiring further development	92%	95%	92%	92%
FEC 1b	Percent of all wage-loss claims timely processed within 90 days: all claims	95%	99%	95%	95%
FEC RTW 5	Rate of return-to-work outcomes for injured federal workers during the initial 45-day post-injury period for traumatic injuries	69.81%	79.02%	70.51%	71.22%
LS 3a	Percent of Employer's First Report of Injury filed within 20 days: non-Defense Base Act cases	92.5%	93.5%	93.0%	93.5%
LS 6	Percent of Industry Special Workers' Compensation Fund (Longshore Trust) Final Assessment Bills Collected within 60-days of Issuance	90%	90%	90%	90%
Workloads					
FEC WL 1	Cases Created	150,000[p]	117,203	140,000[p]	120,000[p]
FEC WL 3	Initial Wage-loss Claims Received	15,800[p]	17,442	15,000[p]	15,000[p]
FEC WL 6	Number of Compensation and Medical Payments Processed (By Chargeback Year)	7,000,000[p]	7,007,801	7,000,000[p]	7,000,000[p]
FEC WL 9	Number of Wage-loss Claims Received	170,000[p]	160,373	150,000[p]	150,000[p]

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2023 Enacted		FY 2024 Estimate	FY 2025 Request
		Target	Result	Target	Target
LS WL 2	Number of Claims with Lost Time / Injuries Reported	36,235[p]	35,247	36,096[p]	36,166[p]

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

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

Workload and Performance Narrative

The Division of Federal Employees', Longshore and Harbor Workers' Compensation (DFELHWC) performs a variety of activities to accomplish its goals, including initial claims intake and adjudication; wage-loss claims processing and payment; early disability case management; periodic roll management; and appeals processing; and 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). Under the War Hazards Compensation Act, administered by the FECA program, insurance carriers can file reimbursement claims for workers' compensation benefits paid under the DBA for injury or death caused by a war-risk hazard as defined in the statute.

FECA Program Case Creation and Initial/Wage-loss Adjudication

The FECA program expects to receive 120,000 new injury claims and 15,000 initial claims for FECA wage-loss compensation in FY 2025. Over 85 percent of the new injury claims are expected to be for traumatic injuries, such as those caused by slips and falls. The remainder are expected to involve more complex situations in which a medical condition arises due to occupational exposure. The FECA program expects to receive 150,000 wage-loss claims in FY 2025. In FY 2023, the program exceeded established targets for the timely processing of wage-loss claims. The program processed 95 percent of claims that did not need further development within 14 days and processed 99 percent of all wage-loss claims within 90 days. In FY 2025, the program expects to process at least 92 percent of claims that do not need further development within 14 days and process at least 95 percent of all wage-loss claims within 90 days.

FECA Program Disability Management and Processing of Compensation and Medical Payments

The FECA program continues work with agencies across the federal government to return the injured worker to pre-injury status both economically and medically as soon as possible. The program expects to return 71.22 percent of injured federal workers to work during the initial 45-day post-injury period for traumatic injuries in FY 2025. The FECA program 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) 2023 (July 1, 2022 to June 30, 2023), the program processed a total of 7,007,801 compensation and medical payments. In CBY 2023, 184,822 beneficiaries received \$3.26 billion in benefit payments, including \$2.35 billion for wage-loss compensation, \$148 million for death benefits, and \$761 million for medical benefits. The program expects to process 7,000,000 compensation and medical payments in FY 2025.

Longshore Program Claims Processing and Benefits Delivery Oversight

The Longshore program 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 Special Workers' Compensation Fund (SWCF).

The Longshore program focuses on employer/carrier performance to ensure that injury reports and first payment of benefits are timely. The program updated its performance measures in FY

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

2020, decreasing the number of days to submit key reports: for first injury reports from 30 days to 20 days. In FY 2025, the program expects 93.5 percent of first report of injury for non-Defense Base Act cases to be submitted within 20 days.

Longshore Program 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. The Longshore program expects to collect 90 percent of final assessment bills within 60-days of issuance in FY 2025.

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

BUDGET ACTIVITY COMPONENT BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2023 Enacted	FY 2024 Estimate	FY 2025 Request	Diff. FY25 Request / FY24 Estimate
11.1	Full-time permanent	67,383	71,674	76,333	4,659
11.3	Other than full-time permanent	144	144	144	0
11.5	Other personnel compensation	1,504	1,504	1,504	0
11.9	Total personnel compensation	69,031	73,322	77,981	4,659
12.1	Civilian personnel benefits	27,207	28,401	30,256	1,855
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	181	171	171	0
22.0	Transportation of things	8	8	8	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	5,960	5,960	5,960	0
23.2	Rental payments to others	9	9	9	0
23.3	Communications, utilities, and miscellaneous charges	1,160	1,160	1,160	0
24.0	Printing and reproduction	224	224	224	0
25.1	Advisory and assistance services	443	385	385	0
25.2	Other services from non-Federal sources	944	944	944	0
25.3	Other goods and services from Federal sources 1/	16,051	11,134	12,460	1,326
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	1,221	721	721	0
26.0	Supplies and materials	232	232	232	0
31.0	Equipment	34	34	34	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	122,705	122,705	130,545	7,840
	1/Other goods and services from Federal sources				
	Working Capital Fund	10,703	6,125	7,451	1,326
	DHS Services	807	807	807	0
	Services by DOL Agencies	4,541	4,202	4,202	0

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

CHANGES IN FY 2025

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$4,343
Personnel benefits	1,638
Federal Employees' Compensation Act (FECA)	94
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	1,326
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$7,401**

Net Program **\$439**

Direct FTE **9**

	Estimate	FTE
Base	\$130,106	661
Program Increase	\$439	9
Program Decrease	\$0	0

DIVISION OF COAL MINE WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE³				
(Dollars in Thousands)				
	FY 2023 Enacted	FY 2024 Estimate	FY 2025 Request	Diff. FY25 Request / FY24 Estimate
Activity Appropriation	39,789	44,059	51,580	7,521
FTE	148	151	152	1

NOTE: FY 2023 reflects actual FTE. Authorized FTE for FY 2023 was 150.

Introduction

OWCP's Division of Coal Mine Workers' Compensation (DCMWC) provides benefits to coal industry workers totally disabled by pneumoconiosis, as well as their dependent survivors. Pneumoconiosis – also known as Black Lung disease – is a debilitating condition resulting from exposure to coal mine dust which 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 district offices across the country process benefit applications and make initial decisions on benefit eligibility. In addition, staff members monitor benefit payments and medical treatment provided by self-insured coal mine operators or operators' insurance carriers.

Overall, the Black Lung Program aims to issue both timely and accurate decisions on claims for benefits under the Black Lung Benefits Act (BLBA). An important component of any claim for benefits under the BLBA is the identification of and notification to the coal mine operator who will be responsible for paying any benefits that may arise. In the majority of cases, this identification occurs in a timely fashion without delay; however, there are some claims where identifying the responsible coal mine operator is more challenging and delays may arise. Therefore, we have developed an internal review process to identify and monitor any claims that may have become delayed and to take action to expedite affirmative identification and notification of the operator. Specifically, any claim where the identification is not made within 90 days will be referred to a quick-response team for priority handling and resolution. This internal review process is facilitating improved timeliness and increased accuracy of the program's decisions with the program adjudicating 92% of claims pending at the start of the year by the end of the year and naming the correct Responsible Operator in 98% of cases in FY 2023.

³ The FY 2023 level reflects the post-sequestration amount pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

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>
2020	\$35,989	157
2021	\$38,326	156
2022	\$39,101	152
2023	\$39,789	150
2024	\$0	151

NOTE: A full-year 2024 appropriation for this account was not enacted at the time the budget was prepared.

FY 2025

The FY 2025 request level of \$51,580,000 and 152 FTE includes an increase of \$7,000,000 for the Information Technology (IT) Modernization & Project Management and \$200,000 and 1 FTE for the Customer Experience initiatives. It also includes \$321,000 for built-in pay increases. These built-ins are necessary to prevent further staff erosion from pay raises.

In FY 2025, DCMWC will support the priorities of the President's Management Agenda by delivering excellent, equitable, and secure Federal services and customer experience. DCMWC is well positioned to address inequities because of its status as a benefits program. By striving to eliminate barriers applicants from underserved communities face as they go through the process of obtaining benefits under the Black Lung Benefits Act, the program will endeavor to administer the law equitably. The requested increase will bolster this effort by providing an additional staffing resource to support related work, and to complete several projects to transform customer experience and service delivery for claimants generally. Specifically, DCMWC plans to expand on the use of customer surveys to gather information about the stakeholder experience and collect and analyze voluntarily obtained demographic information to better serve claimants.

The requested funding for upgrading DCMWC IT systems will also aid efforts to enhance customer experience by allowing for the retention of information collected during efforts to promote equity and improve the accessibility of program forms and information. The funding will also allow for flexibility to enact other system enhancements related to the claim filing process, such as the expansion of the use of electronic forms. IT modernization will further allow DCMWC to secure and protect data by supporting initiatives to reduce improper payments and medical bill operational pay costs associated with OWCP's Pharmacy Benefit Manager. Additionally, funding for DCMWC IT systems will bolster program efficiency by supporting the continued application of artificial intelligence to conduct form reviews and the development and use of business tools to better manage and track program performance data.

DCMWC will also further the President's Management Agenda priority of strengthening and empowering the Federal workforce by undertaking strategic plans to build the team of program employees. DCMWC will continue to institutionalize Diversity, Equity, Inclusion and

DIVISION OF COAL MINE WORKERS' COMPENSATION

Accessibility in supervisory performance plans, carry forward key standardization and training initiatives to place all employees on an equal playing field, maximize the power of shared best practices, and promote efficient program operations through the implementation of uniform policies, procedures, and IT initiatives. The program will also continue to use multiple methods to recruit new employees from traditionally underserved communities during FY 2025.

FY 2024

Figures for FY 2024 are an estimate. Discretionary amounts shown for FY 2024 reflect an annualized Continuing Resolution (Division A of P.L. 118-15, as amended), as a full-year appropriation had not been enacted at the time the budget was produced. Mandatory amounts are equal to the FY 2024 President's Budget and do not reflect sequestration.

FY 2023

The FY 2023 Enacted level for DCMWC was \$39,789,000 and 150 FTE.

In FY 2023, DCMWC strived to achieve goals established in the Agency Management Plan. To that end, DCMWC identified its most vulnerable stakeholder populations by utilizing a variety of strategies. The program undertook an initiative to develop tools to obtain, and subsequently analyze, demographic information from claimants. As part of this initiative, DCMWC developed a supplemental form to offer claimants an anonymous way of providing demographic information. Additionally, the program made its existing claim forms more user-friendly by simplifying the formatting, language and questions to enhance the effectiveness of the forms as essential data gathering tools. In FY 2023, DCMWC also utilized census tract research, mining data, and historical claim data to identify potentially underserved communities of coal miners. As a result, DCMWC identified such communities in Wyoming, Alabama, Indiana, and Illinois and subsequently held outreach and engagement events in these states. DCMWC also disseminated customer experience surveys in FY 2023 to determine key concerns claimants may have with the quality of program services, identify pain points and barriers, obtain positive feedback, and promote the use of the Claimant Online Access Link Portal.

Additionally, in FY 2023 DCMWC directed 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. DCMWC used informed analysis and IT innovations to enhance performance and keep pace with the significant incoming claims volume, ensure accurate and timely adjudication of benefits, and modernize program operations.

DIVISION OF COAL MINE WORKERS' COMPENSATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2023 Enacted		FY 2024 Estimate	FY 2025 Request
		Target	Result	Target	Target
Division of Coal Mine Workers' Compensation					
Strategic Goal 3 - Improve Administration of and Strengthen Worker Safety Net Programs					
Strategic Objective 3.1 - Ensure timely and accurate income support when work is unavailable by strengthening benefits programs and program administration.					
Performance Measures					
CM 7	Average number of days to complete Proposed Decision and Order following completion of all claim development for all Responsible Operator Merit Claims	32	22	30	28
CM 8	Number of decisions issued	5,500	5,370	5,500	5,500
CM 9	Percent of Black Lung claims pending at the start of the fiscal year that are resolved by the end of the fiscal year	87%	92%	88%	89%
Workload Volumes					
CM WL 1	Number of Claims Received	6,000[p]	5,566	6,500[p]	6,500[p]
CM WL 6	Number of Claims in Pending Proposed Decision and Order Inventory	4,000[e]	3,634	5,000[e]	6,000[e]

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

DIVISION OF COAL MINE WORKERS' COMPENSATION

Workload and Performance Narrative

In FY 2025, the Division of Coal Mine Workers' Compensation (DCMWC) expects to receive 6,500 new claims and issue 5,500 decisions, resulting in a pending inventory of approximately 6,000 claims.

DCMWC will continue to prioritize the resolution of pending claims as a key strategic objective by optimizing productivity and promoting a balanced approach to claims management. In FY 2025, DCMWC expects that 89 percent of claims pending at the start of the fiscal year will be resolved by the end of the fiscal year. Additionally, following completion of all claim development for Responsible Operator Merit claims, DCMWC expects to complete proposed decision and orders within an average of 28 days.

DIVISION OF COAL MINE WORKERS' COMPENSATION

BUDGET ACTIVITY COMPONENT BY OBJECT CLASS⁴					
(Dollars in Thousands)					
		FY 2023 Enacted	FY 2024 Estimate	FY 2025 Request	Diff. FY25 Request / FY24 Estimate
11.1	Full-time permanent	15,553	16,370	16,746	376
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	374	374	374	0
11.9	Total personnel compensation	15,927	16,744	17,120	376
12.1	Civilian personnel benefits	5,872	6,237	6,382	145
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	70	120	120	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	1,088	1,088	1,088	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	450	450	450	0
24.0	Printing and reproduction	8	8	8	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	5,222	7,917	7,917	0
25.3	Other goods and services from Federal sources 1/	8,904	9,122	16,122	7,000
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,053	2,178	2,178	0
26.0	Supplies and materials	165	165	165	0
31.0	Equipment	30	30	30	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	39,789	44,059	51,580	7,521
	1/Other goods and services from Federal sources				
	Working Capital Fund	5,974	5,692	5,692	0
	DHS Services	240	240	240	0
	Services by DOL Agencies	2,540	3,040	10,040	7,000
	Services by Other Government Departments	150	150	150	0

⁴ The FY 2023 level reflects the post-sequestration amount pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985.

DIVISION OF COAL MINE WORKERS' COMPENSATION

CHANGES IN FY 2025

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$232
Personnel benefits	0
Employee health benefits	89
Moving allowance	0
Federal Employees' Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	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 **\$321**

Net Program **\$7,200**

Direct FTE **1**

	Estimate	FTE
Base	\$44,380	151
Program Increase	\$7,200	1
Program Decrease	\$0	0