

FY 2026

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, \$107,823,000, together with \$2,177,000 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 (33 U.S.C. 939 (c), 944(d), 944(j)).

Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2024 Enacted		FY 2025 Enacted		FY 2026 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	646	\$120,500	615	\$120,500	519	\$107,823
A.1) Subtotal Appropriation (adjusted)	646	\$120,500	615	\$120,500	519	\$107,823
Offsetting Collections From:						
Black Lung Disability Trust Fund	152	\$44,059	151	\$51,580	129	\$50,684
Sequestration reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	-\$2,511	0	-\$2,940	0	\$0
Longshore Trust	7	\$2,205	7	\$2,205	5	\$2,177
A.1) Subtotal Trust Funds	159	\$43,753	158	\$50,845	134	\$52,861
B. Gross Budget Authority	805	\$164,253	773	\$171,345	653	\$160,684
Offsetting Collections to:						
Black Lung Disability Trust Fund	-152	-\$41,548	-151	-\$48,640	-129	-\$50,684
Longshore Trust	-7	-\$2,205	-7	-\$2,205	-5	-\$2,177
B.1) Subtotal Trust Funds	-159	-\$43,753	-158	-\$50,845	-134	-\$52,861
C. Budget Authority Before Committee	646	\$120,500	615	\$120,500	519	\$107,823
Offsetting Collections From:						
Black Lung Disability Trust Fund	152	\$41,548	151	\$48,640	129	\$50,684
Longshore Trust	7	\$2,205	7	\$2,205	5	\$2,177
C.1) Subtotal	159	\$43,753	158	\$50,845	134	\$52,861
D. Total Budgetary Resources	805	\$164,253	773	\$171,345	653	\$160,684
Unobligated Balance	3	-\$477	0	\$0	0	\$0
E. Total, Estimated Obligations	808	\$163,776	773	\$171,345	653	\$160,684

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Request	Net Change
Budget Authority			
General Funds	\$120,500	\$107,823	-\$12,677
Trust Funds. ¹	\$53,785	\$52,861	-\$924
Total	\$174,285	\$160,684	-\$13,601
Full Time Equivalents			
General Funds	615	519	-96
Trust Funds	158	134	-24
Total	773	653	-120

Explanation of Change	FY 2025 Base		FY 2026 Change					
	FTE	Amount	Trust Funds		General Funds		Total	
			FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	773	\$91,292	0	\$0	0	\$0	0	\$0
Personnel benefits	0	\$27,438	0	\$0	0	\$0	0	\$0
Employee health benefits	0	\$6,626	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	\$1,419	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$0	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$247	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	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	\$1,500	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$215	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$325	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$7,543	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$13,819	0	\$0	0	\$0	0	\$0
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0

¹ The Black Lung Disability Trust Fund appropriation is subject to a sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. All amounts displayed for that appropriation are pre-sequestration levels.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

FY 2026 Change

Explanation of Change	FY 2025 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Other Federal sources (DHS Charges)	0	\$1,028	0	\$0	0	\$0	0	\$0
Other goods and services from								
Federal sources	0	\$12,826	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of								
facilities	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of								
equipment	0	\$2,587	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$299	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	773	+\$174,285	0	\$0	0	\$0	0	\$0
B. Programs:								
Pharmacy Bill Processing	0	\$0	0	\$2,750	0	\$0	0	\$2,750
Programs Subtotal			0	+\$2,750	0	\$0	0	+\$2,750
Total Increase	773	+\$174,285	0	+\$2,750	0	\$0	0	+\$2,750
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Attrition DFEC	0	\$0	0	\$0	-85	-\$11,283	-85	-\$11,283
Attrition DCMWC	0	\$0	-22	-\$3,646	0	\$0	-22	-\$3,646
Attrition DLHWC Gen	0	\$0	0	\$0	-11	-\$1,394	-11	-\$1,394
Attrition DLHWC Trust	0	\$0	-2	-\$28	0	\$0	-2	-\$28
Programs Subtotal			-24	-\$3,674	-96	-\$12,677	-120	-\$16,351
Total Decrease	0	\$0	-24	-\$3,674	-96	-\$12,677	-120	-\$16,351
Total Change	773	+\$174,285	-24	-\$924	-96	-\$12,677	-120	-\$13,601

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY ² (Dollars in Thousands)								
	FY 2024 Enacted		FY 2025 Enacted		FY 2026 Request		Diff. FY 2026 Request / FY 2025 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
FEDERAL PROGRAMS FOR WORKERS' COMPENSATION	808	166,764	773	174,285	653	160,684	-120	-13,601
General Funds	654	120,500	615	120,500	519	107,823	-96	-12,677
Trust Funds	154	46,264	158	53,785	134	52,861	-24	-924
Division of Federal Employees' Compensation	596	107,245	557	107,245	472	95,962	-85	-11,283
General Funds	596	107,245	557	107,245	472	95,962	-85	-11,283
Division of Longshore and Harbor Workers' Compensation	65	15,460	65	15,460	52	14,038	-13	-1,422
General Funds	58	13,255	58	13,255	47	11,861	-11	-1,394
Longshore Trust Funds	7	2,205	7	2,205	5	2,177	-2	-28
Division of Coal Mine Workers' Compensation	147	44,059	151	51,580	129	50,684	-22	-896
Black Lung Disability Trust Funds	147	44,059	151	51,580	129	50,684	-22	-896

NOTE: FY 2024 reflects actual FTE.

² The Black Lung Disability Trust Fund appropriation is subject to a sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. All amounts displayed for that appropriation are pre-sequestration levels.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

BUDGET AUTHORITY BY OBJECT CLASS³					
(Dollars in Thousands)					
		FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	Diff. FY 2026 Request / FY 2025 Enacted
	Full-Time Equivalent				
	Full-time Permanent	805	773	653	-120
	Total	805	773	653	-120
	Total Number of Full-Time Permanent Positions	805	773	653	-120
	Average ES Salary	\$210,878	\$225,700	\$225,700	\$0
	Average GM/GS Grade	12/3	12/3	12/3	0
	Average GM/GS Salary	\$111,555	\$115,743	\$115,743	\$0
11.1	Full-time permanent	86,912	89,370	75,375	-13,995
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	1,840	1,922	1,922	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	88,752	91,292	77,297	-13,995
12.1	Civilian personnel benefits	34,754	35,483	30,453	-5,030
13.0	Benefits for former personnel	23	0	0	0
21.0	Travel and transportation of persons	317	247	247	0
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	4,500	7,048	7,048	0
23.2	Rental payments to others	0	9	9	0
23.3	Communications, utilities, and miscellaneous charges	1,531	1,500	1,500	0
24.0	Printing and reproduction	113	215	215	0
25.1	Advisory and assistance services	459	325	325	0
25.2	Other services from non-Federal sources	8,561	7,543	14,257	6,714
25.3	Other goods and services from Federal sources 1/	24,039	27,673	25,983	-1,690
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	3,273	2,587	2,987	400
26.0	Supplies and materials	384	299	299	0
31.0	Equipment	49	64	64	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	9	0	0	0
	Total	166,764	174,285	160,684	-13,601
	1/Other goods and services from Federal sources				
	CIGIE	1,129	0	0	0
	Working Capital Fund	19,720	13,819	11,746	-2,073
	DHS Services	0	1,028	1,028	0
	Services by DOL Agencies	3,040	12,676	13,059	383
	Services by Other Government Departments	150	150	150	0

³ The Black Lung Disability Trust Fund appropriation is subject to a sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. All amounts displayed for that appropriation are pre-sequestration levels.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

APPROPRIATION HISTORY ⁴ (Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
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	\$151,946		\$122,705	\$122,705	653
2025					
Base Appropriation	\$130,545			\$122,705	622
2026					
Base Appropriation	\$110,000				524

^{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.

⁴ 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 COMMITTEE⁵				
(Dollars in Thousands)				
	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	Diff. FY 2026 Request / FY 2025 Enacted
Activity Appropriation	166,764	174,285	160,684	-13,601
FTE	808	773	653	-120

NOTE: FY 2024 reflects actual FTE. Authorized FTE for FY 2024 was 805.

Overview

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

1. The Division of Federal Employees' Compensation (DFEC) administers the Federal Employees' Compensation Act (FECA), which 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 DFEC, 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.
2. 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).
3. 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 2026 for FPWC are \$160,684,000 and 653 FTE. The FY 2026 Request Level by budget activity is as follows:

- \$95,962,000 and 472 FTE for DFEC in General Funds Salaries & Expenses funding.
- \$14,038,000 and 52 FTE for DLHWC consisting of:
 - \$11,861,000 and 47 FTE in General Funds Salaries & Expenses funding.
 - \$2,177,000 and 5 FTE in Longshore Trust funding.

⁵ The Black Lung Disability Trust Fund appropriation is subject to a sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. All amounts displayed for that appropriation are pre-sequestration levels.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

- \$50,684,000 and 129 FTE for DCMWC in funding transferred from the Black Lung Disability Trust Fund (BLDTF).

The request includes additional resources of:

- \$2,750,000 and 0 FTE in additional BLDTF gap funding to maintain pharmacy bill processing services, which are critical to ensuring claimants receive timely and accurate payment of medical and pharmacy bills, until a new contract is in place.

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	Diff. FY 2026 Request / FY 2025 Enacted
Activity Appropriation	107,245	107,245	95,962	-11,283
FTE	596	557	472	-85

NOTE: FY 2024 reflects actual FTE. Authorized FTE for FY 2024 was 587.

Introduction

The Division of Federal Employees' Compensation (DFEC) administers the Federal Employees' Compensation Act (FECA), which 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 DFEC, insurance carriers can file reimbursement claims for workers' compensation benefits paid under the Defense Base Act (DBA) for injury or death caused by a war-risk hazard as defined in the statute.

Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2021	\$102,732	550
2022	\$104,952	657
2023	\$107,245	607
2024	\$107,245	587
2025	\$107,245	557

FY 2026

Requested resources for FY 2026 are \$95,962,000 and 472 FTE which is \$11,283,000 and 85 below the FY 2025 Enacted Level.

The FY 2026 funding request will continue to deliver effective workers' compensation coverage to injured federal workers by streamlining procedures and processes, and prioritizing the most critical adjudication and payment activities.

FY 2025

Discretionary amounts shown for FY 2025 reflect the FY 2025 full-year Continuing Resolution amounts (P.L. 119-4).

DOL agencies will utilize funding provided through the full-year continuing resolution to realign

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

agency operations with Administration priorities including, but not limited to, executing Executive Order 14158 titled *Establishing and Implementing the President's "Department of Government Efficiency"* (January 20, 2025); Executive Order 14210 titled *Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative* (February 11, 2025); Executive Order 14219 titled *Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative* (February 19, 2025); Executive Order 14151 titled *Ending Radical And Wasteful Government DEI Programs And Preferencing* (January 20, 2025); and Executive Order 14278 titled *Preparing Americans for High-Paying Skilled Trade Jobs of the Future* (April 23, 2025). To the extent any of these Executive Orders are subject to an injunction, DOL will conduct any realignment activities consistent with such injunction(s).

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

Workload and Performance Narrative

DFEC 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. 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 16,000 initial claims for FECA wage-loss compensation in FY 2026. 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 is 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 2026. In FY 2026, 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 to 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 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) 2024 (July 1, 2023 to June 30, 2024), the program processed a total of 7,286,785 compensation and medical payments. In CBY 2024, 174,142 beneficiaries received \$3.63 billion in benefit payments, including \$2.64 billion for wage-loss compensation, \$143 million for death benefits, and \$843 million for medical benefits. The program expects to process 7,000,000 compensation and medical payments in FY 2026.

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

BUDGET ACTIVITY COMPONENT BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	Diff. FY26 Request / FY25 Enacted
11.1	Full-time permanent	62,340	63,482	53,794	-9,688
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	1,325	1,358	1,358	0
11.9	Total personnel compensation	63,665	64,840	55,152	-9,688
12.1	Civilian personnel benefits	25,333	25,609	22,209	-3,400
13.0	Benefits for former personnel	23	0	0	0
21.0	Travel and transportation of persons	150	127	127	0
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	2,569	4,815	4,815	0
23.2	Rental payments to others	0	9	9	0
23.3	Communications, utilities, and miscellaneous charges	927	950	950	0
24.0	Printing and reproduction	100	207	207	0
25.2	Other services from non-Federal sources	830	872	3,447	2,575
25.3	Other goods and services from Federal sources 1/	13,481	9,639	8,869	-770
25.7	Operation and maintenance of equipment	12	9	9	0
26.0	Supplies and materials	127	134	134	0
31.0	Equipment	19	34	34	0
42.0	Insurance claims and indemnities	9	0	0	0
	Total	107,245	107,245	95,962	-11,283
	1/Other goods and services from Federal sources				
	Working Capital Fund	13,481	5,136	4,366	-770
	DHS Services	0	661	661	0
	Services by DOL Agencies	0	3,842	3,842	0

DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

CHANGES IN FY 2026

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	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
Other services from non-Federal sources	0
Working Capital Fund	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$0**

Net Program **-\$11,283**

Direct FTE **-85**

	Estimate	FTE
Base	\$107,245	557
Program Increase	\$0	0
Program Decrease	-\$11,283	-85

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	Diff. FY 2026 Request / FY 2025 Enacted
Activity Appropriation (Longshore General)	13,255	13,255	11,861	-1,394
FTE (Longshore General)	58	58	47	-11
Activity Appropriation (Longshore Trust)	2,205	2,205	2,177	-28
FTE (Longshore Trust)	7	7	5	-2
Total Longshore General and Trust	15,460	15,460	14,038	-1,422
Total FTE Longshore General and Trust	65	65	52	-13

NOTE: FY 2024 reflects actual FTE. Authorized FTE for FY 2024 was 66.

Introduction

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 Longshore program receives approximately 47,000 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 approximately 2,200 beneficiaries. There are approximately 546 companies authorized to write insurance or self-insure liabilities under the LHWCA and its extensions. The program maintains approximately \$3,130,000,000 in securities to ensure the continuing provision of benefits for covered workers in case of employer/carrier insolvency.

Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2021	\$14,874	64
2022	\$15,177	66
2023	\$15,460	68
2024	\$15,460	66
2025	\$15,460	65

FY 2026

Requested resources for FY 2026 are \$14,038,000 and 52 FTE which is \$1,422,000 and 13 FTE below the FY 2025 Enacted Level. Of these amounts, the Longshore Trust Fund provides \$2,177,000 and 5 FTE.

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

At this level, with the objective of utilizing data as a strategic asset to improve Longshore program effectiveness, oversight and transparency, the request includes continued funding to support the SWCF. This funding would allow the 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 2026, these activities (as well as vocational rehabilitation services in Sec 39(c) of the Act) will be supported by the direct transfer of \$2,177,000 from the SWCF.

FY 2025

Discretionary amounts shown for FY 2025 reflect the FY 2025 full-year Continuing Resolution amounts (P.L. 119-4).

DOL agencies will utilize funding provided through the full-year continuing resolution to realign agency operations with Administration priorities including, but not limited to, executing Executive Order 14158 titled *Establishing and Implementing the President's "Department of Government Efficiency"* (January 20, 2025); Executive Order 14210 titled *Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative* (February 11, 2025); Executive Order 14219 titled *Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative* (February 19, 2025); Executive Order 14151 titled *Ending Radical And Wasteful Government DEI Programs And Preferencing* (January 20, 2025); and Executive Order 14278 titled *Preparing Americans for High-Paying Skilled Trade Jobs of the Future* (April 23, 2025). To the extent any of these Executive Orders are subject to an injunction, DOL will conduct any realignment activities consistent with such injunction(s).

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

Workload and Performance Narrative

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 Special Workers' Compensation Fund (SWCF).

Claims Processing and Benefits Delivery Oversight

The Longshore program focuses on employer/carrier performance to ensure that injury reports and first payment of benefits are timely. In FY 2026, the program expects 93.5 percent of first report of injury for non-Defense Base Act cases to be submitted within 20 days.

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 2026.

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

BUDGET ACTIVITY COMPONENT BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	Diff. FY26 Request / FY25 Enacted
11.1	Full-time permanent	8,080	8,405	6,645	-1,760
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	141	190	190	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	8,221	8,595	6,835	-1,760
12.1	Civilian personnel benefits	3,136	3,245	2,579	-666
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	47	0	0	0
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	843	845	845	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	154	100	100	0
24.0	Printing and reproduction	5	0	0	0
25.1	Advisory and assistance services	459	325	325	0
25.2	Other services from non-Federal sources	104	0	441	441
25.3	Other goods and services from Federal sources 1/	1,316	1,950	2,113	163
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	1,083	400	800	400
26.0	Supplies and materials	92	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	15,460	15,460	14,038	-1,422
	1/Other goods and services from Federal sources				
	CIGIE	1,129	0	0	0
	Working Capital Fund	187	1,463	1,243	-220
	DHS Services	0	127	127	0
	Services by DOL Agencies	0	360	743	383

DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

CHANGES IN FY 2026

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
Employee health benefits	0
Moving allowance	0
One day less of Pay	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	\$0
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Net Program	-\$1,422
Direct FTE	-13

	Estimate	FTE
Base	\$15,460	65
Program Increase	\$0	0
Program Decrease	-\$1,422	-13

DIVISION OF COAL MINE WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE⁶				
(Dollars in Thousands)				
	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	Diff. FY 2026 Request / FY 2025 Enacted
Activity Appropriation	44,059	51,580	50,684	-896
FTE	147	151	129	-22

NOTE: FY 2024 reflects actual FTE. Authorized FTE for FY 2024 was 151.

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, make initial decisions on benefit eligibility, and perform benefit maintenance for all Black Lung Disability Trust Fund (BLDTF) beneficiaries. In addition, staff members monitor benefit payments and medical treatment provided by self-insured coal mine operators or operators' insurance carriers.

Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2021	\$38,331	156
2022	\$39,101	152
2023	\$39,789	150
2024	\$44,059	152
2025	\$51,580	151

FY 2026

Requested resources for FY 2026 are \$50,684,000 and 129 FTE which is \$896,000 and 22 FTE below the FY 2025 Enacted Level.

The request includes an increase of \$2,750,000 in additional gap funding to maintain pharmacy bill processing services, which are critical to ensuring claimants receive timely and accurate payment of medical and pharmacy bills, until a new contract is in place.

⁶ This appropriation is subject to a sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. All amounts displayed are pre-sequestration levels.

DIVISION OF COAL MINE WORKERS' COMPENSATION

FY 2025

Discretionary amounts shown for FY 2025 reflect the FY 2025 full-year Continuing Resolution amounts (P.L. 119-4).

DOL agencies will utilize funding provided through the full-year continuing resolution to realign agency operations with Administration priorities including, but not limited to, executing Executive Order 14158 titled *Establishing and Implementing the President's "Department of Government Efficiency"* (January 20, 2025); Executive Order 14210 titled *Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative* (February 11, 2025); Executive Order 14219 titled *Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative* (February 19, 2025); Executive Order 14151 titled *Ending Radical And Wasteful Government DEI Programs And Preferencing* (January 20, 2025); and Executive Order 14278 titled *Preparing Americans for High-Paying Skilled Trade Jobs of the Future* (April 23, 2025). To the extent any of these Executive Orders are subject to an injunction, DOL will conduct any realignment activities consistent with such injunction(s).

DIVISION OF COAL MINE WORKERS' COMPENSATION

Workload and Performance Narrative

In FY 2026, the Division of Coal Mine Workers' Compensation (DCMWC) expects to receive 6,250 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 2026, DCMWC expects that 90 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 26 days.

DIVISION OF COAL MINE WORKERS' COMPENSATION

BUDGET ACTIVITY COMPONENT BY OBJECT CLASS⁷					
(Dollars in Thousands)					
		FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	Diff. FY26 Request / FY25 Enacted
11.1	Full-time permanent	16,492	17,483	14,936	-2,547
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	16,866	17,857	15,310	-2,547
12.1	Civilian personnel benefits	6,285	6,629	5,665	-964
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	120	120	120	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	1,088	1,388	1,388	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	7,627	6,671	10,369	3,698
25.3	Other goods and services from Federal sources 1/	9,242	16,084	15,001	-1,083
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	2,178	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	44,059	51,580	50,684	-896
	1/Other goods and services from Federal sources				
	Working Capital Fund	6,052	7,220	6,137	-1,083
	DHS Services	0	240	240	0
	Services by DOL Agencies	3,040	8,474	8,474	0
	Services by Other Government Departments	150	150	150	0

⁷ This appropriation is subject to a sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. All amounts displayed are pre-sequestration levels.

DIVISION OF COAL MINE WORKERS' COMPENSATION

CHANGES IN FY 2026

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$0
Personnel benefits	0
Employee health benefits	0
Moving allowance	0
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 **\$0**

Net Program **-\$896**

Direct FTE **-22**

	Estimate	FTE
Base	\$51,580	151
Program Increase	\$2,750	0
Program Decrease	-\$3,646	-22