

FY 2026

CONGRESSIONAL BUDGET JUSTIFICATION

BLACK LUNG DISABILITY TRUST FUND

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BLACK LUNG DISABILITY TRUST FUND

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APPROPRIATION LANGUAGE (INCLUDING TRANSFER OF FUNDS)

Such sums as may be necessary from the Black Lung Disability Trust Fund (the "Fund"), to remain available until expended, for payment of all benefits authorized by section 9501(d)(1), (2), (6), and (7) of the Internal Revenue Code of 1986; and repayment of, and payment of interest on advances, as authorized by section 9501(d)(4) of that Act. In addition, the following amounts shall be available from the Fund for fiscal year 2026 for expenses of operation and administration of the Black Lung Benefits program, as authorized by section 9501(d)(5): not to exceed \$50,684,000 for transfer to the Office of Workers' Compensation Programs, "Salaries and Expenses"; not to exceed \$39,086,000 for transfer to Departmental Management, "Salaries and Expenses"; not to exceed \$373,000 for transfer to Departmental Management, "Office of Inspector General"; and not to exceed \$356,000 for payments into miscellaneous receipts for the expenses of the Department of the Treasury.

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

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AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2024 Enacted		FY 2025 Enacted		FY 2026 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	\$0	0	\$0	0	\$0
Definite	0	\$85,961	0	\$93,879	0	\$90,499
Sequestration Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	-\$4,900	0	-\$5,351	0	\$0
Indefinite	0	\$359,048	0	\$387,007	0	\$386,796
<i>Subtotal, Appropriation</i>	<i>0</i>	<i>\$440,109</i>	<i>0</i>	<i>\$475,535</i>	<i>0</i>	<i>\$477,295</i>
Bond Repayment and Payment on Advances	0	\$2,853,275	0	\$3,155,688	0	\$3,511,278
B. Gross Budget Authority	0	\$3,293,384	0	\$3,631,223	0	\$3,988,573
Sequestration Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	\$4,900	0	\$5,351	0	\$0
Bond Repayment and Payment on Advances	0	-\$2,853,275	0	-\$3,155,688	0	-\$3,511,278
C. Budget Authority Before Committee	0	\$445,009	0	\$480,886	0	\$477,295
Sequestration Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	-\$4,900	0	-\$5,351	0	\$0
Bond Repayment and Payment on Advances	0	\$2,853,275	0	\$3,155,688	0	\$3,511,278
D. Total Budgetary Resources	0	\$3,293,384	0	\$3,631,223	0	\$3,988,573
E. Total, Estimated Obligations	0	\$3,293,384	0	\$3,631,223	0	\$3,988,573

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SUMMARY OF CHANGES¹

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Request	Net Change
Budget Authority			
General Funds	\$0	\$0	\$0
Trust Funds	\$480,886	\$477,295	-\$3,591
Total	\$480,886	\$477,295	-\$3,591
Full Time Equivalents			
General Funds	0	0	0
Total	0	0	0

Explanation of Change	FY 2026 Change							
	FY 2025 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	0	\$93,879	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$0	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	0	+\$93,879	0	\$0	0	\$0	0	\$0
B. Programs:								
Payment of Bond Interest	0	\$142,126	0	\$12,410	0	\$0	0	\$12,410
Programs Subtotal			0	+\$12,410	0	\$0	0	+\$12,410
Total Increase	0	+\$236,005	0	+\$12,410	0	\$0	0	+\$12,410
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
BLDTF Benefits	0	\$125,560	0	-\$9,076	0	\$0	0	-\$9,076
Payment of Interest on Advances	0	\$119,321	0	-\$3,545	0	\$0	0	-\$3,545
Attrition BLDTF	0	\$0	0	-\$3,380	0	\$0	0	-\$3,380
Programs Subtotal			0	-\$16,001	0	\$0	0	-\$16,001

¹ Administrative amounts for this appropriation are subject to a sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. All administrative amounts displayed are pre-sequestration levels.

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Explanation of Change	FY 2026 Change							
	FY 2025 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Total Decrease	0	+\$244,881	0	-\$16,001	0	\$0	0	-\$16,001
Total Change	0	+\$480,886	0	-\$3,591	0	\$0	0	-\$3,591

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BUDGET AUTHORITY BY OBJECT CLASS²				
(Dollars in Thousands)				
	FY 2024 Enacted	FY 2025 Enacted	FY 2026 Request	Diff. FY 2026 Request / FY 2025 Enacted
Departmental Management	41,178	41,570	39,086	-2,484
Treasury Administrative Costs	356	356	356	0
Office of Inspector General	368	373	373	0
OWCP- Division of Coal Mine Workers	44,059	51,580	50,684	-896
<i>Subtotal</i>	<i>85,961</i>	<i>93,879</i>	<i>90,499</i>	<i>-3,380</i>
Benefits	78,684	125,560	116,484	-9,076
Payment of Bond Interest	129,432	142,126	154,536	12,410
Payment of Interest on Advances	150,932	119,321	115,776	-3,545
Total	445,009	480,886	477,295	-3,591

² Administrative amounts for this appropriation are subject to a sequestration reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. All administrative amounts displayed are pre-sequestration levels.

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AUTHORIZING STATUTES

Public Law / Act	Legislation	Statute No. / US Code	Expiration Date
PUB. L. 91-173	Federal Coal Mine Health and Safety Act of 1969, (now called Federal Mine Safety and Health Act of 1977), Title IV, Black Lung Benefits Act, PUB. L. 91-173, Black Lung Benefits Revenue Act of 1977, PUB. L. 95-227, as amended in 1981 by PUB. L. 97-119	30 U.S.C. 901, <i>et seq.</i>	N/A
PUB. L. 107-275	Black Lung Consolidation of Administrative Responsibility Act and Section 3615 of the Emergency Supplemental Appropriations Act, 2003, PUB. L. 108-83	30 U.S.C. 801 note	N/A
PUB. L. 110-343	Emergency Economic Stabilization Act of 2008	26 U.S.C. 4121, 9501	N/A

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APPROPRIATION HISTORY (Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2017					
Base Appropriation...3/	\$371,641			\$382,739	0
2018					
Base Appropriation...4/	\$418,801	\$415,162		\$401,322	0
2019					
Base Appropriation...5/ 6/	\$328,182		\$328,182	\$326,364	0
2020					
Base Appropriation...7/ 8/	\$365,240	\$365,240		\$317,552	0
2021					
Base Appropriation...9/	\$382,991			\$346,787	0
2022					
Base Appropriation...8/ 10/	\$331,505	\$331,505		\$331,505	0
2023					
Base Appropriation...11/	\$404,620			\$394,896	0
2024					
Base Appropriation...12/	\$500,918		\$452,867	\$445,009	0
2025					
Base Appropriation	\$485,706			\$480,886	0
2026					
Base Appropriation	\$477,295				0

^{1/} Appropriation includes sequestration amount of -\$4,701 and does not include amounts for exchange of assets transactions of \$395,769 for bond principal and \$541,696 for short-term advances.

^{2/} Appropriation includes sequestration amount of -\$4,502 and does not include amounts for exchange of assets transactions of \$396,213 for bond principal and \$585,000 for short-term advances.

^{3/} Appropriation includes sequestration amount of -\$4,894 and does not include amounts for exchange of assets transactions of \$393,126 for bond principal and \$910,000 for short-term advances.

^{4/} Appropriation includes sequestration amount of -\$4,680 and does not include amounts for exchange of assets transactions of \$385,968 for bond principal and \$1,285,000 for short-term advances.

^{5/} Appropriation includes sequestration amount of -\$4,397 and does not include amounts for exchange of assets transactions of \$117,606 for bond principal and \$1,900,000 for short-term advances.

^{6/} 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.

^{7/} Appropriation includes sequestration amount of -\$4,235 and does not include amounts for exchange of assets transactions of \$118,895 for bond principal and \$1,870,000 for short-term advances.

^{8/} This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or full Senate Appropriations Committee.

^{9/} Appropriation includes sequestration amount of -\$4,239 and does not include amounts for exchange of assets transactions of \$120,015 for bond principal and \$2,322,600 for short-term advances.

^{10/} Appropriation includes sequestration amount of -\$4,397 and does not include amounts for exchange of assets transactions of \$117,606 for bond principal and \$1,900,000 for short-term advances.

^{11/} Appropriation includes sequestration amount of -\$4,634 and does not include amounts for exchange of assets transactions of \$123,663 for bond principal and \$2,562,893 for short-term advances.

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^{12/} Appropriation includes sequestration amount of -\$4,900 and does not include amounts for exchange of assets transactions of \$124,924 for bond principal and \$2,728,351 for short-term advances.

BLACK LUNG DISABILITY TRUST FUND

OVERVIEW

The Black Lung Disability Trust Fund (BLDTF) was established by the Black Lung Benefits Revenue Act of 1977, as amended December 29, 1981, companion legislation to the Black Lung Benefits Reform Act of 1977, to more effectively shift responsibility for Black Lung benefit payments from the Federal Government to the coal industry. The BLDTF is jointly administered by the Secretaries of Labor, Treasury, and Health and Human Services and provides for payment of benefits, administrative expenses, and interest on advances related to the operation of the program. Resources for the BLDTF are derived from: an excise tax on each ton of coal sold and used domestically; reimbursements from responsible mine operators for interim payments; interest, fines, and penalties assessed to responsible mine operators; and short-term advances from Treasury.

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), enacted April 7, 1986, raised excise tax rates from \$1.00 to \$1.10 per ton on underground-mined coal and from 50 to 55 cents per ton on surface-mined coal, in either case not to exceed 4.4 percent of the sale price, through December 31, 1995. The Omnibus Budget Reconciliation Act of 1987 continued that tax structure until 2014. The Emergency Economic Stabilization Act of 2008 (the EES Act), enacted on October 3, 2008, authorized the restructuring of the BLDTF debt by:

- (1) extending then-current coal excise tax rates of \$1.10 per ton on underground-mined coal and \$0.55 per ton on surface-mined coal until December 31, 2018 (and then reverting to the 1978 levels, or \$0.50 per ton on underground coal, and \$0.25 per ton on surface coal);
- (2) providing a one-time appropriation for the BLDTF to repay the market value of parts of the outstanding repayable advances and accrued interest; and
- (3) refinancing the remainder of the outstanding debt through the issuance of zero-coupon bonds.

Pursuant to the EES Act, these amounts were to be retired using the BLDTF's annual operating surpluses until all of its remaining obligations had been paid. Pre-payments were to be made when operating surpluses exceeded the amount of the zero-coupon bond, and short-term borrowing authority was to be utilized if operating surpluses were not sufficient. However, the BLDTF has run at a deficit virtually since its inception. The BLDTF's primary income source is an excise tax on coal mined in the United States for domestic sale. Though the tax rates have varied over the years, the Inflation Reduction Act of 2022 permanently extended the rate at \$1.10 per ton on underground-mined coal and \$0.55 per ton on surface-mined coal.

In 2008, a portion (\$6.4 billion) of the BLDTF's legacy debt was forgiven, and the remainder (\$6.5 billion) was refinanced. But excise tax receipts, which have decreased since 2008 due to a decline in domestic coal production, are insufficient to service that debt. As a result, the BLDTF relies on annual advances from Treasury. The appropriations language for the BLDTF authorizes "such sums as may be necessary" for payment of benefits and interest. It also authorizes definite amounts which are appropriated for administration of the program. In FY 2024, due to higher

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than estimated collections from Responsible Mine Operators, receipts covered all administrative costs and benefits payments and 31 percent of interest payments on advances and bond repayments. The remaining 69 percent was covered by borrowing authority. In FY 2025, current estimates project that excise tax receipts will cover all administrative costs and benefits payments and approximately 13 percent of interest payments on advances and bond repayments. In FY 2026, current estimates project that excise tax receipts will cover all administrative costs and benefits payments and approximately 15 percent of interest payments on advances and bond repayments. Advances to the BLDTF from short-term borrowing authority are projected to increase to cover the balance of amounts necessary for the obligations of the indefinite appropriation for interest payments on advances and bond repayment costs, and for repayment of advances to service the debt.

The Division of Coal Mine Workers' Compensation (DCMWC) has engaged in initiatives to protect the BLDTF, which have yielded more than \$69 million in savings to the BLDTF through the end of FY 2024.

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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	445,009	480,886	477,295	-3,591
FTE	0	0	0	0

Introduction

The BLDTF pays all Part C Black Lung benefits, including monthly compensation and medical benefits, when no coal mine operator can be held liable for payments or the liable operator refuses to pay. Monthly compensation payments are based on 37.5 percent of the GS-2, Step 1 salary level without locality adjustment. The BLDTF also pays for the costs incurred by the Department of Treasury collecting the coal excise tax and managing the BLDTF, for the costs of the appeals processed by the Office of Administrative Law Judges and the Benefits Review Board, for legal costs associated with the Solicitor of Labor, and for costs incurred by the Office of Inspector General (OIG). Black Lung benefits for claims filed on or before December 31, 1973, are paid under the appropriation for Special Benefits for Disabled Coal Miners, also referred to as Part B of the Black Lung Program.

FY 2026

In order to meet estimated obligations for Part C of the Black Lung Program, the FY 2026 President's level is \$477,295,000. The amounts for definite obligations include the following amounts to be transferred from the BLDTF to General Funds:

- \$50,684,000, a decrease of \$896,000 from the FY 2025 Enacted Level, for DCMWC's costs associated with administering the Black Lung Program, which are discussed in the Federal Programs for Workers' Compensation Salaries and Expenses section of the Congressional budget justification. The amount includes \$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.
- \$39,086,000, a decrease of \$2,484,000 from the FY 2025 Enacted Level, for the administrative costs of the Departmental Management account, which covers Adjudication activities and legal services.
- \$373,000 for OIG administrative costs; and
- \$356,000 for the Department of the Treasury.

Estimated amounts for indefinite obligations include:

- \$116,484,000 for benefit payments.
- \$154,536,000 for payments of bond interest; and
- \$115,776,000 for interest on short-term advances.

The requested amount does not include amounts for repayment of bond principal and advances, which are exchange of assets transactions. These include \$126,014,000 for payment of bond principal and \$3,385,264,000 for repayment of estimated short-term advances. In addition to coal tax receipts and other income, an estimated \$3,745,514,000 in short-term advances will be required to fund obligations and exchange of assets.

The BLDTF budget request will support the priority of delivering accountable, timely, and accurate Federal services by providing the necessary funding to handle a significant incoming workload volume projected to reach 6,250 claims in FY 2026, while maintaining a balanced approach to claims inventory management; advance modernization and standardization initiatives designed to optimize overall efficiency, improve customer experience and service delivery, secure and protect data, and improve communications with stakeholders; and continue to ensure BLDTF beneficiary maintenance.

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).

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Workload and Performance Narrative

In FY 2026, the requested resources will continue to provide for the payment of benefits and ongoing medical treatment costs and the administrative expenses of Black Lung Part C program operations, including adjudicatory and litigation costs. The Division of Coal Mine Workers' Compensation (DCMWC) expects to pay monthly compensation and/or ongoing medical treatment benefits from the Black Lung Disability Trust Fund to an estimated 8,745 beneficiaries in FY 2026.

Additionally, DCMWC will monitor cash and medical treatment payments disbursed in the private sector by coal mine operators to approximately 7,049 additional beneficiaries under Part C; and will receive an estimated 6,250 incoming claims in FY 2026.