

FY 2011

CONGRESSIONAL BUDGET JUSTIFICATION

OFFICE OF WORKERS COMPENSATION PROGRAMS

SPECIAL BENEFITS FOR DISABLED COAL MINERS

SPECIAL BENEFITS FOR DISABLED COAL MINERS

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SPECIAL BENEFITS FOR DISABLED COAL MINERS

APPROPRIATION LANGUAGE

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, as amended by Public Law 107-272, [~~\$169,180,000~~]*\$158,220,000*, to remain available until expended.

For making after July 31 of the current fiscal year, benefit payments to individuals under title IV of the Act, for costs incurred in the current fiscal year, such amounts as may be necessary.

For making benefit payments under title IV for the first quarter of fiscal year [2011] 2012, [~~\$45,000,000~~]*\$41,000,000*, to remain available until expended. (*Department of Labor Appropriations Act, 2010.*)

SPECIAL BENEFITS FOR DISABLED COAL MINERS

ANALYSIS OF APPROPRIATION LANGUAGE

"For making, after July 31 of the current fiscal year, benefit payments to individuals under title IV of the Federal Mine Safety and Health Act of 1977, for costs incurred in the current fiscal year, such amounts as may be necessary."

Provides an indefinite appropriation to finance any shortfall in the definite appropriation of benefit costs during the last 2 months of fiscal year 2011.

"For making benefit payments under title IV of the Federal Mine Safety and Health Act of 1977 for the first quarter of fiscal year 2012, \$41,000,000, to remain until expended."

Appropriates funds for benefit payments in the first quarter of the subsequent fiscal year. Ensures that beneficiaries will continue to receive benefits during the first quarter of FY 2012 in the event of a temporary funding hiatus.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

AMOUNTS AVAILABLE FOR OBLIGATION								
(Dollars in Thousands)								
	FY 2009 Comparable		Recovery Act		FY 2010 Estimate		FY 2011 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	0	0	0	0	0	0	0
Annual (definite)	17	250,130	0	0	17	225,180	17	203,220
Regular Appropriation	0	-188,130	0	0	0	-169,180	0	-158,220
First Quarter Advance Appropriation	0	-62,000	0	0	0	-56,000	0	-45,000
Rescission	0	0	0	0	0	0	0	0
Comparative Transfer To:	0	0	0	0	0	0	0	0
Comparative Transfer From:	0	0	0	0	0	0	0	0
B. Subtotal, adjusted	0	0	0	0	0	0	0	0
Appropriation	17	250,130	0	0	17	225,180	17	203,220
C. Obligational Authority before Committee	0	250,130	0	0	0	225,180	0	203,220
Unobligated balance start of year	0	56,785	0	0	0	68,240	0	0
Unobligated balance end-of-year	0	68,240	0	0	0	0	0	0
D. Total, estimated Obligations	17	238,675	0	0	17	293,420	17	203,220

SPECIAL BENEFITS FOR DISABLED COAL MINERS

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2010 Estimate	FY 2011 Request	Net Change
Obligational Authority			
Benefit Payments	164,000	153,000	-11,000
Administration	5,180	5,220	+40
Advanced Appropriation - Benefits	56,000	45,000	-11,000
Total	225,180	203,220	-21,960
Full Time Equivalents			
Administration	17	17	0
Total	17	17	0

Explanation of Change	FY 2010 Base		Trust Funds		FY 2011 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	17	1,716	0	26	0	0	1	26
Personnel benefits	0	270	0	5	0	0	0	5
Transportation of things	0	2	0	0	0	0	0	0
Rental payments to GSA	0	661	0	9	0	0	0	9
Communications, utilities, and miscellaneous charges	0	23	0	0	0	0	0	0
Working Capital Fund	0	228	0	0	0	0	0	0
Other purchases of goods and services from Government accounts	0	346	0	0	0	0	0	0
Operation and maintenance of equipment	0	1,796	0	0	0	0	0	0
Supplies and materials	0	6	0	0	0	0	0	0
Equipment	0	132	0	0	0	0	0	0
Built Ins Subtotal	17	5,180	0	40	0	0	0	40
B. Programs:								
C. Financing:								
Total Increase	+17	+5,180	0	+40	0	0	0	+40
Decreases:								
A. Built-Ins:								
To Provide For:								
Built Ins Subtotal	0	0	0	0	0	0	0	0
B. Programs:								
Advanced Appropriation - Benefits	0	56,000	0	-11,000	0	0	0	-11,000
Benefits payment decrease due to a reduction in the number of beneficiaries.	0	164,000	0	-11,000	0	0	0	-11,000
Programs Subtotal	220,000	220,000	0	-22,000	0	0	0	-22,000

SPECIAL BENEFITS FOR DISABLED COAL MINERS

Explanation of Change	FY 2010 Base		FY 2011 Change				Total
			Trust Funds		General Funds		
C. Financing:							
Total Decrease	0	0	0	-22,000	0	0	0 -22,000
Total Change	+17	+225,180	0	-21,960	0	0	0 -21,960

SPECIAL BENEFITS FOR DISABLED COAL MINERS

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY (Dollars in Thousands)								
	FY 2009 Comparable		Recovery Act		FY 2010 Estimate		FY 2011 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Special Benefits for Disabled Coal Miners	17	5,130	0	0	17	5,180	17	5,220
Operating	17	5,130	0	0	17	5,180	17	5,220
Total	17	5,130	0	0	17	5,180	17	5,220
Operating	17	5,130	0	0	17	5,180	17	5,220

NOTE: FY 2009 reflects actual FTE.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

BUDGET AUTHORITY BY OBJECT CLASS						
(Dollars in Thousands)						
		FY 2009 Comparable	Recovery Act	FY 2010 Estimate	FY 2011 Request	Change FY 11 Req. / FY 10 Est.
	Full-Time Equivalent					
	Full-time Permanent	17	0	17	17	0
	Total	17	0	17	17	0
	Total Number of Full-time Permanent Positions	17	0	17	17	0
	Average GM/GS Grade	12	0	12	12	0
	Average GM/GS Salary	69,340	0	70,727	73,627	2899.8
11.1	Full-time permanent	1,587	0	1,619	1,643	24
11.5	Other personnel compensation	95	0	97	99	2
11.9	Total personnel compensation	1,682	0	1,716	1,742	26
12.1	Civilian personnel benefits	264	0	270	275	5
22.0	Transportation of things	2	0	2	2	0
23.1	Rental payments to GSA	658	0	661	670	9
23.3	Communications, utilities, and miscellaneous charges	23	0	23	23	0
25.3	Other purchases of goods and services from Government accounts 1/	558	0	574	574	0
25.7	Operation and maintenance of equipment	1,807	0	1,796	1,796	0
26.0	Supplies and materials	6	0	6	6	0
31.0	Equipment	130	0	132	132	0
42.0	Insurance claims and indemnities	245,000	0	220,000	198,000	-22000
	Total	250,130	0	225,180	203,220	-21,960
	1/Other Purchases of Goods and Services From Government Accounts					
	Services by Other Government Departments	344	0	346	346	0
	Working Capital Fund	214	0	228	228	0

NOTE: FY 2009 reflects actual FTE.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

AUTHORIZING STATUTES

Public Law / Act	Legislation	Statute No. / US Code	Volume No.	Page No.	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, et seq.			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				N/A

SPECIAL BENEFITS FOR DISABLED COAL MINERS

APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2001	489,748	489,748	489,748	489,748	0
2002	446,840	446,840	446,840	446,840	0
2003.... ^{1/}	432,094	432,094	432,094	431,578	17
2004.... ^{2/}	397,000	397,000	397,000	396,991	17
2005.... ^{3/}	357,000	364,000	364,000	363,997	17
2006.... ^{4/}	306,250	306,250	306,250	313,250	17
2007.... ^{5/}	303,373	303,373	303,373	303,373	17
2008.... ^{6/}	276,221	276,221	276,221	276,221	17
2009.... ^{7/}	250,130	0	250,130	250,130	17
2010.... ^{8/}	225,180	225,180	225,180	225,180	17
2011.... ^{9/}	203,220	0	0	0	17

^{1/} This program was transferred from the Social Security Administration to the Department of Labor in FY 2003, effective February 1, 2003.

^{2/} Includes \$9,000,000 rescission. Includes first quarter Advance appropriation of \$97,000,000 included in FY 2003.

^{3/} Includes first quarter Advance appropriation of \$88,000,000 requested in Fiscal Year 2004.

^{4/} Includes first quarter Advance appropriation of \$81,000,000 requested in Fiscal Year 2005.

^{5/} Includes first quarter Advance appropriation of \$74,000,000 requested in Fiscal Year 2006.

^{6/} Includes first quarter Advance appropriation of \$68,000,000 requested in Fiscal Year 2007.

^{7/} Includes first quarter Advance appropriation of \$62,000,000 requested in Fiscal Year 2008.

^{8/} Includes first quarter Advance appropriation of \$56,000,000 requested in Fiscal Year 2009.

^{9/} Includes first quarter Advance appropriation of \$45,000,000 requested in Fiscal Year 2010.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

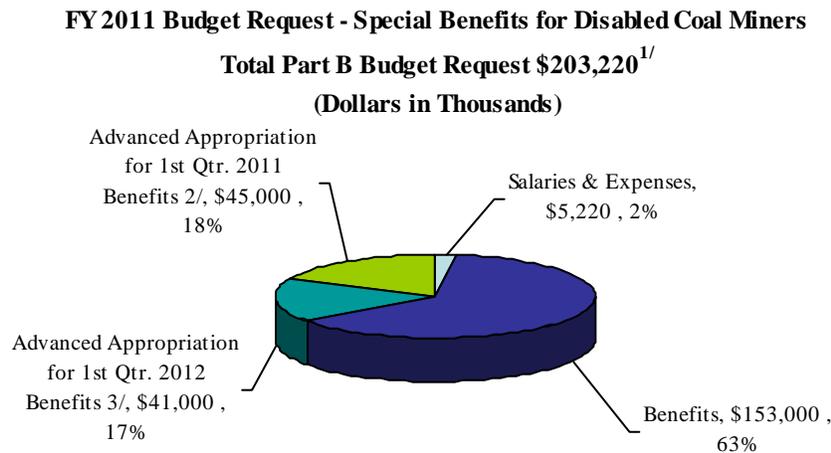
Overview

Introduction

The Black Lung Benefits Act authorizes monetary benefits to former coal mine workers (and their dependent survivors) who are totally disabled by occupational pneumoconiosis. These monetary benefits support the Secretary's vision of *good jobs for everyone* and *Strategic Goal 4: Secure health benefits and, for those not working, provide income security* by providing income support for those who are unable to work. Historically, the Black Lung Benefits Act was administered by the Social Security Administration (Part B) and the Department of Labor (Part C). In FY 2002, Congress passed legislation permanently transferring responsibility for Part B to the DOL. Effective October 1, 2003, all components of program administration of the Black Lung Benefits Act were combined, resulting in fiscal and operational efficiencies and improved service delivery. The Division of Coal Mine Workers' Compensation (DCMWC) has responsibility for the entire Act. This account is related to Part B of the Act, which pertains to Black Lung claims filed on or before December 31, 1973.

Cost Model

DCMWC requests \$203,220,000, a decrease of \$21,960,000 below the FY 2010 enacted level. The reduction in funding is attributable to the declining beneficiary population. The distribution of requested funds across DCMWC's Part B cost components is displayed below.



^{1/} This amount includes \$153,000,000 for benefits, \$5,220,000 for administration.

^{2/} This amount is the advanced appropriation for benefits requested in the FY 2010 Budget and is included in the FY 2011 Budget Request of \$203,220,000.

^{3/} This amount is requested for the first quarter of FY 2012 to ensure that Part B benefit payments are delivered in a timely manner, even if enactment of the FY 2012 appropriation is delayed. This amount is not included in the FY 2011 Budget Request of \$203,220,000.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

BUDGET AUTHORITY BEFORE THE COMMITTEE					
(Dollars in Thousands)					
	FY 2009 Comparable	Recovery Act	FY 2010 Estimate	FY 2011 Request	Diff. FY 11 Req/ FY10 Estimate
Activity Appropriation	188,130		169,180	158,220	-10,960
Benefits	183,000		164,000	153,000	-11,000
Administration	5,130		5,180	5,220	40
Appropriation Advanced in the Prior Year	62,000		56,000	45,000	-11,000
Advanced Appropriations Requested for the Next Fiscal Year	56,000		45,000	41,000	-4,000
Total Budget Authority for the Fiscal Year ^{1/}	250,130		225,180	203,220	-21,960
FTE	17		17	17	0

^{1/} Total Budget Authority includes the Advanced Appropriation from the Prior Year and excludes Appropriations Requested for the Next Fiscal Year.

Introduction

Historically, the statute divided program administration between the Social Security Administration (Part B) and the DOL (Part C). However, in FY 2002, Congress passed legislation permanently transferring jurisdiction over Part B to the DOL. With the Part B appropriation transferred to the Department on October 1, 2003, all components of program administration were thus combined, resulting in fiscal and operational efficiencies and improved service delivery.

DCMWC strives to be a premier service organization, viewed by its stakeholders as a fair and balanced adjudicator that exercises sound case and fiscal management. The beneficiary population covered by the Special Benefits for Disabled Coal Mine Workers appropriation is essentially closed and declining in number. The primary activities of the program are to ensure accurate and timely benefit payments. Service to these beneficiaries focuses on monitoring dependent eligibility and processing changes to the miner's entitlement or to that of his survivors promptly. DCMWC must also validate representative payee requests and accounting reports. DCMWC seeks to implement new Federal financial management requirements, minimize erroneous payments, and increase administrative efficiencies.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

Five-Year Budget Activity History

SPECIAL BENEFITS FOR DISABLED COAL MINERS

PART B

(Dollars in Thousands)

Fiscal Year	Total Appropriation^{1/}	Benefits^{1/}	Salaries and Expenses	FTE
2006	\$313,250	\$308,000	\$5,250	17
2007	\$303,373	\$298,000	\$5,373	17
2008	\$276,221	\$271,000	\$5,221	17
2009	\$250,130	\$245,000	\$5,130	17
2010	\$225,180	\$220,000	\$5,180	17

^{1/} Includes the Advance Appropriation requested in the prior fiscal year and excludes Advance Appropriation for the next Fiscal Year.

FY 2011

DCMWC is requesting \$203,220,000 for FY 2011, a decrease of \$21,960,000 from the FY 2010 request level, including administrative funding of \$5,220,000 and 17 FTE dedicated to Part B and \$198,000,000 for benefits, of which \$45,000,000 was an advance appropriation from FY 2010. In addition, a \$41,000,000 advance appropriation is requested for the first quarter of FY 2012 to ensure continuity of benefit payments during the transition between fiscal year appropriations. The Agency Request of \$5,220,000 for Part B administrative funding includes mandatory inflationary increases of \$40,000 over the FY 2010 appropriation.

The requested funding will pay compensation benefits and administrative and financial management activities that support core mission functions and promote successful financial management of the program. DCMWC will continue to meet new and evolving financial management, budget and performance integration and cost accounting requirements, and achieve program strategic and operational performance targets.

DCMWC supports the Secretary's strategic vision of "good jobs for everyone" by providing sufficient income for Black Lung beneficiaries with an emphasis on improved evaluation, innovation, and implementation through an initiative that will increase monitoring of representative payees beyond the current approach of paper-based representative payee updates and report reviews by adding face-to-face visits on a targeted basis. The great majority of program beneficiaries live within a two hour drive of one of seven claims processing offices in Appalachia. By focusing on potentially abusive, fraudulent, representative payees, the program would provide additional financial protection to its most vulnerable population.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

FY 2010

The FY 2010 enacted level is \$225,180,000, a decrease of \$24,950,000 from FY 2009, which includes administrative funding of \$5,180,000 and 17 FTE dedicated to Part B and \$220,000,000 for benefits, of which \$56,000,000 is as an advance appropriation from FY 2009. In addition, a \$45,000,000 advance appropriation was enacted for the first quarter of FY 2011 to ensure continuity of benefit payments during the transition between fiscal year appropriations.

The funding provides compensation benefits for an estimated 27,250 beneficiaries, program core mission functions of processing benefits for claimants, and administrative and financial management activities that support core mission functions and promote successful management of the program. DCMWC will continue to meet new and evolving financial management requirements, and achieve strategic and operational performance targets.

FY 2009

The enacted funding level for FY 2009 was \$250,130,000, a decrease of \$26,091,000 below the FY 2008 level, including administrative funding of \$5,130,000 and 17 FTE dedicated to Part B and \$245,000,000 for benefits, of which \$62,000,000 an advance appropriation from FY 2008. In addition, a \$56,000,000 advance appropriation was included for the first quarter of FY 2010 to ensure continuity of benefit payments during the transition between fiscal year appropriations.

In FY 2009, the Division paid monthly compensation benefits to an average of 30,950 recipients under Part B. The program continued to heighten its attention to the appointment of and monitoring of representative payees for beneficiaries.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

WORKLOAD SUMMARY				
	FY 2009		FY 2010	FY 2011
	Target	Result	Target	Target
Special Benefits for Disabled Coal Miners				
Maintenance of Benefits for Part B Beneficiaries	30,950	30,843	27,250	24,000

The activities that fall under the maintenance of benefits for the estimated 24,000 Part B beneficiaries in FY 2011 support the program's core mission function of processing benefits for claimants. These activities include: payment of benefits, monitoring of beneficiary status for the suspension/termination of benefits, reinstatement of benefits, addition/deletion of dependents, conversion of benefits to widows upon death of miners, resolution of over/under payments, and representative payee determinations.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

CHANGES IN FY 2011

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments \$26

Personnel benefits 5

Rental payments to GSA 9

Built-Ins Subtotal 40

Net Program -22,000

	Estimate	FTE
Base	5,220	17
Program Decrease	-22,000	0