

EMPLOYMENT STANDARDS ADMINISTRATION

Special Benefits for Disabled Coal Miners

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GENERAL STATEMENT

Introduction

The Black Lung Benefits Act authorizes monetary and medical benefits to former coal mine workers who are totally disabled by occupational pneumoconiosis and their survivors. 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 Department of Labor. 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. ESA's 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.

The FY 2008 Budget provides \$276,221,000 for Part B. This amount includes \$203,000,000 for benefits, \$5,221,000 for administration, and an additional \$68,000,000 in advance appropriations requested in the FY 2007 Budget for benefit payments. Also requested is \$62,000,000 for the first quarter of FY 2009 to ensure that Part B benefit payments are delivered timely, even if enactment of the FY 2009 appropriation is delayed. The requested funds will enable DCMWC to administer its Congressional mandate, accomplish its mission-critical activities, and continue providing high quality services to the Part B beneficiaries.

All Part B programmatic administrative funding, amounting to \$5,221,000, supports mission activities, that support the Department's strategic goal to reduce the impact of work-related injuries for workers and their families. The \$62,000,000 in first quarter benefits for FY 2009 represents new budget authority requested in the FY 2008 budget.

Issues, Outcomes and Strategies

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. DCMWC seeks to implement new Federal financial management requirements, minimize erroneous payments, and increase administrative efficiencies.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

Additional FY 2008 strategies include:

- Continue to refine and improve an evolving web presence and e-Government services;
- Support automated solutions that improve data access, provide new controls for reducing erroneous payments, and generate administrative efficiencies and economies of scale;
- Continue to pursue a management policy that regularly evaluates service delivery timeliness and quality and makes appropriate adjustments in workload and resource distribution to ensure timeliness and quality standards are maintained and performance standards met in accordance with PART recommendations;
- Continue to develop program analysis, cost accounting, financial management, and budget and performance integration tools and methodologies that support the President's Management Agenda and satisfy Government accountability and reporting requirements;
- Develop additional ways to utilize program data to enhance management and performance; and
- Continue to pursue a progressive human capital resources plan that includes staff training, recruitment strategies, key staff relocations and succession planning;

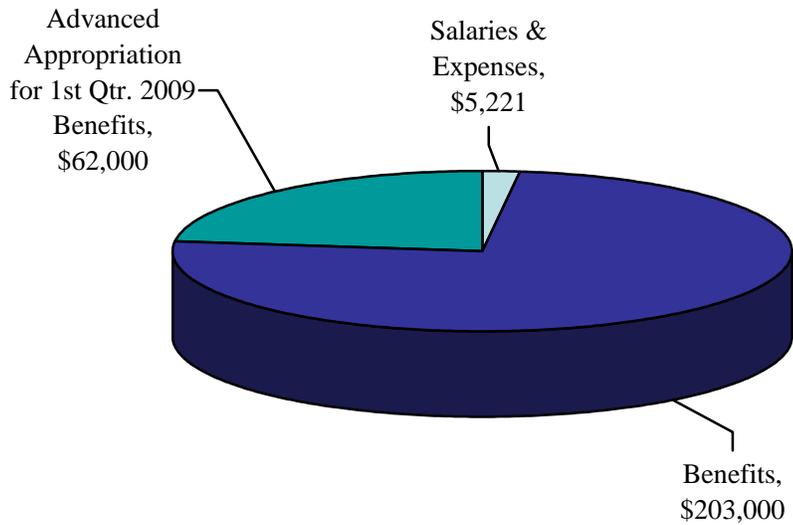
The above strategies support key program performance indicators.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

Cost Model

The Special Benefits for Disabled Coal Mine Workers' mission supports the Department of Labor's strategic goal to reduce the impact of work-related injuries for workers and their families. The distribution of requested funds across DCMWC's Part B cost components is displayed below.

**Special Benefits for Disabled Coal Miners
FY 2008 Part B Agency Request \$5,221
(Dollars in Thousands)**



SPECIAL BENEFITS FOR DISABLED COAL MINERS

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 107-275, (the "Act"), \$208,221,000, 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 2009, \$62,000,000 to remain available until expended. (Department of Labor Appropriations Act, 2007.)

“Note—A regular 2007 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 109-289, Division B, as amended). The amounts included for 2007 in this budget reflect the levels provided by the continuing resolution.”

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 2008.

"For making benefit payments under title IV of the Federal Mine Safety and Health Act of 1977 for the first quarter of fiscal year 2009, \$62,000,000, 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 2009 in the event of a temporary funding hiatus.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

Amounts Available for Obligations						
Special Benefits for Disabled Coal Mine Workers						
(Dollars in Thousands)						
	FY 2006 Enacted		FY 2007 C.R. ^{2/}		FY 2008 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation						
Annual (definite)	17	\$313,250	17	\$303,373	17	\$276,221
Regular Appropriation	17	(232,250)	17	(229,373)		(208,221)
First Quarter advance Appropriation ^{1/}		(81,000)		(74,000)		(68,000)
Rescission		0		0		0
B. Subtotal, adjusted Appropriation	17	313,250	17	303,373	17	276,221
C. Obligational Authority before Committee	17	313,250		303,373	17	276,221
Unobligated balance start of year		34,291		28,751		0
Unobligated balance end-of-year		-28,751		0		0
D. Total, estimated Obligations		\$318,790		\$332,124		\$276,221

^{1/}Advance appropriations are shown in the year the funds are used.

^{2/}The 2007 level is the assumed current rate under the terms of P.L. 109-289, as amended.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2007 C.R.	FY 2008 Request		Net Change
Budget Authority				
Benefit Payments.....	\$224,000	\$203,000	+/-	-\$21,000
Advanced Appropriation - Benefits.....	74,000	68,000	+/-	-6,000
Administration.....	5,373	5,221	+/-	-152
General Funds.....	\$303,373	\$276,221	+/-	-\$27,152
Full Time Equivalent				
Administration.....	17	17	+/-	0

Explanation of Change	FY 2007 Base		FY 2008 Change	
	FTE	Amount	FTE	Amount
Increases:				
A. Built-Ins:				
To provide for:				
Costs of pay adjustments	17	\$1,386	0	\$34
Personnel benefits		162		4
Employee health benefits		77		2
Two More Days of Pay		0		12
Federal Employees Compensation Act (FECA)		0		0
Travel		0		0
Transportation of Things		2		0
GSA Space Rental		258		0
All Other Rental		1		0
Communications, utilities & miscellaneous charges		23		0
Printing and reproduction		0		0
Other services		0		0
Working Capital Fund		174		0
Homeland Security		286		5
Purchase of goods and services from other Government accounts		167		0
Operation and Maintenance of Equipment		2,752		61
Supplies and materials		15		0
Equipment		70		0
		0		0
Total Increases	17	5,373	0	118
Decreases				
A. Built-in:				
To provide for:				
Reduction in Program Overhead		0		-270
B. Program:				
Benefit payments:				
The benefit payments decrease due to a reduction in the number of beneficiaries. There will be an estimated 4,700 fewer beneficiaries in FY 2008				
		224,000		-21,000
Advanced Appropriation - Benefits		74,000		-6,000
Total Decrease	0	298,000	0	-27,270
Total Change	17	\$303,373	0	-\$27,152

SPECIAL BENEFITS FOR DISABLED COAL MINERS

BUDGET AUTHORITY by OBJECT CLASS

(Dollars in Thousands)

		FY2006 Enacted	FY 2007 C.R.	FY 2008 Request	FY 08 Request/FY 07 NTE Curr Rate
Total Number of Full Time Permanent Positions					
Full-Time Equivalent		17	17	17	0
Full-Time Permanent		17	17	17	0
Other		0	0	0	0
Reimbursable		0	0	0	0
Total		17	17	17	0
Average ES Salary		0	0	0	0
Average GM/GS Grade		12	12	12	0
Average GM/GS Salary		\$63,849	\$65,062	\$66,494	\$1,432
Average Salary of Ungraded Positions		0	0	0	0
11.1	Full-Time Permanent	\$2,009	\$1,335	\$1,379	\$44
11.3	Other than Full-Time Perm.	0	0	0	0
11.5	Other Personnel Compensation	24	51	53	2
11.8	Special Personnel Services	0	0	0	0
11.9	Total Personnel Compensation	2,033	1,386	1,432	46
12.1	Civilian Personnel Benefits	109	239	245	6
13.0	Benefits for Former Personnel	0	0	0	0
21.0	Travel and Trans. Of Persons	6	0	0	0
22.0	Transportation of Things	1	2	2	0
23.1	Rental Payments to GSA	200	258	258	0
23.2	Rental Payments to Others	0	1	1	0
23.3	Comm., Utilities & Misc.	46	23	23	0
24.0	Printing and Reproduction	11	0	0	0
25.1	Advisory and Assistance Services	0	0	0	0
25.2	Other Services	0	0	0	0
25.3	Purchases of Goods and Services From Other Government Accounts ^{1/}	274	627	631	4
25.5	Research and development contracts	0	0	0	0
25.7	Oper. And Maint. Of Equip.	2,490	2,752	2,544	-208
26.0	Supplies and Materials	8	15	15	0
31.0	Equipment	72	70	70	0
41.0	Grants, subsidies and contributions	0	0	0	0
42.0	Insurance Claims & Indemnities	0	0	0	0
	Total	\$5,250	\$5,373	\$5,221	-\$152

^{1/} Other Purchases of Goods and Services From Government Accounts

Working Capital Fund	170	174	174	0
Department of Homeland Security Services (DHS)	0	286	291	5

SPECIAL BENEFITS FOR DISABLED COAL MINERS

**SPECIAL BENEFITS FOR DISABLED COAL MINE WORKERS
APPROPRIATION HISTORY
(Dollars in Thousands)**

	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriation	FTE
1998	\$586,090	\$586,090	\$586,090	\$586,090	0
1999	542,803	542,803	542,803	542,803	0
2000	524,638	524,638	524,638	524,638	0
2001	489,748	489,748	489,748	489,748	0
2002	446,840	446,840	446,840	446,840	0
2003	432,094	432,094	432,094	432,094 ^{1/}	17
2004	397,000 ^{3/}	397,000	397,000	396,991 ^{2/}	17
2005	357,000 ^{4/}	364,000	364,000	364,000 ^{4/}	17
2006	306,250 ^{5/}	306,250	306,250	306,250	17
2007	303,373 ^{6/}				
2008	276,221				

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

^{3/} Includes first quarter Advance appropriation of \$88,000 in Fiscal Year 2005.

^{4/} Includes first quarter Advance appropriation of \$81,000 in Fiscal Year 2006.

^{5/} Includes first quarter Advance appropriation of \$74,000 in Fiscal Year 2007.

^{6/} Includes first quarter Advance appropriation of \$68,000 in Fiscal Year 2008.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

EMPLOYMENT STANDARDS ADMINISTRATION

SPECIAL BENEFITS FOR DISABLED COAL MINERS

	FY 2006 Enacted	FY 2007 C.R.	Diff. FY 06 Enacted/FY 07 C.R.	FY 2008 Request	Diff FY 07 C.R./ FY 08 Request
Activity Appropriation	\$232,250	\$229,373	-\$2,877	\$208,221	-\$21,152
Benefits	227,000	224,000	-3,000	203,000	-21,000
Administration	5,250	5,373	123	5,221	-152
Appropriation Advanced in the Prior Year	81,000	74,000	-7,000	68,000	-6,000
Advance Appropriations Requested for the Next Fiscal Year	74,000	68,000	-6,000	62,000	-6,000
Total Budget Authority for the Fiscal Year ^{1/}	\$313,250	\$303,373	-\$9,877	\$276,221	-\$27,152
FTE	17	17	0	17	0

^{1/} Total Budgetary Authority includes the Advance 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 Department of Labor (Part C). However, in FY 2002, Congress passed legislation permanently transferring jurisdiction over Part B to the Department of Labor. 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.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

Five-Year Budget History

**SPECIAL BENEFITS FOR DISABLED COAL MINERS
PART B
(Dollars in Thousands)**

Fiscal Year	Total Appropriation^{1/}	Benefits^{1/}	Salaries and Expenses	FTE
2003	\$431,578	\$426,014	\$5,564	17
2004	\$396,991	\$390,848	\$6,143	17
2005	\$363,997	\$358,806	\$5,191	17
2006	\$313,250	\$308,000	\$5,250	17
2007	\$303,373	\$298,000	\$5,373	17

^{1/} Includes the Advance Appropriation from the Prior Year and excludes Appropriations Requested for the next fiscal year.

FY 2008 Agency Request

The 2008 Budget includes administrative funding of \$5,221,000 and 17 FTE. The 2008 Budget requests \$203,000,000 for benefits, a \$21,000,000 reduction due to a continued decline in the number of Part B beneficiaries.

The requested funding will pay for compensation benefits to an estimated 31,800 beneficiaries, program core mission functions of processing benefits for claimants, and administrative and financial management activities that support core mission functions and promote successful financial management of the program. DCMWC will continue to comply with the President's Management Agenda, meet new and evolving financial management, budget and performance integration and cost accounting requirements, and achieve program strategic and operational performance targets. In addition, a \$62,000,000 advance appropriation is requested for the first quarter of 2009 to ensure continuity of benefit payments during the transition between fiscal year appropriations.

FY 2007

In FY 2007, the Division will continue to pay monthly compensation benefits to an estimated 36,500 recipients under Part B.

The Division will continue to strengthen its mandate to ensure proper payment of benefits by tracking payments to representative payees. DCMWC will continue to enhance and improve upon this initiative in program years going forward.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

FY 2006

In FY 2006, the Division paid monthly compensation benefits to 41,548 recipients under Part B.

The Division strengthened its mandate to ensure proper payment of benefits by tracking payments to representative payees. DCMWC will continue to enhance and improve upon this initiative in program years going forward.

SPECIAL BENEFITS FOR DISABLED COAL MINERS WORKLOAD SUMMARY			
	FY 2006 Actual	2007 Target	FY 2008 Target
Maintenance of Benefits for Part B Beneficiaries ^{1/}	41,548	36,500	31,800

^{1/} Includes monitoring the beneficiary workload 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 2008

(Dollars in Thousands)

Activity Changes

Built-ins:

To provide for:

Costs of pay adjustments	\$34
Personnel Benefits	4
Employee Health Benefits	2
Two More Days of Pay	12
Federal Employees Compensation Act (FECA)	0
Travel	0
Transportation of Things	0
GSA Space Rental	0
Rental Payments to Others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistive services	0
Other services	0
Working Capital Fund	0
Purchases of goods and services from other government	5
Operation and Maintenance of equipment	61
Supplies and materials	0
Equipment	0
Reduced program overhead	-270
Total Built-in	-\$152

Net Program

\$0

Direct FTE

	Estimate	FTE
Base:	\$5373	17
Program Increase /Decrease	0	0