

Department of the Treasury
Bureau of Engraving and
Printing

Congressional Budget
Justification and Annual
Performance Plan and Report

FY 2027

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Section I – Budget Request

A – Mission Statement

To develop and produce United States currency notes trusted worldwide.

B – Summary of the Request

The Bureau of Engraving and Printing (BEP) produces and delivers U.S. currency notes for the Federal Reserve System ordered by the Board of Governors of the Federal Reserve and other security products for the Federal Government. BEP began printing currency in 1862 and operates on the basis of authority conferred upon the Secretary of the Treasury by 31 U.S.C. 321(a)(4) to engrave and print currency and other security documents. Operations are financed through a revolving fund established in 1950 in accordance with Public Law 81-656. The fund is reimbursed for direct and indirect costs of operations, including administrative expenses, through product sales. In 1977, Public Law 95-81 authorized BEP to include an amount sufficient to fund capital investment and to meet working capital requirements in the prices charged for products, eliminating the need for appropriations from Congress.

The Bureau has three strategic goals: Execute - Safely and timely deliver quality products in an efficient and effective manner; Innovate - Improve our products through innovation in design and processes; Excel - Achieve excellence by focused investment in people, processes, and infrastructure. Other activities at BEP include engraving plates and dies; manufacturing inks used to print security products; purchasing materials, supplies, equipment; and storing and delivering products in accordance with customer requirements. In addition, BEP provides technical assistance, advice, and production services to other Federal agencies in the development of security documents that require counterfeit deterrent features due to their innate value or other characteristics. BEP supports the Treasury goals to Boost U.S. Economic Growth and Achieve Operational Excellence.

BEP's 2027 priorities include: (1) meeting the needs of the Nation for currency; (2) designing the next family of notes to include security feature development and currency design/development; (3) modernizing facilities through new and/or refurbished DC facilities; and (4) human capital/workforce optimization.

- 1) DC Facility Modernization:** The budget reflects the bureau's continued commitment to modernize our facilities.
- 2) Annual Print Order (formally Yearly Currency Order (YCO)) Increase:** BEP achieved the 2025 final print order delivering 4.776 billion notes. In 2026 the Annual Print Order is projected to be 4.8 billion notes. In 2027 BEP projects an order of 4.8 billion notes as well.
- 3) Banknote Design and Development:** In FY 2026 and FY 2027, BEP will continue to work with the Federal government's Advanced Counterfeit Deterrent (ACD) Steering Committee to develop the next family of banknotes. This advancement will include new and effective security features to deter counterfeiting and a raised tactile feature to provide meaningful access to blind and visually impaired individuals.

- 4) **Retooling:** This initiative accelerates a multi-year effort to retool manufacturing processes with state-of-the-art intaglio printing presses, electronic inspection systems, and finishing equipment. The FRB and BEP have jointly developed short-, medium-, and long-term strategic equipment replacement plans for the U.S. Currency Program (USCP). Successful implementation of advanced technology improves productivity, reduces environmental impact, and enhances counterfeit deterrence of U.S. currency notes. To date BEP has plans to fund 46 new machines to accomplish this initiative.
- 5) **Human Capital/Talent Management:** The BEP continues finding efficiencies within the workforce and continues implementing bureau workforce planning and reorganization priorities. The budget supports the execution of human resource related operations in Staffing, Classification, Employee and Labor Relations, Compensation, Policy, Training, Work Life, Position Management, and Data Analytics, which collectively advance and support adherence to the merit system principles outlined in 5 U.S.C. § 2301. BEP will also utilize funds to enhance knowledge management and workforce/strategic planning operations and enforce mandates and directives.

1.1 – Resources Detail Table

Dollars in Thousands

Budgetary Resources	FY 2025 Actual		FY 2026 Revised Estimate		FY 2027 Estimate		FY 2026 to FY 2027 % Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Revenue/Offsetting Collections								
Currency Program Manufacturing	1,909	\$1,019,162	1,647	\$1,712,635	1,647	\$1,063,165	0.0%	-37.9%
Other Programs	0	\$13,000	0	\$13,000	0	\$13,000	0.0%	0.0%
DC Replacement Facility	3	\$63,930	3	\$6,445	3	\$11,460	0.0%	77.8%
Total Revenue/Offsetting Collections	1,912	\$1,096,092	1,650	\$1,732,080	1,650	\$1,087,625	0.0%	-37.2%
Obligations								
Manufacturing								
Direct Manufacturing	916	\$495,438	791	\$828,294	791	\$516,559	0.0%	-37.6%
Indirect Manufacturing Support	993	\$536,724	856	\$897,341	856	\$559,606	0.0%	-37.6%
DC Replacement Facility	3	\$63,930	3	\$6,445	3	\$11,460	0.0%	77.8%
Total Expenses/Obligations	1,912	\$1,096,092	1,650	\$1,732,080	1,650	\$1,087,625	0.0%	-37.2%
Net Results	0	\$0	0	\$0	0	\$0	0.0%	0.0%

1.2 – Budget Adjustments Table

Dollars in Thousands

	FTE	Amount
FY 2026 Estimate	1,650	\$1,157,532
Program Changes:		
Program Decreases	0	(\$700)
Travel/Training	0	(\$700)
Program Increases:	0	\$575,248
Mission Critical Capital Projects for Existing DC Facility	0	\$557,216
Currency Production - Materials	0	\$18,032
Subtotal Program Changes	0	\$574,548
FY 2026 Revised Estimate	1,650	\$1,732,080
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$530
Pay Annualization (2026 1.0% average pay raise)	0	\$530
Subtotal Changes to Base	0	\$530
FY 2027 Current Services	1,650	\$1,732,610
Program Changes:		
Program Decreases	0	(\$650,000)
Mission Critical Capital Projects for Existing DC Facility	0	(\$650,000)
Program Increases:	0	\$5,015
DC Replacement Facility	0	\$5,015
Subtotal Program Changes	0	(\$644,985)
FY 2027 Estimate	1,650	\$1,087,625

C – Budget Increases and Decreases Description

Program Decreases-\$700,000 / -0 FTE
Travel/Training, -\$700,000 / -0 FTE

This reduction reflects the decrease in travel and training costs due to FTE reduction and efficiency savings.

Program Increases+\$575,248,000 / +0 FTE
Mission Critical Capital Projects for Existing DC Facility, +\$557,216,000 / +0 FTE

The current DC facility is over 114 years old and in need of mission critical capital improvements due to deferred maintenance and updates needed to run the facility for at least the next decade. These critical capital projects needed to support currency production include refurbishment/replacement of the annex building window frames, stairways, elevators, fan coils, boiler plant, main building façade work, and includes some site preparation for projects to support new currency production equipment.

Currency Production - Materials, +\$18,032,000 / +0 FTE

The increase of the 2026 order is due to a request for additional \$20 denominations.

Maintaining Current Levels (MCLs).....+\$530,000 / +0 FTE
Pay Annualization (2026 1.0% average pay raise), +\$530,000 / +0 FTE

Funds are required for annualization of the January 2026 1.0% average pay raise.

Program Decreases-\$650,000,000 / -0 FTE
Mission Critical Capital Projects for Existing DC Facility, -\$650,000,000 / -0 FTE

This reduction reflects the decrease in existing DC facility investments requirements from FY 2026 and is not required in FY 2027.

Program Increases+\$5,015,000 / +0 FTE
DC Replacement Facility, +\$5,015,000 / +0 FTE

This reflects the FY 2027 funding requirement to support the project. The total funding required for FY 2026 and 2027 is \$11.5 million. This includes the \$6.5 million in base resources.

1.3 – Object Classification (Schedule O) Obligations

Dollars in Thousands

Object Classification	FY 2025 Actual Obligations	FY 2026 Estimated Obligations	FY 2027 Estimated Obligations
11.1 - Full-time permanent	169,400	193,310	193,840
11.3 - Other than full-time permanent	311	219	219
11.5 - Other personnel compensation	54,564	0	0
11.5 - Overtime	11,336	18,516	18,516
11.9 - Personnel Compensation (Total)	235,700	212,045	212,575
12.0 - Personnel benefits	97,700	76,084	76,084
13.0 - Benefits for former personnel	380	632	632
Total Personnel and Compensation Benefits	\$333,780	\$288,761	\$289,291
21.0 - Travel and transportation of persons	1,502	1,710	1,710
22.0 - Transportation of things	1,127	880	880
23.1 - Rental payments to GSA	4,569	3,348	3,348
23.2 - Rental payments to others	770	866	866
23.3 - Communications, utilities, and miscellaneous charges	18,484	20,546	20,546
25.1 - Advisory and assistance services	651	0	0
25.2 - Other services from non-Federal sources	244,266	165,112	165,112
25.3 - Other goods and services from Federal sources	38,967	742,263	97,278
25.4 - Operation and maintenance of facilities	7,617	0	0
25.5 - Research and development contracts	0	3,813	3,813
26.0 - Supplies and materials	283,189	347,985	347,985
31.0 - Equipment	159,733	156,602	156,602
32.0 - Land and structures	1,293	0	0
42.0 - Insurance claims and indemnities	144	194	194
Total Non-Personnel	\$762,312	\$1,443,319	\$798,334
Total Obligations	\$1,096,092	\$1,732,080	\$1,087,625
Full-time Equivalents (FTE)	1,912	1,650	1,650

D – Appropriations Language and Explanation of Changes

BEP does not require annual appropriations language.

E – Legislative Proposals

BEP has no legislative proposals.

Section II – Annual Performance Plan and Report

A – Strategic Alignment

Treasury carries a great responsibility for fostering prosperity and security for the American people. We play a critical role both in the U.S. economy and globally to meet the needs of the nation. The Treasury Strategic Plan 2026–2030¹ charts a course to guide meeting the responsibilities to the public. As the Bureau Strategic Plans are finalized, more information on measures such as validation and verification of data and explanations of results will be developed.

2.1.1 – Manufacturing Resources and Measures Table

Dollars in Thousands

Resource Level	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Revised Estimate	FY 2027 Estimate
Expenses/Obligations	\$1,248,731	\$1,037,984	\$922,761	\$2,798,643	\$1,096,092	\$1,732,080	\$1,087,625
Budget Activity Total	\$1,248,731	\$1,037,984	\$922,761	\$2,798,643	\$1,096,092	\$1,732,080	\$1,087,625
Full-time Equivalents (FTE)	1,832	1,848	1,904	1,917	1,912	1,650	1,650

Performance Measure	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2025 Target	FY 2026 Target	FY 2027 Target
Currency Notes Delivered Returned Due to Defects (parts per million)	0.0016	16.6	25.2	<1ppm	<1ppm	<1ppm	<1ppm	<1ppm
FEVS Satisfaction Index (percentile)	71	73	73	>65	N/A	N/A	N/A	N/A
Lost Time Accident Rate (per 100 employees)	1.59	0.95	0.77	<1.8	<1.8	<1.8	<1.8	<1.8
Manufacturing Cost for Currency (dollars per thousand notes delivered)	\$61.81	\$63.83	\$59.81	\$74.19	\$70.35	\$81.04	\$101.64	\$106.00
Annual Print Order	100	100	100	100	100	100	100	100

2.3 Performance Summary

The BEP has one budget activity: Manufacturing. This budget activity supports all of BEP’s strategic goals.

Currency Notes Returned Due to Defects (in parts per million or ppm) is an indicator of BEP’s ability to provide a quality product. The target for this performance metric is <1 ppm. BEP normally achieves this target. As many as 203,000 \$20 notes were printed and delivered to the FRB with mismatched serial numbers. Elimination of these notes may require as many as 600,000 notes to be removed from circulation in the full serial number range. As of September 30, 2023, 253,000 such notes have been removed and shredded. We expect this removal to continue over the next few years. As the root cause has been corrected, BEP’s target for this

¹ <https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/strategic-plan>

performance metric will be held constant at <1 ppm for FY 2026 and FY 2027 for ongoing operations.

The Lost Time Accident Rate per 100 employees measures the BEP's ability to reduce injuries in the workplace. BEP's FY 2025 Lost Time Accident rate was at <1.8 cases per 100 employees on target with our goal. This performance resulted from continued focus on following safe work practices and avoiding hazards. For FY 2026, BEP remains committed to maintaining and improving the safety of its employees. BEP will continue to perform analysis to determine the root causes of any injury and to identify best practices in safety. The 1.8 case rate represents approximately one injury per facility per month. BEP's target will be held at 1.8 cases per 100 employees for FY 2026 and FY 2027.

Manufacturing Cost for Currency (dollar cost per 1,000 notes produced) is an indicator of manufacturing efficiency and effectiveness of program management. The measure is based on contracted price factors, productivity improvements, and the mix and timing of denominations ordered. This indicator is strongly affected by the portion of the order devoted to high-value notes, which are more expensive to produce. Actual performance against standard costs depends on BEP's ability to meet spoilage, efficiency, and capacity utilization goals. The final FY 2025 cost was \$70.35 per 1,000 notes produced. BEP's target for this performance metric is \$106.00 in FY 2027. The notional target for FY 2026 is set at \$101.64 per 1,000 notes produced.

The Federal Reserve Print Order establishes the performance target for measuring BEP's success in delivering the total number of currency notes needed by the Federal Reserve Board on an annual basis. The BEP met its FY 2025 target of delivering 100 percent of the currency notes ordered, with BEP delivering 4.776 billion notes to the Federal Reserve banks. Recent currency orders now include a range, with a minimum quantity of notes by denomination, as well as a maximum or upper limit. The FY 2026 initial quantity request is 4.826 billion notes.

C – Changes in Performance Measures

No changes in performance measures.

Section III – Additional Information

A – Summary of Capital Investments

A summary of capital investments, including major information technology and non-technology investments, can be accessed at: <https://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>.