

Bureau of Engraving and Printing

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2025 Actual	FY 2026 Revised Estimate	FY 2027 Estimate	FY 2026 to FY 2027 \$ Change	FY 2026 to FY 2027 % Change
Manufacturing	\$1,032,162	\$1,725,635	\$1,076,165	(\$649,470)	-37.6%
DC Replacement Facility	\$63,930	\$6,445	\$11,460	\$5,015	77.8%
Total Program Operating Level	\$1,096,092	\$1,732,080	\$1,087,625	(\$644,455)	-37.2%
Total Full-time Equivalents (FTE)	1,912	1,650	1,650	0	0.0%

Summary

The mission of the Bureau of Engraving and Printing (BEP) is to develop and produce United States currency notes trusted worldwide.

The BEP's 2027 President's Budget Estimate funds the following projects:

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 producing 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.

Budget Highlights

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

Budget Adjustments

Adjustment to Estimate

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.

FY 2027 Adjustments

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.

Performance Highlights

Performance Measure	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)	25.2	<1ppm	<1ppm	<1ppm	<1ppm	<1ppm
FEVS Satisfaction Index (percentile)	73	>65	N/A	N/A	N/A	N/A
Lost Time Accident Rate (per 100 employees)	0.77	<1.8	<1.8	<1.8	<1.8	<1.8
Manufacturing Cost for Currency (dollars per thousand notes delivered)	\$59.81	\$74.19	\$70.35	\$81.04	\$101.64	\$106.00
Annual Print Order	100%	100%	100%	100%	100%	100%

Description of Performance

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 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.

Legislative Proposals

BEP has no legislative proposals