

## United States Mint

### *Program Summary by Budget Activity*

Dollars in Thousands

Budget Activity	FY 2023	FY 2024	FY 2025	FY 2024 to FY 2025	
	Actual Obligations	Revised Estimate	Estimate	\$ Change	% Change
Manufacturing	\$4,748,670	\$5,278,722	\$5,718,478	\$439,756	8.33%
<b>Total Program Operating Level</b>	<b>\$4,748,670</b>	<b>\$5,278,722</b>	<b>\$5,718,478</b>	<b>\$439,756</b>	<b>8.33%</b>
<b>Total Full-time Equivalents (FTE)</b>	<b>1,598</b>	<b>1,705</b>	<b>1,705</b>	<b>0</b>	<b>0.00%</b>

### *Summary*

In Fiscal Year (FY) 2025, the United States Mint's (Mint) total estimated budgetary requirements for operations, metal, and capital investments are \$5.7 billion. This budget will support the production of 6.5 billion circulating coins, as well as the production of bullion coins and other numismatic products sufficient to meet customer demand. The Mint has one budget activity: manufacturing, which encompasses the bureau's two major programs, circulating coinage and numismatic products (including bullion coins, collector coins, and national medals).

To maintain its reputation as one of the finest mints in the world, the Mint is committed to operating according to the core values of service, quality, integrity, and accountability. The Mint has three strategic goals to help fulfill its mission and values: 1) Advance our circulating mission through innovation and technology; 2) Foster a safe and engaged workforce; and 3) Revitalize products and customer base.

Mint operations are funded through the Mint Public Enterprise Fund (PEF), 31 U.S.C. § 5136. The Mint generates revenue through the sale of circulating coins to the Federal Reserve Banks (FRBs), numismatic products to the public, and bullion coins to authorized purchasers. All circulating and numismatic operating expenses, along with capital investments incurred for the Mint's operations and programs, are paid out of the PEF. By law, all funds in the PEF are available without fiscal year limitation. Revenues determined to be in excess of the amount required by the PEF are transferred to the United States Treasury General Fund. At the end of FY 2023, the Mint's net budget authority calculations resulted in a negative net when compared to the obligations incurred. Negative net results can occur when obligations are made late in the year for production and sales that will result in offsetting collections in subsequent years. Mint's total expenses/obligations in FY 2023 includes year-end metal expenditures that were incurred with no corresponding collections. Mint is a Revolving Fund that mainly does business with the public and uses balances in the account to ensure that operating supplies and materials are procured in order to produce inventories for future sales. The Mint's key priorities for FY 2025 include:

- Circulating - Efficiently and effectively mint and issue approximately 6.5 billion circulating coins in FY 2025 to meet the needs of commerce.
- Numismatic Program Bullion Products - Mint and issue bullion coins to meet customer demand efficiently and effectively.
- Other Numismatic Products - Produce and distribute numismatic products in sufficient quantities, through appropriate channels, to make them accessible, available, and affordable

to people who choose to purchase them. Design, strike, and prepare for presentation Congressional Gold Medals.

### ***Budget Highlights***

Dollars in Thousands

	FTE	Materials	Operating & Capital	Total
<b>FY 2024 President's Budget</b>	<b>1,705</b>	<b>\$4,077,700</b>	<b>\$607,022</b>	<b>\$4,684,722</b>
<b>Program Changes</b>				
<b>Program Decreases:</b>	<b>0</b>	<b>(330,000)</b>	<b>0</b>	<b>(330,000)</b>
Metal Due to Forecasted Decrease in Circulating Production	0	(330,000)	0	(330,000)
<b>Program Increases:</b>	<b>0</b>	<b>912,300</b>	<b>11,700</b>	<b>924,000</b>
Metal Due to Forecasted Increase in Bullion Production	0	837,300	0	837,300
Metal Due to Forecasted Increase in Numismatic Production	0	75,000	0	75,000
IT Service Operating Program	0	0	10,600	10,600
Cyber Security	0	0	1,100	1,100
Subtotal Program Changes	0	582,300	11,700	594,000
<b>FY 2024 Revised Estimate</b>	<b>1,705</b>	<b>\$4,660,000</b>	<b>\$618,722</b>	<b>\$5,278,722</b>
<b>Changes to Base</b>				
Maintaining Current Levels (MCLs)	0	0	14,756	14,756
Pay Annualization (2024 5.2% average pay raise)	0	0	3,335	3,335
Pay Raise (2025 2.0% average pay raise)	0	0	3,898	3,898
Non-Pay (2.2% non-pay inflation)	0	0	7,522	7,522
Subtotal Changes to Base	0	0	14,756	14,756
<b>Total FY 2025 Current Services</b>	<b>1,705</b>	<b>\$4,660,000</b>	<b>\$633,478</b>	<b>\$5,293,478</b>
<b>Program Changes</b>				
<b>Program Decreases:</b>	<b>0</b>	<b>0</b>	<b>(5,000)</b>	<b>(5,000)</b>
IT Service Operating Program	0	0	(5,000)	(5,000)
<b>Program Increases:</b>	<b>0</b>	<b>430,000</b>	<b>0</b>	<b>430,000</b>
Metal Due to Forecasted Increase in Bullion Production	0	400,000	0	400,000
Metal Due to Forecasted Increase in Numismatic Production	0	30,000	0	30,000
<b>Subtotal Program Changes</b>	<b>0</b>	<b>\$430,000</b>	<b>(\$5,000)</b>	<b>\$425,000</b>
<b>Total FY 2025 Estimate</b>	<b>1,705</b>	<b>\$5,090,000</b>	<b>\$628,478</b>	<b>\$5,718,478</b>

### ***FY 2025 Budget Adjustments***

#### **Adjustment to Estimate**

**Program Decreases..... -\$330,000,000 / -0 FTE**

**Metal due to Forecasted Decrease in Circulating Demand -\$330,000,000 / -0 FTE**

Orders from the FRB are expected to decline significantly, which will have a vast impact on circulating demand in FY 2024. The FY 2024 FRB coin orders are projected to be significantly lower than in prior years. The most current forecast for 6.5 billion circulating coins is the lowest forecast in recent history. Such levels will have a significant impact on the Mint's production plan and overall seigniorage. The sharp decrease also directly results in a sizeable reduction in our raw material orders. As such, the Mint's budget for metal has been reduced to better align with the current production forecast. The FY 2025 forecast is projected to remain steady at this reduced level. The Mint will continue to ensure coin production that responds to the needs of the FRB.

**Program Increases..... +\$924,000,000 / +0 FTE**

Metal due to Forecasted Increase in Bullion Demand +\$837,300,000 / +0 FTE

FY 2024 forecasted bullion coin demand is projected to remain at the elevated levels experienced in FY 2023, and metal prices are also anticipated to remain high.

Metal due to Forecasted Increase in Numismatic Demand +\$75,000,000 / +0 FTE

FY 2024 forecasted numismatic demand is projected to remain at the elevated levels experienced in FY 2023, and metal prices are also anticipated to remain high.

IT Services +\$10,600,000 / +0 FTE

In FY 2024, the Mint's primary IT Services contract that provides contractor support for all IT operations (except Cyber) will complete its period of performance and must be re-competed. The anticipated scope of the new contract is expected to increase, eliminating service deficiencies experienced under the old contract. IT operations are complex and changing vendors can have negative impacts for the end user experience. As such a bridge (\$5 million) is necessary to ensure a smooth transition.

Cybersecurity +\$1,100,000 / +0 FTE

Increased penetration testing (pen testing), a security measure and exercise where a cyber-security expert attempts to find and exploit vulnerabilities in a computer system, is needed to ensure the integrity of Mint systems. The purpose of this simulated attack is to identify system defense weaknesses which could be susceptible to attackers.

**Change to Base**

**Maintaining Current Levels (MCLs)..... +\$14,756,000 / +0 FTE**

Pay Annualization (5.2% in 2024) +\$3,335,000 / +0 FTE

Funds are requested for annualization of the January 2024 5.2 percent average pay raise.

Pay Raise (2.0% in FY 2025) +\$3,898,000 / +0 FTE

Funds are requested for a 2.0 percent average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +\$7,522,000 / +0 FTE

Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

**Program Changes**

**Program Decreases..... -\$5,000,000 / -0 FTE**

IT Services -\$5,000,000 / -0 FTE

Funding is reduced by the amount of the bridge contract that was included in the previous year's budget. This is a one-time cost not required in future years.

**Program Increases..... +\$430,000,000 / +0 FTE**

Metal due to Forecasted Increase in Bullion Demand +\$400,000,000 / +0 FTE

FY 2025 forecasted bullion coin demand is projected to remain at the elevated levels experienced in FY 2023, and metal prices are also anticipated to remain high.

Metal due to Forecasted Increase in Numismatic Demand +\$30,000,000 / +0 FTE

FY 2025 forecasted numismatic demand is projected to remain at the elevated levels experienced in FY 2023, and metal prices are also anticipated to remain high.

***Legislative Proposals***

**Alternative metal compositions for circulating coins**

The *Coin Modernization, Oversight, and Continuity Act of 2010* (Public Law 111-302) (Act) authorized the Department of the Treasury to conduct research and development activities with regard to alternative metallic materials for circulating coins. The Act also requires a biennial report to Congress that includes information on the production costs for circulating coins, recommendations for changes to coin composition, and recommendations for changes to coin production. The budget proposes legislation enabling changes to coin metal composition if they: a) reduce cost; b) are seamless; and c) have as minimal an adverse impact as possible on stakeholders and the public. Two alternative compositions to the current cupronickel alloy used in nickels, dimes, quarters, and half dollars are currently under consideration at the Mint for movement: 80/20 composition, which has been fully tested; and, a leaner potentially seamless alternative, C99750T-M, which is still in development.

While the Mint continues its extensive research, it recommends this proposal to give the Secretary the authority to prescribe the metal compositions of circulating coins under certain conditions. Currently, the metal composition of each coin is prescribed by statute. A revision to current law that would authorize the Secretary to have flexibility and agility to implement small changes to the circulating coin metal compositions could result in incremental material savings for the Mint with little or no impact to stakeholders, including the vending industry and general public.

***Performance Highlights***

Budget Activity	Performance Measure	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
		Actual	Actual	Actual	Target	Target
Manufacturing	Seigniorage per Dollar Issued (\$)	0.37	0.30	0.26	0.12	0.12
Manufacturing	Safety Incident Recordable Rate	0.71	1.29	1.18	2.04	1.98
Manufacturing	Customer Satisfaction (%)	84.50	80.20	86.90	85.00	85.00
Manufacturing	Numismatic Sales Units (million units)	3.70	4.70	3.40	3.78	3.64
Manufacturing	Circulating Ship Complete on Time (%)	100.00	100.00	100.00	97.50	97.50

## ***Description of Performance***

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### **Customer Satisfaction Index (CSI)**

The Mint conducts a quarterly survey of a random sample of active numismatic customers. The survey is intended to capture customer satisfaction with the Mint's service performance as a coin products supplier and with the quality of specific products. The CSI metric is a quantitative score summarizing the survey's results into one consolidated value. This metric gauges performance results in the effort to achieve the Mint's internal strategic plan goal to "Revitalize products and customer base" and the Mint's internal strategic objective linked to this goal, "Customer experience."

In FY 2023, the CSI was 86.9 percent, which exceeded its 85.0 percent target. The Mint Customer Satisfaction Index score dropped in FY 2021 and FY 2022 due to operational changes necessitated by the COVID-19 pandemic and related causes. During FY 2022, the Mint's e-commerce contractor implemented improvements to its work-from-home solution, finding better ways to manage the remote workforce which helped improve the CSI scores in FY 2023. In FY 2024, the Mint will shift warehouse and fulfillment operations to a more modern and Mint-dedicated facility that will house customer service operations in the same facility. The new facility will increase capacity in both fulfillment and customer service operations to provide more efficient operations. The Mint proposes a CSI target of 85.0 for both FY 2024 and FY 2025.

### **Numismatic Sales Units**

The numismatic sales unit metric measures public demand for coin products sold from numismatic operations. This metric also measures performance results in achieving the Mint's internal strategic plan goal to "revitalize products and customer base." The Mint's numismatic products include annual proof and uncirculated sets, gold coins, silver coins, and products derived through legislation such as commemorative coins. The degree of popularity of commemorative coins and other coin programs featuring unique gold, silver, platinum, and palladium coins can at times strongly impact the comparability of year-over-year sales results.

Numismatic product sales for FY 2023 totaled 3.4 million units, exceeding its 3.0 million unit target primarily as a result of increases in silver coin products. In FY 2024, the Mint expects an increase in units as a result of manufacturing constraints that delayed some FY 2023 products, pushing sale dates into FY 2024. The Mint proposes a target of 3.78 million numismatic sales units for FY 2024 and 3.64 in FY 2025, which is in line with pre-COVID trends and represents a return to normal sales levels.

### **Safety Incident Recordable Rate**

The safety incident recordable rate is the number of injuries and illnesses meeting the Occupational Safety and Health Administration (OSHA) recording criteria per 100 full-time workers. It measures the occurrence of work-related incidents involving death, lost time and restricted work, loss of consciousness, or medical treatment. The safety incident recordable rate indicates performance results in the effort to achieve the Mint's internal strategic plan goal to "Foster a safe, flexible, diverse, and engaged workforce."

In FY 2023, the total recordable case rate reached 1.18, well below the Mint's FY 2023 target of 2.10, and significantly below the most recently published industry average rate of 5.2 published in 2015 by the U.S. Bureau of Labor Statistics for the comparable Non-Automotive Metal Stamping industry. During FY 2023, the Mint continued implementing and updating risk management guidelines to prioritize resources and mitigating risks in advance of injuries or catastrophic events at each plant. Mint facility leadership and employees continued to interact daily on the importance of safety. The performance targets for the safety incident recordable rates are 2.04 for FY 2024 and 1.98 for FY 2025.

### **Seigniorage per Dollar Issued**

Seigniorage per Dollar Issued is the financial return on circulating operations, calculated as seigniorage divided by the total face value of circulating coins shipped to the FRBs. Seigniorage is the difference between the face value and cost of producing circulating coinage. It measures the cost effectiveness of minting and issuing the United States' circulating coinage. It also measures performance results in achieving the Mint's internal strategic plan goal, "Advancing the circulating mission through innovation and technology." At the end of FY 2023, Seigniorage per Dollar Issued was \$0.26, which fell below the performance target of \$0.33, as a result of a decrease in circulating coins shipped. The Mint expects a significant decline in orders from the FRB. Based on the low forecasted revenue amounts, the Mint proposes annual seigniorage per dollar issued performance targets of \$0.12 for FY 2024 and FY 2025.

### **Circulating On-time Delivery**

Circulating On time Delivery is the percentage total of scheduled circulating coin orders shipped on time to the FRBs. Each month, the FRB provides the Mint a report detailing the next month's requirements for coinage. Based on this report, the Mint establishes a shipment schedule that is captured in its manufacturing system. Changes to the schedule are only made when the FRB provides formal documentation of a requested adjustment to scheduled orders. The Mint will continue to respond to FRB orders as needed, as well as make every effort to have the appropriate amount of coinage available to accommodate timely shipments. Performance over the past few years has consistently averaged around 100 percent. On time delivery for FY 2023 was 100 percent. The Mint is proposing performance targets for circulating on-time delivery remain at 97.5 percent for both FY 2024 and FY 2025.