

## United States Mint

### Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2017	FY 2018	FY 2019	FY 2018 to FY 2019	
	Actual	Estimated	Estimated	\$ Change	% Change
Manufacturing	\$2,203,909	\$2,944,784	\$2,970,276	\$25,492	0.87%
<b>Total Resources</b>	<b>\$2,203,909</b>	<b>\$2,944,784</b>	<b>\$2,970,276</b>	<b>\$25,492</b>	<b>0.87%</b>
<b>Total FTE</b>	<b>1,645</b>	<b>1,705</b>	<b>1,705</b>	<b>0</b>	<b>0.00%</b>

### Summary

The Mint operates under the United States Mint's Public Enterprise Fund (PEF), as codified at 31 U.S.C. § 5136. The Mint generates revenue through the sale of circulating coins to the Federal Reserve Banks (FRB), 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. The Mint's key priorities for FY 2019 include:

- Circulating - Efficiently and effectively mint and issue approximately 14.5 billion circulating coins in FY 2019 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.

FY 2019 United States Mint estimated total revenues are \$3,288,893,000, total expenses are \$2,970,276,000 of which \$40,500,000 are for capital investments, and net results are \$258,617,000 in earnings.

In an effort to align more closely with Treasury's strategic goal of achieving operational excellence, the Bureau of Engraving and Printing (BEP) and the Mint will streamline certain functions by migrating BEP's online numismatic sales and marketing presence to the Mint's recently modernized E-Commerce infrastructure and services platform and centrally coordinating non-IT procurements, creating economies of scale and reducing expenses.

The Mint proposes to seek the authority for the Secretary to prescribe the composition of the nickel, dime, and quarter-dollar coins. This authorization would give the Secretary the flexibility to implement small changes to the copper-nickel circulating coin metal compositions, with little or no impact to the vending industry and general public.

Mint supports the Treasury Strategic goals of Boosting U.S. Economic Growth and Achieving Operational Excellence.

## US Mint FY 2019 Budget Highlights

Dollars in Thousands

United States Mint	FTE	Materials	Operating & Capital	Total
<b>FY 2018 Original Estimate</b>	<b>1,801</b>	<b>\$2,240,000</b>	<b>\$454,784</b>	<b>\$2,694,784</b>
Adjustment to Estimate - Metals Due to Forecasted Decrease in Circulating Coin Production		(\$30,000)		(\$30,000)
Adjustment to Estimate - Metals Due to Forecasted Increase in Numismatic Coin Metals Prices		\$280,000		\$280,000
Adjustment to FTE Requirements	(96)			
<b>Revised FY 2018 Estimated Resources</b>	<b>1,705</b>	<b>2,490,000</b>	<b>454,784</b>	<b>2,944,784</b>
<b>Changes to Base</b>				
Maintaining Current Levels (MCLs)			\$5,492	\$5,492
Pay Annualization			\$1,011	\$1,011
Non-Pay			\$4,481	\$4,481
Subtotal Changes to Base			\$5,492	\$5,492
<b>Total FY 2019 Base</b>	<b>1,705</b>	<b>\$2,490,000</b>	<b>\$460,276</b>	<b>\$2,950,276</b>
<b>Program Changes</b>				
Program Increases		\$20,000		\$20,000
Metals Due to Forecasted Increase in Circulating Coin Production		\$20,000		\$20,000
Subtotal Program Changes		\$20,000		\$20,000
<b>Total FY 2019 Estimated</b>	<b>1,705</b>	<b>\$2,510,000</b>	<b>\$460,276</b>	<b>\$2,970,276</b>

### FY 2019 Budget Adjustments

#### **Adjustment to Estimates**

##### **Maintaining Current Level (MCLs)**

##### **Pay Annualization +\$1,011,000 / +0 FTE**

Funds are required for the annualization of the 2018 pay-raise.

##### **Non-Pay +\$4,481,000 / +0 FTE**

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

##### **Program Increases**

##### **Metals Due to Forecast Increase in**

##### **Circulating Coin Production +\$20,000,000 / +0 FTE**

FRB demand for circulating coins is forecasted to increase slightly from FY 2018 to FY 2019 (from 14.0 to 14.5 billion coins). This increase coupled with forecasted increases in metal prices results in an increase in overall production costs for the circulating program. Explanation of Budget Activities

#### **Manufacturing \$2,970,276,000 from revenue/offsetting collections**

The Mint has one budget activity: Manufacturing. This encompasses the bureau's two major programs: circulating coinage and numismatic products, including bullion coins, collector coins, and national medals.

#### **Circulating Coinage Program**

Circulating coinage includes the minting and issuing of pennies, nickels, dimes, and quarter-dollars. The Mint delivers circulating coinage to the FRBs in quantities to support their service to commercial banks and other financial institutions. The Mint recognizes revenues from the sale of circulating coins at face value when they are shipped to the FRBs. The Mint will continue to mint and issue circulating quarter-dollar coins honoring America's national parks and other national sites, in accordance with the America the Beautiful National Parks Quarter Dollar Coin Act of 2008 (Public Law 110-456). In 2018, the Mint will release quarters honoring Pictured Rocks National Lakeshore (Michigan), Apostle Islands National

Lakeshore (Wisconsin), Voyageurs National Park (Minnesota), Cumberland Island National Seashore (Georgia), and Block Island National Wildlife Refuge (Rhode Island). In 2019, the Mint will release quarters honoring Lowell National Historical Park (Massachusetts), American Memorial Park (North Mariana Islands), War in the Pacific National Historical Park (Guam), San Antonio Missions National Historical Park (Texas), and Frank Church River of No Return Wilderness (Idaho).

***Numismatic Program***  
***Bullion Coin Program***

The Mint produces and issues gold, silver, and platinum bullion coins to authorized purchasers through the American Eagle, American Buffalo, and America the Beautiful Silver Bullion Coin Programs to fulfill investor demand. Demand for bullion coins is greatly influenced by the performance of other investment options, such as equities or currency markets, and therefore is highly unpredictable. The content and purity of the precious metal in the bullion coins are backed by the United States Government.

***Other Numismatic Products***

The Mint's numismatic program provides high-quality versions of circulating coinage, precious metal coins, commemorative coins, and medals for sale directly to the public. For

some numismatic products, authorizing legislation specifies program requirements, such as design theme, mintage level, and duration of product availability. Other programs are structured by law to grant the Secretary of the Treasury discretion in determining product specifications.

The Mint will continue to mint and issue \$1 coins commemorating the important contributions made by Indian tribes and individual Native Americans to the development and history of the United States in accordance with the Native American \$1 Coin Act (Public Law 110-82).

Commemorative coins are authorized by law to recognize and honor people, places, events, institutions, and other subjects of historic or national significance. In 2018, the Mint has authorization to mint commemorative coins for two programs: the World War I American Veterans Centennial Commemorative Coin (Public Law 113-212) and the Breast Cancer Awareness Commemorative Coin (Public Law 114-148). In 2019, the Mint has authorization to mint commemorative coins for two programs: the Apollo 11 50<sup>th</sup> Anniversary Commemorative Coin (Public Law 114-282) and the American Legion 100<sup>th</sup> Anniversary Commemorative Coin (Public Law 115-65).

## Mint Performance Highlights

Budget Activity	Performance Measures	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
		Actual	Actual	Actual	Target	Target
Manufacturing	Customer Satisfaction Index (%)	89.5	91.0	91.7	90.0	9.0
Manufacturing	Seigniorage per Dollar Issued (\$)	0.49	0.52	0.45	0.49	0.43
Manufacturing	Safety Incident Recordable Rate	3.42	2.53	1.96	2.75	2.75
Manufacturing	Numismatic Sales Units (Million Units)	5.4	4.2	3.9	3.5	3.5

### Description of Performance

#### *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 is a single quantitative score of the survey results. By the end of FY 2017, the CSI reached 91.7 percent, exceeding its 90.0 percent target. The Mint anticipates the FY 2018 and FY 2019 CSI ratings will remain steady. The performance target for CSI is 90.0 percent for both FY 2018 and FY 2019.

#### *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. It measures the cost effectiveness of minting and issuing the United States' circulating coinage. Seigniorage per dollar issued was \$0.45 in FY 2017, below the performance target of \$0.48. FY 2017 results fell below the target as a result of a 14 percent decrease in circulating shipment volumes combined with a four percent increase in the cost of metal. FY 2018 and FY 2019 seigniorage per dollar issued performance targets are set at \$0.43 each year.

#### *Safety Incident Recordable Rate*

Safety incident recordable rate is the number of injuries and illnesses meeting the Occupational Safety and Health Administration recording criteria per 100 full-time workers. The safety incident recordable rate was 1.96 recordable injuries and illnesses per 100 full-time workers in FY 2017, which is well below the 2.82 target and significantly below the industry average rate of 5.2 for metal forging and stamping manufacturers. The performance targets for this measure are 2.75 for both FY 2018 and FY 2019.

#### *Numismatic Sales Units*

The numismatic sales unit metric measures public demand for coin products sold from numismatic operations. Numismatic sales units totaled 3.9 million in FY 2017, falling short of the 4.4 million target. The primary driver for this was a shortfall in sales of annual precious metal coins, partially due to an overabundance of coin products available on the secondary market. Compounding the weakness in core product sales was the conclusion of the Presidential \$1 Coin program and the lack of market enthusiasm for the FY 2017 commemorative coins. Numismatic sales performance targets have been established at 3.5 million units for both FY 2018 and FY 2019.