

United States Mint

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2016	FY 2017	FY 2018	FY 2017 to FY 2018	
	Actual	Estimated	Estimated	\$ Change	% Change
Manufacturing	\$3,272,106	\$2,805,952	\$2,694,784	(\$120,000)	-3.96%
Total Resources	\$3,272,106	\$2,805,952	\$2,694,784	(\$120,000)	-3.96%
FTE	1,692	1,801	1,801	0	0.00%

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 2018 include:

- Circulating - Efficiently and effectively mint and issue approximately 16.0 billion circulating coins in FY 2018 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 2018 United States Mint estimated total revenues are \$3,098,226,000, total expenses are \$2,694,784,000 of which \$40,500,000 are for capital investments, and net results are \$403,442,000 in earnings.

US Mint FY 2018 Budget Highlights

Dollars in Thousands

United States Mint	FTE	Materials	Operating & Capital	Total
FY 2017 Original Estimate	1,874	\$2,510,000	\$446,207	\$2,956,207
Adjustment to Estimate - Cyber Security Initiative	10		\$8,577	\$8,577
Adjustment to Estimate - Metal due to forecasted decrease in circulating coin production		(\$100,000)		(\$100,000)
Adjustment to Estimate - Metal due to forecasted decrease in numismatic/bullion production		(\$50,000)		(\$50,000)
Adjustment to Estimate - Staffing Streamline	(83)		(\$8,832)	(\$8,832)
Revised - FY 2017 Estimated Resources	1,801	2,360,000	445,952	2,805,952
Changes to Base:				
Maintain Current Levels (MCLs)			\$8,832	\$8,832
Pay-Raise			3,100	3,100
Pay Annualization			1,136	1,136
Non-Pay			4,597	4,597
Subtotal, Changes to the Base			\$8,832	\$8,832
Total FY 2018 Base	1,801	2,360,000	454,784	2,814,784
Program Changes				
Program Decreases:				
Metals due to forecasted decrease in bullion production		(\$140,000)		(\$140,000)
Program Increases:				
Metals due to forecasted increase in circulating coin metals prices		\$20,000		\$20,000
Subtotal FY 2018 Program Changes		(\$120,000)		(\$120,000)
Total FY 2018 Estimate	1,801	2,240,000	454,784	2,694,784

FY 2018 Budget Adjustments

Adjustment to Estimates

Maintaining Current Level (MCLs)

Pay Raise +\$3,100,000 / +0 FTE

Funds are required for the January 2018 pay-raise.

Pay Annualization +\$1,136,000 / +0 FTE

Funds are required for and the annualization of the 2017 pay-raise.

Non-Pay +\$4,597,000 / +0 FTE

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

Program Increases

Metal Due to Forecast Increase in Circulating Coin Metal Prices +\$20,000,000 / +0 FTE

FRB demand for circulating coins will remain flat in FY 2018 at 16.0 billion coins; however, metal prices are forecasted to rise modestly, causing an increase in overall production costs for the circulating program. Increases in metals prices result in a \$20 million increase for metal purchases.

Program Decreases

Metal Due to Forecast Decrease in Numismatic/Bullion Coin Production -\$140,000,000 / -0 FTE

Forecasted demand for the numismatic program continues to decrease in FY 2018. The Presidential \$1 Coin Program ended in 2016, and the first full-year impact will be in FY 2018.

Explanation of Budget Activities

Manufacturing \$3,098,226,000 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's Beautiful National Parks Quarter Dollar Coin Act of 2008 (Public Law 110-456). In 2017, the Mint will release quarters honoring Effigy Mounds National Monument (Iowa), Frederick Douglass National Historic Site (District of Columbia), Ozark National Scenic Riverways (Missouri), Ellis Island (Statue of Liberty National Monument) (New Jersey), and George Rogers Clark National Historical Park (Indiana). In FY 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).

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.

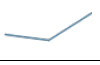
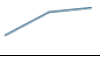
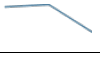

The Mint will continue to mint and issue \$1 coins commemorating the important contributions made by Indian tribes and individual Native Americans to the development and history of the United States in accordance with the Native American \$1 Coin Act (Public Law 110-82).

Commemorative coins are authorized by law to recognize and honor people, places, events, institutions, and other subjects of historic or national significance. In FY 2017, the Mint is scheduled to mint commemorative coins for two programs: the Lions Club International Commemorative Coin (P.L. 112-181) and the Boys Town Centennial Commemorative Coins (P.L. 114-30). In FY 2018, the Mint has authorization to mint commemorative coins for two programs: the World War I American Veterans Centennial Commemorative Coin (P.L.113-212) and the Breast Cancer Awareness Commemorative Coin (P.L. 114-148).

Appropriation Change Proposal

The Mint proposes to increase the limit on circulating coinage and protective service capital from \$20 million to \$30 million to execute a comprehensive capital strategy that focuses on safety, equipment replacements, protection, and facility improvements.

Mint Performance Highlights

Budget Activity	Performance Measure	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2014 – FY 2016
		Actual	Actual	Actual	Target	Target	Trend
Manufacturing	Customer Satisfaction Index (%)	89.8	89.5	91.0	90.0	90.0	
Manufacturing	Seigniorage per Dollar Issued (\$)	0.37	0.49	0.52	0.48	0.49	
Manufacturing	Safety Incident Recordable Rate	3.31	3.42	2.53	2.83	2.75	
Manufacturing	Numismatic Sales Units (Million Units)	5.7	5.4	4.2	4.4	3.5	

Key: DISC - Discontinued, B - Baseline

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 2016, the CSI reached 91.0 percent, exceeding its 90.0 percent target. The Mint anticipates the FY 2017 and 2018 CSI ratings will remain steady. The performance target for CSI is 90.0 percent for both FY 2017 and FY 2018.

Numismatic Sales Units

The numismatic sales unit metric measures public demand for coin products sold from numismatic operations. Numismatic sales units totaled 4.2 million in FY 2016, falling short of the 4.6 million target. The primary drivers for this shortfall were lower customer demand for silver coin products and a loss in unit sales of the American Eagle Silver (AE) dollar coin due to legislative restrictions on the design of coins sold during 2016 (Public Law 114-94). Numismatic sales performance targets have been established at 4.4 million units for FY 2017 and 3.5 million for FY 2018.

Safety Incident Recordable Rate

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. The safety incident recordable rate was 2.53 recordable injuries and illnesses per 100 full-time workers in FY 2016, which is below the 2.91 target and significantly below the industry average rate of 5.9 for metal forging and stamping manufacturers. The performance targets for this measure are 2.83 for FY 2017 and 2.75 for FY 2018.

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 \$0.52 in FY 2016, above the performance target of \$0.47. FY 2016 results exceeded the target as a result of a one percent increase in circulating shipment volumes combined with a 10 percent decrease in cost of goods sold. FY 2017 and FY 2018 seigniorage per dollar issued performance targets are set at \$0.48 and \$0.49, respectively.