

United States Mint

FY 2016

President's Budget

February 2, 2015

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Section 1 – Purpose

1A – Mission Statement

Serve the American people by manufacturing, and distributing circulating, precious metal, and collectible coins and national medals, and providing security over assets entrusted to us.

1.1 – Resource Detail Table

Dollars in Thousands

United States Mint	FY 2014		FY 2015		FY 2016		FY 2015 to FY 2016			
Budgetary Resources	Actual		Estimated		Estimated		\$ Change		% Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Revenue/Offsetting Collections										
Other Income										
Circulating	0	783,034	0	787,500	0	798,600	0	11,100	.00	1.41%
Bullion/Numismatic	0	2,318,847	0	3,041,382	0	3,041,382	0	0	.00	N/A
Total Revenue/Offsetting Collections		3,101,881		3,828,882		3,839,982		11,100		0.29%
Expenses/Obligations										
Manufacturing										
Circulating	947	493,928	1,068	574,629	1,011	575,249	(57)	620	-5.34%	0.108%
Bullion/Numismatic	714	2,367,705	806	3,016,802	763	3,012,058	(43)	3,256	-5.33%	0.108%
Total Expenses/Obligations	1,661	2,861,633	1,874	3,591,431	1,774	3,595,307	(100)¹	3,876	-5.34%	0.108%
Net Results		240,248		237,451		244,675		7,695		3.24%

¹ Aligns FTE with historical usage levels and production requirements

Coin Shipments (Units In Millions/Coins)	FY 2014	FY 2015	FY 2016	
Circulating:				
One Cent	7,920	7,250	7,260	-8.46%
5-Cent	1,211	1,200	1,190	-0.91%
Dime	2,223	2,050	2,040	-7.78%
Quarter	1,683	1,800	1,850	6.95%
Half-Dollar	0	0	0	0.00%
Dollar	0	0	0	0.00%
Total Circulating	13,037	12,300	12,340	0.33%

Budget Category	FY 2014 Actual	FY 2015 Estimated	FY 2016 Estimated
Administrative Operating Costs	\$384,782	\$392,763	\$393,739
Capital Investments	\$29,234	\$30,468	\$30,468
Metals and Materials Costs	\$2,447,617	\$3,168,200	\$3,171,100
Total Resources	\$2,861,633	\$3,591,431	\$3,595,307

1B – Vision, Priorities and Context

The United States Mint (Mint) manufactures and distributes domestic circulating coinage, bullion coin products, numismatic coinage, and national medals in the most effective and efficient manner possible. In addition, the Mint provides security for assets, including the government's reserves of gold and silver bullion, coins, and coinage metals. The Mint supports the Department of the Treasury's strategic objectives to: facilitate commerce by providing

trusted and secure U.S. currency, products, and services for use by the public (1.4); and, create a culture of service through relentless pursuit of customer value (5.4).

Vision

The Mint's vision is to become the finest mint in the world, through excellence in its people, products, customer service, and workplace. The Mint has the following four strategic goals to help it fulfill its vision and mission: 1) meet the Nation's need for circulating coins; 2) meet public demand for United States bullion coins; 3) responsibly expand the numismatic program; and 4) foster a safe, engaged, and innovative workforce.

FY 2016 Priorities

- Circulating Program - Efficiently and effectively mint and issue circulating coins in FY 2016 to meet the needs of the United States.
- Numismatic Program:
 1. Bullion Products – Efficiently and effectively mint and issue bullion coins to meet customer demand.
 2. 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 the presentation of Congressional Gold Medals.
- Protection - Secure the Nation's gold reserves, silver reserves, and other assets.

Context

Since 1996, the Mint operations have been funded through the Mint 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, and 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. Seigniorage, which is the net income from circulating operations, is used to reduce the Government's need to borrow. This results in a reduction in interest on the Federal debt from the borrowing that seigniorage displaces. The net income from numismatic program operations, including bullion coin program operations is available to fund other Federal Government operations and programs.

The Mint's budget receipts and outlays reflect the demand for, and sales of, circulating coins and numismatic products. In accordance with the PEF statute, proceeds from sales provide the Mint's funding source, fully covering budget outlays, which adjust as the necessary resources are engaged to fulfill prevailing demand. The vast majority (approximately 88 percent in FY 2016) of planned budget outlays are for procurement of metals and materials for conversion into finished goods. Accordingly, each fiscal year's budget outlays principally reflect the production volumes that correspond to prevailing demand, as well as raw material costs driven by prices on open commodities markets. The economic environment can significantly affect the Mint's budget outlays by influencing these two external factors.

Circulating

The FY 2016 circulating coin production projections depend on economic data and forecasts of FRB coin orders. A notable increase in quarter-dollar coin shipments increases the amount of seigniorage generated by this denomination.

Circulating financial performance continues to be affected by the costs of the inputs for producing the coinage. Since FY 2006, commodity prices for copper, nickel, and zinc have been at levels at which costs of the one-cent coins (pennies) and 5-cent coins (nickels) have exceeded their face value. The Mint expects the costs of these commodities to remain at levels that result in continued losses from issuing pennies and nickels to the FRBs at face value. Positive seigniorage from minting and issuing dime and quarter-dollar coins has fully offset the losses the Mint incurred from minting and issuing pennies and nickels. Although metal prices for these denominations have declined, this situation is expected to continue in FY 2016.

The production and circulation of currency in the United States have been largely unchanged for decades, despite the growth in electronic financial transactions. Treasury is continuing its comprehensive review of U.S. currency including a review of both the production and use of coins, in order to efficiently promote commerce in the 21st Century. This review includes alternative metals, the United States Mint facilities, and consumer behavior and preferences. Treasury expects to announce the results of its review this fiscal year.

Numismatic Program

The numismatic program, which includes bullion coins, is designed to prepare and distribute premium products to collectors and those who desire high quality versions of coinage. Numismatic products are priced to cover metal and production costs. The Mint has implemented strategies to increase the program's efficiency and effectiveness while controlling costs and keeping prices as low as practicable.

Bullion Coins

The bullion coin program provides the public a means to acquire precious metal coins from authorized purchasers as part of an investment portfolio. Investors purchase bullion coins not only for their intrinsic metal value, but also because the United States guarantees each coin's metal weight, content, and purity. The main objective of the bullion coin program is to meet demand and ensure that the program recovers its costs.

In 2014, the compounded effect of decreased bullion demand and reduced prices of gold and silver (reductions of 16 percent and 25 percent, respectively) resulted in a decrease in revenues from \$3.2 billion to \$1.8 billion, a 44 percent reduction from FY 2013. In FY 2015, bullion demand is expected to increase to 52.7 million ounces from the 36.8 million ounces budgeted in FY 2014, and remain flat in FY 2016. The main driver of this is a large projected increase in investor demand for American Eagle Silver bullion coins, which increased 46% from 35.0 million ounces in the FY 2014 budget to 51.0 million ounces in the FY 2015 budget. Calendar year 2014 demand for American Eagle silver bullion coins hit a Mint record of 44.0 million coins. Demand for American Eagle silver coins continues to be very high. FY 2015 forecasted gold and silver prices are, respectively, 1 percent and 9 percent higher than FY 2014 average

prices. As a result, bullion revenue is forecasted at \$2.6 billion in FY 2015 and expected to remain at that level in FY 2016.

The Mint, as the world's largest producer of gold and silver bullion coins, employs precious metal purchasing strategies that minimize or eliminate the financial risk that can arise from adverse market price fluctuations.

Numismatic (Collector Coins)

The numismatic (collector coins and medals) program provides high-quality versions of circulating coinage, precious metal coins, commemorative coins, and medals for sale to the public. A main objective of this program is to increase our customer base and foster sales while controlling costs and keeping prices as low as practicable. Most of the Mint's recurring products, such as the uncirculated coin sets and proof sets, are required by federal statute. Others, such as commemorative coins and Congressional Gold Medals, are required by individual public laws.

FY 2014 revenue decreased by two percent to \$504 million from \$512 million in FY 2013, driven by 16 percent and 25 percent decreases, respectively, in gold and silver spot prices. In FY 2015 and FY 2016, numismatic revenues are projected to be \$479 million.

In FY 2015, the Mint will conduct a digital marketing campaign targeted to expand its customer base and increase numismatic unit sales. Based on extensive research and analysis, the Mint developed a marketing program that will reach new audiences and generate additional interest in numismatic products, resulting in new sales and potentially increased returns to the Treasury General Fund.

Section 2 – Budget Adjustments and Appropriation Language

2.1 – Budget Adjustments Table

Dollars in Thousands

United States Mint	FTE	Materials	Operating & Capital	Total
FY 2015 Estimated	1,874	\$3,168,200	\$423,231	\$3,591,431
Changes to Base:				
Maintaining Current Levels (MCLs):	-	-	\$7,233	\$7,233
Pay-Raise	-	-	\$2,040	\$2,040
Pay Annualization	-	-	\$522	\$522
FERS Contribution Increase	-	-	\$711	\$711
Non-Pay	-	-	\$3,960	\$3,960
Efficiency Savings:	(100)	-	(\$6,257)	(\$6,257)
Reduction - Reduce Operating Costs	(100)	-	(\$6,257)	(\$6,257)
Subtotal Changes to Base	(100)	-	\$976	\$976
Total FY 2016 Base	(100)	\$3,168,200	\$424,207	\$3,592,407
Program Changes:				
Program Increases:	-	\$2,900	-	\$2,900
Metal Due to Forecast Increase in Circulating Coin Production	-	\$2,900	-	\$2,900
Total FY 2016 Estimated	(100)¹	\$3,171,100	\$424,207	\$3,595,307

¹Aligns FTE with historical usage levels and production requirements

2A – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs) +\$7,233,000 / +0 FTE

Pay-Raise +\$2,040,000 / +0 FTE

Funds are required for the proposed January 2016 pay-raise.

Pay Annualization +\$522,000 / +0 FTE

Funds are required for annualization of the proposed January 2015 pay-raise.

FERS Contribution Increase +\$711,000 / +0 FTE

Funds are required for increases in agency contributions to the Federal Employee Retirement System based on updated actuarial estimates.

Non-Pay +\$3,960,000 / +0 FTE

Funds are required for inflation adjustments in non-labor costs such as travel, contracts, rent, supplies, and equipment.

Efficiency Savings -\$6,257,000 / -100 FTE

Reduction - Reduce Operating Costs -\$6,257,000 / -100 FTE

The Mint will reduce its operating budget by continuing to monitor costs and implement various savings strategies. These strategies will be across all departments within the Mint. In addition, salary savings will be realized through position management control efforts.

Program Increases +\$2,900,000 / +0 FTE

Metal Due to Forecast Increase in Circulating Coin Production +\$2,900,000 / +0 FTE

The Mint forecasts that demand for circulating coins will remain strong in FY 2015 and 2016, with forecasts at 12.3 billion coins in FY 2015. To meet the growth in demand, a \$2.9 million increase for metal purchases is required.

2.2 – Operating Levels Table

Dollars in Thousands

United States Mint Object Classification	FY 2014 Actual	FY 2015 Estimated	FY 2016 Estimated
11.1 - Full-time permanent	125,605	146,569	144,656
11.3 - Other than full-time permanent	1,256	161	161
11.5 - Other personnel compensation	12,683	10,060	9,902
11.9 - Personnel Compensation (Total)	139,544	156,790	154,719
12.0 - Personnel benefits	44,347	50,919	56,845
13.0 - Benefits for former personnel	-260 ¹	1,019	1,019
Total Personnel and Compensation Benefits	\$183,631	\$208,728	\$212,583
21.0 - Travel and transportation of persons	1,603	1,897	1,866
22.0 - Transportation of things	29,504	27,319	26,877
23.1 - Rental payments to GSA	463	278	275
23.2 - Rental payments to others	13,115	14,662	14,425
23.3 - Communication, utilities, and misc charges	13,814	14,431	14,197
24.0 - Printing and reproduction	869	1,582	1,556
25.1 - Advisory and assistance services	80,037	34,347	33,889
25.2 - Other services	18,810	38,318	37,696
25.3 - Other purchases of goods & serv frm Govt accounts	19,049	20,764	20,427
25.4 - Operation and maintenance of facilities	4,567	3,250	3,197
25.5 - Research and development contracts	3,508	1,947	1,920
25.7 - Operation and maintenance of equip	7,486	8,048	7,917
26.0 - Supplies and materials	13,746	14,954	14,712
26.7 - Raw Materials	2,439,431	3,168,200	3,171,100
31.0 - Equipment	26,634	20,848	20,812
32.0 - Land and structures	5,356	11,858	11,858
42.0 - Insurance claims and indemnities	10	0	0
Total Non-Personnel	2,678,002	3,382,703	3,382,724
Total Budgetary Resources	\$2,861,633	\$3,591,431	\$3,595,307
Budget Activities:			
Manufacturing	2,861,633	3,591,431	3,595,307
Total Budgetary Resources	\$2,861,633	\$3,591,431	\$3,595,307
FTE²	1,661	1,874	1,774

¹Includes an adjustment related to prior year activity

² Aligns FTE with historical usage levels and production requirements

2B – Appropriations Language and Explanation of Changes

Appropriations Language	Explanation of Changes
<p style="text-align: center;">DEPARTMENT OF THE TREASURY UNITED STATES MINT PUBLIC ENTERPRISE FUND Federal Funds</p> <p>Pursuant to section 5136 of title 31, United States Code, the United States Mint is provided funding through the United States Mint Public Enterprise Fund (PEF) for costs associated with the production of circulating coins, numismatic coins, and protective services, including both operating expenses and capital investments. The aggregate amount of new liabilities and obligations incurred during fiscal year [2015] 2016 under such section 5136 for circulating coinage and protective service capital investments of the United States Mint shall not exceed \$20,000,000.</p>	

2C – Legislative Proposals

Coinage Materials Modernization Act (CMMA)

The Coin Modernization, Oversight and Continuity Act (Public Law 111-302), which was signed into law on December 14, 2010, provides the Secretary research and development authority; it does not give the Secretary the flexibility and agility to approve coinage materials that would result in significant long- and short-term savings to the taxpayers. Requiring legislation for each change in coin composition will greatly slow the process. As metal prices are extremely volatile, the delay incurred by proposing and passing legislation could result in the new compositions being outdated by the time of their enactment.

Commodity metal prices have been at levels sufficient for production costs to exceed the face value of pennies and nickels since FY 2006. These same metal prices may also reduce the seigniorage from other circulating coinage denominations.

The Mint is proposing legislative changes that would modernize the Nation’s coinage materials for the first time since 1965. Specifically, these changes would amend 31 U.S.C. § 5112(a)-(c) to grant the Secretary the same authority he currently possesses with respect to the \$1 coin—that is, the authority to prescribe the weights and compositions of all circulating coins, and to provide the Secretary flexibility to change the composition of coins to more cost-effective materials.

The proposed amendments would allow the Secretary to explore, analyze, and approve new, less expensive materials for all circulating coins based on factors that he determines to be appropriate. Such factors may include physical, chemical, metallurgical and technical characteristics; material, fabrication, minting, and distribution costs; material availability and sources of raw materials; coinability; durability; effects on sorting, handling, packaging and vending machines; risks to the environment and public safety; appearance; resistance to counterfeiting; and commercial and public acceptance.

Sec. 122. Section 5112 of title 31, United States Code, is amended as follows—

- (a) in subsection (a)(2) by striking "and weighs 11.34 grams";*
- (b) in subsection (a)(3) by striking "and weighs 5.67 grams";*

- (c) in subsection (a)(4) by striking "and weighs 2.268 grams";
- (d) in subsection (a)(5) by striking "and weighs 5 grams";
- (e) in subsection (a)(6) by striking "except as provided under subsection (c) of this section," and "and weighs 3.11 grams";
- (f) in subsection (b) by striking the first, second, third, fourth, sixth, seventh, and eighth sentences, and by striking "metallic,"; and
- (g) in subsection (c) by amending the subsection to read as follows—
 - a. "The Secretary shall prescribe the weight and the composition of the dollar, half-dollar, quarter-dollar, dime, 5-cent, and one-cent coins. In prescribing the weight and the composition of the dollar, half-dollar, quarter-dollar, dime, 5-cent and one cent coins, the Secretary shall consider such factors that the Secretary considers, in the Secretary's sole discretion, to be appropriate."
- (h) in subsection (r)(5) by inserting "for circulation" after both instances of "minted and issued."
- (i) in subsection (t)(6)(B) by striking "90 percent silver and 10 percent copper" and inserting "no less than 90 percent silver."

Eliminate the 20 percent requirement in the Native American \$1 Coin Act

This legislative proposal also seeks to limit the requirement that the number of \$1 coins minted and issued in a year with the Sacagawea design on the obverse be not less than 20 percent of the total number of \$1 coins minted and issued for circulation. Approval of this proposal would allow the Mint to mint and issue all \$1 coins in amounts necessary to meet public demand for coins of each particular design. In late 2011, to address the excessive \$1 coin inventories at the FRBs, the Secretary of the Treasury suspended the minting of Presidential \$1 Coins for circulation. As a result, the Mint fulfills all demand for new Presidential \$1 Coins through its numismatic sales channels. Numismatic demand for new Native American \$1 Coins, however, is significantly lower than numismatic demand for Presidential \$1 Coins, making it impracticable for the Mint to comply with the 20 percent requirement. As a consequence, limiting the 20 percent requirement to circulating coins is sensible at this time because it avoids the need to mint and issue Native American \$1 Coins in excess of the amounts that numismatic customers demand.

Sec. 123. Section 5113(a) of title 31, United States Code, is amended by—

- (a) striking "and" after "quarter dollar" and inserting after the word "dime" ", 5-cent, and one-cent"; and
- (b) striking the second and third sentences.

Silver Proof Set Coin Composition

The bureau recommends pursuing a change to the law such that the coins in silver proof sets would be required to be no less than 90 percent silver. Under current law, the half-dollar, quarter-dollar, and dime coins in silver proof sets "shall be made of an alloy of 90 percent silver and 10 percent copper." Allowing the Mint to have flexibility in this composition would improve efficiency in the process of manufacturing silver proof sets and lower the Mint's production costs for these products. This translates into savings that would be passed on to the customer.

Sec. 124. Section 5132(a)(2)(B)(i) of title 31, United States Code, is amended by striking "90 percent silver and 10 percent copper" and inserting "no less than 90 percent silver."

Section 3 – Budget and Performance Plan

3A – Manufacturing

(\$3,595,307,000 from expenses/obligations):

The Mint has one budget activity: Manufacturing. This budget activity supports Treasury’s strategic objective to “Facilitate commerce by providing trusted and secure U.S. currency, products, and services for use by the public.” This budget activity encompasses the bureau’s two major programs: Circulating coinage and numismatic products, including bullion 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 FRBs in quantities to support their service to commercial banks and other financial institutions. These financial institutions then meet the coinage needs of retailers and the public. 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 2015, the Mint will release quarters honoring Homestead National Monument of America (Nebraska), Kisatchie National Forest (Louisiana), Blue Ridge Parkway (North Carolina), Bombay Hook National Wildlife Refuge (Delaware), and Saratoga National Historical Park (New York). In 2016, the Mint will release quarters honoring Shawnee National Forest (Illinois), Cumberland Gap National Park (Kentucky), Harpers Ferry National Park (West Virginia), Theodore Roosevelt National Park (North Dakota), and Fort Moultrie (Fort Sumter National Monument) (South Carolina).

Numismatic Program

Bullion Coins

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. The authorized purchasers agree to maintain an open, two-way market for these coins, ensuring their availability for consumers who desire them for investment portfolios. 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 numismatic versions of \$1 coins honoring the Nation's past Presidents in accordance with the Presidential \$1 Coin Act of 2005 (Public Law 109-145). In 2015, the Mint will release Presidential \$1 Coins honoring Presidents Harry S. Truman, Dwight D. Eisenhower, John F. Kennedy, and Lyndon B. Johnson. In 2016, the Mint will release Presidential \$1 Coins honoring Presidents Richard M. Nixon, Gerald R. Ford, and Ronald W. Reagan. The Mint will also continue to mint and issue \$1 coins celebrating 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. Each coin is minted and issued by the Mint in a limited quantity and is available only for a limited time. Included in the price is a surcharge that is authorized to be paid to the designated recipient organizations, assuming all legal requirements have been met. Recipient organizations must use the proceeds for the purposes specified in the enabling legislation. In FY 2015 the Mint is scheduled to mint two commemorative coins: one to commemorate the 75th anniversary of the establishment of the March of Dimes Foundation and the other to commemorate the 225th anniversary of the establishment of the United States Marshals Service. In FY 2016, the Mint has authorization to mint one commemorative coin through the Mark Twain Commemorative Coin Act (Public Law 112-201).

Total Budgetary Requirements (*all programs*)

In FY 2016, the United States Mint's total estimated budgetary requirements for operating, metal, and capital investments are \$3,595 million.

Description of Performance:

The Mint uses several key performance measures to gauge progress in achieving its strategic goals and to assess its Manufacturing Budget Activity performance.

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 circulated coinage shipped to the FRBs. It measures the Mint's cost effectiveness of minting and issuing the United States' circulating coinage. The Mint's strategic goal for this program is "Meet the nation's need for circulating coins."

The FY 2014 seigniorage per dollar issued was \$0.37, above the performance target of \$0.24. Performance results exceeded the target mainly because of a 23 percent increase in FRB orders for circulating quarter-dollar coins compared to initial budget estimates. Additionally, lower costs than forecast for copper, nickel, and zinc, and reduced general and administrative expenses, have also contributed to the higher performance.

FY 2015 and FY 2016 seigniorage per dollar issued and overall seigniorage are expected to remain flat when compared to the original FY 2014 target. The performance target for seigniorage per dollar issued is \$0.24 for FY 2015 and for FY 2016.

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. The Mint's strategic goal for this program is to "Responsibly expand the numismatic program."

In FY 2014, the CSI reached 89.8 percent, slightly below the target of 90.0 percent. The performance target for CSI is 90.0 percent for FY 2015 and for FY 2016. The Mint plans to improve on the level of customer satisfaction, as the bureau implemented a new order management system on October 1, 2014. The new system replaced an outdated system that could not support the modern functionality necessary to serve today's numismatic customers efficiently and effectively. The new system aims to provide improved functionality and customer service capabilities, and its scope will cover the entire Mint numismatic program.

Safety Incident Recordable Rate

The 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. It measures the occurrence of work-related incidents involving death, lost time and restricted work, loss of consciousness, and medical treatment. The Mint's strategic goal for this is "Foster a safe, engaged, productive and valued workforce."

The FY 2014 total recordable case rate was 3.31, which is above the 3.05 target but well below the industry average rate of 6.8 for metal stamping manufacturers. Material handling injuries (slips, trips, and falls) accounted for the majority of reported incidents for the fiscal year.

The performance target for safety incident recordable rate is 2.96 for FY 2015 and for FY 2016. To help achieve these targets, the Mint created management safety steering teams to continually reinforce a culture of operating safely for all its employees, and recently appointed an executive corporate safety officer. The Mint will track facility-specific data to gain a more detailed understanding of the drivers of recordable safety incidents.

Numismatic Sales Units

The numismatic sales unit metric measures public demand for coin products sold from numismatic operations. The Mint's strategic goal for this program is to "Responsibly expand the numismatic program." Increased unit sales would demonstrate greater public awareness of, and demand for, coin products produced by the Mint. Increases in units sold would also potentially reduce product unit costs, as fixed costs would be spread over a greater number of units.

In FY 2014, the Mint sold 5.7 million units. The increase compared to plan was driven by an 808,000 unit increase in the commemorative coin product category, resulting from National Baseball Hall of Fame Commemorative Coin Program product sales.

Numismatic product sales for FY 2014 were 5.7 million units, which exceeded the target level of 5.4 million units. The increase was based on the sales of new products, such as the National Baseball Hall of Fame Commemorative Coins and the 50th Anniversary Kennedy Half-Dollar products.

A performance target for numismatic product sales has been established at 5.6 million units for FY 2015 and FY 2016. The Mint will continue improvement efforts in the areas of products, promotion, distribution, and systems to achieve responsible growth in numismatic product sales.

3.1.1 – Manufacturing Budget and Performance Plan

Dollars in Thousands

Manufacturing Budget Activity								
Resource Level	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated
Expenses/Obligations	\$2,215,903	\$3,624,483	\$4,623,384	\$3,806,838	\$3,525,178	\$2,861,632	\$3,591,431	\$3,595,307
Budget Activity Total	\$2,215,903	\$3,624,483	\$4,623,384	\$3,806,838	\$3,525,178	\$2,861,632	\$3,591,431	\$3,595,307

Measure	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
	Actual	Actual	Actual	Actual	Actual	Actual	Target	Target
Customer Satisfaction Index (%)	88.3	86.1	91.7	90.0	92.6	89.8	90.0	90.0
Numismatic Sales Units (Million Units)	N/A	N/A	7.3	5.6	5.51	5.7	5.6	5.6
Safety Incident Recordable Rate	N/A	2.29	2.74	3.5	2.9	3.31	2.96	2.96
Seigniorage per Dollar Issued (\$)	.55	.49	.45	.21	.24	.37	.24	.24

Key: DISC - Discontinued and B - Baseline

Section 4 – Supplemental Information

4A – Summary of Capital Investments

The Mint is a non-appropriated manufacturing bureau whose primary mission is to produce coinage in amounts that the Secretary of the Treasury decides are necessary to meet the needs of the United States. Its capital investment requirements are predominantly for manufacturing-type equipment. Capital investments, along with its operating expenses, are paid out of its PEF. The aggregate amount of new liabilities and obligations incurred during the budget fiscal year for capital investments in circulating coinage operations and protective service conforms to a legislative limitation for these capital projects. As such, the Mint's long-range planning process is designed to address its capital needs while maintaining spending within legislative limitations.

The Mint's manufacturing capital investment projects focus on manufacturing improvements, such as development of new coin designs, automation of packaging lines, and facilities safety and improvements.

In addition, the Mint's capital investments encompass a robust information technology (IT) portfolio that focuses on the optimization of formal governance structures to manage IT investments and programs in an effort to emphasize reductions in system redundancy and to modernize the IT system infrastructure. Enterprise architecture reviews ensure alignment of IT investments to the bureau's strategic plans and the strategic enterprise direction of the Department of the Treasury. IT investments are closely monitored for cost, schedule, and performance to ensure expected results and benefits are achieved.

In accordance with the Statement of Federal Financial Accounting Standard (SFFAS) No. 6, the Condition Index and the Deferred Maintenance assessments for purposes of Federal Real Property Profile, the Mint has no deferred maintenance for its equipment. Maintenance is scheduled and performed regularly to keep the manufacturing equipment operating at optimal levels.

Total Capital Investments Plan

Capital IT/Non-IT Summary Category	FY 2014 Estimated	FY 2015 Estimated	FY 2016 Estimated
Non-IT Investments	\$28,743,000	\$28,343,000	\$28,343,000
IT Investments	\$1,725,000	\$2,125,000	\$2,125,000
Total Investments	\$30,468,000	\$30,468,000	\$30,468,000

A summary of capital investment resources, including major information technology and non-technology investments, can be viewed/downloaded at:

<http://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>

This website also contains a digital copy of this document.