

United States Mint

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate	FY 2021 to FY 2022 % Change
Manufacturing	\$3,462,361	\$3,300,500	\$3,312,598	0.37%
Total Cost of Operations	\$3,462,361	\$3,300,500	\$3,312,598	0.37%
Full-time Equivalents (FTE)	1,539	1,671	1,671	0.00%

Summary

In Fiscal Year (FY) 2022, the Mint's total estimated budgetary requirements for operations, metal, and capital investments are \$3.31 billion. This budget will support the production of 18 billion circulating coins, as well as the production of bullion 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, and integrity. The Mint has three strategic goals to help fulfill its mission and values: 1) Advancing our circulating mission through innovation and technology; 2) Foster a safe, flexible, diverse and engaged workforce; 3) Introducing diverse products to new customers and revitalizing the Mint customer base through the use of industry-proven marketing approaches.

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 (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 2022 include:

- Circulating - Efficiently and effectively mint and issue approximately 18.0 billion circulating coins in FY 2022 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
FY 2021 Original Estimate	1,705	\$2,080,000	\$467,197	\$2,547,197
Program Changes				
Program Decreases:	(34)	\$0	(\$9,827)	(\$9,827)
FTE Reduction	(34)	\$0	(\$2,107)	(\$2,107)
Operating Efficiencies	0	\$0	(\$7,720)	(\$7,720)
Program Increases:	0	\$730,000	\$33,130	\$763,130
Metal Due to Forecasted Increase in Circulating Coin Production	0	\$250,000	\$0	\$250,000
Metal Due to Forecasted Increase in Bullion and Numismatic Production	0	\$480,000	\$0	\$480,000
COVID-19 Requirements	0	\$0	\$5,410	\$5,410
Increased Shipping and Handling	0	\$0	\$17,744	\$17,744
Equipment and Facilities O&M	0	\$0	\$9,976	\$9,976
Subtotal Program Changes	(34)	\$730,000	\$23,303	\$753,303
FY 2021 Revised Estimate	1,671	\$2,810,000	\$490,500	\$3,300,500
Changes to Base				
Maintaining Current Levels (MCLs)	0	\$0	\$12,098	\$12,098
Pay Annualization (1.0% average pay raise)	0	\$0	\$547	\$547
Pay Raise (2.7% average pay raise)	0	\$0	\$4,443	\$4,443
FERS Contribution Increase	0	\$0	\$1,675	\$1,675
Non-Pay	0	\$0	\$5,433	\$5,433
Subtotal Changes to Base	0	\$0	\$12,098	\$12,098
FY 2022 Current Services	1,671	\$2,810,000	\$502,598	\$3,312,598
FY 2022 Estimate	1,671	\$2,810,000	\$502,598	\$3,312,598

FY 2022 Budget Adjustments

Adjustment to Estimate

Program Decreases.....-\$9,827,000 / -34 FTE

FTE Reduction -\$2,107,000 / -34 FTE

Salary savings will be realized through natural attrition across all directorates.

Operating Efficiencies -\$7,720,000 / -0 FTE

The Mint will reduce its operating budget by continuing to monitor costs and implement various savings strategies.

Program Increases..... +\$763,130,000 / +0 FTE

Metal Due to Forecasted Increase in Circulating Coin Production +\$250,000,000 / +0 FTE

FY 2021 forecasted circulating coin production is increasing by 29%, from 15.5 billion coins in FY 2020 to approximately 20 billion coins. Metal prices are also projected to increase which results in an overall increase in circulating coin program costs.

Metal Due to Forecasted Increase in Bullion and Numismatic Production +\$480,000,000 / +0 FTE

FY 2021 forecasted demand for the bullion coin program is increasing metal requirements by \$480 million. Bullion program sales are forecasted to increase by 6 percent, and precious metal prices have surged. The projected increase is bullion sales coupled with the surge in metal prices results in an overall increase in program costs.

COVID-19 Requirements +\$5,410,000 / +0 FTE

COVID -19 funding is required to maintain a healthy and safe workforce. The Mint has taken steps to ensure the safety of its employees by installing plexi-glass shields in areas with high customer interaction. Touchless faucets, touchless paper towel dispensers, and touchless soap dispensers are being installed in bathrooms throughout our facilities, and water fountains are being converted to water bottle filling stations. In FY 2022, the Mint will continue to provide all our facilities with Personal Protective Equipment (PPE) and enhanced janitorial cleaning services to ensure the safety of all who enter our buildings. In addition, as coin demand has soared during the pandemic and is expected to remain high, overtime will be used to ensure these elevated production levels are met.

Increased Shipping and Handling +\$17,744,000 / +0 FTE

As a result of the increase in FY 2021 forecasted demand for the bullion coin program and circulating coin production, operating cost has also increased requiring additional funding for freight.

Equipment and Facilities O&M +\$9,976,000 / +0 FTE

With increases to FY 2021 forecasted demand for the bullion coin program and circulating coin production, operation and maintenance of equipment and facilities cost has also increased requiring additional funding.

Maintaining Current Levels (MCLs)..... +\$12,098,000 / +0 FTE

Pay Annualization (1.0%) +\$547,000 / +0 FTE

Funds are required for annualization of the January 2021 1.0% average pay raise.

Pay Raise (2.7% in 2022) +\$4,443,000 / +0 FTE

Funds are required for a 2.7% average pay raise in January 2022.

FERS Contribution Increase +\$1,675,000 / +0 FTE

Funds are required for the Federal Employee Retirement System (FERS) contribution rates effective FY 2022.

Non-Pay +\$5,433,000 / +0 FTE

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

Legislative Proposals

Mint has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
		Actual	Actual	Actual	Target	Target
Manufacturing	Customer Satisfaction Index (%)	93.6	93.6	91.7	87	90
Manufacturing	Numismatic Sales Units (Million Units)	3.3	4.3	3.4	3.6	3.8
Manufacturing	Safety Incident Recordable Rate	1.9	1.45	1.29	2.3	2.16
Manufacturing	Seigniorage per Dollar Issued (\$)	0.37	0.4	0.47	0.41	0.41
Manufacturing	Circulating On-time Delivery (%)	0	0	100	97.5	97.5

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 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, "Revitalization of products and customer base," and the Mint's internal strategic objective linked to this goal, "Integrated marketing plan", which includes metrics for performance, customer engagement and customer satisfaction to evaluate the health of the Mint's sales and marketing program.

In FY 2020, the CSI was 91.7 percent, exceeding its 90.0 percent target. The Mint was able to exceed its target by providing high-quality products, adding innovative features, and improving the Mint's customer loyalty program. The Mint has set the target for this metric at 87.0 percent for FY 2021 and at 90.0 percent for FY 2022.

Numismatic Sales Units

The numismatic sales unit metric measures public demand for coin products sold from numismatic operations. This metric also measures performance results achieving the Mint's internal strategic plan goal, "Revitalization of products and customer base" and the Mint's internal strategic objective linked to this goal, "Increasing brand awareness."

Numismatics product sales for FY 2020 totaled 3.4 million units, missing its 3.8 million unit target. The Mint's numismatic unit sales fell in FY 2020, likely as a result of the worldwide COVID-19 pandemic. Currently, the environment for numismatic sales overall remains challenging. The performance target for numismatic sales units is 3.6 million for FY 2021 and 3.8 million for FY 2022. Targets are representative of anticipated results for the various numismatic product programs for that year. Therefore, targets tend to vary year over year. To meet these targets, the Mint will continue to provide high-quality products and maintain outstanding customer service, and deepen engagement with coin collectors.

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, or medical treatment. The safety incident recordable rate indicates performance results in the effort to achieve the Mint's internal strategic plan goal, "Foster a safe, flexible, diverse, and engaged workforce," and the corresponding Mint internal strategic objective linked to this goal, "Continue to cultivate a safe working environment."

In FY 2020, the total recordable case rate reached 1.29, well below the Mint's FY 2020 target of 2.32, and significantly below the most recently published industry average rate of 4.9 for comparable private sector manufacturing operations. During FY 2020, the Mint continued implementing and updating risk management guidelines to prioritize resources and mitigate risks in advance of injuries or catastrophic events at each plant. Mint facility leadership and employees continue to interact on a daily basis on the importance of safety. The performance targets for the safety incident recordable rate are 2.30 for FY 2021 and 2.16 for FY 2022. The Mint is currently on target to exceed its FY 2021 goal.

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," as well as the Mint's internal strategic objective linked to the goal, "Utilize research, analysis, and technology for enhancement of circulating coin output and input."

At the end of FY 2020, Seigniorage per Dollar Issued was \$0.47, well above the FY 2020 performance target of \$0.36 as a result of an increase in circulating units shipped. The FY 2021 and FY 2022 target increases are a result of anticipated increases in production volumes, as well as base metals cost for all denominations, as market prices are expected to escalate. The Seigniorage per Dollar Issued performance targets are set at \$0.41 for both FY 2021 and FY 2022.

Circulating On-time Delivery

Circulating On time Delivery is the percentage total scheduled circulating coin orders shipped on time to the Federal Reserve Banks. Each month, the FRB provides 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 the Oracle 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. On-time delivery to the Federal Reserve Banks (FRB) is the percentage of total scheduled orders shipped on time to the FRB. Performance over the past few years has consistently averaged around 100 percent or above. On time delivery for FY 2020 was 100 percent. The performance targets for circulating on-time delivery is set at 97.5 percent for both FY 2021 and FY 2022.