

United States Mint

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2021	FY 2022	FY 2023	FY 2022 to
	Actual	Revised Estimate	Estimate	FY 2023 % Change
Manufacturing	\$5,029,975	\$3,411,250	\$3,397,145	-0.41%
Total Cost of Operations	\$5,029,975	\$3,411,250	\$3,397,145	-0.41%
Full-time Equivalents (FTE)	1,566	1,705	1,705	0.00%

Summary

In Fiscal Year (FY) 2023, the Mint's total estimated budgetary requirements for operations, metal, and capital investments are \$3.4 billion. This budget will support the production of 14.5 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 2023 include:

- Circulating - Efficiently and effectively mint and issue approximately 14.5 billion circulating coins in FY 2023 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 2022 President's Budget	1,671	\$2,810,000	\$502,598	\$3,312,598
Program Changes				
Program Increases:	34	\$80,000	\$18,652	\$98,652
Metal Due to Forecasted Increase in Bullion and Numismatic Production	0	\$80,000	\$0	\$80,000
Order Management Services	0	\$0	\$3,103	\$3,103
Numismatic Capital Increase	0	\$0	\$9,500	\$9,500
FTE Increase	34	\$0	\$4,749	\$4,749
Launching American Women Quarters Program	0	\$0	\$1,300	\$1,300
Subtotal Program Changes	34	\$80,000	\$18,652	\$98,652
FY 2022 Revised Estimate	1,705	\$2,890,000	\$521,250	\$3,411,250
Changes to Base				
Maintaining Current Levels (MCLs)	0	\$0	\$15,895	\$15,895
Pay Annualization (2.7%)	0	\$0	\$1,610	\$1,610
Pay Raise (4.6%)	0	\$0	\$9,004	\$9,004
Non-Pay (2%)	0	\$0	\$5,280	\$5,280
FY 2023 Current Services	1,705	\$2,890,000	\$537,145	\$3,427,145
Program Changes				
Program Decreases	0	(\$100,000)	\$0	(\$100,000)
Metal due to forecasted decrease in Bullion and Numismatic production	0	(\$100,000)	\$0	(\$100,000)
Program Increases	0	\$70,000	\$0	\$70,000
Metal due to forecasted increase in circulating production	0	\$70,000	\$0	\$70,000
Subtotal Program Changes	0	(\$30,000)	\$0	(\$30,000)
Total FY 2023 Estimate	1,705	\$2,860,000	\$537,145	\$3,397,145

FY 2023 Budget Adjustments

Adjustment to Estimate

Program Increases..... +\$98,652,000 / +34 FTE

Metal due to Forecasted Increase in Bullion and Numismatic Production +\$80,000,000 / +0 FTE

FY 2022 forecasted bullion coin production is projected to remain flat but metal prices are anticipated to increase, which will increase bullion coin program costs overall.

Order Management Services +\$3,103,000 / +0 FTE

The Mint anticipates an increase of approximately \$3.1 million for operating and maintenance costs for labor rate, digital media, and software to improve system functionality and customer experience.

Numismatic Capital Increase +\$9,500,000 / +0 FTE

Investments in capital are a critical part of regular manufacturing operations. To continue effective coin production, equipment replacements and facility maintenance is mandatory. An increase to numismatic capital investments is required to effectively support equipment and facility maintenance needs that have been deferred in prior years, including a proof press overhaul as well an HVAC renovation at the San Francisco Mint.

FTE Increase +\$4,749,000 / +34 FTE

The Mint has identified 19 new FTEs needed to support cyber security and data network efforts, anti-counterfeiting efforts, evidence-building activities, and numismatic and bullion programs. In addition, the Mint increased its actual FTE 5 percent in FY21 and anticipates an increase of 6

percent in FY 2022 to return to the 1705 FTE level in past years. The higher level increase will be made possible by additional hiring authorities for cyber and production.

Launching American Women Quarters Program +\$1,300,000 / +0 FTE

The new quarters program was launched in FY 2022. These costs will support our efforts to inform the public of the program by investing in various media platforms, marketing, and education.

Maintaining Current Levels (MCLs)..... +\$15,895,000 / +0 FTE

Pay Annualization (2.7%) +\$1,610,000 / +0 FTE

Funds are required for annualization of the January 2022 2.7% average pay raise.

Pay Raise (4.6%) +\$9,004,000 / +0 FTE

Funds are required for a 4.6% average pay raise in January 2023.

Non-Pay +\$5,280,000 / +0 FTE

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

Program Decreases..... -\$100,000,000 / -0 FTE

Metal due to Forecasted Decrease in Bullion/Numismatic Production -\$100,000,000 / -0 FTE

FY 2023 forecasted demand for the bullion coin program is anticipated to return to more historic levels. The result is a decrease of \$50 million in bullion metal costs. Concurrently, numismatic program sales are also forecasted to decline causing a decrease of \$50 million in metal costs. The result for the numismatic and bullion program is an overall decrease in program costs.

Program Increases..... +\$70,000,000 / +0 FTE

Metal due to Forecasted Increase in Circulation Production +\$70,000,000 / +0 FTE

FY 2023 forecasted circulating coin production is projected to increase. In conjunction, circulating metal prices are also projected to increase. This results in an overall increase in the circulating coin program.

Legislative Proposals

The Mint has not legislative proposals.

Performance Highlights

Performance Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2021 Target	FY 2022 Target	FY 2023 Target
Circulating On-Time Delivery	100	100	100	100	100	97.5	97.5	97.5
Customer Satisfaction Index (%)	91.7	93.6	93.6	91.7	84.5	90	84.5	85
Numismatic Sales Units (Million Units)	3.9	3.3	4.3	3.4	3.7	3.6	3.5	3.0
Safety Incident Recordable Rate	1.96	1.9	1.45	1.29	0.71	2.30	2.26	2.19
Seigniorage per Dollar Issued (\$)	0.45	0.37	0.4	0.47	0.37	0.41	0.33	0.33

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 2021, the CSI was 84.5 percent, failing to reach its 90.0 percent target. The Mint fell short of the target due to COVID-19 as the call center and distribution warehouse experienced labor shortages and high labor turnover, impeding fulfillment of phone call and shipping volumes. The Mint has set the target for this metric at 84.5 percent for FY 2022 and at 85.0 percent for FY 2023. The Mint is implementing new and exciting technology to our marketing services to help meet these targets. This technology will enable more and better customer engagement and allow us to connect with a broader audience across multiple channels.

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 2021 totaled nearly 3.7 million units, slightly over its 3.6 million units target. However, the environment for numismatic sales overall remains uncertain. A shortage of silver blanks is challenging the Mint's ability to manufacture enough units to fully meet customer demand for its most popular products. The performance target for numismatic sales units is 3.5 million for FY 2022 and 3.0 million for FY 2023. 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 2021, the total recordable case rate reached 0.71, well below the Mint's FY 2021 target of 2.30, 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 2021, 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 2.26 for FY 2022 and 2.19 for FY 2023.

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 2021, Seigniorage per Dollar Issued was \$0.37, well below the FY 2021 performance target of \$0.41, the result of a decrease in circulating units shipped. FY 2022 and FY 2023 target decreases are a result of projected decreases in production volumes, as well as increases in base metals costs for all denominations, as spot market prices are expected to escalate. The Seigniorage per Dollar Issued performance targets are set at \$0.33 for both FY 2022 and FY 2023.

Circulating On-time Delivery

Circulating On time Delivery is the percentage total of 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.

Performance over the past few years has consistently averaged around 100 percent. On time delivery for FY 2021 was 100 percent. The performance targets for circulating on-time delivery is set at 97.5 percent for both FY 2022 and FY 2023.