

United States Mint

FY 2017

President's Budget

February 9, 2016

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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 Budgetary Resources	FY 2015		FY 2016		FY 2017		FY 2016 to FY 2017			
	Actual		Estimated		Estimated		\$ Change		% Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Revenue/Offsetting Collections										
Other Income										
Circulating	0	1,114,050	0	1,127,500	0	1,162,000	0	34,500		3.0%
Bullion/Numismatic	0	2,579,284	0	2,275,507	0	2,281,193	0	5,686		.2%
Total Revenue/Offsetting Collections		3,693,334		3,403,007		3,443,193		40,186		1.2%
Expenses/Obligations										
Manufacturing										
Circulating	941	573,142	1,068	753,014	1,068	768,614	57	15,600		2.0%
Bullion/Numismatic	710	2,364,411	806	2,143,193	806	2,187,593	43	44,400		2.0%
Total Expenses/Obligations	1,651	2,937,553	1,874	2,896,207	1,874	2,956,207	100	60,000		2.0%
Net Results		755,781		506,800		486,986		-19,814		-4.1%

Coin Shipments (Units In Millions/Coins)	FY 2015	FY 2016	FY 2017	% Change
Circulating:				
One Cent	9,155	9,250	9,700	4.9%
5-Cent	1,477	1,400	1,500	7.1%
Dime	2,874	2,900	2,900	0.0%
Quarter	2,645	2,700	2,800	3.7%
Half-Dollar	-	-	-	0.0%
Dollar	-	-	-	0.0%
Total Circulating	16,151	16,250	16,900	4.0%

Budget Category	FY 2015	FY 2016	FY 2017	% Change
	Actual	Estimated	Estimated	
Administrative Operating Costs	332,757	\$405,739	\$405,707	-0.01%
Capital Investments	\$29,311	\$30,468	\$40,500	32.9%
Metals and Materials Costs	\$2,575,485	\$2,460,000	\$2,510,000	2.0%
Total Resources	\$2,937,553	\$2,896,207	\$2,956,207	2.1%

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); promoting the efficient use of resources through shared services, strategic sourcing, streamlined business processes, and accountability (5.3); and creating a culture of service through the 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 2017 Priorities

- i. Circulating Program -- Efficiently and effectively mint and issue approximately 16.9 billion circulating coins in Fiscal Year (FY) 2017 to meet the needs of the United States.
- ii. Numismatic Program:
 - a. Bullion Products – Mint and issue bullion coins to meet customer demand efficiently and effectively.
 - b. 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.

Context

The Mint operations are 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 as non-budgetary amounts or capital transfers. Non-budget amounts consist of seigniorage (the net income from circulating operations) which in the Federal budget is used to reduce the government's need to borrow. The net income from numismatic program operations, including bullion coin program operations, is recorded as budgetary offsetting collections in the Federal budget, and is available to be used to fund other Federal Government operations and programs.

The Mint's budget collections 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 adjusts as the necessary resources are engaged to fulfill prevailing demand. The vast majority (approximately 85 percent in FY 2017) 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 2017 circulating coin production projections are based on current economic data and forecasts of FRB coin orders. Circulating coin production for FY 2017 is forecasted at 16.9 billion coins. This level reflects increases in all coin denomination shipments in FY 2017 as compared to 16.2 billion shipped in FY 2015, which was an increase of 24 percent over FY 2014. A notable increase in quarter-dollar coin shipments of 57 percent increased the amount of seigniorage generated by this denomination in FY 2015.

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 incurs from minting and issuing pennies and nickels.

Research and development of alternative metallic materials for circulating coinage supports Treasury's progress in the strategic objective to facilitate commerce by providing trusted and secure U.S. currency, products, and services for use by the public (1.4). The Coinage Modernization, Oversight and Continuity Act of 2010 (Public Law 111-302) requires a biennial report to Congress on the Mint's production costs and analysis of the research into alternatives. The final report is due to Congress in December 2016.

Numismatic Program

The numismatic program, which includes bullion coins, is designed to prepare and distribute premium products to collectors and those who desire quality versions of coinage. Numismatic products are priced to cover metal and production costs. The Mint has implemented strategies such as the implementation of a new order management system 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 FY 2015, the bullion coin program revenue and net income increased 17 percent. This is the result of an increase in demand for both gold and silver bullion products. In FY 2016, bullion demand is expected to decline to 43.7 million ounces from the 49.7 million ounces sold in FY 2015, and continue to decrease to 40.7 million ounces in FY 2017. FY 2017 gold and silver prices are forecasted to increase by four percent and seven percent, respectively. The forecasted increase in metal prices will help offset the decrease in forecasted demand. As a result, bullion revenue is forecasted at \$1.8 billion in FY 2016 and expected to remain at that level in FY 2017.

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

Numismatic (Collector Coins and Medals)

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. The priorities for this program are to increase the 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 2015 revenue decreased by 10 percent to \$453 million from \$504 million in FY 2014. The decrease was driven primarily by eight percent and 20 percent decreases, respectively, in gold and silver prices, as well as a five percent decrease in total units sold, from 5.7 million in FY 2014 to 5.4 million in FY 2015. In FY 2016 and FY 2017, the numismatic budget includes a maximum sales level of 5.5 million each year. FY 2016 and FY 2017 revenues are projected to be \$467 million and \$482 million, respectively.

Section 2 – Budget Adjustments and Appropriation Language

The Mint’s FY 2017 budget request includes resource requirements for increased circulating coin demand. Circulating coin production for FY 2016 is forecasted at 16.3 billion, a slight increase over the 16.2 billion coins shipped in FY 2015. FY 2017 is forecasted to moderately increase to 16.9 billion.

2.1 – Budget Adjustments Table

Dollars in Thousands

United States Mint	FTE	Materials	Operating & Capital	Total
FY 2016 Estimate	1,774	\$3,171,100	\$424,207	\$3,595,307
Adjustments to Estimate	100	(\$711,100)	\$12,000	(\$699,100)
Labor and Overhead Due to Forecasted Increase in Circulating Coin Production	100	\$0	\$12,000	\$12,000
Metal Due to Forecasted Decrease in Numismatic and Bullion Coin Production	0	(\$711,100)	\$0	(\$711,100)
FY 2016 Revised Estimate	1,874	\$2,460,000	\$436,207	\$2,896,207
Changes to Base				
Maintaining Current Levels (MCLs)	0	\$0	\$6,791	\$6,791
Pay-Raise	0	\$0	\$2,079	\$2,079
Pay Annualization	0	\$0	\$691	\$691
Non-Pay	0	\$0	\$4,021	\$4,021
Efficiency Savings	0	\$0	(\$6,791)	(\$6,791)
Absorb MCLs	0	\$0	(\$6,791)	(\$6,791)
Subtotal Changes to Base	0	\$0	\$0	\$0
Total FY 2017 Base	1,874	\$2,460,000	\$436,207	\$2,896,207
Program Changes				
Program Increases	0	\$50,000	\$10,000	\$60,000
Capital Limit Increase	0	\$0	\$10,000	\$10,000
Metal Due to Forecast Increase in Circulating Coin Production	0	\$40,000	\$0	\$40,000
Metal Due to Forecast Increase in Numismatic and Bullion Coin Production	0	\$10,000	\$0	\$10,000
Subtotal Program Changes	0	\$50,000	\$10,000	\$60,000
Total FY 2017 Request	1,874	\$2,510,000	\$446,207	\$2,956,207

2A – Budget Increases and Decreases Description

Adjustment to Request **-\$699,100,000 / +0 FTE**
Labor and Overhead Due to Forecasted Increase in Circulating Coin Production +\$12,000,000 / +100 FTE

In FY 2016, the Mint forecasts coin demand to increase to 16.3 billion coins annually. To meet the growth in demand, Mint operations require increased resources of \$12.0 million for items such as labor (direct), freight, utilities, and supplies. As a result of increased coin demand, FTEs are returning to the former level of 1,874. Previously, the Mint’s FY 2016 budget identified a reduction of 100 FTEs, which was the result of a staffing review that identified reduced workforce needs. Subsequently, the significant increase in coin demand has precipitated the need to restore FTEs for coin production.

Metal Due to Forecasted Decrease in Numismatic and Bullion Coin Production -\$711,100,000 / +0 FTE

The FY 2016 budget request includes funding adjustments that support current coin demand projections. While circulating coin demand has increased, both numismatic and bullion demand has decreased. Coupled with the decline in metal prices, specifically precious metal (gold, silver, and platinum), the combined result is an overall decrease in metal funding from the FY 2016 President's Budget.

Maintaining Current Levels (MCLs) +\$6,791,000 / +0 FTE

Pay-Raise +\$2,079,000 / +0 FTE

Funds are required for the proposed January 2017 pay-raise.

Pay Annualization +\$691,000 / +0 FTE

Funds are required for annualization of the January 2016 pay-raise.

Non-Pay +\$4,021,000 / +0 FTE

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

Efficiency Savings -\$6,791,000 / +0 FTE

Operational Cost Savings -\$6,791,000 / +0 FTE

The Mint will absorb annual inflationary costs within the current operating budget by effective cost management across all departments within the Mint. The Mint will continue efforts in position management control, such as holding vacant non-direct positions for specific time periods, which will generate salary savings. In addition, discretionary spending will be held to the FY 2016 level and Mint activities will be prioritized to ensure that operating costs are maintained. The Mint is committed to keeping costs down and continues to employ cost savings strategies whenever practicable.

Program Increases +\$60,000,000 / +0 FTE

Capital Limit Increase +\$10,000,000 / +0 FTE

The Mint's investments in capital are a critical part of regular manufacturing operations. As coin demand from the FRB increases, the Mint's need for capital investments becomes more critical. The current limitation of \$20 million for circulating and protection capital is below the amount needed to meet capital investment requirements.

Capital legislation, which has been in place since FY 2002, regulates the amount of circulating and protection capital the Mint can spend annually. During that first fiscal year, the capital limit was \$43 million. Today, the current limit is reduced to \$20 million.

The legislative limit is linked to the annual depreciation level, which has been the unofficial baseline since 2002. Since the capital limit is linked to depreciation, the limit has decreased over time as the depreciation level declines. Fewer capital purchases were made in prior years due to cost savings efforts during times of low coin demand (2007 – 2010). This in turn caused lower depreciation levels for capital spending authority. As a result, capital needs during a period of high FRB demand are not able to be fully met.

The bureau has identified an urgent need to increase its legislative limit by \$10 million. This will raise the current limit from \$20 million to \$30 million beginning in FY 2017. The increased capital limit will allow the Mint to execute a comprehensive capital investment strategy that focuses on safety, equipment replacements, protection, and facility improvements.

Metal Due to Forecast Increase in Circulating Coin Production +\$40,000,000 / +0 FTE

The Mint forecasts that demand for circulating coins will remain strong in FY 2016 and 2017, at 16.3 billion coins and 16.9 billion coins, respectively. To meet the growth in demand, a \$40 million increase for metal purchases is required.

Metal Due to Forecast Increase in Numismatic and Bullion Coin Production +\$10,000,000 / +0 FTE

The Mint forecasts that the FY 2017 demand for numismatic coins will experience a slight growth of \$20 million, or seven percent from the FY 2016 projected level. Conversely, bullion coin demand is projected to decline with the increase of interest rates expected to take place in late FY 2015 or early FY 2016. The Mint forecasts that the FY 2017 bullion coin production cost will be \$10 million or 0.6 percent lower than the FY 2016 projected level. The net effect of the projected increase in numismatic coin production and the decrease in bullion coin production is a \$10 million increase in required metal purchases.

2.2 – Operating Levels Table

Dollars in Thousands

United States Mint Object Classification	FY 2015 Actual	FY 2016 Estimated	FY 2017 Estimated
11.1 - Full-time permanent	126,592	149,610	149,610
11.3 - Other than full-time permanent	917	161	161
11.5 - Other personnel compensation	15,540	12,729	12,729
11.9 - Personnel Compensation (Total)	143,049	162,500	162,500
12.0 - Personnel benefits	44,588	52,854	52,854
13.0 - Benefits for former personnel	368	1,019	1,019
Total Personnel and Compensation Benefits	\$188,004	\$216,373	\$216,373
21.0 - Travel and transportation of persons	1,589	1,897	2,649
22.0 - Transportation of things	34,959	29,093	29,002
23.1 - Rental payments to GSA	449	449	449
23.2 - Rental payments to others	14,205	14,251	14,196
23.3 - Communication, utilities, and misc charges	12,699	16,903	16,858
24.0 - Printing and reproduction	1,393	1,556	1,550
25.1 - Advisory and assistance services	26,583	33,889	33,762
25.2 - Other services	13,898	37,696	37,555
25.3 - Other purchases of goods & serv frm Govt accounts	19,365	20,427	20,351
25.4 - Operation and maintenance of facilities	6,479	3,197	3,185
25.5 - Research and development contracts	391	1,920	1,913
25.7 - Operation and maintenance of equip	6,968	7,917	7,887
26.0 - Supplies and materials	3,753	17,970	17,928
26.7 - Raw Materials	2,575,485	2,460,000	2,510,000
31.0 - Equipment	22,000	20,812	30,734
32.0 - Land and structures	9,333	11,858	11,815
Total Non-Personnel	2,749,549	2,679,834	2,739,834
Total Budgetary Resources	\$2,937,553	\$2,896,207	\$2,956,207
Budget Activities:			
Manufacturing	\$2,937,553	\$2,896,207	2,956,207
Total Budgetary Resources	\$2,937,553	\$2,896,207	\$2,956,207
FTE	1,651	1,874	1,874

2B – Appropriations Language and Explanation of Changes

Appropriations Language	Explanation of Changes
<p data-bbox="207 268 995 373" style="text-align: center;">DEPARTMENT OF THE TREASURY UNITED STATES MINT PUBLIC ENTERPRISE FUND Federal Funds</p> <p data-bbox="207 415 995 787">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 [2016] 2017 under such section 5136 for circulating coinage and protective service capital investments of the United States Mint shall not exceed [\$20,000,000] \$30,000,000.</p>	<p data-bbox="1029 380 1411 632">The increased capital limit will allow the Mint to execute a comprehensive capital strategy that focuses on safety, equipment replacements, protection, and facility improvements.</p>

2C – Legislative Proposals

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

This legislative proposal 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. Approval of this proposal would allow the Mint to mint and issue numismatic versions of 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.

Section 5112(r)(5) of Title 31, United States Code, is amended by inserting “for circulation” after both instances of “minted and issued.”.

Section 3 – Budget and Performance Plan

3A – Manufacturing

(\$2,956,207,000 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, 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. 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 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). 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 National Monument (Statue of Liberty) (New Jersey), and George Rogers Clark National Historical Park (Indiana).

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 2016, the Mint will release Presidential \$1 Coins honoring Presidents Richard M. Nixon, Gerald R. Ford, and Ronald Reagan. The Presidential \$1 Coin Program ends in 2016. The Mint will also 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. 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 2016, the Mint is scheduled to mint commemorative coins in two programs: one to honor the literary and educational legacy of Mark Twain and the other to commemorate the 100th anniversary of the establishment of the United States National Park Service. In FY 2017, the Mint has authorization to mint two commemorative coins: the Lions Club International Commemorative Coin (Public Law 112-181) and the Boys Town Centennial Commemorative Coins (Public Law 114-30).

Total Budgetary Requirements (*all programs*)

In FY 2017, the United States Mint's total estimated budgetary requirements for operating, metal, and capital investments are \$2,956 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 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."

By the end of FY 2015, seigniorage per dollar issued was \$0.49, above the FY 2015 performance target of \$0.24. Performance results are exceeding the target mainly due to a 57 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 also contributed to the improved performance.

FY 2016 and FY 2017 seigniorage per dollar issued and overall seigniorage are expected to increase compared to the original FY 2015 target. This is because projected quarter-dollar coin orders, which generate more seigniorage compared to lower-value denominations, are expected to increase. The performance target for seigniorage per dollar issued is \$0.47 in FY 2016 and \$.46 in FY 2017.

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."

By the end of FY 2015, the CSI reached 89.5 percent, falling just below the target of 90.0 percent. There was a drop in the CSI immediately following the conversion to the new order management system. The performance target for CSI is 90.0 percent for FY 2016 and FY 2017. The Mint anticipates the FY 2016 and 2017 CSI ratings to improve from the FY 2015 rating as customers became more familiar and comfortable with the new system.

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."

By the end of FY 2015, the total recordable case rate was 3.42, which is above the 2.96 target but significantly below the industry average rate of 5.9 for metal forging and stamping manufacturers.

The performance target for safety incident recordable rate is 2.91 for FY 2016 and 2.82 for FY 2017. During FY 2015, the Mint set a goal to become world-class in safely operating its facilities and optimizing their environmental footprint. To help achieve this goal, the Mint established an office of Environmental Safety and Health. During FY 2015, the Mint completed a baseline audit of each facility and implemented risk management guidelines to prioritize resources and mitigate risk in advance of injuries or catastrophic events.

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 2015, the Mint sold 5.4 million units, which is five percent below the fiscal year target of 5.6 million units. The primary driver for this shortfall was lower customer demand for commemorative coins. In FY 2014 the Mint released several popular high-volume products such as the National Baseball Hall of Fame Commemorative Coins. Sales volume fell because there were no correspondingly popular products sold during FY 2015 to replace the previous year's demand. Demand for annual recurring sets also continues to decline. This also contributed to the Mint not meeting its FY 2015 target.

In FY 2016, a loss in unit sales of two very popular products – The American Eagle Silver (AE) dollar coins – is anticipated. The passage of the “Fixing America’s Surface Transportation Act” or the “FAST Act” (Public Law 114-94) includes a provision affecting the 2016 AE coin sales. Proof and Uncirculated versions of the AE bullion coins issued in 2016 shall have a smooth-edge incused with a designation that notes the 30th anniversary of the first issue of the coins. The bureau estimates that deliveries of 2016 AE coins will begin in July 2016. The result is that the Mint will lose six months of AE coin sales in FY 2016. In addition, the Presidential \$1 Coin Program and its associated products generate one million unit sales each year. In 2016, the last year of this statutory program, the Mint commemorates three Presidents, Nixon, Ford, and Reagan; in previous years, four presidents were commemorated. As a result, the Presidential \$1 Coin Program is estimated to decline 20 percent in FY 2016.

In FY 2017, the AE coin program is expected rebound to previous sales levels; however, the Mint estimates a decline of 850,000 units because of the loss of the presidential dollar coin program.

As a result, this performance target has been established at 4.6 million units for FY 2016 and 4.1 million units for FY 2017. The Mint will continue 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 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
	Actual	Actual	Actual	Actual	Actual	Actual	Estimated	Estimated
Expenses/Obligations	\$3,624,483	\$4,623,384	\$3,806,838	\$3,525,178	\$3,891,773	\$2,937,553	\$2,896,207	\$2,956,207
Budget Activity Total	\$3,624,483	\$4,623,384	\$3,806,838	\$3,525,178	\$3,891,773	\$2,937,553	\$2,896,207	\$2,956,207

Measure	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2015	FY 2016	FY 2017
	Actual	Actual	Actual	Actual	Actual	Actual	Target	Target	Target
Customer Satisfaction Index (%)	86.1	91.7	90.0	92.6	89.8	89.5	90.0	90.0	90.0
Numismatic Sales Units (Million Units)	N/A	7.3	5.6	5.51	5.7	5.4	5.6	4.6	4.1
Safety Incident Recordable Rate	2.29	2.74	3.5	2.9	3.31	3.42	2.96	2.96	2.96
Seigniorage per Dollar Issued (\$)	.49	.45	.21	.24	.37	.47	.24	.47	.46

Key: DISC - Discontinued

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 safety, equipment replacement, protection, and facility 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 2015 Actuals	FY 2016 Estimated	FY 2017 Estimated
Non-IT Investments	\$27,636,582	28,158,000	38,375,000
IT Investments	\$1,674,650	2,310,000	2,125,000
Total Investments	\$29,311,232	\$30,468,000	\$40,500,000

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.