

United States Mint

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2014	FY 2015	FY 2016	FY 2015 TO FY 2016	
	Actual	Estimated	Estimated	\$ Change	% Change
Manufacturing	\$2,861,632	\$3,591,431	\$3,595,307	\$3,876	0.11%
Total Cost of Operations	\$2,861,632	\$3,591,431	\$3,595,307	\$3,876	0.11%
FTE¹	1,661	1,874	1,774	(100)	-5.34%

¹Aligns FTE with historical usage levels and production requirements

Summary

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).

Since FY 1996, the United States Mint has been operating under the United States Mint's Public Enterprise Fund (PEF). As authorized by Public Law 104-52 (31 U.S.C. § 5136), the PEF makes amounts available without further appropriation. Proceeds from the sales of circulating coins to the Federal Reserve Banks and numismatic items to the public are the source of funding for operations. Both operating expenses and capital investments are associated with the production of circulating and numismatic coins and coin-related products. Revenues in excess of amounts required by the PEF are transferred to the United States Treasury General Fund.

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.

The United States Mint's key priorities for FY 2016 include:

- Circulating - Efficiently and effectively mint and issue circulating coins in FY 2016 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.
- Protection - Secure the Nation's gold reserves, silver reserves and other assets.

FY 2016 United States Mint estimated total revenues are \$3,839,982,000, total expenses are \$3,595,307,000, of which \$30,468,000 are for capital investments, and net results are \$244,675,000 in earnings.

US Mint FY 2016 Budget Highlights

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	1,774	\$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	1,774	\$3,171,100	\$424,207	\$3,595,307

FY 2016 Budget Adjustments

Adjustments to Estimates

Maintaining Current Level (MCLs)

***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 2014 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

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

***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. To meet the growth in demand, a \$2.9 million increase for metal purchases is required.

Explanation of Budget Activities

***Manufacturing* (\$3,595,307,000 from revenue/offsetting collections)**

The Mint has one budget activity: manufacturing. This budget activity encompasses the bureau's two major programs: circulating coinage and numismatic coin products including bullion coins and national medals.

Circulating Coinage Program

Circulating coinage includes the penny, nickel, dime, and quarter-dollar coins.

The United States Mint delivers circulating coinage to the Federal Reserve Banks at face value for subsequent distribution to the

commercial banking system as required to transact commerce.

The Mint will continue to mint and issue 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 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).

Numismatic Program

Bullion Coin Program

The United States Mint produces bullion coins under American Eagle, American Buffalo, and America the Beautiful Silver Bullion Coin Programs to fulfill investor demand. Bullion coins are largely bought by precious metal dealers and sold to consumers who desire precious metals as part of an investment portfolio. The demand for bullion coins is greatly influenced by the performance of other investment options, such as equities markets 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 United States Mint produces and distributes numismatic products, including proof and uncirculated versions of coins, 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 Numismatic Program includes the American Eagle Program, the American Buffalo Program, the America the Beautiful Quarters Program, the Presidential and Native American \$1 Coin Programs, recurring programs, and commemorative coins and medals.

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). The Mint will release in 2016 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).

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

Legislative Proposals

Mint proposes three legislative changes, two of which are from the FY 2015 President's Budget. The proposals are: the Coinage Materials Modernization Act (CMMA), Eliminate the 20 percent requirement in the Native American \$1 Coin Act, and the Silver Proof Set Coin Composition proposal.

US Mint Performance by Budget Activity

Budget Activity	Performance Measure	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
		Actual	Actual	Actual	Target	Target
Manufacturing	Customer Satisfaction Index (%)	90.0	92.6	89.8	90.0	90.0
Manufacturing	Numismatic Sales Units (Million Units)	5.6	5.51	5.7	5.6	5.6
Manufacturing	Safety Incident Recordable Rate	3.5	2.9	3.31	2.96	2.96
Manufacturing	Seigniorage per Dollar Issued (\$)	.21	.24	.37	.24	.24

Description of Performance

Customer Satisfaction Index (CSI)

The Mint conducts a quarterly Customer Satisfaction Measure Tracking Survey among a random sample of active numismatic customers. The survey is intended to capture customer satisfaction with the United States Mint's service and product quality. The CSI is a quantitative score of survey results. The United States Mint's CSI reached 89.8 percent in FY 2014, below the target of 90.0 percent.

Numismatic Sales Units

The numismatic sales units metric indicates the number of coin products sold to the public from numismatic operations. It quantifies the demand for the Nation's official numismatic products. Numismatic sales units totaled 5.7 million in FY 2014, exceeding the target of 5.4 million units. . The increase mainly resulted from the sale of new products, such as the National Baseball Hall of Fame Commemorative Coins and the 50th Anniversary Kennedy Half-Dollar products.

Safety Incident Recordable Rate

Safety incident recordable rate is the number of injuries and illnesses meeting the Occupational Health and Safety Administration recording criteria per 100 full-time workers. The safety incident recordable rate was 3.31 recordable injuries and illnesses per 100 full-time workers in FY 2014, above the 3.05 target but below the industry average

rate of 6.8 for forging and stamping manufacturers.

Seigniorage per Dollar Issued

Seigniorage is the financial return on circulated coinage shipped to the FRB and the public. It measures the cost-effectiveness of the United States' circulating coinage. Seigniorage per dollar issued was \$0.37 in FY 2014, above the performance target of \$0.24. Results exceeded the target mainly due to increased FRB demand, lower costs than forecast for metals and reduced general and administrative expenses.