

FY 2023

CONGRESSIONAL BUDGET JUSTIFICATION

OFFICE OF WORKERS' COMPENSATION PROGRAMS

OVERVIEW

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OFFICE OF WORKERS' COMPENSATION PROGRAMS

TABLE OF CONTENTS

Overview..... 1
Organization Chart..... 5

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OFFICE OF WORKERS' COMPENSATION PROGRAMS

OVERVIEW

The mission and vision of the Department of Labor's (DOL) Office of Workers' Compensation Programs (OWCP) are:

- To protect the interests of workers who are injured or become ill on the job, their families and employers, by making timely, appropriate, and accurate decisions on claims, providing prompt payment of benefits, and helping injured workers to return to gainful work as early as is feasible.
- To be an innovative leader in the delivery of benefits and a responsible steward of the resources entrusted to us, as well as be respected and relied upon by those who depend upon us for their health and economic well-being.

As a result of job-related injury or illness, workers covered by OWCP are faced with potentially devastating economic, health, and other personal costs. These costs arise from interruption of income while out of work; loss of income if permanently disabled and unable to work or, for survivors, due to death of the employee; temporary or permanent reduced capacity to return to work; temporary or permanent dislocation from prior employment; reduced capacity to find new employment; and the need for ongoing medical care.

OWCP administers four Federal compensation statutes providing benefits and responsibly administers the benefit funds authorized for these purposes:

- The Federal Employees Compensation Act (FECA) Program is administered by the Division of Federal Employees', Longshore and Harbor Workers' Compensation (DFELHWC) and provides wage-loss compensation, medical treatment, return-to-work assistance and vocational rehabilitation to civilian employees of the Federal Government injured at work and to certain other designated groups.
- The Longshore Program is administered by DFELHWC and oversees the delivery of benefits by private sector employers and insurance carriers to injured workers engaged in certain maritime and related employment. Longshore also administers the provisions of the Defense Base Act (DBA), which covers civilian contractors working overseas.
- The Black Lung Program is administered by the Division of Coal Mine Workers' Compensation (DCMWC) and provides monetary compensation and medical benefits to coal miners totally disabled by pneumoconiosis (black lung disease) stemming from mine employment, and monetary benefits to their dependent survivors.
- The Energy Workers Program is administered by the Division of Energy Employees Occupational Illness (DEEOIC) and provides compensation and medical benefits to employees or survivors of employees of the Department of Energy (DOE), and contractors or subcontractors with DOE who have been diagnosed with cancer due to exposure to radiation, chronic beryllium disease, beryllium sensitivity, chronic silicosis or any occupational illnesses that are causally linked to toxic exposures in the DOE or uranium mining, milling and ore transporting work environments.

OFFICE OF WORKERS' COMPENSATION PROGRAMS

OWCP's national office consists of the OWCP Director, Deputy Director and Chief of Staff, and the directors and staff of the four compensation programs and two administrative divisions.

The funding accounts managed by OWCP include:

- **Salaries and Expenses (S&E) Federal Programs for Workers' Compensation (FPWC):** Provides funding, through direct appropriation and transfers from Trust Funds, for the administration of DFELHWC's FECA Program, DFELHWC's Longshore Program, OWCP's administration of the Black Lung Disability Trust Fund (BLDTF), and DCMWC's administration of claims filed under Part C of the Black Lung Benefits Act (BLBA).
- **Special Benefits (SB):** Finances payments to Federal civilians for work-related injuries and illnesses; and to Longshore and Harbor Workers and their dependents for work-related injuries and illnesses sustained prior to November 26, 1972, pursuant to Longshore and Harbor Workers' Compensation Act Section 10(h). Under legislative amendments of the FECA, benefits are also paid to certain groups such as War Hazards claimants, non-Federal law enforcement officers, Job Corps enrollees, and certain federally supported volunteers. The Special Benefits account also provides for DFELHWC program administration using "Fair Share" funds collected pursuant to FECA Section 8147 (c).
- **Special Benefits for Disabled Coal Miners (SBDCM):** Finances income maintenance to miners suffering from Black Lung disease and eligible survivors for claims filed under Part B of the BLBA between December 30, 1969, and June 30, 1973, and associated administrative costs.
- **Energy Employees Occupational Illness Compensation Program Act (EEOICPA):** Part B and Part E funding provides compensation to DOE employees and their survivors, as well as contractors and their survivors, for illness or death stemming from work in the DOE nuclear weapons complex. Funding is also provided for the associated administrative costs of the program.
- **Black Lung Disability Trust Fund (BLDTF):** Established under the Black Lung Benefits Reform Act of 1977 to provide for payment of Part C benefits (monetary payments and medical benefits to miners suffering from totally disabling Black Lung disease and monetary payments to eligible survivors) when no coal mine operator can be held liable, administrative expenses, and interest on repayable advances.
- **The Panama Canal Commission (PCC) Compensation Fund:** Established to provide for the accumulation of funds to meet the Commission's Federal Employees Program workers' compensation obligations that extend beyond the dissolution of the PCC on December 31, 1999, under the Panama Canal Treaty of 1977. This Fund was established in conjunction with the transfer of the administration of the Federal Employees Program from the Commission to DOL (OWCP) effective January 1, 1989.
- **The Special Workers' Compensation (SWC) Fund:** Consists of amounts received from employers pursuant to an annual assessment of the industry and for the death of an employee where no person is entitled to compensation for such death, and for fines and penalty

OFFICE OF WORKERS' COMPENSATION PROGRAMS

payments under the LHWCA, as amended. Fund expenses include benefit payments in second injury cases, costs for vocational rehabilitation services to injured workers, and benefits for cases involving insolvency or other circumstances precluding payment by the employer.

OWCP's FY 2023 requested administrative resources total \$420,834,000 and 1,508 FTE. The budget breakout is as below:

- \$143,772,000 and 792 FTE for DFELHWC in General Salaries & Expenses funding;
- \$2,205,000 and 6 FTE for DFELHWC in Longshore Trust funding;
- \$81,752,000 and 143 FTE for DFELHWC in SB Fair Share funding;
- \$42,194,000 and 150 FTE for DCMWC in funding transferred from the BLDTF;
- \$5,031,000 and 13 FTE for DCMWC in SBDCM funding;
- \$64,564,000 and 206 FTE for DEEOIC in EEOICPA Part B funding (\$780,000 and 2 of the requested FTE are for the Ombudsman); and
- \$81,316,000 and 198 FTE for DEEOIC in EEOICPA Part E funding (\$978,000 and 2 of the requested FTE are for the Ombudsman, and \$523,000 and 1 of the requested FTE are for the Advisory Board).

Equity in Budgeting

OWCP is committed to finding ways to make a thoughtful and intentional focus on equity a routine part of how the agency does business. Equity analyses should permeate every aspect of the OWCP business process both internally and in our dealings with stakeholders. Achieving this goal will take time, effort, self-awareness, and persistent attention.

The development of meaningful metrics and effective programs requires careful attention to incentive structures, impediments to achieving desired goals, and possible unintended consequences. We have just begun that process. As we drive towards supporting the Department's Agency Priority Goal of advancing racial equity and supporting underserved communities, we initially plan to focus on three core areas: external outreach, program accessibility and inclusion, and equitable administration and operations.

Pandemic Supplemental – COVID-19

American Rescue Plan (ARP)

DFELHWC received \$30,265,074 and 183 FTE in ARP supplemental funding in FY 2021 for worker protection activities related to the health and economic crisis caused by the coronavirus pandemic. The ARP supplemental funding provides \$24,100,000 in FTE costs, \$4,100,000 in Information Technology (IT) development costs, and \$2,065,074 in departmental administrative services (Office of Human Resources, Office of the Chief Information Officer, Procurement) costs.

OFFICE OF WORKERS' COMPENSATION PROGRAMS

The FTE manage the increased caseload associated with COVID-19 claims and includes claims examiners, supervisors, quality assurance and mentoring examiners, and technical assistance staff.

IT development resources will support the establishment of an entirely new rubric for COVID-19 claims processing, requiring enhancements to our legacy case management desktop application (IFECS), new COVID specific forms filing procedures and options in our web portal (ECOMP), and an intelligence-driven COVID Analytics business processing dashboard and reporting tool. To ensure quality of COVID-19 claims adjudication and ancillary transactions, OWCP will also create a web-based auditing and quality assurance tracking system, all of which will be integrated into the ECOMP platform.

State Worker's Compensation

In 1970, Congress created the National Commission on State Worker's Compensation Laws to undertake "a comprehensive study and evaluation of State workmen's compensation laws in order to determine if such laws provide an adequate, prompt, and equitable system of compensation." The Department of Labor conducted its last review of compliance with the National Commission's recommendations in the 2004 and 2016 special summary reports, after which federal tracking of state workers' compensation programs stopped.

OWCP proposes to reinstate the monitoring of the state workers' compensation program data, and beginning in 2024 will begin to produce an annual report on changes to state workers' compensation programs in order to determine the effect that changes to state workers' compensation laws have had on federal programs. OWCP will also issue some ad hoc reports related to federal workers' compensation issues.

OFFICE OF WORKERS' COMPENSATION PROGRAMS

ORGANIZATION CHART

