

## FSOC Budget Information

### Actual FY 2011 FSOC Expenses & Estimated FSOC Expenses for FY 2012

Category	FY2011 Actual	FY2012 Estimated Budget
<i>Human Capital Total</i>	<i>\$2,020,569</i>	<i>\$5,563,000</i>
Salary & Benefit	\$1,014,542	\$3,610,000
Other Support	\$1,006,028	\$1,953,000
<i>Information Technology Total</i>	<i>\$813,015</i>	<i>\$1,470,000</i>
Records System	\$668,413	\$550,000
Data / General IT / Website	\$144,602	\$920,000
<i>Administrative Total</i>	<i>\$57,146</i>	<i>\$1,217,000</i>
Space	\$4,312	\$700,000
FSOC Meetings/Supplies	\$9,147	\$97,000
General Administrative Costs	\$43,687	\$420,000
<b>Total</b>	<b>\$2,890,731</b>	<b>\$8,250,000</b>

#### Fiscal Year 2011

- FSOC projected 17 employees by the end of FY 2011, while FSOC's current headcount is 13 with 3 detailees.
- During its first year, FSOC was able to lower IT expenses and had lower salary expenses due to staggered onboarding and support from FSOC member agencies.

#### Fiscal Year 2012

- FSOC is expected to be supported by 24 employees by the end of FY 2012. The composition of employees will include administrative, legal, and policy support of the Council. As FSOC continues to develop it is expected that there may be a need for additional staffing, which would require a supplemental budget request during 2012.
- FSOC will support the salaries and expenses of the Independent Insurance Member, and 3 support staff.
- IT Support: FSOC will continue to have developmental expenses for its records management systems and website design.
- Administrative Costs include funding for rent, travel, training, and other expenses.

## **Funding and Governance of FSOC Budget**

Under Section 118 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Act), “any expenses of the Council shall be treated as, and paid by, the Office of Financial Research.” Under Section 155 of the Act, the Office of Financial Research (OFR) and therefore the FSOC will be funded by transfers from the Federal Reserve for the first two years after enactment. After two years, the statute stipulates that expenses of OFR and therefore FSOC will be funded through assessments on bank holding companies with greater than \$50B in assets and nonbank financial companies supervised by the Federal Reserve. Assessments will be set through regulation by the Treasury Secretary, with the approval of the Council.

Pursuant to section 3(a)(3)(B)(i) of the FSOC’s Rules of Organization, the budget for the FSOC shall be proposed by the Chairperson and shall be adopted as the annual budget of the FSOC upon an affirmative vote of the majority of the voting members then serving. The Rules of Organization also state that the first annual budget shall be proposed for the FSOC no later than November 30, 2010. Under 3(a)(3)(A) of the FSOC’s Rules of Organization, the FSOC shall periodically review the expenses of the FSOC and the Chairperson shall submit a report of expenses no later than September 1 of each year.

## **FDIC Reimbursement Under Section 210(n)(10) of the Dodd-Frank Act**

<b>FDIC Reimbursement Period</b>	<b>Expenses included in FY 2012</b>
July 22, 2010 – June 30, 2011	<b>\$4,715,954</b>

Section 210(n)(10) of the Dodd-Frank Act provides that certain reasonable implementation expenses of the FDIC incurred after the date of enactment of the Dodd-Frank Act shall be treated as expenses of the Council. The FDIC must periodically submit requests for reimbursement for implementation expenses to the Chairperson of the Council, who shall arrange for prompt reimbursement to the FDIC of reasonable implementation expenses. The expenses submitted by the FDIC to the Council for reimbursement cover the period of July 22, 2010 through June 30, 2011. The expenses incurred during this period are for rulewriting and resolution planning consistent with the FDIC's implementation of its responsibilities under Title II of the Dodd-Frank Act.