

FSOC Budget Information

FY 2012 Projected Actual Expenses & Proposed FY 2013 Budget for the FSOC Secretariat and the Independent Insurance Member

Category	FY 2012 Projected Actuals	FY 2013 Proposed Budget
<i>Labor Costs</i>	\$2,708,561	\$4,263,029
Salary & Benefits	\$2,708,561	\$4,263,029
<i>Non-Labor Costs</i>	\$3,321,820	\$4,455,000
Other Support	\$1,564,300	\$1,868,000
Data / Records System/General IT / Website	\$1,419,142	\$1,535,000
Space	\$266,627	\$600,000
FSOC Meetings/Supplies	\$6,751	\$97,000
General Administrative Costs	\$65,000	\$355,000
<i>FDIC</i>	\$4,715,954	\$6,654,409
Policies, Procedures, Rules, and Regulations to Implement Title II	\$1,927,747	\$2,240,802
Resolution Planning for Title II Implementation	\$2,788,207	\$4,413,607
Total	\$10,776,335	\$15,372,438

Fiscal Year 2012 Highlights

- FY2012 labor expenses were significantly under budget due to the timing of hiring staff for the Secretariat and the Independent Member's office.
- Most non-labor expenses were originally formulated without any prior year baseline and were heavily dependent on estimation.
- Lower than expected expenses related to the production of the annual report were incurred due to the support provided by member agencies' and Federal Reserve Bank staff.
- Some unrealized FY2012 planned expenses (new website, full deployment of the records system, space build-out) have been deferred to FY2013.

Fiscal Year 2013 Highlights

- The FY 2013 budget includes \$805,000 in labor costs and \$585,000 in non-labor costs for the Independent Insurance Member.
- Labor and benefits have been calculated based on actual grade/step levels of current and planned staff. Budget assumes a total of 24 FTE for the Secretariat, and 5 FTE for the Independent Member by the end of FY2013.
- Additionally, non-labor costs have been aligned more closely to FY2012 actuals for space, records systems, DO reimbursable agreements, and general administrative costs.
- The budget increase for FDIC reimbursement expenses reflects the ramp-up of activities performed by the FDIC that are eligible for reimbursement.

Funding and Governance of Council 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 expenses of, 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 of the Council, are funded through assessments applicable to bank holding companies with total consolidated assets of \$50 billion or greater and nonbank financial companies supervised by the Federal Reserve. The Treasury Secretary has established, by regulation, and with the approval of the Council, an assessment schedule.

Pursuant to section 3(a)(3)(B)(ii) of the Council’s Rules of Organization, the Chairperson shall propose an annual budget for the Council, which upon an affirmative vote of a majority of the voting members then serving shall be adopted as the annual budget of the Council. Under 3(a)(3)(A) of the Council’s Rules of Organization, the Council shall periodically review the expenses of the Council, and the Chairperson shall provide a report of expenses to the Council no later than September 1 of each year.

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

FDIC Reimbursement Period	Expenses included in FY 2012	Expenses included in FY 2013
July 22, 2010 — June 30, 2011	\$4,715,954	
July 1, 2011 — Jun 30, 2012		\$6,654,409

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 1, 2011 through June 30, 2012. 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.