Financial Stability Oversight Council
Fiscal Year 2024 Budget Information

FY2023 Projected Actual Expenses and Proposed FY2024 Budget for the Financial Stability Oversight Council (Council) Secretariat and the Office of the Independent Member (OIM)

Funding and Governance of Financial Stability Oversight Council Budget

Under Section 118 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank 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 Dodd-Frank Act, expenses of the Office of Financial Research (OFR), and therefore of the Council, are funded through assessments applicable to certain bank holding companies and nonbank financial companies supervised by the Board of Governors of the Federal Reserve System. 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 section 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.

Budget and Expenditures for the Council Secretariat and OIM

	FY2023		FY2024
Category	**Approved Budget**	**Projected Actuals**	**Proposed Budget**
Labor Costs	***$7,805,000***	***$5,139,122***	***$9,085,000***
Salary & Benefits	$7,805,000	$5,139,122	$9,085,000
Non-Labor Costs	***$5,625,314***	***$4,511,024***	***$5,101,569***
Other Support	$4,138,500	$3,253,309	$3,773,000
Data/Records System/General IT/Website	$993,750	$792,431	$778,000
General Administrative Costs	$393,064	$366,380	$400,569
Non-Recurring Lease & Alteration Costs	$100,000	$98,904	$150,000
Total	***$13,430,314***	***$9,650,146***	***$14,186,569***

Note: Labor costs in this table include expenses of the OIM totaling (i) approximately $843,000 in projected actual spending in FY2023 and (ii) approximately $875,000 in the FY2024 proposed budget to fund four FTEs. Certain non-labor costs attributable to the OIM are also included in this table.

Fiscal Year 2023 Highlights

- The projected actual expenditures for FY2023 represent 72 percent of the FY2023 approved budget. Lower-than-expected projected actual labor costs reflect longer-than-expected times for hiring and onboarding new staff and a greater focus on recruiting and hiring more junior-level staff. Half of all Secretariat hires in FY2023 onboarded in the fourth quarter of the fiscal year.
- The shortfall in FY2023 non-labor expenditures categorized as "Other Support" reflects fewer reimbursable external detailees than provided for in the budget.

Fiscal Year 2024 Highlights

- The proposed FY2024 budget includes an increase of approximately $756,255, or 5.6 percent, over the approved FY2023 budget.
- The FY2024 budget provides for the Council Secretariat and the OIM to increase their total staffing from the level approved for FY2023 of 44 FTEs to 49 FTEs. The five additional FTEs would be in support of the recently reestablished Council Analysis team and advancing the Council's work on financial market utilities, Treasury market resilience, climate-related financial risk, nonbank financial intermediation, and digital assets.

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

Category	FY2023 Approved Budget	FY2023 Actual Expenses	FY2024 Proposed Budget
Policies, Procedures, Rules, and Regulations to Implement Title II	$0	$0	$0
Institution-Specific Resolution Planning for Title II Implementation	$150,830	$150,830	$228,870
Non-Institution-Specific Resolution Planning for Title II Implementation	$2,759,606	$2,759,606	$2,972,561
Total	***$2,910,436***	***$2,910,436***	***$3,201,431***

Note: Section 210(n)(10) of the Dodd-Frank Act provides that reasonable implementation expenses of the FDIC relating to its responsibilities under Title II for the resolution of systemically important financial companies shall be treated as expenses of the Council. The FDIC must periodically submit requests for reimbursement of these expenses to the Chairperson of the Council, who shall arrange for prompt reimbursement of these expenses to the FDIC. Reimbursable FDIC expenses include those related to the development and adoption of Title II rules and regulations and Title II resolution planning activities, both institution-specific and non-institution-specific. Non-institution-specific resolution planning activities primarily involve the development of operational procedures for a Title II receivership, such as those related to receivership management, accounting and reporting, non-deposit claims, and cross-border coordination.

Fiscal Year 2023 Highlights

- The FY2023 budget was based on the FDIC's request for reimbursement of expenses incurred for the implementation of Title II for the period from July 1, 2021 through June 30, 2022. Actual FY2023 expenses were, therefore, identical to the FY2023 budget because the FDIC's reimbursement request was submitted to the Chairperson for review prior to the adoption of the Council's FY2023 budget.
- Actual FY2023 expenses primarily reflected the cost of FDIC staff time for employees who worked on reimbursable Title II activities.

Fiscal Year 2024 Highlights

- The proposed FY2024 budget is based on actual expenses incurred by the FDIC for the period from July 1, 2022, through June 30, 2023.
- As in prior years, the proposed FY2024 budget largely covers the cost of FDIC staff time for employees who worked on reimbursable Title II activities for the 12-month period ending June 30, 2023. The number of staff hours for Title II planning activities increased from 16,610 hours during the 12-month reimbursement period that ended on June 30, 2022, to 18,641 hours during the 12-month period that ended on June 30, 2023. These hours were spent primarily on non-institution-specific planning activities rather than planning for the resolution of individual companies. The increase in staff time directed toward Title II planning in the proposed FY2024 budget is smaller than the increase for the same in the FY2023 approved budget. In response to the increasing risk profile of certain large and complex insured depository institutions, FDIC staff focused more during the most recent reimbursement period on planning for the resolution of a large insured depository institution under the Federal Deposit Insurance Act than on the resolution of a systemically important financial company under Title II.