

Financial Stability Oversight Council Fiscal Year 2025 Budget Information

FY2024 Projected Actual Expenses and Proposed FY2025 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

Category	FY2024		FY2025
	Approved Budget	Projected Actuals	Proposed Budget
<i>Labor Costs</i>	\$9,085,000	\$7,816,931	\$9,655,000
Salary & Benefits	\$9,085,000	\$7,816,931	\$9,655,000
<i>Non-Labor Costs</i>	\$5,101,569	\$4,284,673	\$5,128,781
Other Support	\$3,773,000	\$3,431,353	\$4,027,500
Data/Records System/General IT/Website	\$778,000	\$540,783	\$539,000
General Administrative Costs	\$400,569	\$189,187	\$362,281
Non-Recurring Lease & Alteration Costs	\$150,000	\$123,350	\$200,000
Total	\$14,186,569	\$12,101,604	\$14,783,781

Note: Labor costs in this table include expenses of the OIM totaling (i) approximately \$841,000 in projected actual spending in FY2024 and (ii) approximately \$865,000 in the FY2025 proposed budget to fund four FTEs. Certain non-labor costs attributable to the OIM are also included in this table.

Fiscal Year 2024 Highlights

- The projected actual expenditures for FY2024 represent 85.3 percent of the FY2024 approved budget. Lower-than-expected projected actual labor costs reflect factors including timing issues in hiring and onboarding new staff. Lower-than-expected projected actual non-labor costs reflect shortfalls in data procurement expenses and in other general administrative expenses.

Fiscal Year 2025 Highlights

- The proposed FY2025 budget includes an increase of \$597,212, or 4.2 percent, over the approved FY2024 budget. In part, this reflects a 6.7 percent increase over the approved FY2024 budget for “other support,” in part arising from administrative costs associated with increased staffing levels compared to previous years.
- The FY2025 budget provides for the Council Secretariat and the OIM to maintain total staffing levels at the level approved for FY2024. Current staffing levels would continue to advance the Council’s work on Treasury market resilience, climate-related financial risk, nonbank financial intermediation, digital assets, financial market utilities, and other priorities.

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

Category	FY2024		FY2025
	Approved Budget	Actual Expenses	Proposed Budget
Policies, Procedures, Rules, and Regulations to Implement Title II	\$0	\$0	\$0
Institution-Specific Resolution Planning for Title II Implementation	\$228,870	\$228,870	\$212,030
Non-Institution-Specific Resolution Planning for Title II Implementation	\$2,972,561	\$2,972,561	\$3,945,289
Total	\$3,201,431	\$3,201,431	\$4,157,319

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 2024 Highlights

- The FY2024 budget was based on the FDIC's request for reimbursement of expenses incurred by the FDIC for the implementation of Title II for the period from July 1, 2022 through June 30, 2023. Actual FY2024 expenses were, therefore, identical to the FY2024 budget, because the FDIC's reimbursement request was submitted to the Chairperson for review prior to the adoption of the Council's FY2024 budget.
- Actual FY2024 expenses primarily reflect the cost of FDIC staff time for employees who worked on reimbursable Title II activities. The FDIC's reimbursable expenses increased somewhat from FY2023 to FY2024 as FDIC staff spent more time on Title II planning activities. The number of staff hours for Title II planning activities increased from 16,610 hours during the reimbursement period that ended on June 30, 2022, to 18,641 hours during the reimbursement period that ended on June 30, 2023.

Fiscal Year 2025 Highlights

- The proposed FY2025 budget is based on actual expenses incurred by the FDIC for the period from July 1, 2023, through June 30, 2024. It reflects an increase of \$955,888 (29.9 percent) from the FY2024 budget.
- The FDIC's reimbursement request again primarily reflects the cost of FDIC staff time for employees who worked on reimbursable Title II activities. During the 12-month reimbursement period ending June 30, 2024, the staff hours for reimbursable Title II planning activities increased 14.5 percent from the prior 12-month reimbursement period, with over 90 percent of those staff hours devoted to non-institution-specific planning activities and the remainder to institution-specific planning activities.