

# Financial Stability Oversight Council Fiscal Year 2026 Budget Information

## FY2025 Projected Actual Expenses and Proposed FY2026 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	FY2025		FY2026
	Approved Budget	Projected Actuals	Proposed Budget
<i>Labor Costs</i>	<b><i>\$9,655,000</i></b>	<b><i>\$7,282,598</i></b>	<b><i>\$7,030,000</i></b>
Salary & Benefits	\$9,655,000	\$7,282,598	\$7,030,000
<i>Non-Labor Costs</i>	<b><i>\$5,128,781</i></b>	<b><i>\$3,569,440</i></b>	<b><i>\$3,074,683</i></b>
Other Support	\$4,027,500	\$3,236,001	\$2,595,000
Data/Records System/General IT/Website	\$539,000	\$285,976	\$280,000
General Administrative Costs	\$362,281	\$47,463	\$199,683
Non-Recurring Lease & Alteration Costs	\$200,000	\$0	\$0
<b>Total</b>	<b><i>\$14,783,781</i></b>	<b><i>\$10,852,039</i></b>	<b><i>\$10,104,683</i></b>

Note: Labor costs in this table include expenses of the OIM totaling (i) approximately \$762,000 in projected actual spending in FY2025 and (ii) approximately \$720,000 in the FY2026 proposed budget to fund three FTEs. Certain non-labor costs attributable to the OIM are also included in this table.

### **Fiscal Year 2025 Highlights**

- The projected actual expenditures for FY2025 represent 73 percent of the FY2025 approved budget. Lower-than-expected projected actual labor costs reflect factors including staff attrition and a pause in hiring. Lower-than-expected projected actual non-labor costs are primarily attributable to lower costs for data procurement and for other general and administrative expenses.

### **Fiscal Year 2026 Highlights**

- The proposed FY2026 budget includes a decrease of \$4,679,098, or 32 percent, from the approved FY2025 budget. In part, this reflects a 27 percent decrease from the approved FY2025 budget for labor expenses, arising from a projected decrease in staffing levels compared to previous years.
- The proposed FY2026 budget also reflects a decrease of \$2,054,098, or 40 percent, in non-labor expenses from the FY2025 approved budget, coinciding with the lower projected staffing levels.

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

<b>Category</b>	<b>FY2025</b>		<b>FY2026</b>
	<b>Approved Budget</b>	<b>Actual Expenses</b>	<b>Proposed Budget</b>
Policies, Procedures, Rules, and Regulations to Implement Title II	\$0	\$0	\$671
Institution-Specific Resolution Planning for Title II Implementation	\$212,030	\$212,030	\$242,917
Non-Institution-Specific Resolution Planning for Title II Implementation	\$3,945,289	\$3,945,289	\$4,530,729
<b>Total</b>	<b>\$4,157,319</b>	<b>\$4,157,319</b>	<b>\$4,774,317</b>

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 implementation expenses to the Chairperson of the Council, who shall arrange for prompt reimbursement of reasonable implementation 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 2025 Highlights**

- The FY2025 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, 2023 through June 30, 2024. Actual FY2025 expenses were, therefore, identical to the FY2025 budget, because the FDIC's reimbursement request was submitted to the Chairperson for review prior to the adoption of the Council's FY2025 budget.
- Actual FY2025 expenses primarily reflect the cost of FDIC staff time for employees who worked on reimbursable Title II activities. The FDIC's reimbursable expenses increased from FY2024 to FY2025 as FDIC staff spent more time on Title II planning activities. The number of staff hours for Title II planning activities increased from 18,641 hours during the reimbursement period that ended on June 30, 2023 to 21,352 hours during the reimbursement period that ended on June 30, 2024 (an increase of 15 percent).

**Fiscal Year 2026 Highlights**

- The proposed FY2026 budget is based on actual expenses incurred by the FDIC for the period from July 1, 2024, through June 30, 2025. It reflects an increase of \$616,998 (15 percent) from the FY2025 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, 2025, the staff hours for reimbursable Title II planning activities totaled 23,520 hours, an increase of 10 percent from the prior 12-month reimbursement period, with around 92 percent of those staff hours devoted to non-institution-specific planning activities and the remainder to institution-specific planning activities.