

Financial Stability Oversight Council Fiscal Year 2027 Budget Information

FY2026 Projected Actual Expenses and Proposed FY2027 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 OIM¹

Category	FY2026		FY2027
	Approved Budget	Projected Actuals	Proposed Budget
<i>Labor Costs</i>	<i>\$7,030,000</i>	<i>\$4,762,324</i>	<i>\$6,195,000</i>
Salary & Benefits	\$7,030,000	\$4,762,324	\$6,195,000
<i>Non-Labor Costs</i>	<i>\$3,074,683</i>	<i>\$2,409,653</i>	<i>\$3,142,069</i>
Other Support	\$2,595,000	\$2,289,875	\$2,213,000
Data/Records System/General IT/Website	\$280,000	\$95,962	\$373,500
General Administrative Costs	\$199,683	\$23,815	\$175,569
Non-Recurring Lease & Alteration Costs	\$0	\$0	\$380,000
Total	<i>\$10,104,683</i>	<i>\$7,171,977</i>	<i>\$9,337,069</i>

Labor costs in this table include expenses of the OIM in the FY2027 proposed budget, totaling approximately \$520,000, to fund three FTEs. While labor costs in this table typically also include projected actual spending attributable to the OIM, no such spending occurred in FY2026. Certain non-labor costs attributable to the OIM are also included in this table.

Fiscal Year 2026 Highlights

- The projected actual expenditures for FY2026 represent 71 percent of the FY2026 approved budget. Lower-than-expected projected actual labor costs reflect factors including higher-than-expected staff attrition and delays in hiring, including within the OIM. 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 2027 Highlights

- The proposed FY2027 budget includes a decrease of \$767,614, or 8 percent, from the approved FY2026 budget.
- The proposed FY2027 budget for labor expenses, while 12 percent lower than the approved FY2026 labor budget, will allow the Secretariat to maintain the staffing levels approved in the FY2026 budget.

¹ Totals and percentages presented in this report may not equal the sum of their component amounts due to independent rounding.

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

Category	FY2026		FY2027
	Approved Budget	Actual Expenses	Proposed Budget
Policies, Procedures, Rules, and Regulations to Implement Title II	\$671	\$671	\$0
Institution-Specific Resolution Planning for Title II Implementation	\$242,917	\$242,917	\$143,955
Non-Institution-Specific Resolution Planning for Title II Implementation	\$4,530,729	\$4,530,729	\$3,228,475
Total	\$4,774,317	\$4,774,317	\$3,372,431

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 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 2026 Highlights

- The FY2026 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, 2024, through June 30, 2025. Actual FY2026 expenses were, therefore, identical to the FY2026 budget, because the FDIC's reimbursement request was submitted to the Chairperson for review prior to the adoption of the Council's FY2026 budget.
- Actual FY2026 expenses primarily reflect the cost of FDIC staff time for employees who worked on reimbursable Title II activities.

Fiscal Year 2027 Highlights

- The proposed FY2027 budget is based on actual expenses incurred by the FDIC for the period from July 1, 2025, through June 30, 2026. It reflects a decline in reimbursable Title II planning activities, due to a decrease in FDIC staff time spent on such activities during the reimbursement period ending on June 30, 2026, as compared with the reimbursement period ending June 30, 2025.
- As in prior years, a majority of reimbursable expenses for the period ending on June 30, 2026 were attributable to FDIC staff time related to non-institution-specific planning activities.