

Department of the Treasury  
Office of Financial Research

Congressional Budget  
Justification

FY 2026

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## **Section I – Budget Request**

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### **A – Mission Statement**

Mission: Promote financial stability by delivering high-quality financial data, standards, and analysis, principally to support the Financial Stability Oversight Council (Council) and its member agencies.

Vision: A transparent, accountable, and resilient financial system.

### **B – Summary of the Request**

The Office of Financial Research (OFR or Office) is estimating a fiscal year (FY) 2026 funding level of \$85.504 million, which is \$25.168 million below its FY 2025 revised operating level. To align with the Administration’s initiative to improve government efficiency and effectiveness, Treasury/OFR is implementing a staffing streamlining effort with a focus on maximum efficiency. The Office’s FY 2026 priorities are:

- collecting, standardizing, and protecting data on behalf of the Council
- performing applied research and analysis, and
- providing risk measurement and monitoring tools

In FY 2024, the Office advanced insights into financial stability through long-term research and short-term analysis; risk measurement and monitoring tools; provision and collection of data; and engagements related to financial data standards. The Office disseminated research and analysis through publications, reports, speaking engagements, and hosting conferences. Monitoring tool enhancements included the release of our new Hedge Fund Monitor (HFM) and updates to the Short-Term Funding Monitor (STFM), Bank Systemic Risk Monitor (BSRM), and Money Market Fund Monitor (MMFM). The Joint Analysis Data Environment (JADE) onboarded more users across Council member agencies and made additional datasets available in support of Council-approved research projects.

In FY 2024, the Office published the Final Rule on Non-centrally Cleared Bilateral Repurchase (NCCBR) agreement transactions, which will provide more insight into this corner of the financial market, provide high-quality data on NCCBR transactions, and remove a significant blind spot for financial regulators. The Office engaged in many financial data standards working groups, including the Regulatory Oversight Committee (ROC), International Organization for Standardization (ISO), Accredited Standards Committee X9 Inc. (X9), and Financial Data Transparency Act (FDTA) interagency implementation working group. Technological enhancements were made to the cloud environment and cybersecurity capabilities, which, alongside an independent assessment of our cybersecurity and Zero Trust maturity, enabled the Office to meet an increased demand for advanced analytic systems that support complex data analysis and visualizations.

**Table 1.1 – Resources Detail**

Dollars in Thousands

Budgetary Resources	FY 2024 Actuals		FY 2025 Revised Estimate		FY 2026 Estimate		FY 2025 to FY 2026 % Change	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<b>Revenue/Offsetting Collections</b>								
Assessments	0	\$107,434	0	\$77,825	0	\$72,301	NA	-7.1%
Interest	0	\$5,350	0	\$3,644	0	\$2,726	NA	-25.2%
Recoveries	0	\$2,247	0	\$5,008	0	\$1,320	NA	-73.6%
Restoration of Sequestration	0	\$6,370	0	\$6,429	0	\$4,644	NA	-27.8%
Rescission								
Unobligated Balances from Prior Years	0	\$66,103	0	\$63,528	0	\$44,903	NA	-29.3%
<b>Total Revenue/Offsetting Collections</b>	<b>0</b>	<b>\$187,504</b>	<b>0</b>	<b>\$156,434</b>	<b>0</b>	<b>\$125,894</b>	<b>NA</b>	<b>-19.5%</b>
<b>Obligations</b>								
Data Center	20	\$24,051	29	\$22,296	10	\$18,752	-65.5%	-15.9%
Technology Center	58	\$50,863	73	\$39,830	22	\$30,051	-69.9%	-24.6%
Research and Analysis Center	37	\$17,471	41	\$20,895	24	\$13,239	-41.5%	-36.6%
Leadership, Operations, and Support Services	47	\$26,678	53	\$27,651	16	\$23,462	-69.8%	-15.2%
<b>Total Expenses/Obligations</b>	<b>162</b>	<b>\$119,063</b>	<b>196</b>	<b>\$110,672</b>	<b>72</b>	<b>\$85,504</b>	<b>-63.3%</b>	<b>-22.7%</b>
Sequestration Reduction		(\$6,429)		(\$4,644)		(\$4,277)		
<b>Net Results</b>	<b>162</b>	<b>\$62,012</b>	<b>196</b>	<b>\$41,118</b>	<b>72</b>	<b>\$36,113</b>	<b>-63.3%</b>	<b>-12.2%</b>

Note: The OFR is financed through assessments on certain bank holding companies and nonbank financial companies. (See Treasury's [final rule](#).) For information regarding current and historical assessment rates: <https://www.financialresearch.gov/budget/>. The funding for the first six months of operating expenses and 12 months of capital expenses are reflected in Unobligated Balances from Prior Years. This is because the first assessment covering the fiscal year beginning October 1 is collected on September 15 of the prior fiscal year.

**Table 1.2 – Budget Adjustments**

Dollars in Thousands

	FTE	Amount
<b>FY 2025 Estimate</b>	<b>231</b>	<b>\$124,627</b>
<b>Program Changes:</b>		
<b>Program Decreases</b>	(35)	(\$13,955)
Data Center	(4)	(\$981)
Technology Center	(10)	(\$2,473)
Research and Analysis Center	(11)	(\$2,700)
Leadership, Operations, and Support Services	(10)	(\$2,430)
Non-Pay	0	(\$5,371)
<b>FY 2025 Revised Estimate</b>	<b>196</b>	<b>\$110,672</b>
<b>Changes to Base:</b>		
Maintaining Current Levels (MCLs):	0	\$210
Pay Annualization	0	\$210
Efficiency Savings	0	(\$210)
Absorption of MCLs	0	(\$210)
Program Decreases	(50)	(\$5,095)
Data Center	(8)	(\$1,310)
Technology Center	(20)	(\$2,625)
Research and Analysis Center	(7)	(\$84)
Leadership, Operations, and Support Services	(15)	(\$1,076)
Subtotal Changes to Base	(50)	(\$5,095)
<b>FY 2026 Current Services</b>	<b>146</b>	<b>\$105,577</b>
<b>Program Changes:</b>		
<b>Program Decreases</b>	(74)	(\$20,073)
Data Center	(11)	(\$1,513)
Technology Center	(31)	(\$3,031)
Research and Analysis Center	(10)	(\$96)
Leadership, Operations, and Support Services	(22)	(\$1,243)
Non-Pay	0	(\$14,190)
Subtotal Program Changes	(74)	(\$20,073)
<b>FY 2026 Estimate</b>	<b>72</b>	<b>\$85,504</b>

Note: OFR will implement a restructuring plan to achieve a final end-state staffing level of 70 OFR employees with legal support services provided by 2 Departmental Offices staff from the Office of General Counsel. Due to the timing of the restructuring plan's implementation, actual regular straight-time hours worked in FY 2026 may include up to an additional 33,930 hours of employee work-time, potentially resulting an additional 16 FTEs in FY 2026.

**C – Budget Increases and Decreases Description**

**FY 2025 Program Decreases..... -\$13,955,000 / -35 FTE**

To align with the Administration's initiative to improve Government efficiency and effectiveness, the Department of the Treasury and the OFR are implementing a staffing streamlining effort with a focus on maximum efficiency.

Staffing Decreases -\$8,584,000 / -35 FTE:

- Data Center, -\$981,000 / -4 FTE
- Technology Center, -\$2,473,000 / -10 FTE
- Research and Analysis Center, -\$2,700,000 / -11 FTE
- Leadership, Operations, and Support Services, -\$2,430,000 / -10 FTE

Non-Pay Decreases -\$5,371,000 / -0 FTE

The Office is reducing data procurements, partnerships, contractors, and proportionate technology to fulfill the minimum statutory requirements of the Office.

**FY 2026 Maintaining Current Levels (MCLs) .....+\$210,000 / +0 FTE**

Pay Annualization +\$210,000 / +0 FTE

Funds are required for annualization of the January 2025 2.0% average pay raise.

**Efficiency Savings .....-\$210,000 / -0 FTE**

Absorption of MCLs -\$210,000 / -0 FTE

Program will absorb costs for the annualization of the January 2025 average pay raise.

**FY 2026 Program Decreases .....-\$25,168,000 / -124 FTE**

To align with the Administration's initiative to improve Government efficiency and effectiveness, the Department of the Treasury and the OFR are implementing a staffing streamlining effort with a focus on maximum efficiency.

Staffing Decreases -\$10,978,000 / -124 FTE:

- Data Center, -\$2,823,000 / -19 FTE
- Technology Center, -\$5,656,000 / -51 FTE
- Research and Analysis Center, -\$180,000 / -17 FTE
- Leadership, Operations, and Support Services, -\$2,319,000 / -37 FTE

Non-Pay Decreases -\$14,190,000 / -0 FTE

The Office is reducing data procurements, partnerships, contractors, and proportionate technology to fulfill the minimum statutory requirements of the Office. This budget decommissions the Joint Analysis Data Environment.

**Table 1.3 – Object Classification (Schedule O) Obligations**

Dollars in Thousands

Object Classification	FY 2024 Actual Obligations	FY 2025 Revised Estimated Obligations	FY 2026 Estimated Obligations
11.1 - Full-time permanent	\$33,259	\$39,676	\$20,360
11.5 - Other personnel compensation	1,280	1,168	543
<b>11.9 - Personnel Compensation (Total)</b>	<b>34,539</b>	<b>40,844</b>	<b>20,903</b>
12.0 - Personnel benefits	14,551	17,504	12,793
13.0 - Benefits for former personnel	0	0	13,673
<b>Total Personnel and Compensation Benefits</b>	<b>\$49,090</b>	<b>\$58,348</b>	<b>\$47,369</b>
21.0 - Travel and transportation of persons	401	521	274
23.3 - Communications, utilities, and miscellaneous charges	388	150	75
25.1 - Advisory and assistance services	33,539	26,630	16,447
25.2 - Other services from non-Federal sources	313	563	933
25.3 - Other goods and services from Federal sources	120	448	243
25.4 - Operation and maintenance of facilities	0	272	100
25.7 - Operation and maintenance of equipment	15,621	8,766	5,620
26.0 - Supplies and materials	18,653	13,384	12,789
31.0 - Equipment	927	1,590	1,654
43.0 - Interest and dividends	11	0	0
<b>Total Non-Personnel</b>	<b>\$69,973</b>	<b>\$52,324</b>	<b>\$38,135</b>
<b>Total Obligations</b>	<b>\$119,063</b>	<b>\$110,672</b>	<b>\$85,504</b>
<b>Full-time Equivalents (FTE)</b>	<b>162</b>	<b>196</b>	<b>72</b>

**D – Appropriations Language and Explanation of Changes**

The OFR does not require annual appropriations language.

**E – Legislative Proposals**

The Office has no legislative proposals.

**Section II – Additional Information****A – Summary of Capital Investments**

A summary of capital investments, including major information technology and non-technology investments, can be accessed at <https://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>.