

Office of Financial Research

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2015	FY 2016	FY 2017	FY 2016 TO FY 2017	
	Actual	Estimated	Estimated	\$ Change	% Change
Data Center	\$17,240	\$24,933	\$26,039	\$1,106	4.44%
Technology Center	\$30,970	\$28,964	\$35,391	\$6,427	22.19%
Research and Analysis Center	\$10,396	\$15,446	\$17,156	\$1,710	11.07%
Operations and Support Services	\$26,110	\$29,962	\$26,184	(\$3,778)	-12.61%
Total Cost of Operations	\$84,716	\$99,305	\$104,770	\$5,465	5.50%
FTE	194	230	255	25	10.87%

Summary

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act) established the Office of Financial Research (OFR or Office) within the Department of the Treasury (Treasury) to serve the Financial Stability Oversight Council (Council), its member agencies, and the public by improving the quality, transparency, and accessibility of financial data and information; conducting and sponsoring research related to financial stability; and promoting best practices in risk management.

The OFR, as an office within the Treasury Department, is aligned with Treasury Strategic Goal 1: Promote domestic economic growth and stability while continuing reforms of the financial system, and Objective 1.3: Complete implementation of financial regulatory reform initiatives, continue monitoring capital markets, and address threats to stability. The OFR also is aligned with Treasury Strategic Goal 5: Create a 21st-century approach to government by improving efficiency, effectiveness, and customer interaction, and Objective 5.2: Support effective, data-driven decision-making and encourage transparency through intelligent gathering, analysis, sharing, use and dissemination of information. Aligning to these Treasury goals and objectives, and consistent with the Dodd-Frank

Act, the OFR has established three strategic goals to help achieve its mission, as described below.¹

The OFR is an essential source of data and analysis for monitoring threats to financial stability.

Key objectives of this goal include:

- The OFR's monitoring tools and analysis are widely used and critical to assessing financial stability;
- Data used to monitor financial stability are comprehensive, reliable, and accessible to policy makers and the public through the OFR; and
- Data providers and the public trust that OFR data are protected and secure.

Standards that improve the quality and usefulness of financial data are identified and adopted.

Key objectives underlying this goal include:

- Recognition of the need for standards by policy makers and industry;

¹ See the OFR's *Strategic Plan for FY 2015-2019* at <http://financialresearch.gov/strategy-budget/files/Office-of-Financial-Research-Strategic-Plan-2015-2019.pdf> and Treasury's *FY 2014-2017 Strategic Plan* at http://www.treasury.gov/about/budget-performance/strategic-plan/Documents/2014-2017_US_TreasuryStrategicPlan.pdf.

- The OFR is the source of expert knowledge needed to develop and implement types and formats of data reported and collected; and
- Financial data standards that create efficiencies and facilitate analysis are widely used.

Leading edge research improves financial stability monitoring and the scope and quality of financial data, and informs policy and risk management.

Key objectives underlying this goal include:

- The OFR is the recognized center for objective, innovative research on financial stability and
- OFR research is widely cited and used in policy making, risk management, and data management.

OFR FY 2017 Budget Highlights

Dollars in Thousands

Office of Financial Research	FTE	Amount
FY 2016 Estimated	230	\$99,305
Changes to Base:		
Program Changes		
Program Increases	25	\$5,465
Personnel Steady State	25	\$3,523
Non-Personnel Steady State		\$1,942
FY 2017 Base	255	\$104,770
FY 2017 Estimated	255	\$104,770

Explanation of Budget Activities

Data Center (\$26,039,000 from Assessments)

The Dodd-Frank Act requires the Data Center, on behalf of the Council, to collect, validate, and maintain all data necessary to carry out the duties of the Office. Under this mandate, the Data Center provides data services to federal financial regulators to increase efficiency in data acquisition and management, reduce redundant reporting requirements across the regulatory system (including through more effective data sharing arrangements), and

secure sensitive data. The promotion of standards for financial data is expected to provide benefits to regulators and financial market participants by making data aggregation easier, improving analysis, and reducing costs associated with data collection. To support transparency in its operations and better public understanding of risks to financial stability, the Data Center also publishes data and data-related information, as well as information on its activities.

Technology Center (\$35,391,000 from Assessments)

The Technology Center provides mission-critical analytic services to support the OFR's work with complex, sensitive financial data and the Office's expanding research and analysis activity. In addition, the Technology Center is responsible for safeguarding data and systems, and managing all information technology capabilities within the OFR. These responsibilities include computing and analytic platforms, software, telecommunications, client applications, and office automation solutions.

Research and Analysis (\$17,156,000 from Assessments)

The Dodd-Frank Act provided that the Research and Analysis Center, on behalf of the Council, develop and maintain independent analytical capabilities and computing resources:

- To develop and maintain metrics and reporting systems for risks to the financial stability of the United States;
- To monitor, investigate, and report on changes in system-wide risk levels and patterns to the Council and to Congress;
- To conduct, coordinate, and sponsor research to support and improve regulation of financial entities and markets;

- To evaluate and report on stress tests or other stability-related evaluations of financial entities overseen by Council member agencies;
- To maintain the expertise necessary to support specific requests for advice and assistance from financial regulators;
- To investigate disruptions and failures in the financial markets, report findings, and make recommendations to the Council based on those findings;
- To conduct studies and provide advice on the impact of policies related to systemic risk; and
- To promote best practices for financial risk management.

To support effective achievement of these objectives, the OFR is also establishing forums and networks to bring together experts from within and outside the regulatory system. In addition, the OFR is publishing key results of its analyses to support transparency in its

operations and promote public understanding of threats to financial stability.

Operations and Support Services (\$26,184,000 from Assessments)

These activities cover all operational, legal, and administrative functions that support the effective, transparent, and well-monitored delivery of the OFR’s core outputs related to data, research, and analysis. This includes support provided through reimbursable arrangements with other activities in Treasury’s Departmental Offices, as well as other service providers.

OFR Performance by Budget Activity

Description of Performance

The OFR is continuing to review its performance measures in FY 2016 and may revise them based the ability to obtain additional data. The OFR will continue to review all measures as the organization matures, and revise them as necessary.

OFR Performance by Budget Activity

Budget Activity	Performance Measure	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2017 Target
Data Center	Number of LEIs assigned cumulatively to date in the United States and internationally	N/A	N/A	N/A	N/A	395,861	1	1
Data Center	Number of times that financial data standards are incorporated in rules and regulations	N/A	N/A	N/A	N/A	2	1	1
Research and Analysis	Number of research and analysis publications made public year-to-date	N/A	10	15	11	34	25	35
Research and Analysis	Number of monitor editions, policy analyses, and dashboards produced for monitoring threats to financial stability	N/A	N/A	N/A	N/A	21	12	15

Key: DISC – Discontinued

