

Office of Financial Research

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023	FY 2024	FY 2025	FY 2024 to FY 2025	
	Actual Obligations	Revised Estimate	Estimate	\$ Change	% Change
Data Center	\$5,172	\$25,989	\$27,806	\$1,817	6.99%
Technology Center	\$57,706	\$37,544	\$40,040	\$2,496	6.65%
Research and Analysis Center	\$13,613	\$22,110	\$24,565	\$2,455	11.10%
Leadership, Operations, and Support Services	\$22,439	\$30,757	\$32,216	\$1,459	4.74%
Subtotal, Office of Financial Research	\$98,930	\$116,400	\$124,627	\$8,227	7.07%
Total Full-time Equivalents (FTE)	134	213	231	18	8.45%

Summary

The Office of Financial Research (OFR or Office) is estimating fiscal year (FY) 2025 obligations of \$124.627 million, which is \$8.227 million higher than its FY 2024 revised estimate. The FY 2025 Budget includes increases in funding for the Technology Center and the Research and Analysis Center (RAC). The increased funding reflects the resources required to effectively execute emerging research, monitoring, and data priorities in support of the OFR's legislative mandate under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (P.L. 111-203). The increased funding also supports continued maturation of data products and financial data standards, data management, and data sharing, as well as maintaining our responsiveness to and support of the Council and its member agencies.

The FY 2024 revised estimate of \$116.400 million incorporates updates to the OFR's FY 2024 budget forecast to reflect more current data than was available at the time of the FY 2024 President's Budget Request. The FY 2024 revised estimate includes maturation of the Joint Analysis Data Environment (JADE) and data collection utility. Additionally, the revised estimate supports the growth of research and monitoring in the areas of cybersecurity and operations, digital assets, climate-related financial risks, central counterparties, hedge funds, money market funds, household credit, and expands our catalyzed research partnership with the National Bureau of Economic Research (NBER) via the National Science Foundation (NSF).

In FY 2023, the Office launched JADE, an innovative platform that combines high-performance computing, analytical software, and analysis-ready data to support collaborative financial stability research among Council member agencies. The OFR designed JADE to support research on all manner of financial stability topics. The first initiative identified for JADE is climate-related financial risk. The OFR made JADE available to users from several Council member agencies in FY 2023 and expects to expand access to other member agencies over the subsequent months.

In FY 2023, the Office began development of a data collection utility. The utility leverages efficient, cloud-based technology to securely receive, authenticate, and store submissions from external entities. It will allow for greater flexibility for financial industry participants reporting data, enabling manual and automated submissions. The Office completed the initial build and testing in FY 2023, with production planned for FY 2024.

In January 2023, the Office proposed a rule to establish a data collection of non-centrally cleared bilateral transactions in the U.S. repurchase (repo) agreement market. It will require daily reporting to the Office by certain brokers, dealers, and other financial companies with large exposures to the non-centrally cleared bilateral repo market. The collected data will help identify and monitor risks to financial stability. FY 2024 efforts focus on preparing for collection of the daily repo transaction data.

The Office plans to expand upon its partnership with the NBER via the NSF in FY 2024 and FY 2025, with expectations of gaining important insights from the uniquely specialized research community to inform cutting-edge topics related to financial stability and expand the reach of frontier research.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Revised Estimate	213	\$116,400
Changes to Base:		
Maintaining Current Levels (MCLs):	0	2,781
Pay Annualization (2024 5.2% average pay raise)	0	782
Pay Raise (2025 2.0% average pay raise)	0	902
Non-Pay (2025 2.2% non-pay inflation)	0	1,097
FTE Annualization	13	3,381
Subtotal Changes to Base	13	6,162
FY 2025 Current Services	226	\$122,562
Program Increases:		
Technology Center	2	731
Research and Analysis Center	3	975
Research and Analysis Center - NBER Partnership	0	359
Subtotal Program Changes	5	\$2,065
FY 2025 Estimate	231	\$124,627

Budget Adjustments

Maintaining Current Levels (MCLs) +\$2,781,000 / +0 FTE

Pay Annualization (5.2% in 2024) +\$782,000 / +0 FTE

Funds are requested for annualization of the January 2024 pay increases.

Pay Raise (2% in FY 2025) +\$902,000 / +0 FTE

Funds are requested for anticipated increases to labor costs in January 2025.

Non-Pay (2.2% in FY 2025) +\$1,097,000 / +0 FTE

Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment, commensurate with the growth of the workforce.

Other Adjustments +\$3,381,000 / +13 FTE

FTE Annualization +\$3,381,000 / +13 FTE

This fully funds the revised hiring projections for FY 2024 so these staff are fully funded in FY 2025.

Program Increases.....+\$2,065,000 / +5 FTE

Technology Center +\$731,000 / +2 FTE

OFR seeks three additional positions within its Technology Center in FY 2025. These labor resources will support JADE, climate-related research activities, cloud environment, cybersecurity, and datasets and data management.

Research and Analysis Center +\$975,000 / +3 FTE

OFR seeks six additional positions within its Research and Analysis Center in FY 2025. These labor resources will allow OFR to better support the Council and Administration priorities, including asset management/hedge fund monitoring, environmental risks, digital assets/cryptocurrencies, and cybersecurity.

Research and Analysis Center +\$359,000 / +0 FTE

OFR seeks additional funding for its catalyzed research partnership with the NBER via the NSF. This supports multi-year, cutting-edge research on major economic issues related to financial stability, though the NBER’s national research community. In total, \$1.746 million will be needed for this activity in FY 2025. As \$1.387 million is requested for FY 2024, an additional \$359,000 is needed in FY 2025.

Legislative Proposals

The OFR has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
		Actual	Actual	Actual	Target	Target
Data Center	Number of Legal Entity Identifiers (LEIs) Issued Cumulatively in the United States and Internationally	1,968,283	2,206,195	2,479,595	I	I
Data Center	Number of Times That Financial Data Standards are Incorporated in Rules and Regulations	2	0	3	I	I

Key: I – Indicator

Description of Performance

Number of Legal Entity Identifiers (LEIs) Issued Cumulatively in the United States and Internationally

– The LEI helps the financial industry, regulators, and policymakers trace exposures and connections across the financial system. It also generates efficiencies for financial companies in internal reporting; risk management; and in collecting, cleaning, and aggregating data. In addition, the LEI can ease companies’ regulatory reporting burdens by reducing overlap and duplication with respect to the multiple identifiers reporting firms must manage. The indicator developed for the LEI tracks the progress of industry’s use of the LEI over time.

Number of Times that Financial Data Standards are Incorporated in Rules and Regulations

– The data point serves as an indicator of regulators’ awareness of the importance of data standards and the extent to which those standards are being adopted in rules and regulations. Similar to the indicator above, the Data Center monitors activity in this area to determine whether relevant pending rules and regulations incorporate financial data standards, as appropriate.