

Financial Stability Oversight Council

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
FSOC	\$10,761	\$14,187	\$15,287	\$1,100	7.8%
FDIC Payments	\$2,910	\$3,201	\$4,500	\$1,299	40.6%
Total, Financial Stability Oversight Council	\$13,671	\$17,388	\$19,787	\$2,399	13.8%
Direct FTE	25	44	48	4	9.1%
Total Full-time Equivalents (FTE)	25	44	48	4	9.1%

Summary

The Financial Stability Oversight Council (FSOC or Council) is estimating fiscal year (FY) 2025 obligations level of \$19.787 million, which includes \$15.287 million for the FSOC Secretariat and the Office of the Independent Member with Insurance Expertise, and \$4.500 million to reimburse the Federal Deposit Insurance Corporation (FDIC) for certain expenses as required by law. This FY 2025 request represents an increase of \$2.399 million from the FY 2024 revised estimate. This increase is necessary to make progress on the Council's priorities, and to continue building the infrastructure needed to support the Council's work across all the member agencies.

The increase in spending reflects the need for the FSOC Secretariat to acquire additional resources to fulfill the ongoing responsibilities of the Council as well as to advance the Council's new and ongoing priorities outlined by the Secretary of the Treasury, who serves as Council Chairperson. These priorities include identifying and addressing potential risks related to climate-related financial risk, Treasury market resilience, nonbank financial intermediation, digital assets, and financial market utilities. The increase to the FSOC Secretariat budget will also support the reestablished Analysis Team in the FSOC Secretariat and the FSOC's revitalized Systemic Risk Committee.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 President's Budget	44	\$19,449
Program Changes:		
Program Decreases	0	(\$2,061)
Technical Adjustments	0	(\$762)
FDIC Payments	0	(\$1,299)
FY 2024 Revised Estimate (Council Approved)	44	\$17,388
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$363
Pay Annualization (2024 5.2% average pay raise)	0	\$86
Pay Raise (2025 2.0% average pay raise)	0	\$101
Non-Pay (2025 2.2% non-pay inflation)	0	\$176
Subtotal Changes to Base	0	\$363
FY 2025 Current Services	44	\$17,751
Program Changes:		
Program Increases:	4	\$2,036
FDIC Payments	0	\$1,299
Staffing to Meet Priorities	4	\$737
FY 2025 Estimate	48	\$19,787

Budget Adjustments

Program Changes..... -\$2,061,000 / -0 FTE

Technical Adjustments -\$762,000 / -0 FTE

FSOC’s FY 2024 President’s Budget request was formulated more than 10 months ago. Since that time, FSOC carefully scrutinized FY 2024 requirements. At the Council’s September 2023 meeting, it approved a FY 2024 budget of \$17.388 million, which includes a reduction to estimates in the FY 2024 President’s Budget request for labor and non-labor requirements. The decrease in labor costs estimates reflects longer-than-expected times for hiring and onboarding new staff, and a greater focus on recruiting and hiring more junior-level staff. The decrease in non-labor estimates reflects lower-than-expected travel costs and contracts.

Decrease in FDIC Reimbursement -\$1,299,000 / -0 FTE

FSOC’s FY 2024 President’s Budget request assumed that FDIC reimbursements would total \$4.500 million in FY 2024. Based on current information, it is estimated that the FY 2024 reimbursement will be \$3.201 million, resulting in a decrease of \$1.299 million in FY 2024 requirements. Costs have been reduced from prior estimates due to a lower-than-anticipated number of staff hours focused on Title II planning activities.

Maintaining Current Levels (MCLs).....+\$363,000 / +0 FTE

Pay Annualization (5.2% in 2024) +\$86,000 / +0 FTE

Funds are required for annualization of the January 2024 5.2% average pay raise.

Pay Raise (2.0% in 2025) +\$101,000 / +0 FTE

Funds are required for a 2.0% average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +\$176,000 / +0 FTE

Funds are required for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Program Increases+\$2,036,000 / +4 FTE

Increase in FDIC Reimbursement +\$1,299,000 / +0 FTE

Reflects increases to reimbursements required by law to the FDIC under Section 210(n)(10) of the Dodd-Frank Act. This section 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.

Staffing to Meet Priorities +\$737,000 / +4 FTE

Since 2021, the FSOC has been revitalized to serve as a key forum for interagency collaboration, and a key tool for the U.S. Government to promote U.S. financial stability – as intended at its establishment in 2010. Given the FSOC’s expanding portfolio and critical policy priorities, the FSOC Secretariat must continue to rebuild and grow to successfully execute the Council’s mission. These priorities reflect the effort required in addition to core responsibilities such as publishing the Congressionally mandated FSOC Annual Report (on the activities of the Council, significant financial market and regulatory developments, potential emerging threats, and certain recommendations).

FSOC member agencies look to the FSOC Secretariat for the critical leadership and coordination on the Council's priorities and the infrastructure required to support the related work across all the member agencies. Each of FSOC's financial stability priorities and other areas of focus require – and will continue to require – extensive and complex policy development, analysis, and interagency coordination. The additional staff will primarily support the recently reestablished Secretariat Analysis team's work to fully implement the Council activities to monitor, assess, and respond to potential risks to financial stability, whether they come from widely conducted activities or from individual firms, publicly explained in the FSOC's recently approved Analytic Framework for Financial Stability Risk Identification, Assessment, and Response.

Legislative Proposals

The FSOC does not have any legislative proposals at this time.

Description of Performance

There are no measures specified for managing Council performance. The FSOC's annual reports and other public documents provide information to the public relevant to the Council's performance. Information on the Council is provided on www.treasury.gov, and www.fsoc.gov. Performance documents for FSOC member agencies can also be found on their respective websites to provide transparency and accountability.