

Office of Financial Research

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2022	FY 2023	FY 2024	FY 2023 to FY 2024	
	Actual Obligations	Revised Estimate	Estimate	\$ Change	% Change
Data Center	\$3,321	\$15,062	\$22,824	\$7,762	51.53%
Technology Center	\$47,397	\$48,137	\$37,322	(\$10,815)	-22.47%
Research and Analysis Center	\$8,335	\$16,789	\$20,604	\$3,815	22.72%
Operations and Support Services	\$17,681	\$21,284	\$24,975	\$3,691	17.34%
Subtotal, Office of Financial Research	\$76,734	\$101,272	\$105,725	\$4,453	4%
Total Full-time Equivalents (FTE)	119	148	184	36	24.32%

Summary

The Office of Financial Research (OFR or Office) is estimating a fiscal year (FY) 2024 funding level of \$105.725 million, which is \$4.453 million higher than its FY 2023 estimated funding level. The FY 2024 Budget includes increases in funding for the Data Center, Research and Analysis Center (RAC), and Operations and Support Services. 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 will also support moving the OFR Climate Data and Analytics Hub from a pilot concept to a permanent platform, the Joint Analysis Data Environment.

The FY 2023 Revised Estimate incorporates changes to reflect actual data available as of February 2023. Specifically, the OFR updated its FY 2023 budget forecast to reflect more current data than was available at the time of the FY 2023 President's Budget Request. The FY 2023 revised estimate includes expanded access to the OFR Climate and Analytics Hub with the Joint Analysis Data Environment and non-recurring services and information technology investments required to execute mission priorities. While this includes an update to projected full-time equivalents, hiring remains a top priority.

Following the FY 2022 launch of the OFR Climate and Analytics Hub pilot, the OFR decided to create the Joint Analysis Data Environment to provide FSOC member agencies access to the hub, expand its collection of hub data over time, and increase its analytical software offerings.

The Joint Analysis Data Environment's objective is to provide high-powered computing, analysis-ready data, and analytic software in a secure, collaborative environment to users from FSOC member agencies. The Joint Analysis Data Environment will enable users to securely share code, data, and documents to enable collaboration on research topics related to financial stability.

OFR is furthering work on collecting Non-Centrally Cleared Bilateral Repo Data moving from a pilot to a permanent data collection. FY 2023 work will focus on finalizing the notice of proposed rulemaking for the data collection. Additionally, OFR will begin planning efforts for personnel, practices, and infrastructure needed for collecting daily repo transaction data.

Budget Highlights

Dollars in Thousands

Office of Financial Research	FTE	Amount
FY 2023 Revised Estimate	148	\$101,272
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$2,902
Pay Annualization	0	\$438
Pay Raise	0	\$1,315
Non-Pay	0	\$1,149
Efficiency Savings	0	(\$10,272)
Non-recurring Costs	0	(\$10,272)
Transfers	0	\$0
Data Procurement Transfer to Data Center	0	\$11,600
Data Procurement Transfer from Technology Center	0	(\$11,600)
Other Adjustments:	20	\$4,772
FTE Annualization	20	\$4,772
Subtotal Changes to Base	20	(\$2,598)
FY 2024 Current Services	168	\$98,674
Program Changes:		
Infrastructure and Research Capacity to Support Emerging Priorities	16	\$7,051
FY 2024 Estimate	184	\$105,725

C – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs)+\$2,902,000 / +0 FTE

Pay Annualization (4.6%) +\$438,000 / +0 FTE

Funds are requested for annualization of the January 2023 4.6 percent average pay raise.

Pay Raise (5.2%) +\$1,315,000 / +0 FTE

Funds are requested for anticipated increases to labor costs to include merit pay increases for qualifying staff.

Non-Pay +\$1,149,000 / +0 FTE

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

Non-Recurring Costs.....-\$10,272,000 / -0 FTE

Data Center Non-Recur for Specialized Subject Matter Expert (Contract) -\$10,272,000 / -0 FTE

This efficiency adjustment eliminates one-time funding used in FY 2023 for specialized expert support services for IT contractors to support a variety of projects, among them the creation and expansion of the OFR's Joint Analysis Data Environment; investments in OFR's recruitment and retention program; and the modernization of OFR's conference spaces, to include VTCs.

Program Transfers..... +\$0 / +0 FTE

Data Procurement Transfer from Technology Center to Data Center +\$0 / +0 FTE

This request includes moving the Data Procurement costs, which total \$11.6 million annually, from the Technology Center back to the Data Center. This decision is part of a broader effort to

have data-related decision making and costs be under the oversight of the Data Center, rather than under the Technology Center.

Other Adjustments \$4,772,000 / +20 FTE

FTE Annualization \$4,772,000 / +20 FTE

OFr anticipates the hiring of an additional net 20 FTEs late in FY 2023 that would be fully funded at the outset of FY 2024. These staff will support all four major OFR budget activities and will provide a baseline for the office as it continues to grow to support the OFR’s legislative mandate under Dodd-Frank.

Program Increases..... \$7,051,000 / +16 FTE

Infrastructure and Research Capacity to Support Emerging Priorities \$7,051,000 / +16 FTE

This program increase is driven by new work requirements in support of the FSOC’s and the Administration’s emerging priorities: climate-related financial risks, expanded short-term funding markets monitoring, asset management/hedge fund monitoring, digital assets/cryptocurrencies, and cybersecurity. It provides:

- Expanded access to the OFR Climate and Analytics Hub pilot into full production as the Joint Analysis Data Environment.
- Data sharing and data product functionality and support as increasingly demanded by internal and external stakeholders.
- Funding for anticipated increases for new data acquisition requests and data management support needs for the OFR Joint Analysis Data Environment.
- Key research on financial stability, especially risks and vulnerabilities in frontier areas, from our external stakeholders.
- OFR’s first formal data collection utility. The collection utility will be designed and scaled to intake future data collections securely and efficiently.
- A research grants program to drive high-impact research and analysis in research areas outside of traditional finance and economics disciplines.
- Investments in emerging cybersecurity needs, ensuring an ability to meet evolving demands for secure, cloud-based infrastructure.

Legislative Proposals

The OFR has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
		Actual	Actual	Actual	Target	Target
Data Center	Number of Legal Entity Identifiers Issued Cumulatively in the United States and Internationally	1,733,473	1,941,554	2,206,195	I	I
Data Center	Number of Times That Financial Data Standards are Incorporated in Rules and Regulations	3	2	0	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 – This 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.