

## Financial Stability Oversight Council

Dollars in Thousands

Budget Activity	FY 2022	FY 2023	FY 2024	FY 2023 to FY 2024	
	Actual Obligations	Revised Estimate	Estimate	\$ Change	% Change
FSOC	\$5,554	\$11,725	\$14,949	\$3,224	27.50%
FDIC	\$3,254	\$2,910	\$4,500	\$1,590	54.64%
<b>Total, Financial Stability Oversight Council</b>	<b>\$8,808</b>	<b>\$14,635</b>	<b>\$19,449</b>	<b>\$4,814</b>	<b>33%</b>
Direct FTE	17	34	44	10	29.41%
<b>Total Full-time Equivalents (FTE)</b>	<b>17</b>	<b>34</b>	<b>44</b>	<b>10</b>	<b>29%</b>

Note: All FTE are associated with the Financial Stability Oversight Council.

### Summary

The Financial Stability Oversight Council (FSOC or Council) is estimating a fiscal year (FY) 2024 funding level of \$19.449 million, which includes \$14.949 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. Of the \$4.814 million overall increase from the FY 2023 revised estimate, the FSOC programs represent \$3.224 million, or 67 percent, of this total. This increase is necessary to make progress on the Council's priorities, and to build the infrastructure needed to support the Council's work across all the member agencies.

The increase in funding reflects the need for the FSOC Secretariat to rebuild capacity and acquire additional resources to fulfill the ongoing responsibilities of the Council as well as to advance the Council's new priorities outlined by the Treasury Secretary, who serves as Council Chairperson. These areas of focus include identifying and addressing potential risks posed by nonbank financial intermediation and its role in amplification of market stresses; supporting the interagency review of the Treasury market following the market dislocation in March 2020; evaluating potential financial stability risks and regulatory gaps associated with digital assets; and coordinating efforts to improve the measurement and mitigation of climate-related risks in the financial system.

## Budget Highlights

Dollars in Thousands

	FTE	Amount
<b>FY 2023 President's Budget</b>	<b>27</b>	<b>\$12,433</b>
Program Changes:		
Program Decreases	0	(\$1,590)
FDIC Payments	0	(\$1,590)
Program Increases:	7	\$3,792
FSOC Priority Workstream Hiring	7	\$3,792
<b>FY 2023 Revised Estimate</b>	<b>34</b>	<b>\$14,635</b>
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$498
Pay Annualization (4.6% average pay raise)	0	\$76
Pay Raise (5.2% average pay raise)	0	\$262
Non-Pay	0	\$160
Subtotal Changes to Base	0	\$498
<b>FY 2024 Current Services</b>	<b>34</b>	<b>\$15,133</b>
Program Changes:		
Program Increases:	10	\$4,316
Rebuilding FSOC Infrastructure and Capability	10	\$2,667
FDIC Payment Increase	0	\$1,590
Make Critical Administrative Investments (Hiring, Evidence Act, and Facilities)	0	\$59
<b>FY 2024 Estimate</b>	<b>44</b>	<b>\$19,449</b>

## Budget Adjustments

**Program Changes** .....+\$2,202,000 / +7 FTE

Decrease in FDIC Reimbursement -\$1,590,000 / -0 FTE

Reflects decreases to reimbursements from FY 2022 based on actual expenses incurred by the FDIC from the period from July 1, 2021, through June 30, 2022. Costs have been reduced from prior estimates due to a lower-than-anticipated number of staff hours focused on Title II planning activities during the reimbursement period that ended on June 30, 2022.

FSOC Priority Workstream Hiring +\$3,792,000 / +7 FTE

To fulfill the priorities set forth by the Secretary, acting in her capacity as the Chairperson of the Council, the FSOC Secretariat intends to increase its long-term staffing plan from 27 to 44 by hiring 17 additional FTE, of which seven net FTE will be added in FY 2023.

**Maintaining Current Levels (MCLs)** .....+\$498,000 / +0 FTE

Pay Annualization (4.6%) +\$76,000 / +0 FTE

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

Pay Raise (5.2%) +\$262,000 / +0 FTE

Funds are requested for a 5.2 percent average pay raise in January 2024.

Non-Pay +\$160,000 / +0 FTE

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

**Program Increases .....+\$4,316,000 / +10 FTE**

Rebuilding FSOC Infrastructure and Capability +\$2,667,000 / +10 FTE

To fulfill the priorities set forth by the Secretary, acting in her capacity as the Chairperson of the Council, the FSOC Secretariat intends to increase its long-term staffing plan from 34 to 44 by hiring 10 additional FTE that will on-board during FY 2023 and FY 2024.

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. Additional staff will be needed to advance the Council’s efforts in these important areas. These priorities reflect the effort required in addition to core responsibilities such as publishing the annual report.

Increase in FDIC Reimbursement +\$1,590,000 / +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.

Make Critical Administrative Investments (Hiring, Evidence Act, and Facilities) +\$59,000 / +0 FTE

FSOC pays annually for administrative support from the Centralized Treasury Administrative Services (CTAS) program. In FY 2024, FSOC anticipates those costs to grow to fund increases to human resources support to support FSOC’s growing hiring plans and improve time to hire across Departmental Offices (DO), as well as additional staff to support the Treasury-owned facilities (the Main Treasury building and Freedman’s Bank Building).

This request also includes FSOC’s contribution to three new CTAS staff (one electrician and two A/C equipment mechanics) responsible for conducting support within Treasury spaces.

This request also provides for FSOC’s portion of funding for a repairs and improvements (R&I) account within DO for non-capital investments. R&I is used within DO’s CTAS to fund small-scale repairs and improvements within Main Treasury (MT) and the Freedman’s Bank Building (FBB). This funding will provide CTAS with sufficient resources to properly maintain the ongoing minor maintenance of the MT and FBB complex. In addition, this request provides increases to CTAS to fund FSOC’s portion of centralized bureau-wide investments in information technology (IT) infrastructure, as well as virtual presence and collaboration technology.

Legislative Proposals

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

### *Description of Performance*

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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](http://www.treasury.gov), and [www.fsoc.gov](http://www.fsoc.gov). Performance documents for FSOC member agencies can also be found on their respective websites to provide transparency and accountability.

Throughout 2022, Secretary Yellen continued to reinvigorate the Council. The Council met eight times to assess potential risks including those related to climate change, digital assets, housing markets, hedge funds, and open-end funds.

On December 16, 2022, the Council published its [annual report](#). The report describes activities of the Council over the past year as the U.S. economy has continued to rebound from the disruptions caused by the COVID-19 pandemic. Monetary and fiscal policy, substantial progress in vaccinations, and broadly accommodative financing conditions have together supported this recovery and bolstered the financial condition of households and businesses. Additionally, the Council's annual report describes significant financial market and regulatory developments, potential emerging threats to U.S. financial stability, and recommendations to promote U.S. financial stability. The report was developed collaboratively by members of the Council and their agencies and staffs.

Certain FDIC expenses are treated as expenses of the Council. By law, the Council's expenses include reimbursement of reasonable implementation expenses incurred by the FDIC in implementing Orderly Liquidation Authority. The FDIC must periodically submit requests for reimbursement of these expenses to the Chairperson of the Council, who shall arrange for prompt reimbursement to the FDIC. FDIC expenses are for rule writing and resolution planning.