

Financial Stability Oversight Council

Dollars in Thousands

Budget Activity	FY 2021	FY 2022	FY 2023	FY 2022 to FY 2023	
	Actuals	Revised Estimate	Revised Estimate	\$ Change	% Change
FSOC	\$4,996	\$7,567	\$7,933	\$366	4.83%
FDIC	\$4,451	\$3,254	\$4,500	\$1,246	38.29%
Total Cost of Operations	\$9,447	\$10,821	\$12,433	\$1,612	15%
Direct FTE	15	23	27	4	17.39%
Total Full-time Equivalents (FTE)	14	23	27	4	17.39%

Summary

The Financial Stability Oversight Council (FSOC or Council) anticipates a fiscal year (FY) 2023 funding level of \$12.433 million, including \$7.933 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 \$1.612 million overall increase from the FY 2022 estimated funding level, the increase to the FDIC reimbursement represents \$1.246 million or 77 percent of this total. The increase reflects the need for the FSOC Secretariat to rebuild capacity and acquire resources to fulfill ongoing responsibilities and advance the Council's priorities. These focus areas include: 1) nonbank financial intermediation; 2) Treasury market resilience; 3) climate-related financial risk; and 4) digital assets.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2022 Estimate	23	\$10,821
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$306
Pay Annualization (2.7% average pay raise)	0	\$28
Pay Raise (4.6% average pay raise)	0	\$144
Non-Pay	0	\$133
Subtotal Changes to Base	0	\$306
FY 2023 Current Services	23	\$11,127
Program Changes:		
Program Increases:	4	\$1,306
FSOC Priority Workstream Hiring	4	1,220
Strengthen DO Equity, Cybersecurity, IT, and facilities infrastructure	0	86
FY 2023 Estimate	27	\$12,433

Budget Adjustments

Maintaining Current Levels (MCLs)+\$306,000 / +0 FTE

Pay Annualization (2.7%) +\$28,000 / +0 FTE

Funds are requested for annualization of the January 2022 2.7% average pay raise.

Pay Raise (4.6 % in FY 2023) +\$144,000 / +0 FTE

Funds are requested for a 4.6% average pay raise in January 2023.

Non-Pay +\$133,000 / +0 FTE

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

Program Increases+\$1,306,000/ +4 FTE

FSOC Priority Workstream Hiring +\$1,220,000 / +4 FTE

The FSOC Secretariat intends to increase its long-term staffing plan to 27 by four staff members.

Preliminary work has already begun on the Council’s new initiatives, including work on measuring and mitigating climate-related financial risk and on understanding the potential financial stability risks posed by nonbank financial intermediaries. Together with staff at FSOC member agencies and other members, the FSOC Secretariat staff established the Council’s Hedge Fund Working Group (HFWG) and the Open-End Funds Working Group (OEFWG) and also published the Council’s Report on Climate-Related Financial Risk in 2021. The Council also announced plans to establish two new committees to support the Council’s climate-related efforts, which the FSOC Secretariat will support along with the Council’s other existing committees. These priorities reflect the effort required in addition to core responsibilities such as publishing the annual report and advancing financial stability monitoring work.

Strengthen Departmental Offices (DO) Equity, Cybersecurity, IT, and facilities infrastructure +\$86,000 / +0 FTE

This funding also includes FSOC’s costs associated with Treasury’s internal equity programs, including growing recruitment pipelines to diverse talent and improving support and analysis of equity programs geared at the existing workforce.

This effort supports Equal Employment Opportunity (EEO) efforts as required in Executive Orders 13985, 13988, and 14035.

This request also provides for FSOC’s portion of funding for a Treasury funding for non-capital investments. These ensures costs avoid diverting DO resources away from programmatic needs. The funding will also support Treasury’s strengthening of cybersecurity, consistent with heightened risks.

Legislative Proposals

The FSOC has no legislative proposals.

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, www.fsoc.gov. Performance documents for FSOC member agencies can also be found on their respective websites to provide transparency and accountability.

On December 17, 2021, 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. 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 for rule writing and resolution planning 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.