

Mark Treichel, Executive Director, Office of the Executive Director
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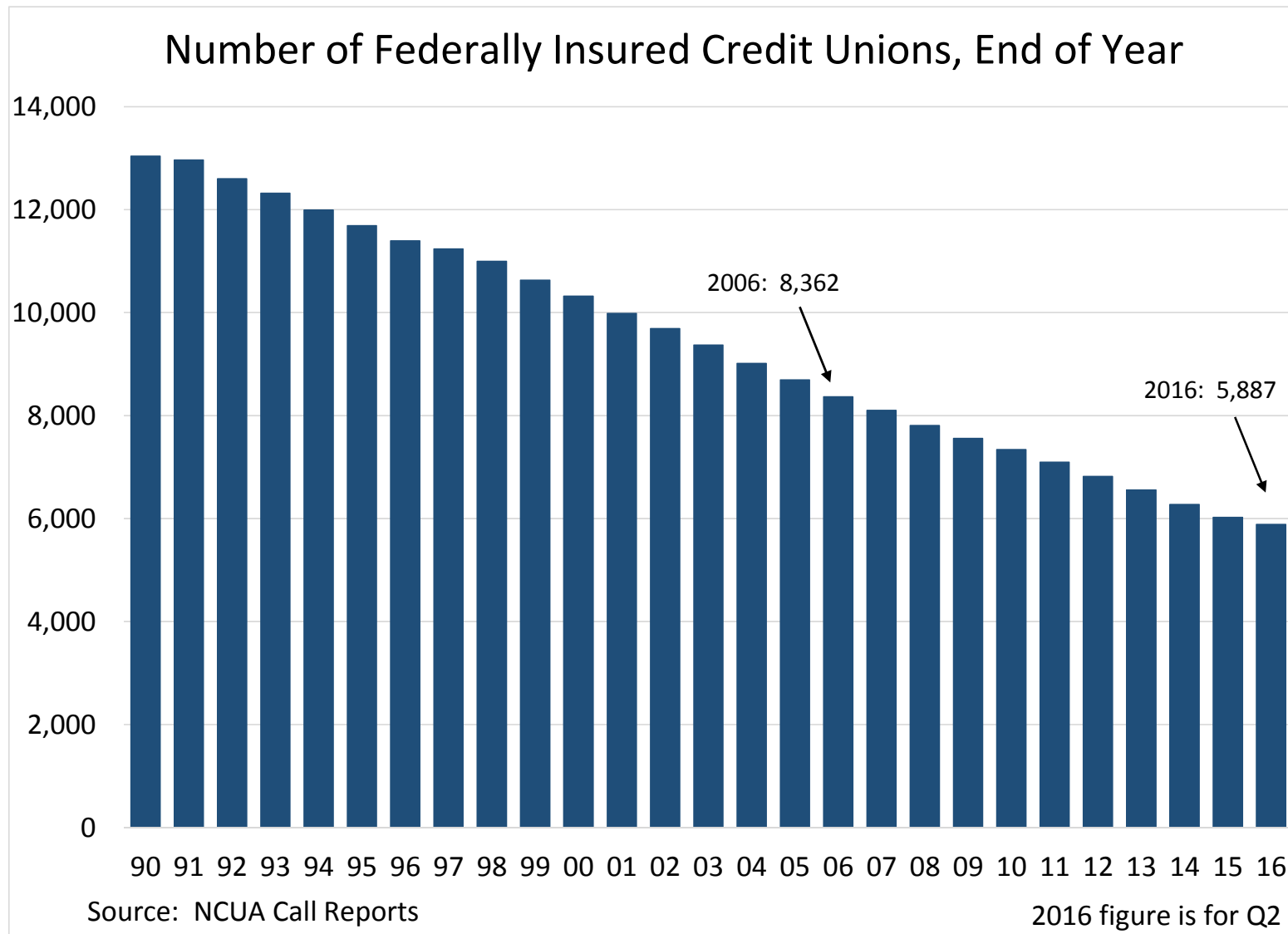


2017 - 2018 Budget Proposal

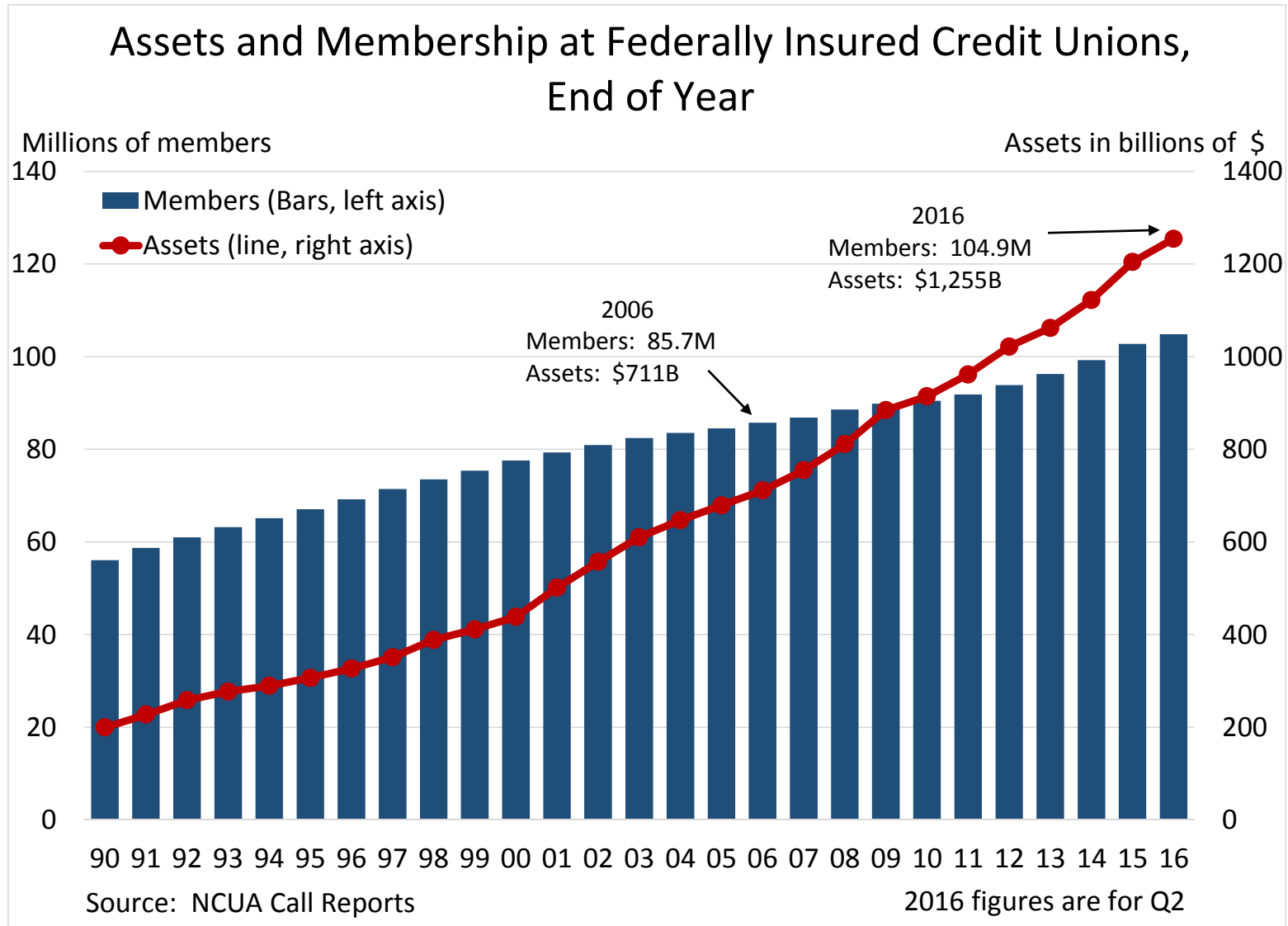
October 27, 2016

*This presentation contain estimates that are pre-decisional and
subject to change.*

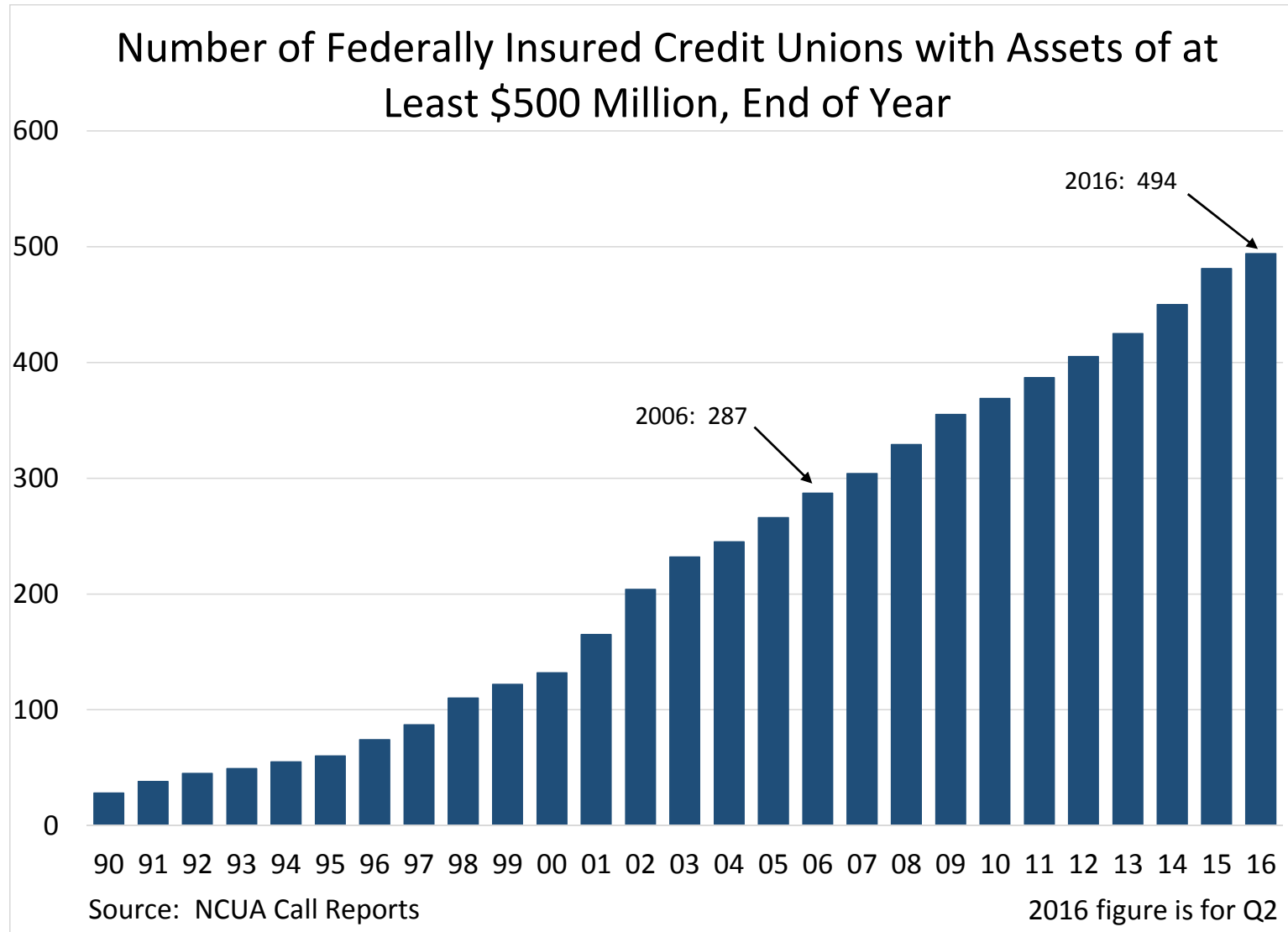
Number of institutions is falling...



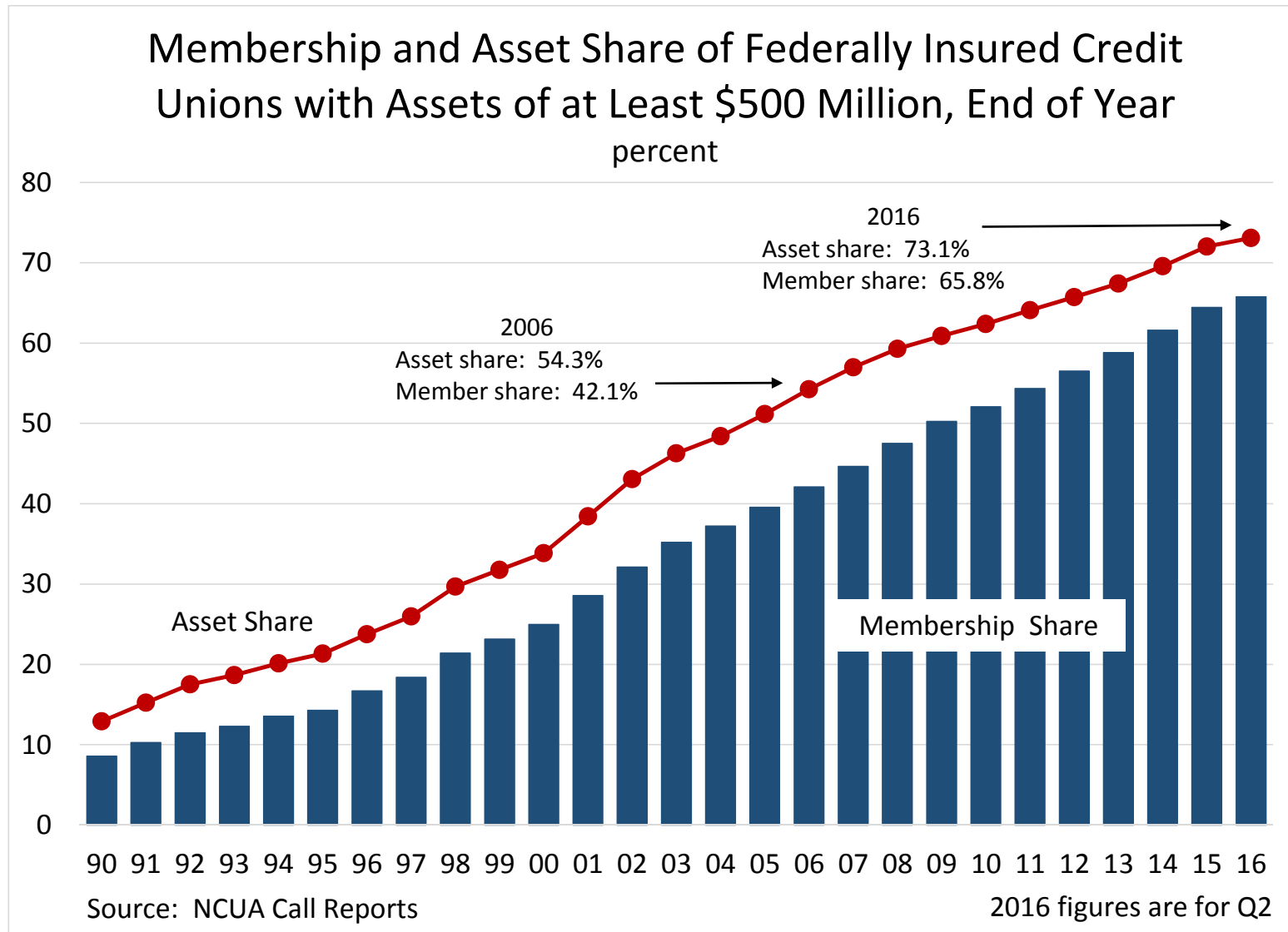
...but membership and assets are rising.



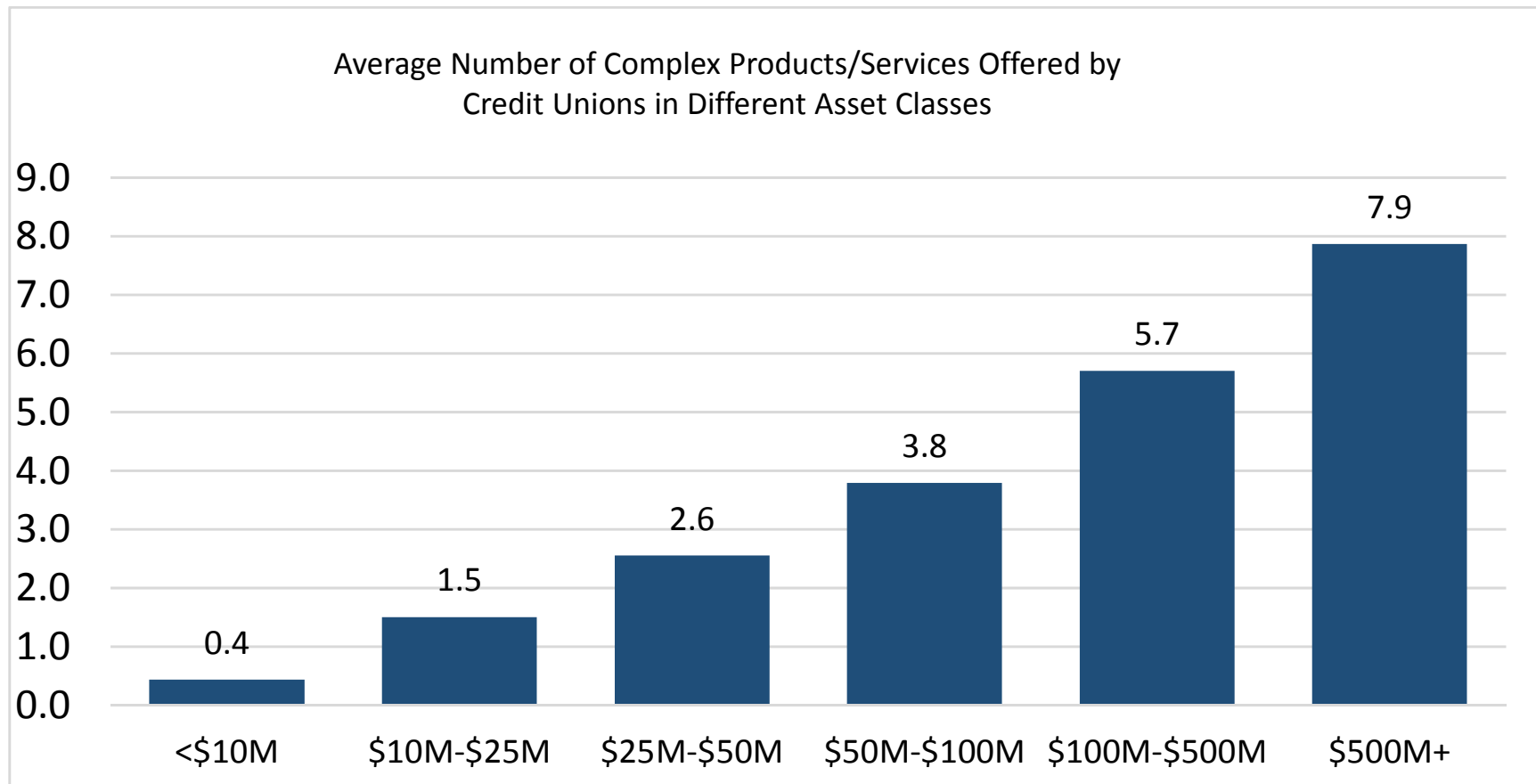
The number of large credit unions is rising...



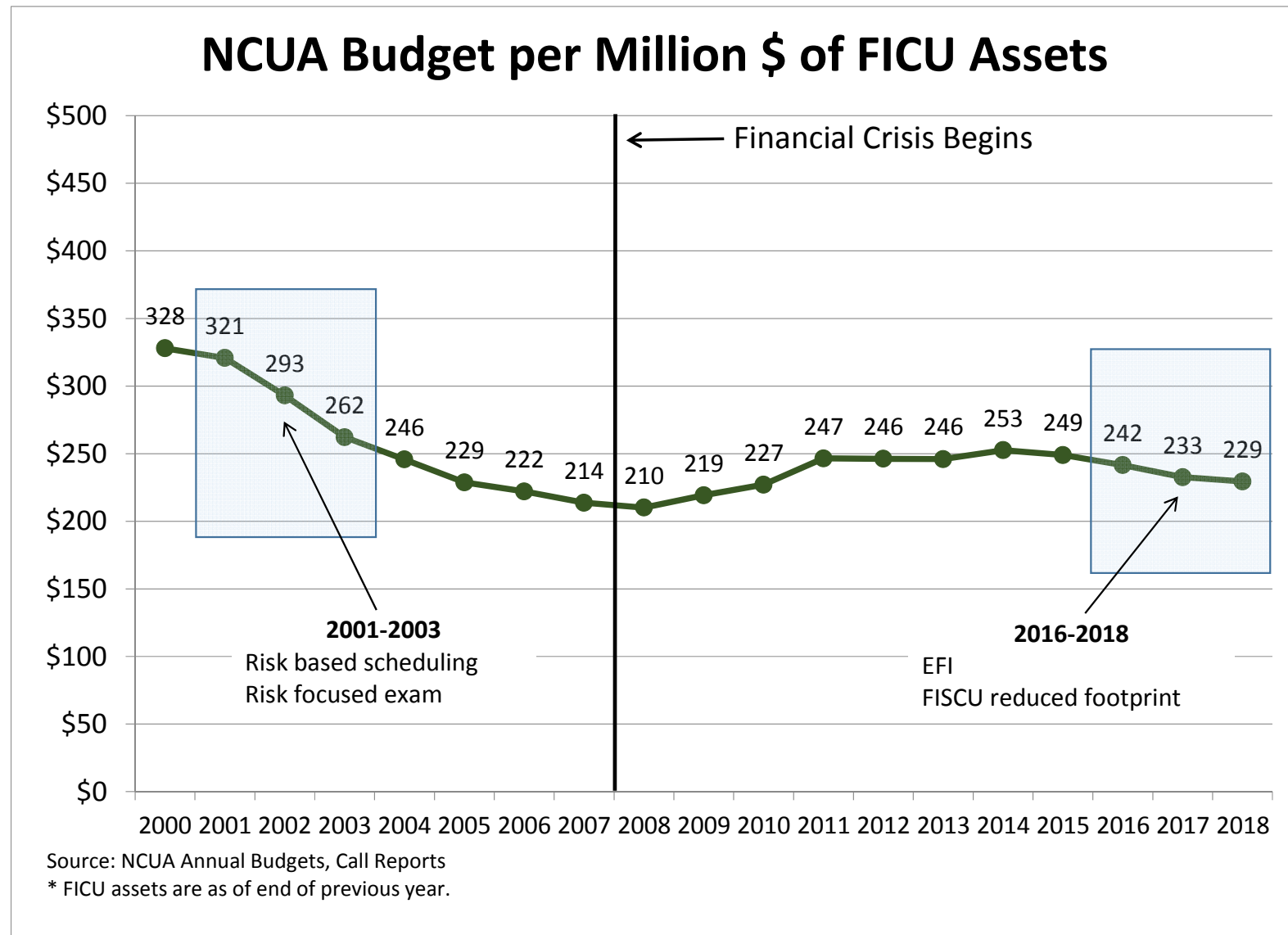
...and they account for most of the members and assets in the system.



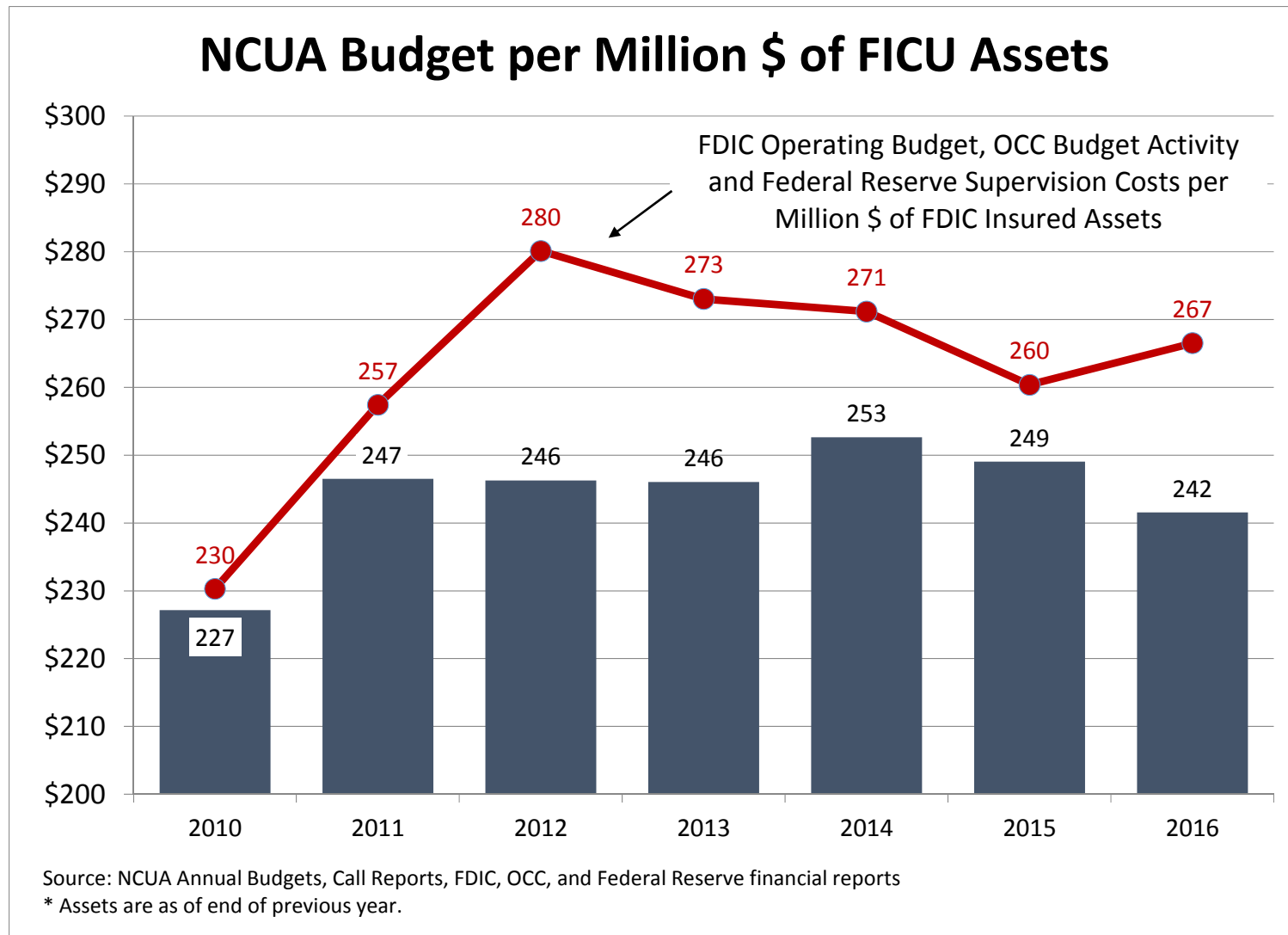
Larger Credit Unions Offer More Complex Services



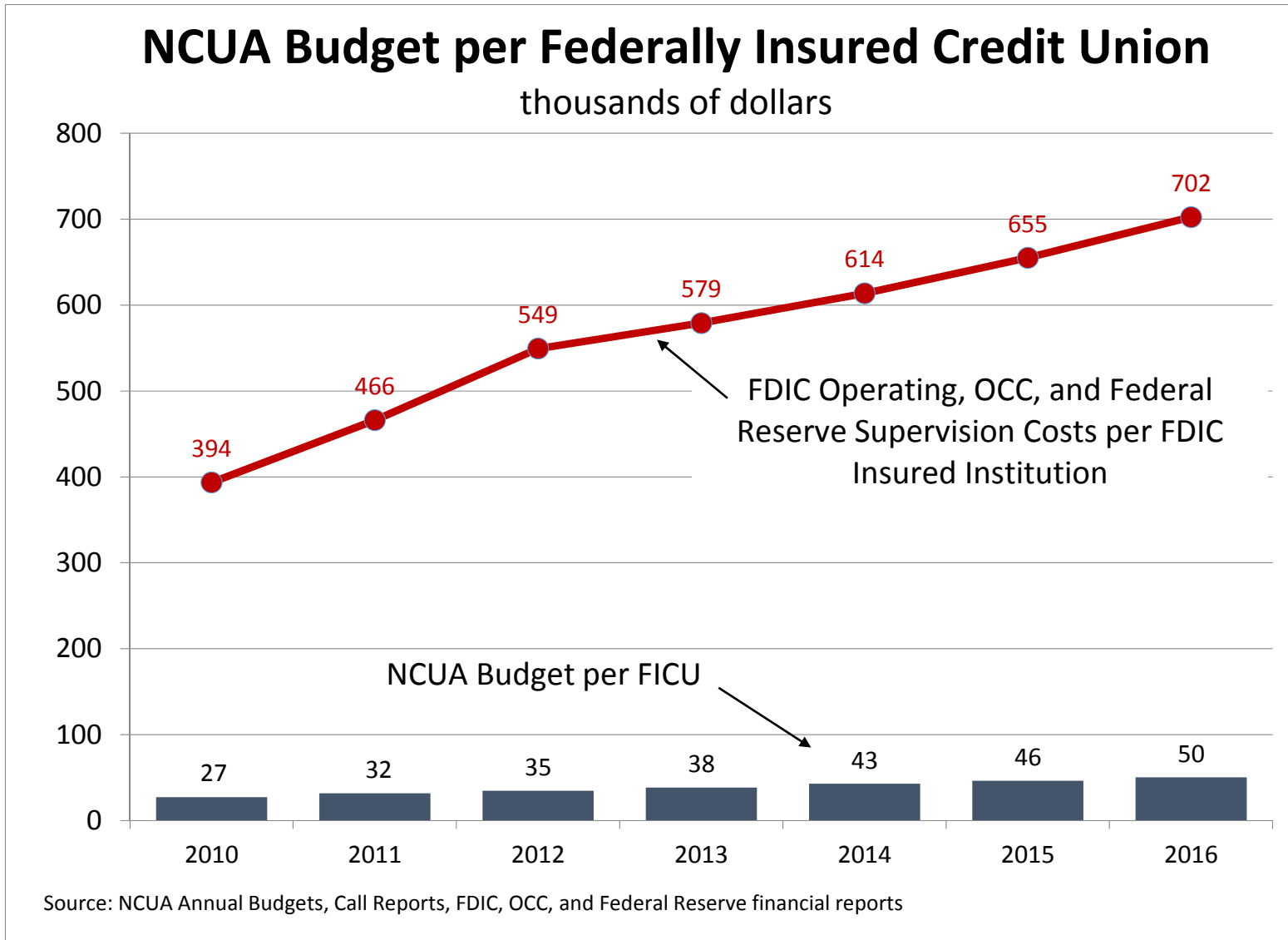
NCUA Costs per FICU Assets Are Coming Down



NCUA Costs per FICU Assets Compared to Bank Agency Costs



NCUA Costs per Institution Compared to Bank Agency Costs



Examination Flexibility Initiative

Working Group appointed to:

- ❖ Increase NCUA exam program flexibility
- ❖ Enhance exam program quality
- ❖ Engage credit union industry
- ❖ Proposed recommendations:
 - ❖ Extend exam cycle for eligible FICUs
 - ❖ Improve coordination of scheduling
 - ❖ Pilot off-site exam procedures
 - ❖ Improve exam preplanning
 - ❖ Enhance examiner training
 - ❖ Enhance coordination of Federally Insured State Chartered Credit Union Exams
 - ❖ Establish a joint NCUA State Supervisor Working Group

Examination Flexibility Initiative

Budgetary Savings:

- ❖ Reduce authorized FTE level by 47 over two-year transition period.
 - Year 1—25 examiners
 - Year 2—17 examiners, 5 supervisory examiners accomplished through attrition
- ❖ Reduce salary, benefits, and travel expenses by \$5M in year 2017 and \$4.4 M in 2018

Enterprise Solutions Modernization Program

- ❖ **Purpose: Modernize NCUA's technology solutions to create an integrated examination and data environment and facilitate a safe a sound credit union system**
- ❖ Multi-year effort established to manage the modernization effort and includes three key priorities:
 - ❖ **Examination & Supervision Solution** - Replace the existing legacy examination system and related supporting systems such as AIRES, TMS, MARS, and NSPM tools
 - ❖ **Data Collection & Sharing Solution** - Define capabilities required for a common platform to securely collect and share financial and non-financial data
 - ❖ **Data Reporting Services** - Implement business intelligence tools and establish a data warehouse to enhance analytics and provide more robust data reporting.

2017-2018 Proposed NCUA Budget

Budget Brief Overview

- ❖ Budget Development Review
- ❖ Overview of the Operating Fund Budget
- ❖ Key Budget Priorities and Initiatives (2017-18)
- ❖ Budget Trends and Details
- ❖ Factors Impacting NCUA's Budget Estimates
- ❖ Procurement Process
- ❖ Capital Budget
- ❖ Corporate Stabilization Fund Budget
- ❖ Enhanced Transparency

Budget Development Process

Budget Formulation

- ❖ The Budget is a product of thorough planning and evaluation by all offices to effectively use resources in the most efficient manner without sacrificing NCUA's core mission of protecting safety and soundness.
- ❖ Every office must justify every line item they request and explain the methodology used for cost estimates. Comprehensive workload analysis is primary input to determine time and personnel resources for the NCUA field program.
- ❖ A bottom-up, zero-based budgeting approach applied annually.
- ❖ Thoroughly reviewed by the Executive Director and Chief Financial Officer, with internal budget briefings by all central and regional offices to explain and justify their requests.
- ❖ Budget briefings of the Board Members is an iterative process, resulting in a budget that is presented at the November open Board Meeting.

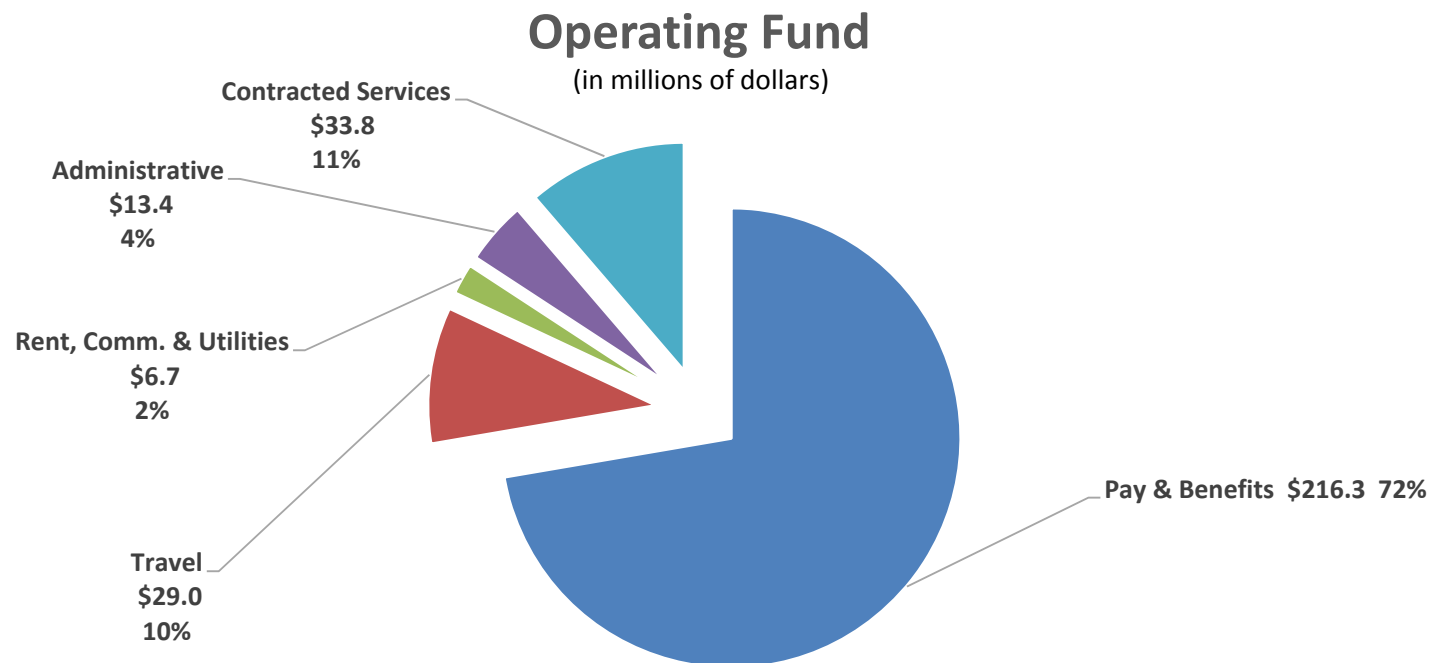
Overview of 2017-18 Budget

Budget	FTE	Proposed Budget (\$millions)	Change from 2016 BAB	% Chg	Change from 2017 BAB	% Chg
2016 Board Approved	1,247	\$ 290.9				
2017 Board Approved	1,247	\$ 302.9	\$ 12.0	4.1%		
2017 Revised	1,230	\$ 299.2	\$ 8.2	2.8%	(\$ 3.8)	(1.3%)
2018 Requested	1,208	\$ 313.1			\$ 10.1	3.3%
*BAB = Board approved Budget						

- **2017 Revised Budget** reflects a net decrease of 17 FTE (a reduction of 25 credit union examiners, a reduction of 1 senior staff position, and an increase of 9 proposed new mission support staff).
- **2018 Requested Budget** reflects a decrease of 22 credit union examiners. Two positions will be reassigned from regions to help support the administration of NCUA's records management program.

2017-18 Operating Fund Budget

\$millions	2016	2017	2017 Revised	2018	Change 2017/17 R	% Change 2017
BUDGET	\$ 290.9	\$ 302.9	\$ 299.2	\$ 313.1	(\$ 3.7)	(1.3%)
FTE	1,247	1,247	1,230	1,208	-17.0	-1.4%



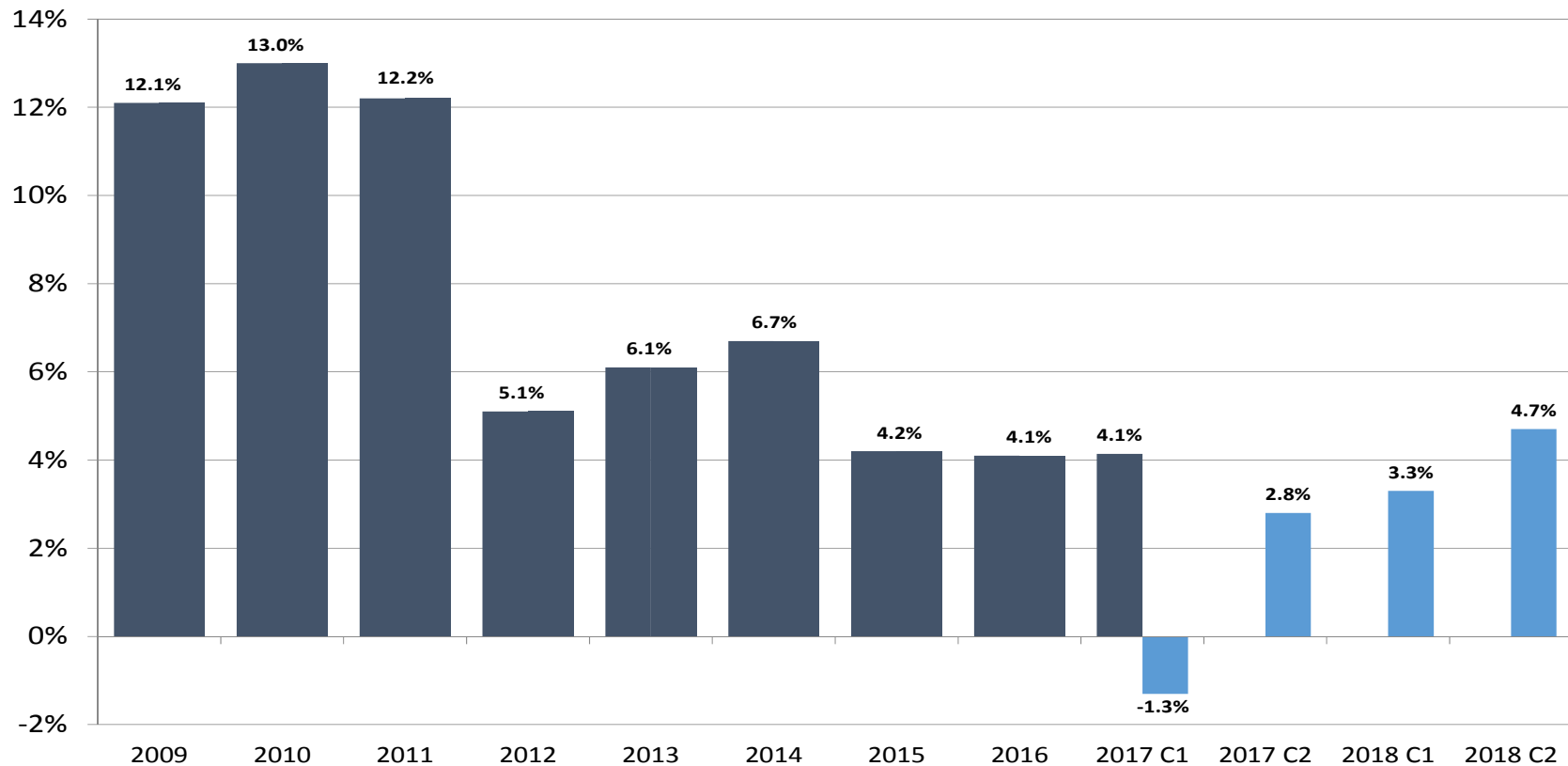
2017-18 Budget by Category

2017 - 2018 NCUA BUDGET SUMMARY					
By Cost Category	2016 Board Approved Budget	2017 Board Approved Budget	2017 Revised Budget	Change Percent (2017/17 R)	2018 Requested Budget
Employee compensation	210,928,398	220,269,122	216,253,000	-1.8%	224,449,000
Salaries	151,053,793	157,700,160	153,948,000	-2.4%	161,209,000
Benefits	59,874,605	62,568,962	62,305,000	-0.4%	63,240,000
Travel	29,293,388	29,586,322	28,965,000	-2.1%	29,415,000
Rent /Comm/Utilities	6,765,525	6,934,663	6,724,000	-3.0%	6,724,000
Administrative	15,701,976	15,827,592	13,414,000	-15.2%	13,414,000
Contracted Services	28,226,641	30,343,640	33,808,000	11.4%	39,107,000
Total	\$ 290,915,928	\$ 302,961,339	\$ 299,164,000	-1.3%	\$313,109,000
2017 Revised Budget Change from 2016 Board Approved Budget				2.8%	

Ten-Year Snapshot

% Change from Previous Year

Operating Fund Budget Changes



■ NCUA Operating Fund Budget (Left Axis, Dark Bars are Approved, Light Bars Proposed)

2017 C1 = Change from the 2017 Board Approved Budget

2017 C2 = Change from the 2016 Board Approved Budget

2018 C1 = Change from the 2017 Board Approved Budget

2018 C2 = Change from the 2017 Revised Budget

Key Budget Priority Initiatives (2017-18)

- ❖ Examination flexibility initiative
- ❖ Supervision
- ❖ Consumer protection and access
- ❖ Asset management
- ❖ Information technology modernization
- ❖ Infrastructure support
 - ❖ Cybersecurity
 - ❖ Information Technology Security program
 - ❖ Personnel and physical security
 - ❖ Acquisition management
 - ❖ Enforcement and litigation
 - ❖ Workforce development

Operating Fund FTE Changes

Revised 2017 Full-time Equivalent (FTE) Adjustments:

- (1) Senior staff position removed
- (25) Regional reductions pending EFI recommendations approval
- 2 **Office of Consumer Protection: *Consumer access program officers*** requested
- 2 **Examination and Insurance: *Cyber-security information system officer and Chief accountant assistant position*** requested
- 2 **Office of Chief Information Officer: *IT security positions*** requested
- 1 **Office of the Chief Financial Officer *Senior contract specialist position*** requested
- 1 **Office of Continuity and Security Management *Personnel security position*** requested
- 1 **Office of General Counsel *Enforcement and litigation attorney*** requested

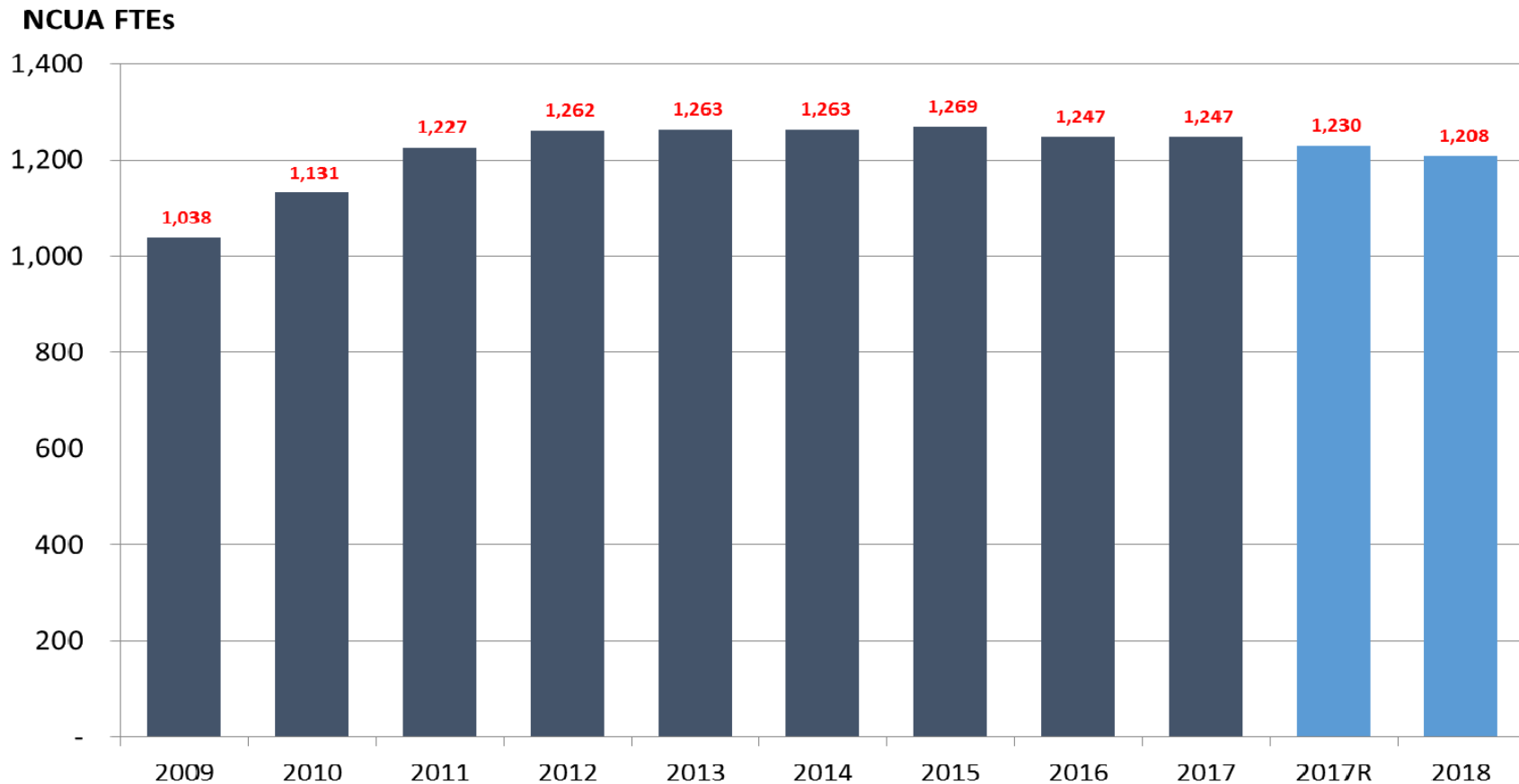
Pay and Benefits

\$millions	2016	2017	2017 Revised	2018	Change 2017/17 R	% Change 2017
BUDGET	\$ 210.9	\$ 220.3	\$ 216.3	\$ 224.4	(\$ 4.0)	(1.8%)

- ❖ Salary growth complies with collective bargaining agreement: 2017 = 5.65% and 2018 = 5.90% (average merit of 4% plus locality ranges from 0 to 3% to ***“maintain comparability with other federal bank regulatory agencies”*** per Federal Credit Union Act).
- ❖ Reduction of 25 FTE credit union (CU) examiner positions account for \$4.4M cost reduction in 2017, and 22 CU exam positions for another \$3.8M in 2018; Reassignment of 2 FTE from regions for records management in 2018.
- ❖ Mission support staff nine new positions; one senior staff position reduced
- ❖ Other personnel compensation costs include salary adjustments associated with promotions and position changes.
- ❖ Personnel benefits cost components include mandatory employer contributions for Social Security, Medicare, retirement, health insurance, and workers compensation.

NCUA Full-Time Equivalents

NCUA Staffing



■ NCUA Staffing (Left Axis, Dark Bars are Approved, Light Bars Proposed)

Travel

\$millions	2016	2017	2017 Revised	2018	Change 2017/17 R	% Change 2017
BUDGET	\$ 29.3	\$ 29.5	\$ 28.9	\$ 29.4	(\$ 0.6)	(2.1%)

- ❖ Travel reduction reflective of reduced credit union examiner positions (25 FTE in 2017 and 22 in 2018).
- ❖ General Services Administration lodging per diem rate 2% increase absorbed in budget adjustments.
- ❖ Study underway to identify further cost savings in examination and supervision time spent offsite, expected to reduce travel costs.
- ❖ Biennial National Exam Program Training included in 2018 cost estimate.

Rent, Communications and Utilities

\$millions	2016	2017	2017 Revised	2018	Change 2017/17 R	% Change 2017
BUDGET	\$ 6.8	\$ 6.9	\$ 6.7	\$ 6.7	(\$ 0.2)	(3.0%)

- ❖ Recurring costs to support NCUA infrastructure and operations. Major cost categories include:
 - ❖ Telecommunications (phone and internet)
 - ❖ Office space rental for central office, five regional offices, and Asset Management and Assistance Center (AMAC)
 - ❖ Office utilities
 - ❖ Postage

Administrative Services

\$millions	2016	2017	2017 Revised	2018	Change 2017/17 R	% Change 2017
BUDGET	\$ 15.7	\$ 15.8	\$ 13.4	\$ 13.4	(\$ 2.4)	(15.2%)

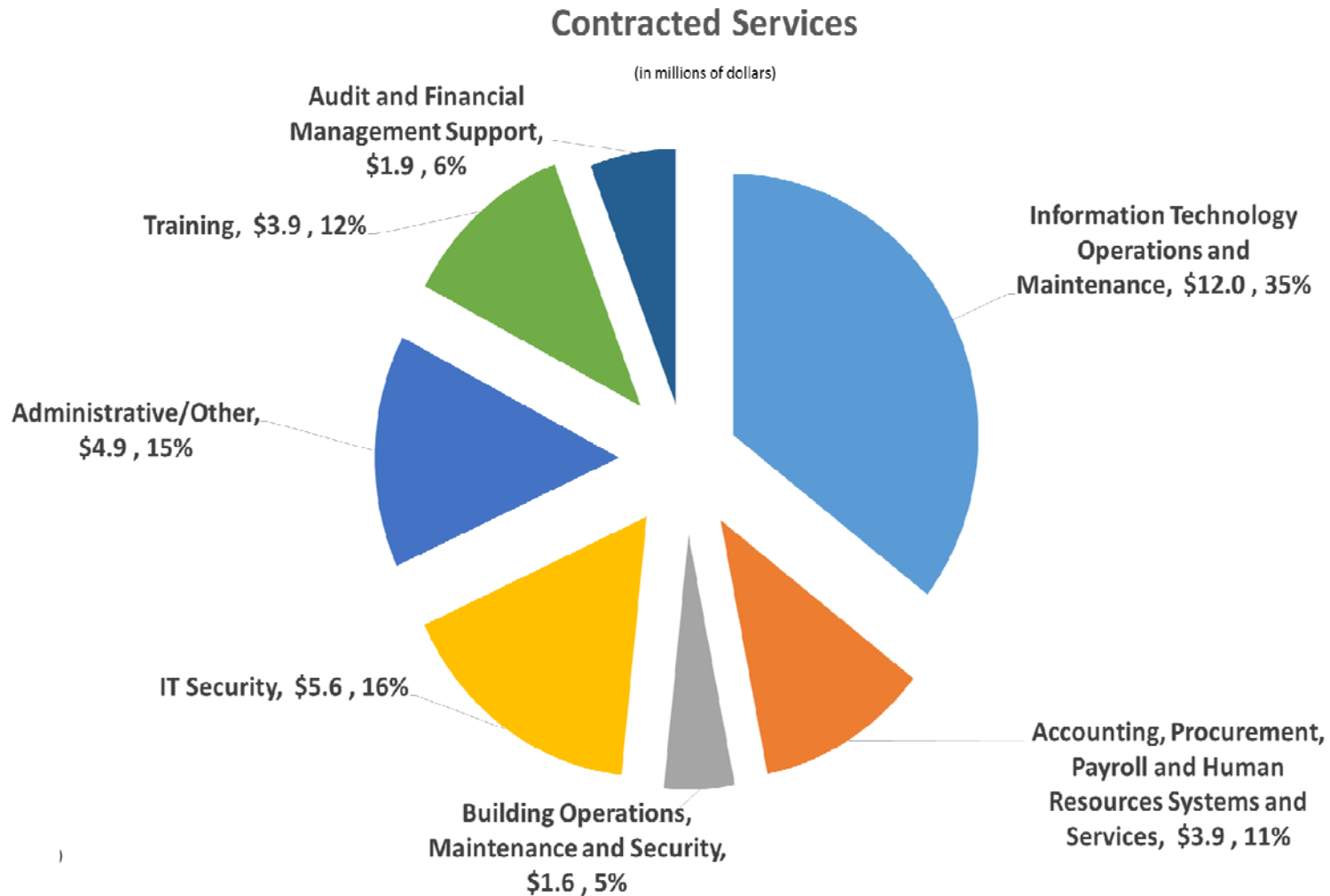
- ❖ Cost components support ongoing operations costs and include depreciation and amortization expenses, Federal Financial Institutions Examination Council (FFIEC) reimbursement fees, employee relocation expenses, recruitment and advertising, shipping, printing, meeting supplies and office materials.
- ❖ Reduction attributed to reclassification of \$2M software license maintenance fees to contracted services.
- ❖ Estimated cost reduction attributed to lower estimated FFIEC cost sharing for 2017 and employee relocation expenses.

Contracted Services

\$millions	2016	2017	2017 Revised	2018	Change 2017/17 R	% Change 2017
BUDGET	\$ 28.2	\$ 30.3	\$ 33.8	\$ 39.1	\$ 3.5	11.4%

- ❖ New initiatives supported by contracts include:
 - ❖ Physical security enhancements and improvements
 - ❖ NCUA staff travel system support
 - ❖ Enterprise risk management and financial management modernization
 - ❖ IT support for enterprise architecture, website support, IT service desk, and AMAC IT modernization
 - ❖ Supervision and examination program enhancements
 - ❖ Human resource initiatives: training redesign and personnel recruitment support
 - ❖ Ongoing operations and maintenance costs for legacy and new systems (2018 \$5.3M new costs)

Contracted Services



Procurement Process

- ❖ Purchasing the goods and services necessary for the agency to achieve its mission.
- ❖ Predicated on the tenets of competition, best value to the government, and innovation.
- ❖ Tailored to meet agency requirements.
- ❖ Inclusive of minority and women-owned businesses.
- ❖ Application of best practices in procurement and contract management resulting in receipt of best in class products and services, and at fair and reasonable prices.
- ❖ Continuous improvement and program savings.

Why use Contracted Services?

- ❖ Like other organizations, the federal government commonly uses commercial contracts for specialized services not available in-house.
- ❖ General Services Administration, general purchasing arm of government provides streamlined product offerings.
- ❖ Contract services provide flexibility in acquiring supplies and services.
- ❖ Competition minimizes risk and maximizes value.
- ❖ Contracts are structured to incentivize contractor to perform efficiently and economically.

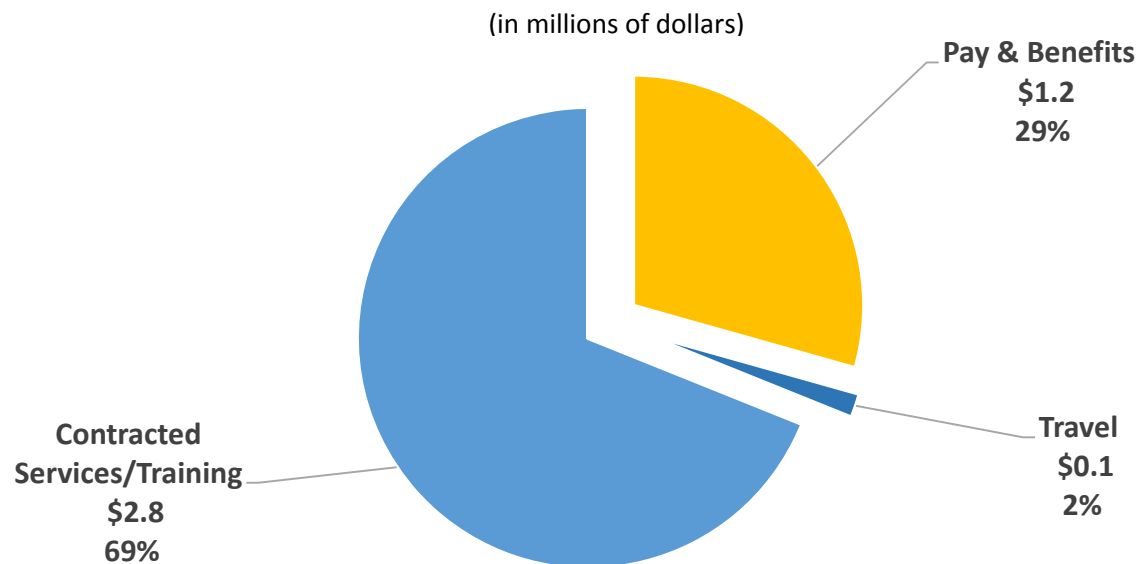
Capital Budget

Description (\$ millions)	2017 Budget	2017 Revised Budget	Change 2017/ 17 R	2018 Budget
Information technology systems upgrades and new system implementation <i>(Examination and supervision solution, data collection solution, enterprise data reporting and warehousing, enterprise records management, AMAC servicing system, and human resources system)</i>	\$ 9.4	\$ 11.8	\$ 2.4	\$ 13.1
Information technology hardware and system costs <i>(Legacy infrastructure and security technology refresh and expansion, NCUA laptops, HMDA system and consumer lending software)</i>	\$ 2.5	\$ 2.2	(\$ 0.3)	\$ 1.8
Capital building improvements and repair projects <i>(central office elevator, building renovations and improvements)</i>	\$ 1.7	\$ 1.8	\$ 0.1	\$ 0.5
Total	\$ 13.6	\$ 15.8	\$ 2.2	\$ 15.4

2017-2018 Stabilization Fund Budget

\$millions	2016	2017	2017 Revised	2018	Change 2017/17 R	Percent Change 2017
BUDGET	\$ 4.1	\$ 4.1	\$ 4.1	\$ 4.2	(\$.01)	(0.1%)
FTE	5	5	5	5	0	0.0%

Corporate Stabilization Fund 2017 Oversight Budget



2017-2018 Stabilization Fund Budget

2017 - 2018 STABILIZATION FUND OVERSIGHT BUDGET

By Cost Category	2016 Board Approved Budget	2017 Board Approved Budget	2017 Revised Budget	Change Percent (2017/17 R)	2018 Requested Budget	2017 FTE	2018 FTE
Employee Pay and Benefits	\$ 1,038,079	\$ 1,207,922	\$ 1,193,000	-1.2%	\$ 1,270,000	5	5
Travel	73,440	65,000	70,000	7.7%	70,000		
Administrative (Training)	11,000	14,000	19,000	35.7%	19,000		
Contracted Services:							
Consulting	992,000	795,491	923,000	16.0%	923,000		
Valuation Services	1,250,000	1,250,000	1,080,000	-13.6%	1,080,000		
Software/Data Subscriptions	757,000	763,000	805,000	5.5%	805,000		
Total	\$ 4,121,519	\$ 4,095,413	\$ 4,090,000	-0.13%	\$ 4,167,000	5	5

Transparency: Budget Resource Center

Key NCUA Budget and Supplementary Materials:

<https://www.ncua.gov/About/Pages/budget-strategic-planning/supplementary-materials.aspx>

Operating Fund Board Action Memorandum

- Approves projects and spending for all NCUA offices

Budget in Brief

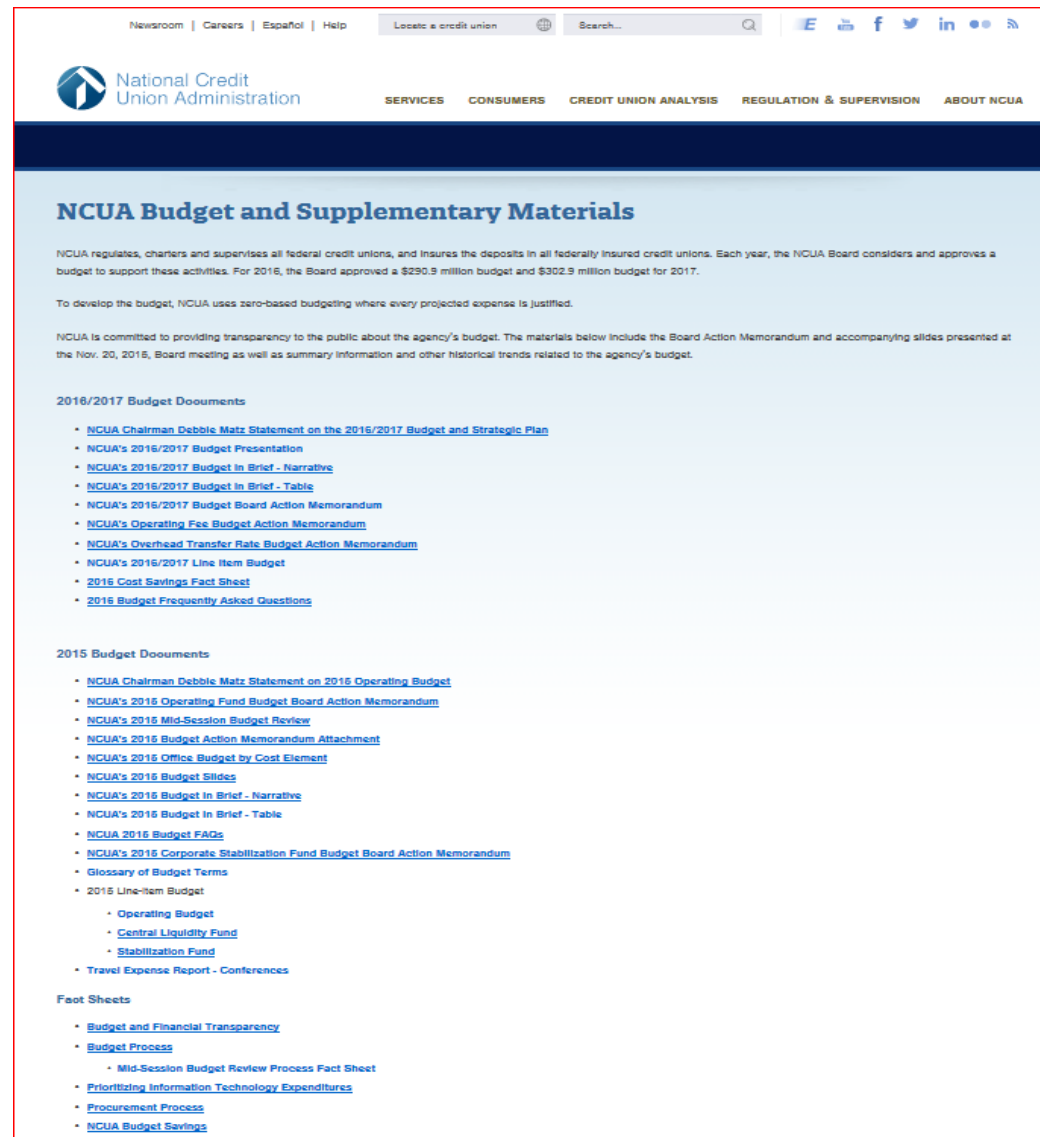
- Executive Summary of the approved budget

Fact Sheets

- Short informational summary of NCUA key processes

Budget Detail

- Office budget line item detail



The screenshot shows the NCUA website's 'Budget and Supplementary Materials' page. The header includes navigation links like 'Newsroom', 'Careers', 'Español', 'Help', and a search bar. The main content area is titled 'NCUA Budget and Supplementary Materials' and provides an overview of the budgeting process. It lists documents for the 2016/2017 and 2015 budget cycles, including statements, presentations, briefs, and action memorandums. A 'Fact Sheets' section at the bottom lists various informational documents.

Newsroom | Careers | Español | Help | Locate a credit union | Search...

National Credit Union Administration

SERVICES CONSUMERS CREDIT UNION ANALYSIS REGULATION & SUPERVISION ABOUT NCUA

NCUA Budget and Supplementary Materials

NCUA regulates, charters and supervises all federal credit unions, and insures the deposits in all federally insured credit unions. Each year, the NCUA Board considers and approves a budget to support these activities. For 2016, the Board approved a \$290.9 million budget and \$302.9 million budget for 2017.

To develop the budget, NCUA uses zero-based budgeting where every projected expense is justified.

NCUA is committed to providing transparency to the public about the agency's budget. The materials below include the Board Action Memorandum and accompanying slides presented at the Nov. 20, 2016, Board meeting as well as summary information and other historical trends related to the agency's budget.

2016/2017 Budget Documents

- [NCUA Chairman Debbie Matz Statement on the 2016/2017 Budget and Strategic Plan](#)
- [NCUA's 2016/2017 Budget Presentation](#)
- [NCUA's 2016/2017 Budget in Brief - Narrative](#)
- [NCUA's 2016/2017 Budget in Brief - Table](#)
- [NCUA's 2016/2017 Budget Board Action Memorandum](#)
- [NCUA's Operating Fee Budget Action Memorandum](#)
- [NCUA's Overhead Transfer Rate Budget Action Memorandum](#)
- [NCUA's 2016/2017 Line Item Budget](#)
- [2016 Cost Savings Fact Sheet](#)
- [2016 Budget Frequently Asked Questions](#)

2015 Budget Documents

- [NCUA Chairman Debbie Matz Statement on 2015 Operating Budget](#)
- [NCUA's 2015 Operating Fund Budget Board Action Memorandum](#)
- [NCUA's 2015 Mid-Session Budget Review](#)
- [NCUA's 2015 Budget Action Memorandum Attachment](#)
- [NCUA's 2015 Office Budget by Cost Element](#)
- [NCUA's 2015 Budget Slides](#)
- [NCUA's 2015 Budget in Brief - Narrative](#)
- [NCUA's 2015 Budget in Brief - Table](#)
- [NCUA 2015 Budget FAQs](#)
- [NCUA's 2015 Corporate Stabilization Fund Budget Board Action Memorandum](#)
- [Glossary of Budget Terms](#)
- [2015 Line-Item Budget](#)
 - [Operating Budget](#)
 - [Central Liquidity Fund](#)
 - [Stabilization Fund](#)
- [Travel Expense Report - Conferences](#)

Fact Sheets

- [Budget and Financial Transparency](#)
- [Budget Process](#)
 - [Mid-Session Budget Review Process Fact Sheet](#)
- [Prioritizing Information Technology Expenditures](#)
- [Procurement Process](#)
- [NCUA Budget Savings](#)

Office Contact Page

Feel free to contact our office with questions or comments.

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<https://www.ncua.gov/About/Pages/budget-strategic-planning/supplementary-materials.aspx>

Supplemental Budget Information

- ❖ Federal Labor Relations and Collective Bargaining Agreement
- ❖ NCUA Funds and Background
- ❖ Share Insurance Fund Operating Expenses

Federal Government Labor Relations

Management:

- ❖ Management has the right to:
 - Determine the mission, budget, organization, number of employees and internal security practices of the agency;
 - In accordance with applicable laws – to hire, assign, direct, lay off, and retain employees in the agency, or to suspend, remove, reduce in grade, or take other disciplinary action against such employees;
 - To assign work, to make determinations with respect to contracting out, and to determine the personnel by which agency operations are conducted.
- ❖ None of these rights preclude any agency and any labor organization from negotiating procedures with management officials of the agency; and will observe in exercising any authority under the Statute, or any appropriate arrangements for employees affected by the exercise of any authority under the Statute.

Federal Government Labor Relations

Federal Labor- Management Relations Statute (Statute), 5 USC Chapter 71, establishes basic rights for (1) employees, (2) unions and (3) management.

Employees:

- ❖ Have the right to decide whether to be represented or form a union without management interference or retaliation
- ❖ Once a union is established, employees have the right to join and pay dues and are entitled to union representation whether or not they join/pay union dues.

Union:

- ❖ Once certified, unions have the right to bargain for employees over personnel policies, practices, and working conditions whether written or unwritten.

NCUA Labor Relations

Timeline of key events:

2004

- ❖ Recognition of National Treasury Employees Union (NTEU) as the exclusive representative for NCUA bargaining unit employees

2008

- ❖ Execution of the first Collective Bargaining Agreement (CBA) between NCUA and NTEU
- ❖ Containing, among other policies, compensation and benefits, travel reimbursement, and hours of work policies and procedures

2010

- ❖ Re-open negotiations of Pay, Travel, Hours of Work, and Union Rights

NCUA Labor Relations

2011

- ❖ Execution of second CBA between NCUA and NTEU
- ❖ Included negotiated freeze to BU employee pay for duration of federal pay freeze, added controls to travel reimbursement, and inclusion of extended benefits package

2015

- ❖ Third CBA negotiated between NCUA and NTEU
- ❖ Included implementation of total pay cap, recalculation of locality pay calculation, requirement for teleworking employees to work on government closure days, and clarifications to travel and hours of work policies

2017

- ❖ Opportunity for both NCUA and NTEU to reopen up to four CBA articles for renegotiation

CBA Bargaining Process

Reopening Negotiations (see Article 41, Section 2.B)

- Between 24 -26 months after July 7, 2015 either party may provide notice to reopen up to four articles
- Bargaining will commence no later than 30 days after the 28th month of the agreement

Negotiating a New Agreement (see Article 41, Section 2.C)

- 120 days prior to expiration date of agreement, either party may request to negotiate new agreement
- Parties negotiate ground rules containing:
 - Procedures for exchanging proposals,
 - Number of participants for each Party,
 - Travel and hours of work policies for duration of bargaining,
 - Procedures for resulting impasses
- Parties commence term negotiations
 - 2008 CBA - 4 years to conclude negotiations
 - 2011 CBA - approximately 18 months to conclude negotiations
 - 2015 CBA – approximately 6 months to conclude negotiations
- Impasse Process – All CBA negotiations have required some impasse assistance
 - May include mutually selected mediator/arbitrator
 - Requesting assistance from the Federal Mediation and Conciliation Service
 - Request assistance from the Federal Service Impasses Panel

NCUA: Five Revolving Funds

1. Operating Fund

Per the Federal Credit Union Act, the management of the Administration is vested in the National Credit Union Administration (NCUA) Board. The Board approves the Operating Fund budget to pay the expenses necessary to carry out its responsibilities under the Act.

2. Share Insurance Fund

The National Credit Union Share Insurance Fund is the federal fund created by Congress in 1970 to insure member's deposits in federally insured credit unions.

3. Temporary Corporate Credit Union Stabilization Fund

The Stabilization Fund budget includes the costs of the NCUA Guaranteed Notes (NGN) Securities Management and Oversight Committee as well as costs incurred by other NCUA offices in support of the Corporate System Resolution Program.

4. Central Liquidity Fund

The CLF is a mixed ownership government corporation created to improve the general financial stability of credit unions by serving as a liquidity lender to credit unions experiencing unusual or unexpected liquidity shortfalls.

5. Community Development Revolving Loan Fund (appropriated)

The Community Development Revolving Loan Fund provides grants and loans to low-income designated credit unions.

Share Insurance Fund

❖ Operating expenses 2015 Actual **\$5.5M**

❖ State examiner training	\$1.64M
❖ Stress testing	\$3.08M
❖ Financial Accounting/consulting	\$0.47M
❖ Derivative Programs	\$0.08M
❖ State examiner computers	\$0.16M
❖ Bank Charges	\$0.04M

❖ Operating expenses 2015 Estimated **\$6.4M**

❖ State examiner training	\$1.20M
❖ Stress testing	\$3.92M
❖ Financial Accounting/consulting	\$0.52M
❖ IT Modernization	\$0.59M
❖ State examiner computers	\$0.16M
❖ Bank Charges	\$0.04M

NCUA Budget Background

Funds Presented in the FY 2017 President's Budget

- ❖ National Credit Union Share Insurance Fund
- ❖ Operating Fund
- ❖ Temporary Corporate Credit Union Stabilization Fund
- ❖ Central Liquidity Facility
- ❖ Community Development Revolving Loan Program

1292 National Council on Stability—Continued
Federal Funds—Continued

THE BUDGET FOR FISCAL YEAR 2016

SALARIES AND EXPENSES—Continued

Employment Summary

Identification code 413-3500-0-3-506	2014 actual	2015 est.	2016 est.
1001 Direct civilian full-time equivalent employment	12	13	13

NATIONAL CREDIT UNION ADMINISTRATION

Federal Funds

Operating Fund

Program and Financing (in millions of dollars)

Identification code 025-4056-0-3-373	2014 actual	2015 est.	2016 est.
Obligations by program activity:			
0801 Examination and supervision	189	185	191
0803 Administration	79	88	91
0804 Office of Inspector General	3	4	4
0900 Total new obligations	251	277	286

Budgetary resources:

Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	75	89	79
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected	247	267	284
1801 Change in uncollected payments, Federal sources	18	17	9
1850 Spending auth from offsetting collections, mand (total)	265	284	293
1900 Total budgetary resources available	340	356	363
1941 Memorandum (non-add) entries:			
Unexpended unobligated balance, end of year	88	79	77

Change in obligated balance:

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	26	27	37
3010 Obligations incurred, unexpended accounts	251	277	286
3020 Outlays (gross)	-250	-267	-284
3050 Unpaid obligations, end of year	27	37	39
Uncollected payments:			
3060 Uncollected payments, Fed sources, brought forward, Oct 1	42	-60	-60
3070 Change in uncollected payments, Fed sources, unexpended	-18	-	-
3090 Uncollected payments, Fed sources, end of year	-60	-60	-60
3100 Memorandum (non-add) entries:			
Obligated balance, start of year	-16	-33	-23
3200 Obligated balance, end of year	-33	-33	-21

Budget authority and outlays, net:

Mandatory:			
4050 Budget authority, gross	265	284	293
4100 Outlays from new mandatory authority	215	250	275
4101 Outlays from mandatory balances	35	17	9
4110 Outlays, gross (total)	250	267	284
Offsetting against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources	-168	-180	-189
4121 Interest on Federal securities	-1	-3	-1
4123 Non-Federal sources	-1	-	-
4124 Offsetting governmental collections	-76	-76	-84
4130 Offsets against gross budget authority and outlays (total)	-247	-267	-293
4140 Additional offsets against gross budget authority only	-18	-	-
4170 Outlays, net (mandatory)	3	3	3
4190 Outlays, net (total)	3	3	3
Memorandum (non-add) entries:			
5000 Total investments, EOH Federal securities: Per value	57	54	46
5001 Total investments, EOH Federal securities: Per value	54	46	46

The mission of the National Credit Union Administration (NCUA) is to objectively and independently oversee the operation of federally insured credit unions, facilitating the availability of credit union services to all eligible consumers, especially those of modest means, through an objective

independent regulatory environment that protects credit union members. Credit unions are privately owned, cooperative associations organized for the purpose of promoting thrift among their members and creating a source of credit for provident and productive purposes.

The NCUA, through its operating fund, conducts activities prescribed by the Federal Credit Union Act of 1934, as amended, which include: 1) chartering new federal credit unions; 2) approving field of membership applications of federal credit unions; 3) promulgating regulations and providing guidance; 4) performing regulatory compliance and safety and soundness examinations; 5) implementing and administering enforcement actions, such as prohibition orders, orders to cease and desist, and orders of conservatorship and liquidation; and 6) administering the National Credit Union Share Insurance Fund (Share Insurance Fund).

The NCUA funds its activities through operating fees levied on all Federal credit unions and through reimbursements from the Share Insurance Fund, which is funded by both Federal credit unions and Federally insured state-chartered credit unions. In 2014, NCUA chartered three new Federal credit unions, bringing the total number of Federal credit unions to 3,981 with total assets of more than \$595 billion.

Object Classification (in millions of dollars)

Identification code 025-4056-0-3-373	2014 actual	2015 est.	2016 est.
Reimbursable obligations:			
Personal compensation:			
11.1 Full-time permanent	133	144	148
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	134	145	149
12.1 Civilian personnel benefits	50	55	57
21.0 Travel and transportation of persons	27	29	30
23.3 Communications, utilities, and miscellaneous charges	5	6	6
25.2 Other services from non-Federal sources	29	30	37
31.0 Equipment	6	5	7
99.9 Total new obligations	251	277	286

Employment Summary

Identification code 025-4056-0-3-373	2014 actual	2015 est.	2016 est.
2001 Reimbursable civilian full-time equivalent employment	1,242	1,260	1,260

CREDIT UNION SHARE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 025-4477-0-3-373	2014 actual	2015 est.	2016 est.
Obligations by program activity:			
0801 Payments to the operating fund for services and facilities	168	190	199
0802 Other Administrative	3	3	3
0803 Working Capital	98	21	23
0804 Liquidation Expenses	76	100	113
0900 Total new obligations	345	317	338
Budgetary resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	10,647	11,020	11,238
1010 Unobligated balance transfer to other accounts (025-4477)	55	-	-
1050 Unobligated balance (total)	10,552	11,020	11,238
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected	810	836	750
1801 Change in uncollected payments, Federal sources	3	-	-
1850 Spending auth from offsetting collections, mand (total)	813	836	750
1900 Total budgetary resources available	11,365	11,555	11,986
1941 Memorandum (non-add) entries:			
Unexpended unobligated balance, end of year	11,020	11,238	11,550

Change in obligated balance:

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1	11	34	14
3010 Obligations incurred, unexpended accounts	345	317	338

NCUA Budget Background

- ❖ **Calendar Year versus Government Fiscal Year**
- ❖ NCUA operates on a calendar year
 - ❖ Budgets and financial reporting coincide with calendar year
 - ❖ NCUA Operating Fee and Share Insurance Fund 1% deposit assessments are based on previous December 31 year-end balance of credit union assets and insured shares, respectively
- ❖ **Budget submissions to Congress**
 - ❖ NCUA's calendar year budgets are converted to the federal government's fiscal year