



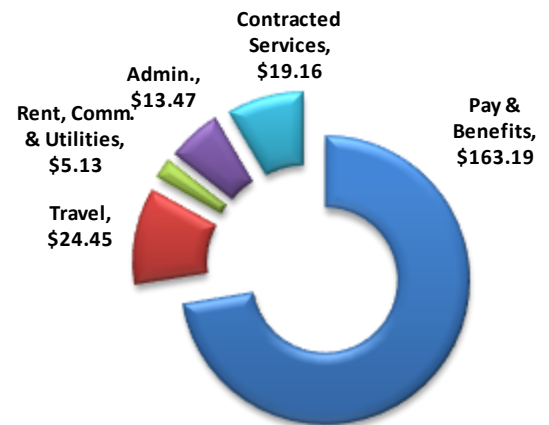
NCUA Media Release

NCUA Budget in Brief

November 19, 2010, Alexandria, Va. - The 2011 Budget of \$225.4 million and 1,209 full-time equivalents (FTE) is an increase of \$24.5 million, or 12 percent over the prior year. This budget includes increases to accommodate normal inflationary adjustments as well as to ensure necessary enhancements to the agency's safety and soundness mission.

Highlights include:

- Pay & Benefits have increased by \$17.1 million or 12 percent over 2010. Of this increase:
 - Thirty-seven percent (37%) or \$6.3 million, relates to the 6.1% pay increase mandated by the Three Year Collective Bargaining Agreement, entered into in 2008. This agreement, which covers 80% of NCUA's workforce, will be renegotiated in 2011;
 - Five percent (5%) or \$800,000 is for the 3% pay adjustment approved by the Board for non-bargaining staff;
 - Thirty-four percent (34%) or \$5.8 million relates to the 78 positions (60 of which will be field staff) added to strengthen NCUA's safety and soundness programs pursuant to the change to an Annual Examination Cycle, to establish the Office of Minority and Women Inclusion as mandated by the Dodd-Frank Act, and to add necessary resources for financial reporting and economic analysis;
 - Seventeen percent (17%) or \$3.0 million is for mandatory employee benefit adjustments (e.g., health insurance, Social Security, etc); and
 - Seven percent (7%) or \$1.2 million are net changes related to attrition, fully funding positions added in the prior year, and other payment adjustments.
- Travel has increased \$1.2 million, or 6 percent. The increase is primarily driven by additional examination staff.



- The Examination and Supervision Operational Review is budgeted at \$1 million. This project was initiated in 2010 with the purpose of providing NCUA with an independent review of all its Examination and Supervision processes and its regulatory regime.
- The Capital Budget has decreased by 50% from 2010 and now totals \$2.5 million. Of this amount, King Street Station Building renovations total \$1.2 million. Most of the request relates to renovations of the building's restrooms to address original plumbing design weaknesses and to be compliant with requirements under the Americans with Disabilities Act. Additionally the budget includes funds for necessary IT upgrades to the network, storage devices and servers.
- Material Loss Reviews increased by \$650,000 to total \$1.3 million. By law, the Inspector General (IG) is mandated to conduct Material Loss Reviews on failed credit unions where losses exceed certain statutory thresholds. These funds will enable the IG to conduct 12 reviews for 2011.
- Technology Initiatives total \$1.6 million. IT program updates and systems are required to support the agency's national policies. These initiatives include centralizing supervision data to promote data integrity and increased responsiveness; additionally, preparation will begin for the replacement of laptops in 2012.
- Region II (Capital) office relocation totals \$670,000. Central office space needs have grown due to the creation of the new Office of Consumer Protection and the Dodd-Frank mandated Office of Minority and Women Inclusion.

The National Credit Union Administration charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, operates and manages the National Credit Union Share Insurance Fund, insuring the accounts of over 90 million account holders in all federal credit unions and the majority of state-chartered credit unions. NCUA is funded by credit unions, not federal tax dollars.

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