

2013 - NCUA Budget in Brief

The 2013 Operating Budget is \$251.4 million, an increase of \$14.5 million or 6.1% over the prior year, a rate slower than the projected credit union industry's asset growth of 6.5%. The approved 2013 NCUA budget prudently provides for a pay raise proposed by the President that Congress must still approve. Without this conditional pay adjustment, the budget growth is only 2.3%. This budget focuses resources to ensure the successful execution of the agency's safety and soundness mission. The major changes to the budget are as follows:

Staffing. There is no increase in the total authorized staffing level. The 2013 Full Time Equivalents (FTE) level remains at the 2012 level of 1,261.50 FTE.

Pay & Benefits. Pay and benefits increased by \$12.8 million, or 7.5%, for a total budget of \$183.6 million. The majority of the adjustment, \$9.1 million, is for a conditional pay increase and is dependent on congressional approval of the President's 2013 budget request. The collective bargaining agreement signed on November 1, 2011, between NCUA and the National Treasury Employees Union (NTEU), provides for a pay adjustment indexed against the change to the General Schedule pay scale. If Congress does not approve the proposed federal pay raise, NCUA will return the request for the pay raise at the mid-session budget review during the July 2013 Board meeting.

Without a federal pay raise, NCUA pay and benefits would increase by \$3.7 million, or 2.1 percent. Of this amount, \$1.9M is to fully fund positions approved in 2012. The remaining \$1.8M represents the net adjustment needed to account for attrition, promotions, and other mandatory inflationary adjustments including health insurance premiums and retirement expenses.

Travel. Travel increased \$796,000, or 2.9%, for a total budget of \$27.9 million. The level of exam hours and time spent at credit unions is driving the increase in travel.

Rent, Communications & Utilities. The Rent, Communication & Utilities expenses decreased by \$182,000, or 3.3%, for a total budget of \$5.3 million. The largest change was a decline in postage costs of \$223,000, a result of increased electronic distribution of information. Increases included inflationary costs of rent.

Administrative Expenses. Administrative expenses increased by \$148,000, or 1%, for a total budget of \$13.6 million. This increase is related to acquiring advanced analytical tools to allow NCUA examiners to develop custom analytics to review credit union trends at the district level.

Contracted Services. Contracted Service expenses increased by 4.9%, or a net of \$984,000, for a total budget of \$21.0 million. The increase is related to efforts to improve webhosting, application support, project and application management in the Office of the Chief Information Officer, and to increase risk analysis of investment portfolios of corporate and large credit unions.

