



NCUA

National Credit Union Administration

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Office of the Chief Financial Officer



2020 – 2021 PROPOSED BUDGET

Staff Draft

Public Briefing
November 20, 2019



This presentation contains estimates that are pre-decisional and subject change.

Agenda

- **Key Accomplishments**
- **The NCUA's Draft 2020 – 2021 Budget**
 - Strategic Context
 - Budget Trends
 - Operating Budget
 - Capital Budget
 - Share Insurance Fund Administrative Budget
 - Financing the NCUA Programs
- **Conclusion**

Key Accomplishments

- **Effective, Not Excessive Regulation**

- A proposed rule delaying the effective date of the risk-based capital rule to January 2022.
- A final rule amending the agency's regulation requiring real estate appraisals for certain commercial transactions to raise the threshold from \$250,000 to \$1 million among other changes.
- A final rule allowing federal credit unions the option to offer more payday alternative loan options.
- A final rule allowing federal credit unions to accept nonmember and public unit shares up to 50 percent of paid-in and unimpaired capital and surplus.

Key Accomplishments

- **Second Chance Initiative**
 - The NCUA Board issued a proposed interpretive ruling and policy statement that would allow individuals convicted of certain minor offenses to work in the credit union industry without applying for the NCUA Board's approval.
- **Guidance Letters**
 - To low-income credit unions describing their authority to offer secondary capital accounts and the framework for the NCUA's analysis and approval or disapproval of secondary capital plans
 - To federally insured credit unions so they may provide certain financial services to legally operating hemp businesses.
- **Cybersecurity**
 - Chairman Hood appointed Johnny E. Davis, Jr to serve as Special Advisor to the Chairman for Cybersecurity.

Key Accomplishments

- **Collaboration**
 - The NCUA embarked on a three-year cooperative effort with the Small Business Administration to bring together small businesses and credit unions.
 - The NCUA and the National Association of State Credit Union Supervisors (NASCUS) signed a document of cooperation on August 14, 2019.
- **Stakeholder Engagement**
 - Chairman Hood hosted a commemoration of the 85th anniversary of the signing of the Federal Credit Union Act.
 - The NCUA Board members delivered speeches discussing important financial industry policy issues and NCUA updates with a variety of industry stakeholders.
- **Financial Stewardship**
 - Distributed a \$160.1 million Share Insurance Fund dividend to more than 5,500 eligible institutions in May 2019.

2020 – 2021 Budget: Strategic Context

Three strategic goals from the NCUA's 2018 – 2022 *Strategic Plan* underlie the funding proposed in the 2020 – 2021 Budget:

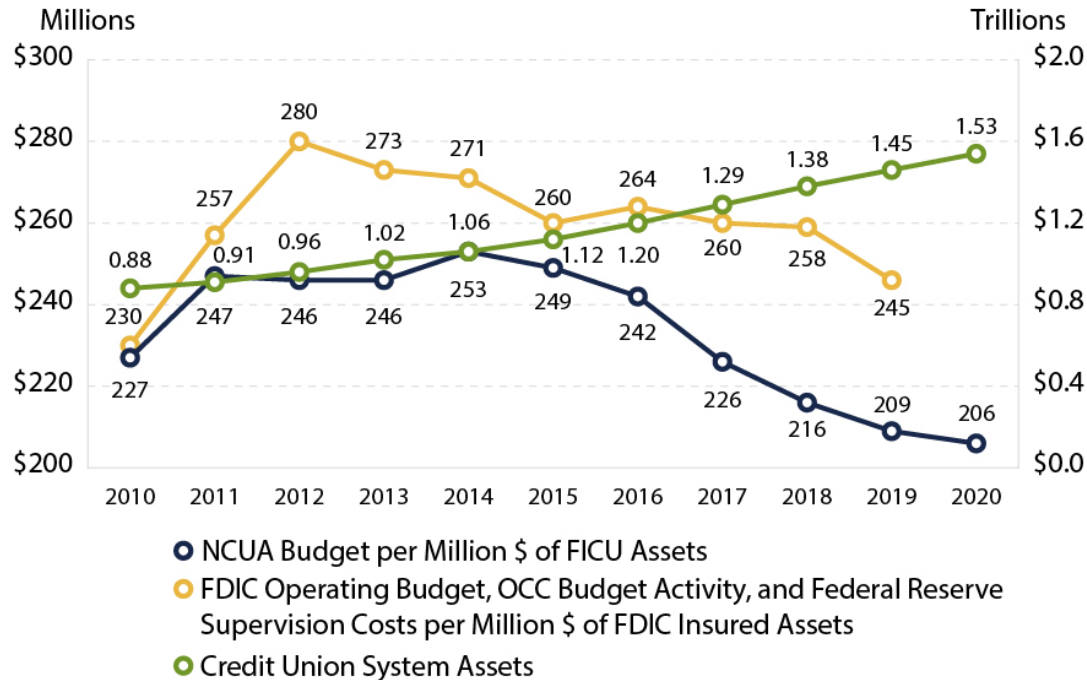
- **Goal 1: Ensure a safe and sound credit union system**
 - Aligns resources to strategic priorities, including initiatives that address market risks, cybersecurity threats, and other emerging issues.
 - Proposes training investments to ensure the NCUA staff develop and can utilize advanced skills and tools. In 2020, this includes resources to train and prepare the NCUA staff to transition to using its modernized examination tool – MERIT.
- **Goal 2: Provide a regulatory framework that is transparent, efficient and improves consumer access**
 - Funds programs that keep regulations up to date and consistent with current law. The agency is committed to creating a more responsive system that encourages innovation, provides flexibility, protects safety and soundness.
 - Makes financial commitments to assist existing and prospective credit unions with expansion and new chartering activities.
- **Goal 3: Maximize organizational performance to enable mission success**
 - Invests in improved tools, technological improvements, and facilities for the NCUA staff to improve operational effectiveness and efficiency.
 - Provides resources to develop better human capital planning and processes.

2020 – 2021 Budget: Strategic Context

- **Economic Outlook:** factors that continue to shape the environment facing credit unions and will impact the resource needs of the NCUA include:
 - Cybersecurity
 - Lending Trends
 - Financial Landscape and Technology
 - Membership Trends
 - Smaller credit union' challenges and industry consolidation
- **Enterprise Risk Management:** the budget proposes several programmatic changes – new personnel for cybersecurity, new information security tools, and more robust credit risk analysis – all of which resulted from enterprise risk reviews.

Budget Trends

- As a share of Credit Union system assets, the NCUA's Operating Budget continues to decrease:



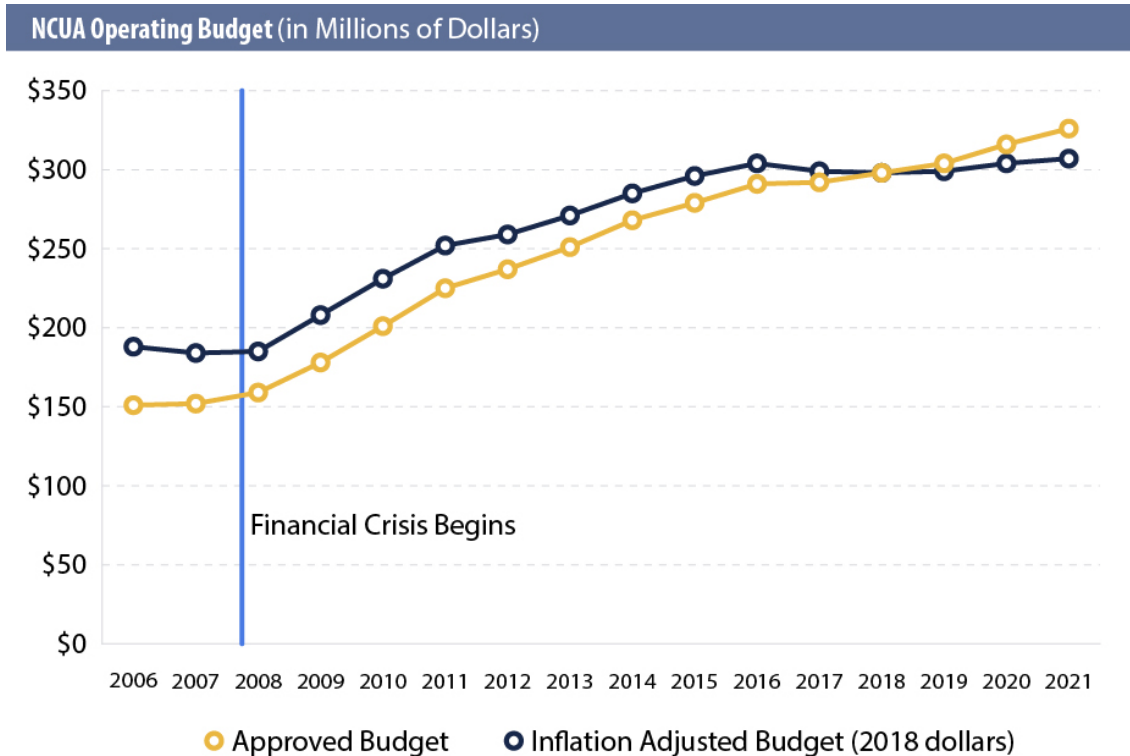
Source: NCUA Annual Budgets, Call Reports, FDIC, OCC, and Federal Reserve financial reports

*Budget per million dollars of FICU assets is calculated as the fiscal year's budget divided by the previous year's end-of-year assets (e.g. - FY2020 budget (\$316M) / projected FICU assets as of 2019Q4 (\$1.537T) = \$206 of NCUA budget per \$1M in FICU assets).

(NCUA budget (blue line) is a decreasing share of FICU assets (green line))

Operating Budget Trends

- The 2020 Operating Budget, when adjusted for inflation, increases 1.7 percent compared to 2019:

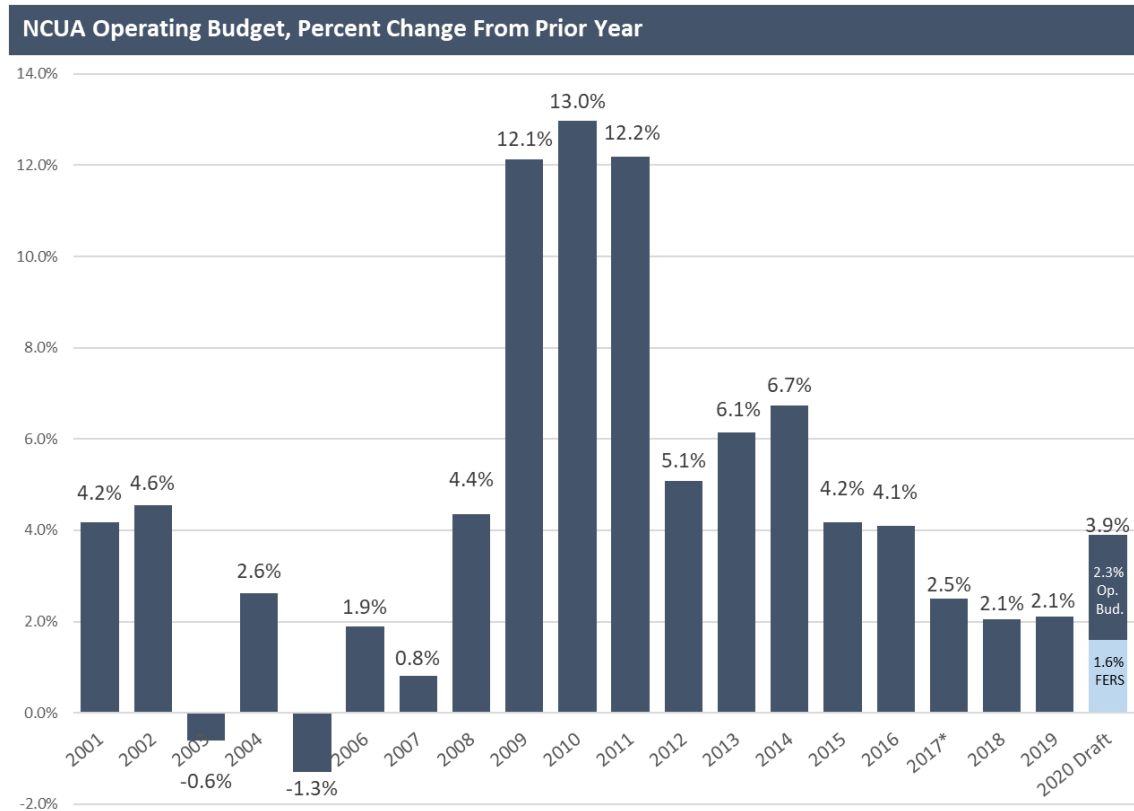


Source: NCUA Annual Budgets, Bureau of Labor Statistics; inflation projections from Blue Chip.

(NCUA budget in nominal dollars (yellow line) and real dollars (blue line))

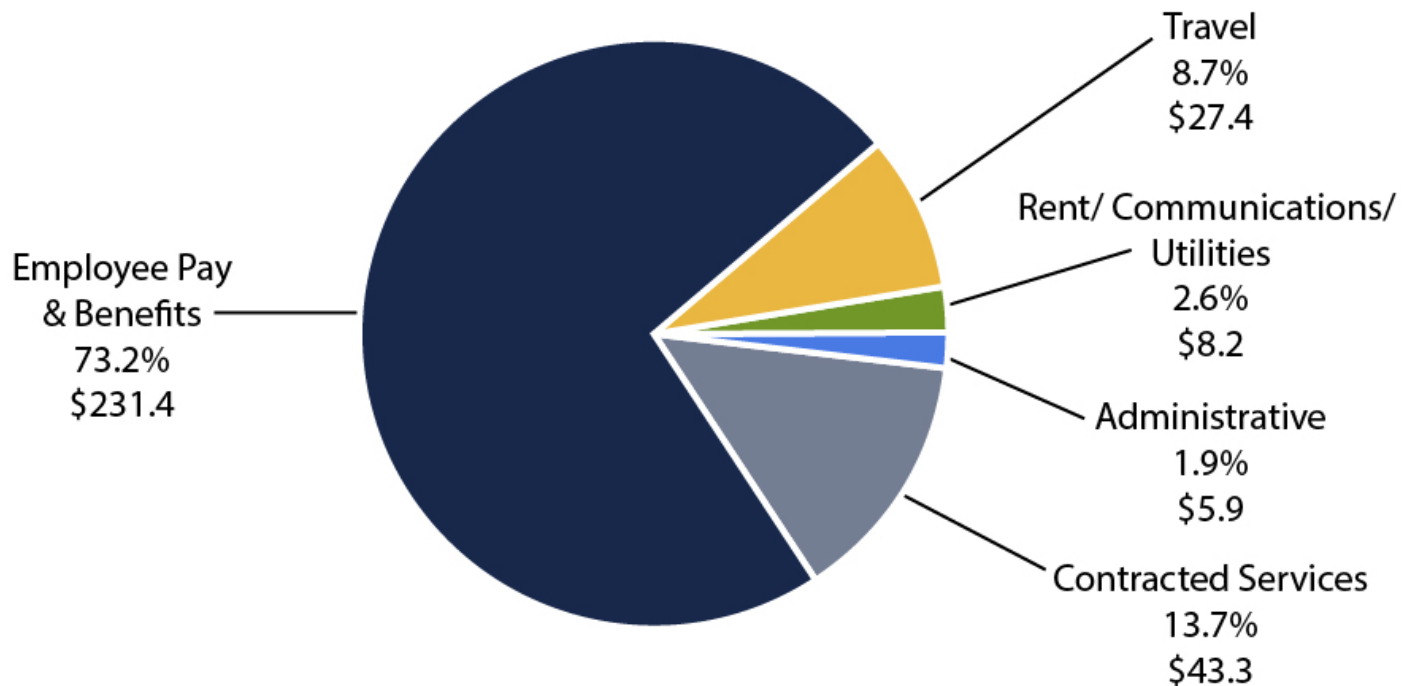
Operating Budget Trends

- The 2020 Operating Budget, adjusted for growth due to required FERS contributions, increases at a rate consistent with recent trends and below the historic average:



2020 Operating Budget Summary

| (\$ millions) | 2019 Board Approved Budget | 2020 Draft Budget | \$ Change | % Change |
|---------------|----------------------------|-------------------|-----------|----------|
| Budget | \$ 304.4 | \$ 316.2 | \$ 11.8 | 3.9% |
| Positions | 1,182 | 1,185 | 3 | 0.3% |



2020 Operating Budget Categories

| Budget Category (\$ millions) | 2019 Board Approved Budget | 2020 Draft Budget | \$ Change | % Change |
|-------------------------------------|-------------------------------|----------------------|----------------|-------------|
| Employee Pay | \$ 159.7 | \$ 162.6 | \$ 2.9 | 1.8% |
| Employee Benefits | 63.1 | 68.8 | 5.7 | 9.0% |
| Subtotal, Pay & Benefits | 222.8 | 231.4 | 8.5 | 3.8% |
| Travel | 26.8 | 27.4 | 0.6 | 2.2% |
| Rent/Comm./Utilities | 8.0 | 8.2 | 0.2 | 2.3% |
| Administrative | 8.7 | 5.9 | -2.8 | -31.9% |
| Contracted Services | 38.1 | 43.3 | 5.3 | 13.8% |
| Total, Operating Budget | \$ 304.4 | \$ 316.2 | \$ 11.8 | 3.9% |
| Less 2020 FERS growth | --- | - 5.0 | - 5.0 | -1.6% |
| Total, excl. FERS growth | \$ 304.4 | \$ 311.2 | \$ 6.8 | 2.3% |

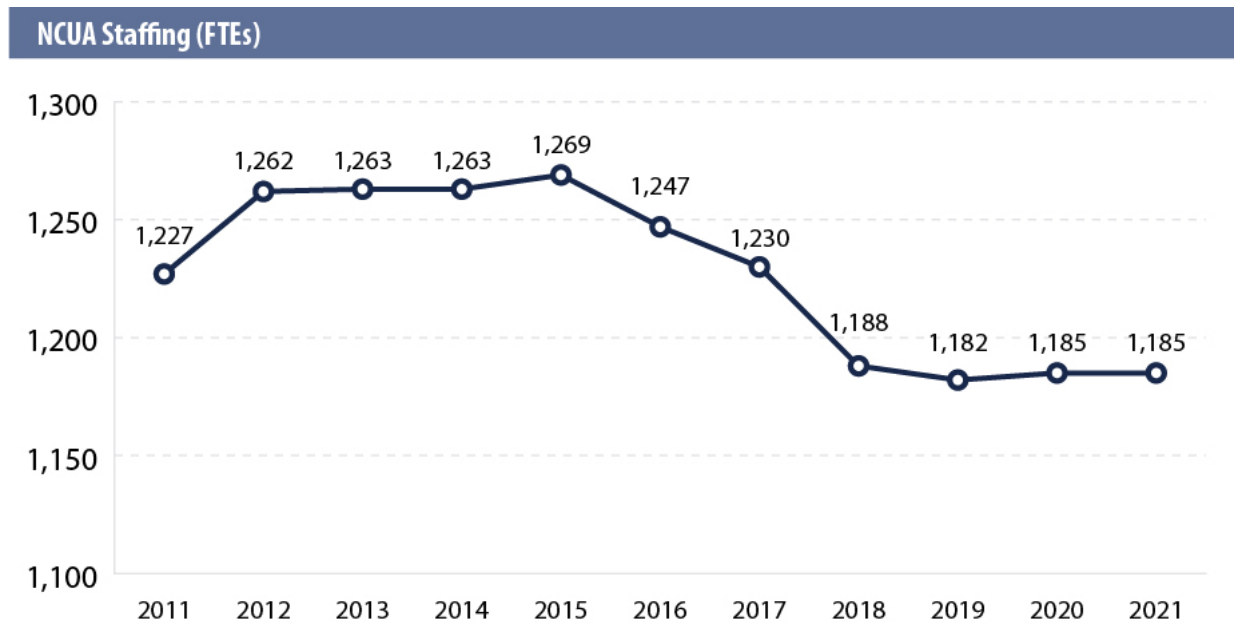
Pay and Benefits

| (\$ millions) | 2019 | 2020 | Change 2019 to 2020 | % Change 2020 |
|---------------|-----------------|-----------------|------------------------|---------------|
| Salaries | \$ 159.7 | \$ 162.6 | \$ 2.9 | 1.8% |
| Benefits | 63.1 | 68.8 | 5.7 | 9.0% |
| Total | \$ 222.8 | \$ 231.4 | \$ 8.5 | 3.8% |

- Pay and benefits costs account for over 73 percent of the NCUA budget
- Increases in required federal retirement fund contributions account for approximately \$5 million, or 60 percent, of pay and benefits growth.
 - Other personnel benefits include mandatory employer contributions for Social Security, Medicare, health insurance, and workers compensation
- Increases to employee pay are required by law to “*maintain comparability with other federal bank regulatory agencies*” (Federal Credit Union Act)
 - In total, salary budgets increase 1.8 percent, reflecting the combined effect of merit and locality pay increases.

Personnel Trends

- The budget supports 1,185 positions for 2020, an increase of three positions from the 2019 authorized level of 1,182:



Travel

| (\$ millions) | 2019 | 2020 | Change 2019 to 2020 | % Change 2020 |
|---------------|---------|---------|------------------------|------------------|
| Budget | \$ 26.8 | \$ 27.4 | \$ 0.6 | 2.2% |

- In 2020, all NCUA examiners – who make up two thirds of the agency workforce – will be trained to use the new examination system, MERIT.
- Travel budget includes sufficient funding for travel-related costs for in-person MERIT training.
- Expansion of offsite exam work helped partially offset the increased cost of travel related to MERIT training.

Rent, Communications, Utilities

| (\$ millions) | 2019 | 2020 | Change 2019 to 2020 | % Change 2020 |
|---------------|--------|--------|------------------------|---------------|
| Budget | \$ 8.0 | \$ 8.2 | \$ 0.2 | 2.3% |

- Costs for the NCUA’s infrastructure and business operations. Major cost categories include:
 - Telecommunications (phone, networks, internet)
 - Office utilities and postage
 - Space rental for:
 - Western Regional Office in Tempe, AZ
 - Event spaces, such as sites for MERIT training

Administrative Services

| (\$ millions) | 2019 | 2020 | Change 2019 to 2020 | % Change 2020 |
|---------------|--------|--------|------------------------|------------------|
| Budget | \$ 8.7 | \$ 5.9 | -\$ 2.8 | -31.9% |

- Costs for ongoing operations such as Federal Financial Institutions Examination Council (FFIEC) fees, employee relocations, recruitment and advertising, shipping, printing, and supplies.
- Budget decrease results from reclassifying the costs of various information technology-related programs to Contracted Services for consistency with standard government reporting practices.

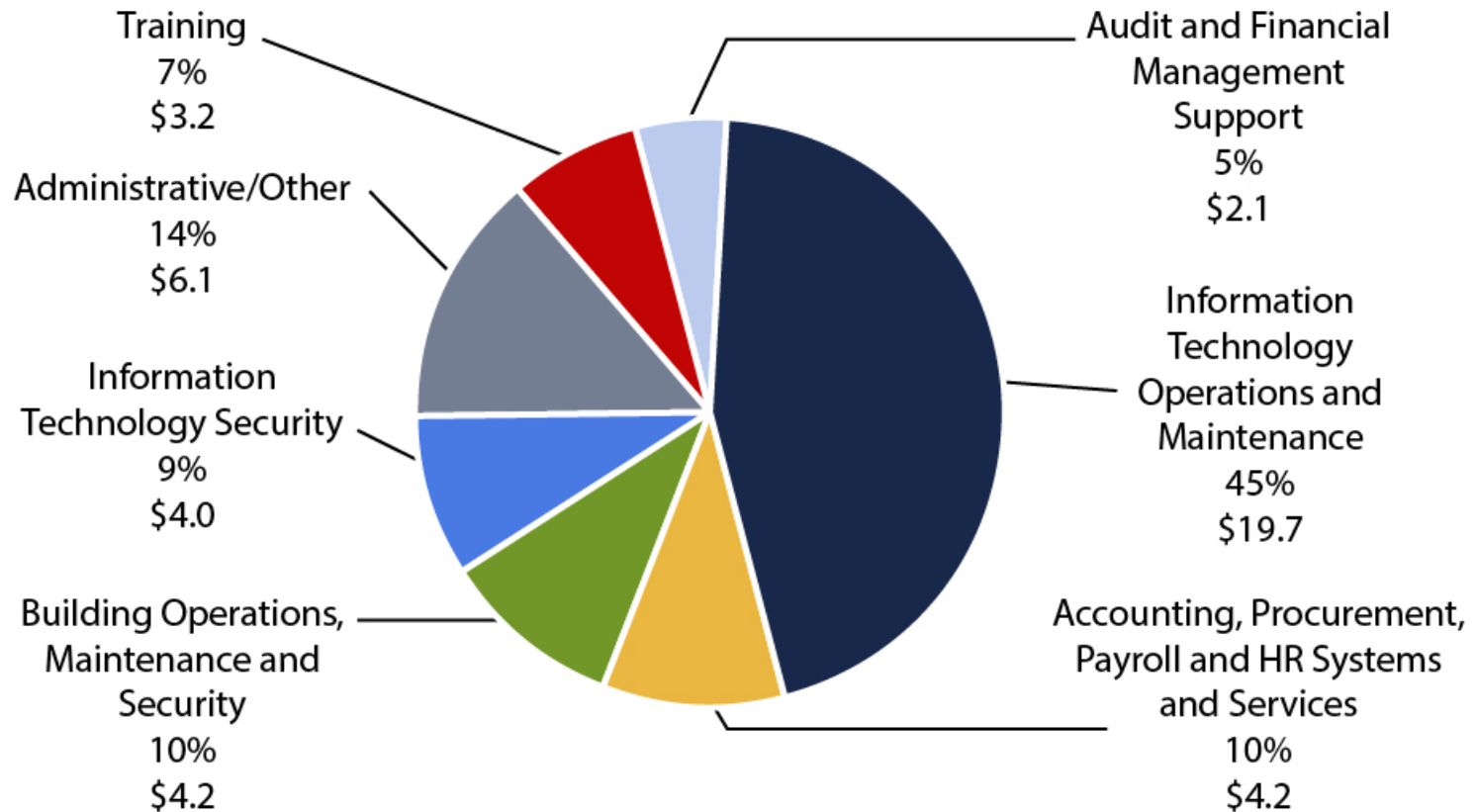
Contracted Services

| (\$ millions) | 2019 | 2020 | Change 2019 to 2020 | % Change 2020 |
|---------------|---------|---------|------------------------|------------------|
| Budget | \$ 38.1 | \$ 43.3 | \$ 5.3 | 13.8% |

- Recurring contract support includes:
 - Support for IT enterprise architecture and modernization, as well as ongoing operations and maintenance costs for legacy and new systems
 - Examiner training requirements
 - Shared service agreements for accounting, human resources, and travel systems
 - Financial management support
 - Building physical security and IT information security program

Contracted Services

2020 Contracted Services Budget by Category (in Millions of Dollars)



Contracted Services

- Major programs within the Contracted Services budget include:
 - Information Technology (IT) Operations and Maintenance (45 percent): the NCUA contracts for IT network support, help desk services, and other systems support.
 - Administrative Support and Other Services (14 percent): the NCUA relies on contract support for various operational, technical, and legal expertise.
 - Accounting, Procurement, Payroll, and Human Resources Systems (10 percent): the NCUA contracts for back-office support functions such as financial management services, human resources technology, and payroll services.
 - Building Operations, Maintenance, and Security (10 percent): the NCUA utilizes contract services to operate, maintain, and secure its facilities.
 - IT Security (9 percent): the NCUA's IT security program aims to strengthen cybersecurity and ensure compliance with the Federal Information System Management Act.
 - Training (7 percent): Credit Union examiners attend extensive training annually, much of which is delivered utilizing contract support.
 - Audit and Financial Management Support (5 percent): The NCUA Office of Inspector General contracts with an accounting firm to conduct the annual audit of the agency's four permanent funds.

Capital Budget

- Information Technology investments
 - The agency's Information Technology Policy Council oversees the recommended IT software development investments.
 - The NCUA's largest development project is MERIT (Examination and Supervision solution to replace AIRES).
 - Assessment of other hardware replacements and upgrades.
- NCUA-owned facility investments
 - Central Office Heating, Ventilation, and Air Conditioning (HVAC) replacement project and other capital improvements.
 - Southern Regional Office capital improvements.

2020 Capital Budget

| (\$ millions) | 2019 | 2020 | Change 2019 to 2020 | % Change 2020 |
|--|----------------|----------------|------------------------|------------------|
| Information Technology software development | \$ 17.1 | \$ 20.8 | \$ 3.7 | 21.6% |
| Other Information Technology Investments | 4.0 | 2.8 | - 1.2 | -30.0% |
| Capital building improvements and repairs | 0.9 | 1.5 | 0.6 | 69.3% |
| Total | \$ 22.0 | \$ 25.1 | \$ 3.1 | 14.0% |

2020 Capital Budget

- The capital budget includes \$25.1 million for 12 discrete projects. The largest share is for developing MERIT and other IT investments.

| | 2020 Budget |
|---|----------------------|
| IT software development investments | |
| Examination and Supervision Solution and Infrastructure Hosting (MERIT) | \$ 15,781,954 |
| Enterprise Central Data Repository | 1,096,000 |
| Enterprise Data Program | 450,000 |
| Asset and Liabilities Management Application | 2,073,587 |
| Enterprise Learning Management System Replacement | 1,000,000 |
| Integrated Financial Management System Analysis | 400,000 |
| Other Information technology investments | |
| Enterprise Laptop Lease | 650,000 |
| IT Infrastructure, Platform and Security refresh | 2,000,000 |
| NCUA Website Development | 100,000 |
| Capital building improvements and repairs | |
| Central Office Renovations | 500,000 |
| Central Office HVAC System Replacement | 750,000 |
| Austin, TX Office Building Improvements | 274,000 |
| Grand Total, Capital Projects | \$ 25,075,541 |

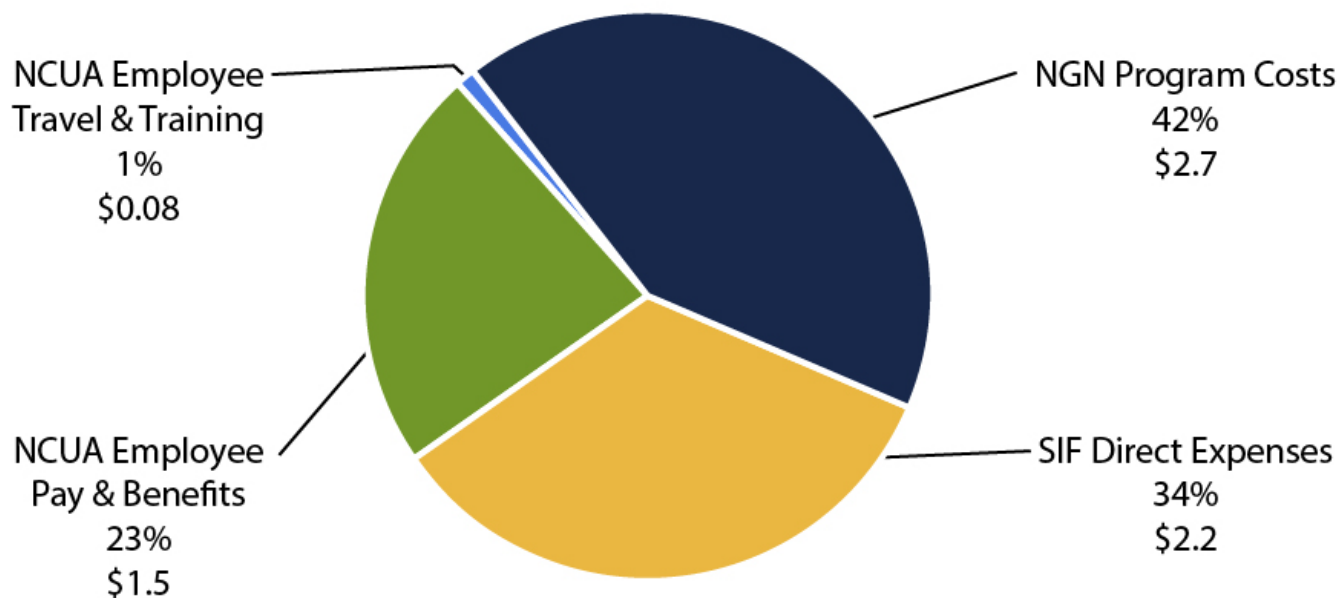
- More detailed descriptions are available in the budget justification.

Share Insurance Fund Administrative Budget

- Direct costs of Share Insurance Fund (SIF) administration and management.
- Supports the NCUA Guarantee Note (NGN) program and the Corporate System Resolution Program.
- In 2020, the NCUA will conduct its own, in-house analyses of large credit unions stress test results, reducing costs
- Technical assumptions for cost growth (e.g., salary and benefits inflation, travel, etc.) identical to the Operating Budget

Share Insurance Fund Administrative Budget

| (\$ millions) | 2019 | 2020 | Change 2019 to 2020 | % Change 2020 |
|---------------|--------|--------|------------------------|------------------|
| Budget | \$ 8.4 | \$ 6.5 | -\$ 1.9 | -22.9% |
| Positions | 5 | 5 | 0 | 0.0% |



Share Insurance Fund Administrative Budget

| Category (\$ millions) | 2019 | 2020 | \$ Change | % Change |
|------------------------|---------------|---------------|----------------|---------------|
| Salaries and Benefits | \$ 1.2 | \$ 1.5 | \$ 0.2 | 18.7% |
| Travel and Training | 0.1 | 0.1 | 0.0 | 0.0% |
| NGN support | 2.9 | 2.7 | -0.2 | -7.5% |
| SIF Direct Expenses | 4.1 | 2.2 | -1.9 | -46.7% |
| TOTAL | \$ 8.4 | \$ 6.5 | -\$ 1.9 | -22.9% |

Financing the NCUA Programs

2020 Distribution of Operating Budget Costs



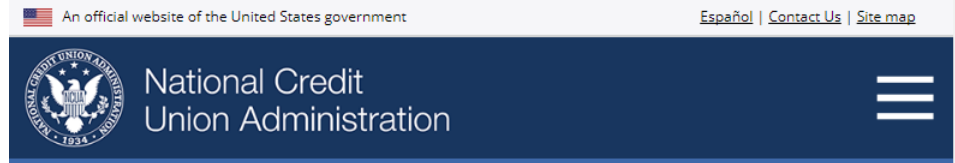
| Share of Operating Budget covered by: | FCUs | FISCOs |
|---------------------------------------|--------------------------|--------------------------|
| FCU Operating Fee | 38.7% | 0.0% |
| OTR x Percent of Insured Shares | 31.3% (61.3% x 51.1%) | 30.0% (61.3% x 48.9%) |
| TOTAL | 70.0% | 30.0% |

Budget Resources

Key NCUA Budget and Supplementary Materials:

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

- Budget Proposals and Presentations
- Budget Justifications
- Line Item Budget Detail
- Budget FAQs
- Operating Fees
- Overhead Transfer Rate analyses
- Budget-related Board Action Memoranda



[Home](#) [NCUA.gov](#) / [About NCUA](#) / [Budget and Strategic Planning](#)

NCUA Budget and Supplementary Materials

The NCUA regulates, charters and supervises all federal credit unions and insures members' deposits in all federally insured credit unions to the limits of federal law. Each year, the NCUA Board considers and approves a budget to support these activities.

The NCUA is committed to providing transparency about the agency's budget. The agency uses zero-based budgeting where every projected expense is justified. Below you will find materials related to previous budgets, including budget summaries, fact sheets, and information on the overhead transfer rate and operating fee. You will also find information describing historical trends related to the agency's budget.

2020/2021 Proposed Budget Documents

- [NCUA 2020/2021 Budget Justification](#)

2019/2020 Budget Documents

- [Mid-Session Budget Briefing](#)
 - [Board Action Memorandum](#)
 - [2019 Capital Projects Update](#)
 - [2019 Budget Summary Estimates](#)
- [NCUA 2019/2020 Budget Board Action Memorandum](#)
- [NCUA 2019/2020 Budget Justification](#)
- [NCUA 2019/2020 Line Item Budget](#)

Office Contact

Please contact my office with questions or comments.

Rendell L. Jones
Chief Financial Officer

rljones@ncua.gov

(703) 518-6571

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

Federal Register and Public Comments

As required by law, the draft Budget Justification was published in the *Federal Register* on November 1, 2019:

<https://www.federalregister.gov/documents/2019/11/01/2019-23856/the-ncua-staff-draft-2020-2021-budget-justification>

- The public may submit written comments on the draft Budget Justification by emailing: BudgetComments@ncua.gov
- Due date for written comments is Monday, December 2, 2019.

59126

Federal Register / Vol. 84, No. 212 / Friday, November 1, 2019 / Notices

NATIONAL CREDIT UNION ADMINISTRATION

The NCUA Staff Draft 2020–2021 Budget Justification

AGENCY: National Credit Union Administration (NCUA).

ACTION: Notice.

SUMMARY: The NCUA's draft, "detailed business-type budget" is being made available for public review as required by federal statute. The proposed resources will finance the agency's annual operations and capital projects, both of which are necessary for the agency to accomplish its mission. The briefing schedule and comment instructions are included in the supplementary information section.

DATES: Requests to deliver a statement at the budget briefing must be received on or before Tuesday, November 12, 2019. In order for the NCUA to produce copies for public distribution at the budget briefing, written statements and presentations for those scheduled to appear at the budget briefing must be received on or before Monday, November 18, 2019.

Written comments without public presentation at the budget briefing may be submitted by Monday, December 2, 2019.

ADDRESSES: You may submit comments by any of the following methods (Please send comments by one method only):

- Presentation at public budget briefing: submit requests to deliver a statement at the briefing to BudgetBriefing@ncua.gov by Tuesday, November 12, 2019. Include your name, title, affiliation, mailing address, email address, and telephone number. Copies of your presentation must be submitted to the same email address by Monday, November 18, 2019.
- *Written comments:* submit comments to BudgetComments@ncua.gov by Monday, December 2, 2019. Include your name and the following subject line "Comments on the NCUA Draft 2020–2021 Budget Justification."

Copies of the NCUA Draft 2020–2021 Budget Justification and associated materials are also available on the NCUA website at <https://www.ncua.gov/>

[About/Pages/budget-strategic-planning/supplementary-materials.aspx](#). Printed copies will be available at the November 20, 2019 budget briefing.

FOR FURTHER INFORMATION CONTACT: Rendell Jones, Chief Financial Officer, National Credit Union Administration, 1775 Duke Street, Alexandria, Virginia 22314–3428 or telephone: (703) 518–6571.

SUPPLEMENTARY INFORMATION: The following itemized list details the documents attached to this notice and made available for public review:

- The NCUA Budget in Brief
- Introduction and Strategic Context
- Forecast and Enterprise Challenges
- Key Themes of the 2020–2021 Budget
- Operating Budget
- Capital Budget
- Share Insurance Fund Administrative Budget
- Financing The NCUA Programs
- Appendix A: Supplemental Budget Information
- Appendix B: Capital Projects

Section 212 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (Pub. L. 115–174) amended 12 U.S.C. 1789(b)(1)(A) to require the NCUA Board (Board) to "make publicly available and publish in the *Federal Register* a draft of the detailed business-type budget." Although 12 U.S.C. 1789(b)(1)(A) requires publication of a "business-type budget" only for the agency operations arising under the Federal Credit Union Act's subchapter on insurance activities, in the interest of transparency the Board is providing the agency's entire staff draft 2020–2021 Budget Justification (budget) in this Notice.

The draft budget details the resources required to support NCUA's mission as outlined in its 2018–2022 Strategic Plan. The draft budget includes personnel and dollar estimates for three major budget components: (1) The Operating Budget; (2) the Capital Budget; and (3) the Share Insurance Fund Administrative Budget. The resources proposed in the draft budget will be used to carry out the agency's annual operations.

The NCUA staff will present its draft budget to the Board at a budget briefing open to the public and scheduled for Wednesday, November 20, 2019 from

10:00 a.m. to 12:00 p.m. Eastern. The budget briefing will be held in the NCUA Board meeting room. A livestream of the briefing also will be available through a link on ncua.gov.

If you wish to attend the briefing and deliver a statement, you must email a request to BudgetBriefing@ncua.gov by Tuesday, November 12, 2019. Your request must include your name, title, affiliation, mailing address, email address, and telephone number. The NCUA will work to accommodate as many public statements as possible at the November 20, 2019 budget briefing. The Board Secretary will inform you if you have been approved to make a presentation and how much time you will be allotted. A written copy of your presentation must be delivered to the Board Secretary via email at BudgetBriefing@ncua.gov by Monday, November 18, 2019.

Written comments on the draft budget will also be accepted by email at BudgetComments@ncua.gov until Monday, December 2, 2019. Include your name and the following subject line with your comments: "Comments on the NCUA Draft 2020–2021 Budget Justification."

All comments should provide specific, actionable recommendations rather than general remarks. The Board will review and consider any comments from the public prior to approving the budget.

By the National Credit Union Administration Board on October 28, 2019.

Gerard S. Poliquin,
Secretary of the Board.

I. The NCUA Budget in Brief

Proposed 2020 and 2021 Budgets

The National Credit Union Administration's (NCUA) 2018–2022 Strategic Plan sets forth the agency's goals and objectives that form the basis for determining resource needs and allocations. The annual budget provides the resources to execute the strategic plan, to implement important initiatives, and to undertake the NCUA's major programs: Examination and supervision, insurance, credit union development, consumer financial protection, and asset management.

Appendix

- The NCUA's Four Revolving Funds
- Budget Background

The NCUA: Four 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. 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.

4. Community Development Revolving Loan Fund (appropriated)

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

Budget Background

- **Calendar Year versus Government Fiscal Year**
 - The NCUA operates on a calendar year
 - Budgets and financial reporting coincide with calendar year
 - The 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

Budget Background

Funds Presented in the FY 2020 President's Budget Appendix:

- Operating Fund
 - National Credit Union Share Insurance Fund
 - Central Liquidity Facility
 - Community Development Revolving Loan Program
- Document location:

<https://www.whitehouse.gov/wp-content/uploads/2019/03/oia-fy2020.pdf>

NATIONAL CREDIT UNION ADMINISTRATION
Federal Funds
OPERATING FUND

Program and Financing (in millions of dollars)

| Identification code 025-4056-0-3-373 | 2018 actual | 2019 est. | 2020 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 0801 Safety and Soundness | 198 | 218 | 221 |
| 0803 Regulation and Consumer Protection | 26 | 30 | 32 |
| 0804 Mission support | 71 | 74 | 76 |

Federal Credit Union Act of 1934, 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, orders of conservatorship and orders of liquidation; and 6) administering the National Credit Union Share Insurance Fund (SIF), which provides insurance to Federal credit unions (FCUs) and federally-insured state-chartered credit unions (FISCUs).

To better demonstrate how the NCUA's budget is used to achieve its strategic goals, the Operating Fund's obligations by program activity are presented in new categories in the 2020 Budget. Amounts shown for "Safety and Soundness" correspond to programs that contribute to the NCUA's

1214 National Credit Union Administration—Continued
Federal Funds—Continued

THE BUDGET FOR FISCAL YEAR 2020

OPERATING FUND—Continued

goal to "Ensure a Safe and Sound Credit Union System." Amounts shown for "Regulation and Consumer Protection" correspond to programs that contribute to the NCUA's goal to "Provide a Regulatory Framework that is Transparent, Efficient, and Improves Customer Access." Amounts shown for "Mission Support" correspond to programs that contribute to the NCUA's goal to "Maximize Organizational Performance to Enable Mission Success."

NCUA funds its activities through operating fees levied on all FCUs, and through reimbursements from the SIF, which is funded by FCUs and FISCUs.

Object Classification (in millions of dollars)

| Identification code 025-4056-0-3-373 | 2018 actual | 2019 est. | 2020 est. |
|--|-------------|-----------|-----------|
| 11.1 Reimbursable obligations: Personnel compensation: Full-time permanent | 148 | 160 | 166 |
| 11.9 Total personnel compensation | 148 | 160 | 166 |
| 12.1 Civilian personnel benefits | 58 | 63 | 66 |
| 21.0 Travel and transportation of persons | 24 | 26 | 28 |
| 23.2 Rental payments to others | 3 | 3 | 3 |
| 23.3 Communications, utilities, and miscellaneous charges | 6 | 6 | 6 |
| 25.2 Other services from non-Federal sources | 24 | 27 | 24 |
| 25.3 Other goods and services from Federal sources | 7 | 8 | 8 |
| 25.4 Operation and maintenance of facilities | 3 | 4 | 4 |
| 25.7 Operation and maintenance of equipment | 18 | 18 | 18 |
| 26.0 Supplies and materials | 5 | 5 | 5 |
| 31.0 Equipment | 3 | 6 | 5 |
| 99.9 Total new obligations, unexpired accounts | 299 | 326 | 333 |

Employment Summary

| Identification code 025-4056-0-3-373 | 2018 actual | 2019 est. | 2020 est. |
|--|-------------|-----------|-----------|
| 2001 Reimbursable civilian full-time equivalent employment | 1,113 | 1,178 | 1,178 |

Uncollected payments:

| | | | |
|---|-----|-------|-------|
| 3060 Uncollected pymts, Fed sources, brought forward, Oct 1 | -60 | -72 | -72 |
| 3070 Change in uncollected pymts, Fed sources, unexpired | -12 | ..... | ..... |
| 3090 Uncollected pymts, Fed sources, end of year | -72 | -72 | -72 |

Memorandum (non-add) entries:

| | | | |
|---|-----|-----|-----|
| 3100 Obligated balance, start of year | -1 | 210 | 210 |
| 3200 Obligated balance, end of year | 210 | 210 | 210 |

Budget authority and outlays, net:

Mandatory:

| | | | |
|---|-------|-------|-------|
| 4090 Budget authority, gross | 2,383 | 1,201 | 1,555 |
| Outlays, gross: | | | |
| 4100 Outlays from new mandatory authority | 1,676 | 74 | 864 |
| 4101 Outlays from mandatory balances | 805 | 268 | ..... |
| 4110 Outlays, gross (total) | 2,481 | 342 | 864 |

Offsets against gross budget authority and outlays:

Offsetting collections (collected) from:

| | | | |
|---|--------|--------|--------|
| 4120 Federal sources | -1 | ..... | ..... |
| 4121 Interest on Federal securities | -275 | -327 | -424 |
| 4123 Non-Federal sources | -1,442 | -874 | -1,131 |
| 4124 Offsetting governmental collections | -653 | ..... | ..... |
| 4130 Offsets against gross budget authority and outlays (total) | -2,371 | -1,201 | -1,555 |

Additional offsets against gross budget authority only:

| | | | |
|--|-------|-------|-------|
| 4140 Change in uncollected pymts, Fed sources, unexpired | -12 | ..... | ..... |
| 4170 Outlays, net (mandatory) | 110 | -859 | -691 |
| 4180 Budget authority, net (total) ..... | ..... | ..... | ..... |
| 4190 Outlays, net (total) | 110 | -859 | -691 |

Memorandum (non-add) entries:

| | | | |
|--|--------|--------|--------|
| 5000 Total investments, SOF: Federal securities: Par value | 13,089 | 14,895 | 15,754 |
| 5001 Total investments, EOF: Federal securities: Par value | 14,895 | 15,754 | 16,445 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 025-4468-0-3-373 | 2018 actual | 2019 est. | 2020 est. |
|--|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 125 | 4,696 | 2,929 |
| 2231 Disbursements of new guaranteed loans | 217 | 4 | 4 |
| 2251 Repayments and prepayments | -1,868 | -1,771 | -879 |