2017 - 2018 Budget Proposal
October 27, 2016

This presentation contains estimates that are pre-decisional and subject to change.
Number of institutions is falling...

Number of Federally Insured Credit Unions, End of Year

- 2006: 8,362
- 2016: 5,887

Source: NCUA Call Reports

2016 figure is for Q2
...but membership and assets are rising.

Assets and Membership at Federally Insured Credit Unions, End of Year

<table>
<thead>
<tr>
<th>Years</th>
<th>Members (Millions)</th>
<th>Assets (Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>Members: 85.7M</td>
<td>Assets: $711B</td>
</tr>
<tr>
<td>2016</td>
<td>Members: 104.9M</td>
<td>Assets: $1,255B</td>
</tr>
</tbody>
</table>

Source: NCUA Call Reports

2016 figures are for Q2
The number of large credit unions is rising…

Number of Federally Insured Credit Unions with Assets of at Least $500 Million, End of Year

Source: NCUA Call Reports

2016 figure is for Q2
...and they account for most of the members and assets in the system.

Membership and Asset Share of Federally Insured Credit Unions with Assets of at Least $500 Million, End of Year percent

- **2006**
  - Asset share: 54.3%
  - Member share: 42.1%

- **2016**
  - Asset share: 73.1%
  - Member share: 65.8%

Source: NCUA Call Reports

2016 figures are for Q2
Larger Credit Unions Offer More Complex Services

Average Number of Complex Products/Services Offered by Credit Unions in Different Asset Classes

- <$10M: 0.4
- $10M-$25M: 1.5
- $25M-$50M: 2.6
- $50M-$100M: 3.8
- $100M-$500M: 5.7
- $500M+: 7.9

2017-18 Budget Briefing
NCUA Costs per FICU Assets Are Coming Down

NCUA Budget per Million $ of FICU Assets

Source: NCUA Annual Budgets, Call Reports
* FICU assets are as of end of previous year.
NCUA Costs per FICU Assets Compared to Bank Agency Costs

NCUA Budget per Million $ of FICU Assets

FDIC Operating Budget, OCC Budget Activity and Federal Reserve Supervision Costs per Million $ of FDIC Insured Assets

Source: NCUA Annual Budgets, Call Reports, FDIC, OCC, and Federal Reserve financial reports
* Assets are as of end of previous year.
NCUA Costs per Institution Compared to Bank Agency Costs

NCUA Budget per Federally Insured Credit Union

FDIC Operating, OCC, and Federal Reserve Supervision Costs per FDIC Insured Institution

NCUA Budget per FICU

Source: NCUA Annual Budgets, Call Reports, FDIC, OCC, and Federal Reserve financial reports
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
Purpose: Modernize NCUA’s technology solutions to create an integrated examination and data environment and facilitate a safe and 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

<table>
<thead>
<tr>
<th>Budget</th>
<th>FTE</th>
<th>Proposed Budget ($millions)</th>
<th>Change from 2016 BAB</th>
<th>% Chg</th>
<th>Change from 2017 BAB</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Board Approved</td>
<td>1,247</td>
<td>$ 290.9</td>
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</tr>
<tr>
<td>2017 Board Approved</td>
<td>1,247</td>
<td>$ 302.9</td>
<td>$ 12.0</td>
<td>4.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017 Revised</td>
<td>1,230</td>
<td>$ 299.2</td>
<td>$ 8.2</td>
<td>2.8%</td>
<td>($ 3.8)</td>
<td>(1.3%)</td>
</tr>
<tr>
<td>2018 Requested</td>
<td>1,208</td>
<td>$ 313.1</td>
<td></td>
<td></td>
<td>$ 10.1</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

*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

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</tr>
</thead>
<tbody>
<tr>
<td>BUDGET</td>
<td>$290.9</td>
<td>$302.9</td>
<td>$299.2</td>
<td>$313.1</td>
<td>($3.7)</td>
<td>(1.3%)</td>
</tr>
<tr>
<td>FTE</td>
<td>1,247</td>
<td>1,247</td>
<td>1,230</td>
<td>1,208</td>
<td>-17.0</td>
<td>-1.4%</td>
</tr>
</tbody>
</table>

### Operating Fund (in millions of dollars)
- Pay & Benefits: $216.3, 72%
- Contracted Services: $33.8, 11%
- Administrative: $13.4, 4%
- Rent, Comm. & Utilities: $6.7, 2%
- Travel: $29.0, 10%

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2017-18 Budget Briefing
## 2017-18 Budget by Category

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

2017 Revised Budget Change from 2016 Board Approved Budget 2.8%
Ten-Year Snapshot

Operating Fund Budget Changes

% Change from Previous Year

12.1% 13.0% 12.2% 5.1% 6.1% 6.7% 4.2% 4.1% 4.1% -1.3% 2.8% 3.3% 4.7%

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
Revised 2017 Full-time Equivalent (FTE) Adjustments:

1. Senior staff position removed
2. 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

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</thead>
<tbody>
<tr>
<td>BUDGET</td>
<td>$210.9</td>
<td>$220.3</td>
<td>$216.3</td>
<td>$224.4</td>
<td>($4.0)</td>
<td>(1.8%)</td>
</tr>
</tbody>
</table>

- 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

<table>
<thead>
<tr>
<th>Year</th>
<th>NCUA FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1,038</td>
</tr>
<tr>
<td>2010</td>
<td>1,131</td>
</tr>
<tr>
<td>2011</td>
<td>1,227</td>
</tr>
<tr>
<td>2012</td>
<td>1,262</td>
</tr>
<tr>
<td>2013</td>
<td>1,263</td>
</tr>
<tr>
<td>2014</td>
<td>1,263</td>
</tr>
<tr>
<td>2015</td>
<td>1,269</td>
</tr>
<tr>
<td>2016</td>
<td>1,247</td>
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<tr>
<td>2017</td>
<td>1,247</td>
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<tr>
<td>2017R</td>
<td>1,230</td>
</tr>
<tr>
<td>2018</td>
<td>1,208</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>BUDGET</td>
<td>$ 29.3</td>
<td>$ 29.5</td>
<td>$ 28.9</td>
<td>$ 29.4</td>
<td>($ 0.6)</td>
<td>(2.1%)</td>
</tr>
</tbody>
</table>

- 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

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>BUDGET</td>
<td>$6.8</td>
<td>$6.9</td>
<td>$6.7</td>
<td>$6.7</td>
<td>($0.2)</td>
<td>(3.0%)</td>
</tr>
</tbody>
</table>

- 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

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>BUDGET</td>
<td>$15.7</td>
<td>$15.8</td>
<td>$13.4</td>
<td>$13.4</td>
<td>($2.4)</td>
<td>(15.2%)</td>
</tr>
</tbody>
</table>

- 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

<table>
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</thead>
<tbody>
<tr>
<td>BUDGET</td>
<td>$28.2</td>
<td>$30.3</td>
<td>$33.8</td>
<td>$39.1</td>
<td>$3.5</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

- 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

Contracted Services (in millions of dollars)

- Information Technology Operations and Maintenance, $12.0, 35%
- Building Operations, Maintenance and Security, $1.6, 5%
- Accounting, Procurement, Payroll and Human Resources Systems and Services, $3.9, 11%
- IT Security, $5.6, 16%
- Administrative/Other, $4.9, 15%
- Training, $3.9, 12%
- Audit and Financial Management Support, $1.9, 6%
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

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

<table>
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<tbody>
<tr>
<td><strong>BUDGET</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>$4.1</td>
<td>$4.1</td>
<td>$4.1</td>
<td>$4.1</td>
<td>$4.2</td>
<td>($ .01)</td>
<td>(0.1%)</td>
<td></td>
</tr>
<tr>
<td><strong>FTE</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>0.0%</td>
<td></td>
</tr>
</tbody>
</table>

### Corporate Stabilization Fund 2017 Oversight Budget

(in millions of dollars)

- **Pay & Benefits**
  - $1.2
  - 29%
- **Contracted Services/Training**
  - $2.8
  - 69%
- **Travel**
  - $0.1
  - 2%

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2017-18 Budget Briefing
## 2017-2018 STABILIZATION FUND OVERSIGHT BUDGET

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Employee Pay and Benefits</td>
<td>$1,038,079</td>
<td>$1,207,922</td>
<td>$1,193,000</td>
<td>-1.2%</td>
<td>$1,270,000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Travel</td>
<td>73,440</td>
<td>65,000</td>
<td>70,000</td>
<td>7.7%</td>
<td>70,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative (Training)</td>
<td>11,000</td>
<td>14,000</td>
<td>19,000</td>
<td>35.7%</td>
<td>19,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracted Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consulting</td>
<td>992,000</td>
<td>795,491</td>
<td>923,000</td>
<td>16.0%</td>
<td>923,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valuation Services</td>
<td>1,250,000</td>
<td>1,250,000</td>
<td>1,080,000</td>
<td>-13.5%</td>
<td>1,080,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software/Data Subscriptions</td>
<td>757,000</td>
<td>763,000</td>
<td>805,000</td>
<td>5.5%</td>
<td>805,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$4,121,519</td>
<td>$4,095,413</td>
<td>$4,090,000</td>
<td>-0.13%</td>
<td>$4,167,000</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
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
Office Contact Page

Feel free to contact our office with questions or comments.

Primary Staff: Rendell L. Jones
Chief Financial Officer

E-mail Address: rljones@ncua.gov

Office Phone: (703) 518-6571

Website: 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
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 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

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<tr>
<th>Description</th>
<th>2015 Actual</th>
<th>2015 Estimated</th>
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<tr>
<td>Operating expenses</td>
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<tr>
<td>State examiner training</td>
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<td>Stress testing</td>
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<td>Derivative Programs</td>
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<td>State examiner computers</td>
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<tr>
<td>Bank Charges</td>
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</tbody>
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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
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