

Open Board Meeting

October 27, 2016

**NCUA Board Chairman Rick Metsger
Opening Statement for the 2017–2018 Budget Briefing**

This meeting of the NCUA Board is called to order.

Last November, the Board approved a rolling two-year budget for calendar years 2016 and 2017. This afternoon, we meet to hold a public briefing on a revised budget for calendar year 2017 and a proposed budget for calendar year 2018. After opening statements by the Board Members, the 2017–2018 budget will be presented by Executive Director Mark Treichel and Chief Financial Officer Rendell Jones.

Then we will have two panels of stakeholders offer their comments on the proposed budget. The first panel will consist of four trade association representatives, in the order in which they registered to participate:

- Dan Berger of the National Association of Federal Credit Unions,
- Paul Gentile of the Cooperative Credit Union Association,
- Lucy Ito of the National Association of State Credit Union Supervisors, and
- Mike Schenk of the Credit Union National Association.

Each member of the panel will have up to 10 minutes to present. The green light will start flashing when they have 2 minutes left, the yellow light will come on when they have only 1 minute left, and the red light will come on and there will be a soft beep when their time is up.

In the event of a cyberattack on our light system, which dates back to the late 20th century, our backup plan is that the Board Secretary will hold up warning signs alerting participants to the time remaining. After the four presentations are done, there may be questions or comments from the Board Members.

When the first panel is done, they will be followed by three representatives of natural-person credit unions:

- Bill Raker of Firefly Federal Credit Union,
- Sean Gaven of American Airline Federal Credit Union, and
- Gordon Sam of Pearl Hawaii Federal Credit Union.

They will also have up to 10 minutes each to present.

I want to thank all of the participants for being part of this important process, especially those who traveled great distance to be here. I also want to note that several of our participants have also participated in stakeholder panels we have held on other topics.

On June 15, shortly after assuming the Chairmanship, I announced that NCUA would give stakeholders an opportunity to comment on the agency's 2017–2018 budget. My colleague, Board Member McWatters, has also been a long-time advocate for greater budget transparency.

In that light, I want to note that we are not just resuming the briefings that were held by previous boards which consisted of a brief presentation by staff followed by comments from stakeholders who had no time to review the budget. The process we are using this year is much more substantive and much more transparent.

First, and most importantly, we released the draft budget several weeks before this briefing, and more than a month before the board will actually vote on it. This gives stakeholders an opportunity to review it and offer informed comments on it. We released 78 pages of details on the budget, which included up to 71 line items for each of our 22 offices and funds. That's well over a thousand data points. I know of no other federal financial services regulator that provides this level of pre-decisional information.

Second, we are offering two formal opportunities for stakeholders to provide input on the budget. They were all given an opportunity to present comments at today's briefing, and seven individuals and organizations signed-up to do so. In addition, people who were unable to attend and participate today, have the opportunity to submit comments in writing to BoardComments@NCUA.gov. The comment period will extend for more than a week after this briefing, until 5 pm on Friday, November 4. So, if you hear something today you want to comment on, you will still have another opportunity to comment for another eight days.

In summary, we are providing more information earlier in the process and giving people multiple ways to provide input. We are both setting and raising the bar for public transparency by a federal agency.

While we are being both transparent and open today, I also want to reiterate an important comment I made when I announced that we would hold this briefing: **We will listen to the recommendations of stakeholders, but the Board, and the Board alone, will determine and set the agency budget, in accordance with federal law and the need to protect the safety and soundness of the National Share Insurance Fund. This is not a referendum. We have a fiduciary responsibility to the Share Insurance Fund, and to U.S. taxpayers and we will not abrogate that responsibility or turn it over to anyone else.**

I look forward to today's presentations and comments, and will reserve comment on the specifics of the budget until I've listened to today's participants.



With that, I'll turn it over to my colleague, Board Member McWatters, and then we will hear from our Executive Director and Chief Financial Officer.