NCUA
National Credit Union Administration

2025–2026 Staff Draft Budget Justification

October 30, 2024

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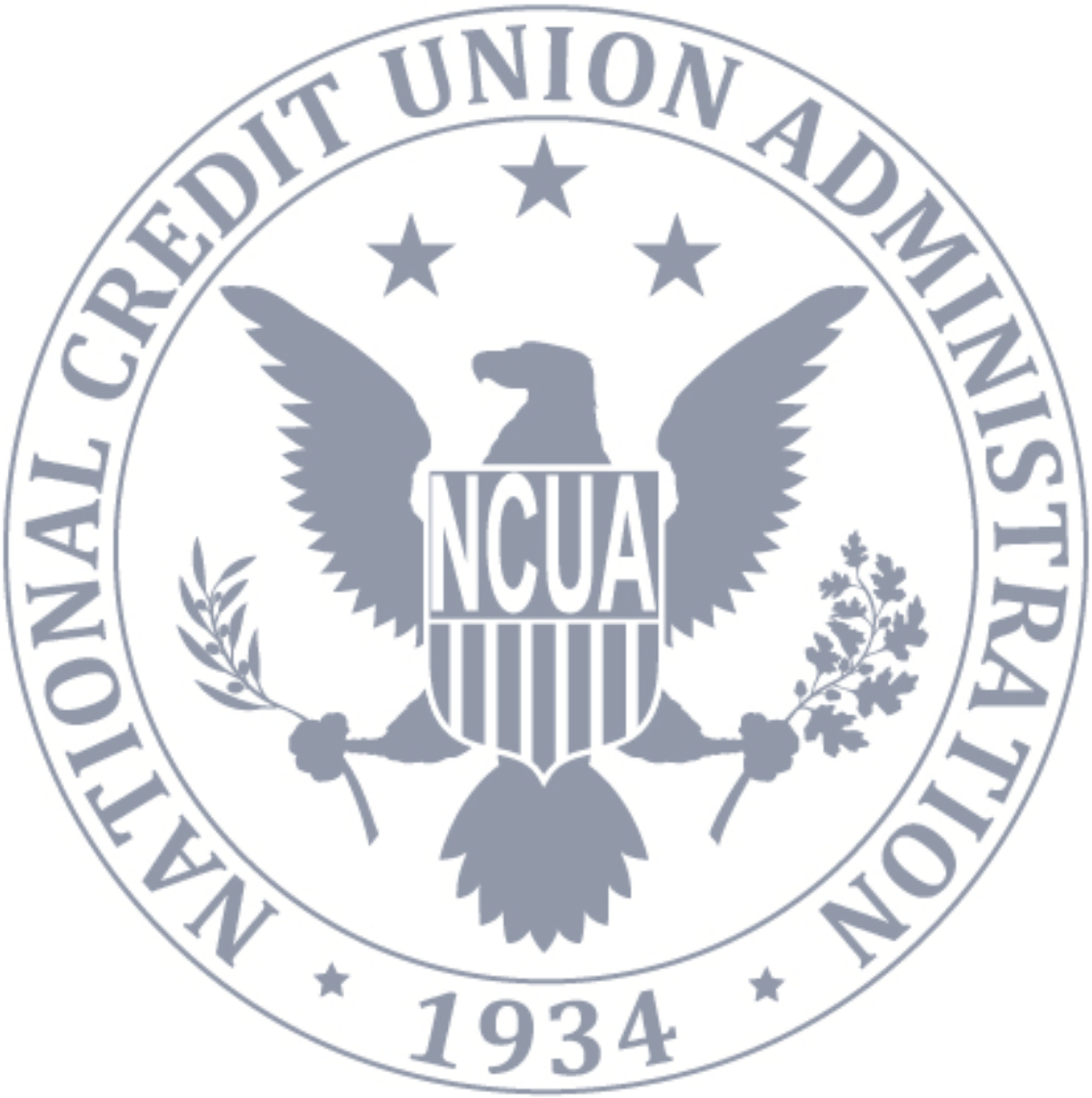

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Introduction and Strategic Context

About the NCUA

Credit unions have provided financial services to their members for more than 100 years. Credit unions are not-for-profit financial cooperatives created to serve a membership with a common bond.

In 1970, the U.S. Congress established the NCUA as an independent federal agency to regulate, charter, and supervise federal credit unions. The NCUA operates and manages the National Credit Union Share Insurance Fund (Share Insurance Fund) with the backing of the full faith and credit of the United States, insuring the deposits of the account holders in all federal credit unions and most state-chartered credit unions.

As of June 30, 2024, the NCUA regulates and supervises 4,533 federally insured credit unions, which have approximately 141 million members and more than $2.3 trillion in assets across all states and U.S. territories.[1]

Statutory Authority

Pursuant to the Federal Credit Union Act, authority for NCUA management is vested in the NCUA Board. The Board determines the resources needed for carrying out the NCUA's responsibilities under the Act.[2] The Board is authorized to expend such funds and perform such other functions or acts as it deems necessary or appropriate, per the rules, regulations, or policies it establishes.[3]

Upon determination of the budgeted annual expenses for the agency's operations, the Board determines a fee schedule to assess federal credit unions. The Board considers federal credit unions' ability to pay such a fee and the necessity of the expenses the NCUA will incur in carrying out its responsibilities in connection with federal credit unions.[4] In December 2023, the Board approved a notice with changes to its methodology for determining the operating fees due from federal credit unions.[5]

Pursuant to the law, the NCUA deposits fees collected are deposited in the agency's Operating Fund at the Treasury of the United States, and those fees are expended by the Board to defray the cost of carrying out the agency's operations, including the examination and supervision of federal credit unions.[6] Per its authority to use the Share Insurance Fund to carry out its insurance-related responsibilities, the Board approved an Overhead Transfer Rate (OTR) methodology and authorized the Office of the Chief Financial Officer to

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[1] *Source:* NCUA quarterly call report data, second quarter 2024.

[2] *See* 12 United States Code (U.S.C.) 1752a(a).

[3] *See* 12 U.S.C. 1766(i)(2).

[4] *See* 12 U.S.C. 1755(a)-(b).

[5] *See* https://www.federalregister.gov/d/2023-28303

[6] *See* 12 U.S.C. 1755(d).

transfer resources from the Share Insurance Fund to the Operating Fund to account for insurance-related expenses.[7]

Mission, Goals, and Strategy

The proposed budget for 2025–2026 supports the NCUA's fourth year implementing its *2022–2026 Strategic Plan*. Throughout 2025 and 2026, the agency will continue fulfilling its mission of "*protecting the system of cooperative credit and its member-owners through effective chartering, supervision, regulation, and insurance.*" The agency's three strategic goals are:

- Ensure a safe, sound, and viable system of cooperative credit that protects consumers.
- Improve the financial well-being of individuals and communities through access to affordable and equitable financial products and services.
- Maximize organizational performance to enable mission success.

The NCUA's strategic plan is the foundation for the agency's performance management and resource allocation processes. The annual performance plan functions as the agency's operational plan for each calendar year. It outlines the annual or short-term objectives, strategies, and corresponding performance goals and activities that contribute to the accomplishment of the agency's strategic goals. The NCUA budget provides the resources necessary for the agency to implement its strategic priorities and related programs and activities, to identify key challenges facing the credit union industry, and to leverage agency strengths to help credit unions address those challenges.

Appendix A provides additional information about how the budget aligns to the NCUA's strategic goals.

The NCUA's Annual Budget Process

Each regional and central office director at the NCUA develops an initial budget request identifying the resources necessary for their office to support the agency's mission, goals, and objectives. These budgets are developed to ensure requirements are individually justified and remain consistent with the agency's overall strategic framework. This effort also includes a field-level review of every federally insured credit union to estimate the workload to carry out credit union examinations in the forthcoming year, which is translated into the cost of the staff and associated expenses necessary to meet the agency's safety and soundness goals. In addition to this workload analysis, each NCUA office estimates its fixed and recurring expenses, such as for employee travel, rental payments for leased property, operations and maintenance for owned facilities or equipment, supplies, telecommunications services, major capital investments, and other administrative and contracted services costs.

The Office of the Chief Financial Officer presents draft budgets to the public on the agency's website and in the Federal Register as part of the NCUA Board's commitment to transparency in the agency's budgeting processes. The Board also holds a public briefing about the draft budget and facilitates dialog between public

[7] *See* 12 U.S.C. 1783(a).

stakeholders and NCUA staff to develop a common understanding of the agency's resource needs. The NCUA is the only Financial Institutions Reform, Recovery, and Enforcement Act agency that releases such a detailed draft budget and solicits public comments on it.

The NCUA Board reviews the comments from the public about the draft budget and makes revisions in response to stakeholder views, individual Board office priorities, and changing economic conditions. The Board then approves the final budget levels and the associated OTR and the operating fees paid by credit unions to finance the agency's programs.

The NCUA Budget in Brief

Proposed 2025 and 2026 Budgets

The NCUA *2022–2026 Strategic Plan* sets forth the agency's goals and objectives that drive the agency's resource needs and allocations. The agency's annual budgets provide 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.[8]

2025–2026 NCUA BUDGET RESOURCES

Budget	2024 Board-Approved Budget	2025 Requested Budget**	Change (2024-2025)	Percent Change (2024-2025)	2026 Requested Budget	Change (2025-2026)	Percent Change (2025-2026)	2024* Positions	2025* Positions	2026* Positions	Position Change (24–25)	Position Change (25–26)
Operating Budget	$374,494,000	$419,325,000	$ 44,831,000	12.0%	$450,607,000	$ 31,282,000	7.5%	1,247	1,261	1,272	14	11
Capital Budget	$6,189,000	$8,209,000	$ 2,020,000	32.6%	$12,500,000	$ 4,291,000	52.3%	-	-	-	-	-
Share Insurance Fund Admin. Budget	$5,142,000	$5,500,000	$ 358,000	7.0%	$5,366,000	$ (134,000)	-2.4%	-	-	-	-	-
Total**	**$385,825,000**	**$433,034,000**	**$47,209,000**	**12.2%**	**$468,473,000**	**$35,439,000**	**8.2%**	**1,247**	**1,261**	**1,272**	**14**	**11**

* All position levels exclude positions funded by the Central Liquidity Facility (CLF).
** 2025 Requested Budget is $0.3 million lower than the 2025 funding level approved by the NCUA Board as part of the two-year 2024–2025 Budget.

The NCUA's 2025–2026 staff draft budget justification includes three separate budgets: the Operating Budget, the Capital Budget, and the Share Insurance Fund Administrative Expenses Budget. Combined, these three budgets total $433.0 million for 2025, which is $0.3 million *lower* than the $433.3 million 2025 funding level approved by the NCUA Board as part of the two-year 2024–2025 budget.

Three significant factors, when combined, account for most of the 12.2 percent increase in the total budget between 2024 and 2025:

1. An increase of $25.9 million in funding for contracted services for 2025 compared to 2024. Of this amount, approximately $18.0 million results from a lower 2024 surplus carried over as part of the 2025 budget when compared to the surplus carried over from 2023 as part of the 2024 budget. Of the residual $7.9 million increase for contracted services, much of the additional funding will address

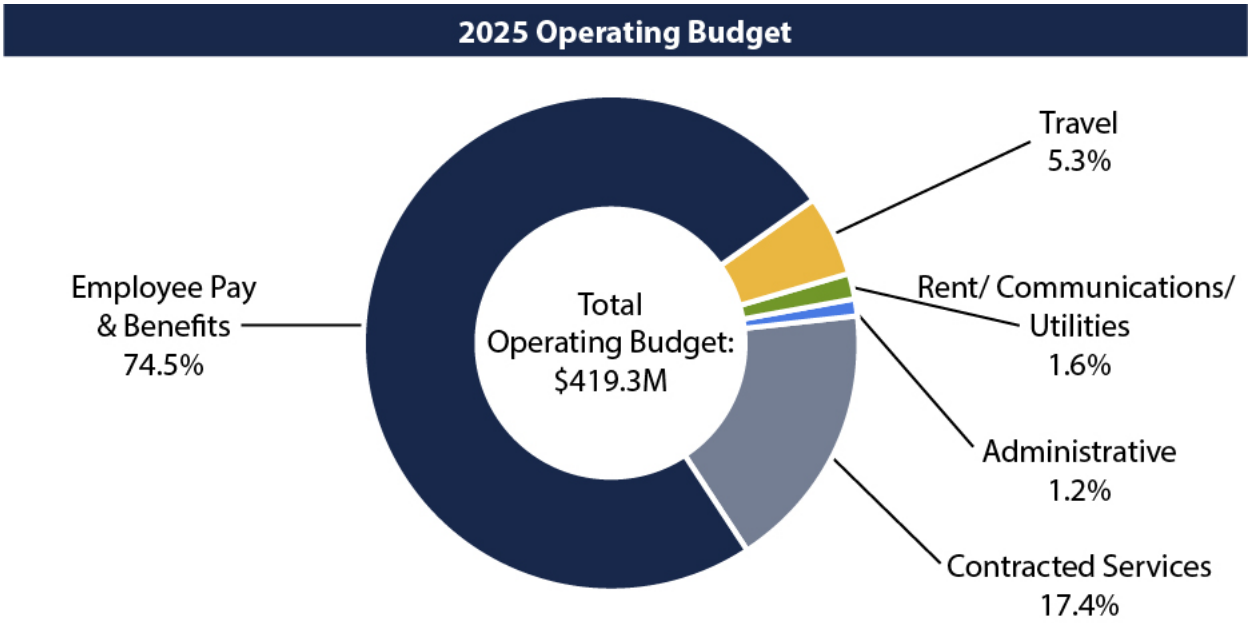
[8] Budget information presented in this document excludes funding for the CLF, which has its own budget reviewed and decided upon separately by the CLF Board.

new and evolving operational risks such as cybersecurity threats and for tools used to identify and resolve credit union system risk concerns such as interest rate risk, credit risk, and industry concentration risk. Growth in the contracted services budget category also results from new operations and maintenance costs for recently delivered capital investments. Other increased costs include general price inflation for core agency business operation systems such as accounting and payroll processing and various other recurring support costs.

2. An increase of $19.5 million for current employee compensation in 2025 compared to 2024. This increase accounts for merit pay raises for the NCUA's employees as required by the Collective Bargaining Agreement and expected inflationary cost increases for employee benefits.
3. A proposed increase of 14 positions compared to 2024, which equates to a headcount increase of 10 positions and four positions approved by the NCUA Board in the 2024 budget for 2025. Of the 10 positions recommended in the staff draft budget, eight are new positions and the remaining two are existing positions currently unfunded in the 2024 budget.[9] Explanations for each of the proposed new positions are included later in this document.

Proposed 2025 Operating Budget: $419.3 million

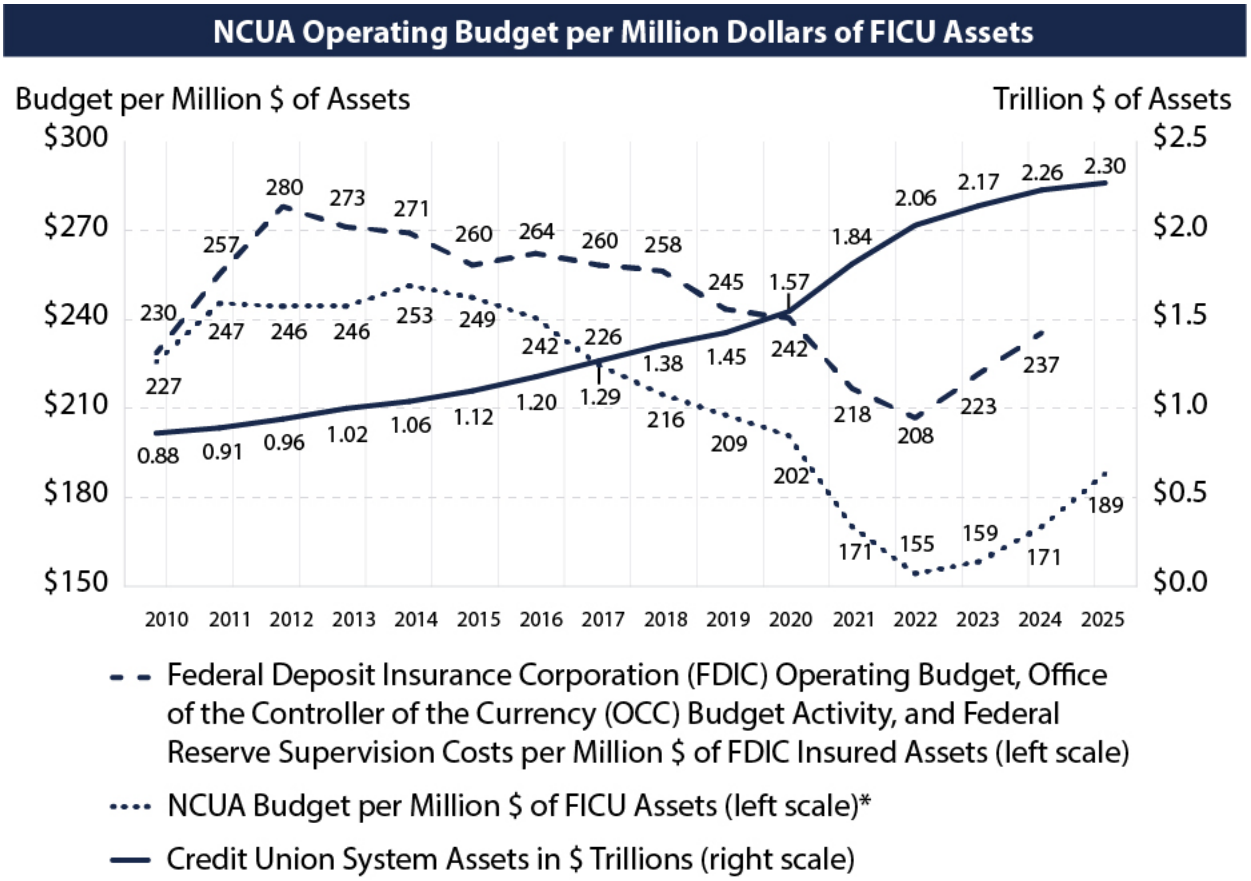
The following chart presents the major categories of spending supported by the proposed 2025 Operating Budget.



Note: Minor rounding differences may occur in totals.

[9] These positions are also known as "overhire" positions and are funded by surplus pay and benefits budgets that result from vacancies.

As shown in the following chart, the relative size of the NCUA budget (dotted line) has generally decreased when compared to balance sheets at federally insured credit unions (FICU, solid line).



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

* Budget per million $ of FICU assets is calculated as the fiscal year's budget divided by the previous year's end-of-year assets (e.g., 2025 draft budget/projected FICU assets as of fourth quarter 2024).

Proposed 2026 Operating Budget: $450.6 million

The Operating Budget estimate for 2026 is $450.6 million and includes 11 additional positions compared to the 2025 level.

Proposed 2025 Operating Budget Summary

(Dollars in Millions)	Budget	Change from 2024 Budget	Percent Change[10]	Description
2025 Operating Budget	**$419.3**	**↑ $44.8**	**+ 12.0%**	
Total Staffing (positions)	**1,261**	**↑ 14**	**+ 1.1%**	The 2025 position level increases by 14 positions from 1,247 authorized by the Board in 2024.[11]
Budget Category				
Pay & Benefits	**$312.3**	**↑ $19.5**	**+ 6.7%**	The pay and benefits adjustment includes funding for the proposed staffing increase of 14 positions, net, for critical areas necessary to operate as an effective federal financial regulator capable of addressing emerging issues. Additionally, the increase in pay and benefits includes merit and locality pay changes anticipated for 2025.
Travel	**$22.1**	**↑ $2.1**	**+ 10.5%**	The travel budget increases by $2.1 million in 2025 compared to 2024.
Rent, Communications, & Utilities	**$6.8**	**↓ $0.3**	**- 4.3%**	Rent, communications, and utilities budgets pay for essential workspace, telecommunications, data capacity, and network support. The 2025 increase results primarily from new costs for rent and data services for a disaster recovery site.
Administrative Expenses	**$5.1**	**↓ $2.4**	**- 31.8%**	Administrative expenses primarily support operational requirements, relocation expenses, and employee supplies.
Contracted Services	**$73.0**	**↑ $25.9**	**+ 55.1%**	Contracted services reflect costs for products and services acquired from the commercial marketplace and include mission-critical services, such as information technology (IT) acquisitions and support services, accounting and auditing services, and specialized subject matter expertise. Most of the increase in this category results from an $18.0 million difference in budget surplus from prior years. The increase also includes funding to address new and evolving risks, operations and maintenance recently delivered capital investments, and contractual price inflation for business systems and services. Starting in 2025, the contracted services category also reflects fees paid by NCUA to the Federal Financial Institutions Examination Council (FFIEC).

[10] Percent change is based on exact amounts shown on page 20.

[11] Total staffing levels do not include five positions funded by the CLF.

Proposed 2026 Operating Budget Summary

(Dollars in Millions)	Budget	Change from 2025 Budget	Percent Change[12]	Description
2026 Operating Budget	**$450.6**	**↑ $31.3**	**+ 7.5%**	
Total Staffing (positions)	**1,272**	**↑ 11**	**+ 0.9%**	The 2026 position level increases by 11 positions from 1,261 recommended for 2025.
Budget Category				
Pay & Benefits	**$329.2**	**↑ $16.9**	**+ 5.4%**	The pay and benefits budget is projected to increase in 2026 to pay for compensation adjustments for on-board employees and for the cost of new staff hired in 2025 and 2026.
Travel	**$24.2**	**↑ $2.1**	**+ 9.5%**	Travel costs are projected to increase due to price inflation and a national training conference planned for NCUA employees in 2026.
Rent, Communications, & Utilities	**$7.9**	**↑ $1.1**	**+ 15.4%**	Rent, communications, and utilities costs are projected to increase modestly to reflect a national training conference planned for NCUA employees in 2026.
Administrative Expenses	**$5.9**	**↑ $0.8**	**+ 14.7%**	Administrative expenses are projected to increase slightly to reflect a national training conference planned for NCUA employees in 2026.
Contracted Services	**$83.5**	**↑ $10.5**	**+ 14.4%**	Contracted services reflect costs for products and services acquired from the commercial marketplace. The proposed 2025 budget for contracted services includes an offset of $5 million from estimated prior-year budget surpluses, which is not expected to be available again in 2026.

[12] Percent change is based on exact amounts shown on page 20.

Proposed 2025 Capital Budget: $8.2 million

The proposed 2025 Capital Budget is $2.0 million higher than the 2024 Board-approved budget.

The Capital Budget supports the NCUA's ongoing effort to modernize its IT infrastructure and applications. Funding in the Capital Budget for upgrades to or replacement of obsolete IT systems is higher in 2025 than in 2024 and includes an increase in capital investment for cyclical system updates to the Modern Examination and Risk Identification Tool (MERIT) examination system. Other IT investments in the proposed 2025 Capital Budget include funds to ensure that agency systems comply with evolving cybersecurity requirements required of all federal agencies, enhancements to agency information security, investments to begin transitioning legacy hardware to a cloud-based storage environment, and various hardware investments to refresh agency networks and ensure staff have the tools necessary to achieve the agency's mission.

The Capital Budget also includes $480,000 for NCUA facility maintenance and improvements.

Proposed 2025 Share Insurance Fund Administrative Expenses: $5.5 million

The proposed 2025 Share Insurance Fund Administrative Expenses Budget is $0.4 million higher than the 2024 Board-approved budget. The Share Insurance Fund Administrative Expenses Budget funds the tools and technology used by the Office of National Examinations and Supervision (ONES) to oversee credit union-run stress testing for the largest credit unions, travel for state examiners attending NCUA-sponsored training, audit support for the Share Insurance Fund's financial statements, and certain insurance-related expenses for Asset Management and Assistance Center (AMAC) operations.

Key Themes of the Proposed 2025–2026 Budget

Overview

The proposed 2025–2026 budget includes funding for the NCUA to increase staffing in critical areas necessary to operate as an effective federal financial regulator capable of addressing emerging issues and responding to changes in economic conditions that may impact the credit union system.

The percentage of insured shares in credit unions with composite Capital adequacy, Asset quality, Management, Earnings, Liquidity risk, and Sensitivity to market risk (CAMELS) ratings 1 and 2 has decreased each quarter since December 2021.[13] Between the reporting periods of December 31, 2021, and June 30, 2024, credit unions with composite CAMELS 4 and 5 ratings and total assets greater than $500 million increased from 2 to 9, while these credit unions' insured shares increased from $4.4 billion to $13.8 billion—an increase of 214 percent. During the same period, credit unions with composite CAMELS 3 ratings and assets greater than $500 million increased from 15 to 66, and their insured shares increased from $11.3 billion to $127.0 billion—an increase of 1,024 percent. Under the agency's rules, credit unions with total assets greater than $500 million are considered complex. Liquidations of such complex credit unions would cause greater losses for the Share Insurance Fund than non-complex credit unions.

The NCUA must have the necessary resources to continue to monitor credit union performance and mitigate risks at these complex credit unions and all other non-complex credit unions through the examination process, offsite monitoring, and tailored supervision, consistent with its mission.

The NCUA employees are the agency's most valuable resource for achieving its mission. The agency is committed to maintaining a workforce with integrity, accountability, transparency, inclusion, and proficiency.[14] The NCUA will continue investing in its workforce through training and development, ensuring employees have the skills they need to work effectively. These investments will also facilitate the agency's succession planning as it undertakes a generational leadership shift as the Baby Boom cohort retires.

The proposed 2025–2026 budget includes investments across a range of NCUA priorities, including:

- Ensuring robust cybersecurity in the credit union system and at the agency.
- Continuing to strengthen and mature analytic capabilities and capacity in the areas of fraud and anti-money laundering, quantitative analytics and stress testing, and climate-related financial risk.

[13] The NCUA's composite CAMELS rating consists of an assessment of a credit union's Capital adequacy, Asset quality, Management, Earnings, Liquidity risk, and Sensitivity to market risk. The CAMELS rating system is designed to consider and reflect all significant financial, operational and management factors field staff assess in their valuation of credit unions' performance and risk profiles. CAMELS ratings range from 1 to 5, with 1 being the best rating. Credit unions with a composite CAMELS rating of 3 exhibit some degree of supervisory concern in one or more components. CAMELS 4 credit unions generally exhibit unsafe or unsound practices, and CAMELS 5 institutions demonstrate extremely unsafe or unsound practices and conditions. The NCUA collectively refers to CAMELS 4 and 5 credit unions as "troubled credit unions."

[14] *See* https://ncua.gov/files/agenda-items/strategic-plan-20220317.pdf, page 6.

- Recalibrating examination and supervisory oversight over credit unions based on a prioritization of the risks presented to the system.
- Providing program and staff resources to increase assistance to small credit unions and credit unions designated as minority depository institutions (MDIs).
- Expanding the resources allocated to the NCUA's examination of credit unions' compliance with consumer financial protection laws and regulations.
- Investing in information technology systems and infrastructure to bolster the NCUA's supervisory capabilities.

The efficiency and effectiveness of the agency's workforce depends upon the availability of modern analytical tools and the resiliency of the NCUA's information technology systems. The NCUA is committed to implementing its new technology responsibly and delivering secure, reliable, and innovative solutions. The investments funded in the NCUA's Capital Budget will provide the tools and technology the workforce needs to achieve the NCUA mission.

Cybersecurity

The NCUA's cybersecurity program focuses on two main efforts: supervision of credit union cybersecurity programs and protection of the agency's systems, assets, data, and mission capabilities.

Cyberattacks continue to pose significant and growing risks to all organizations. The NCUA places credit union cybersecurity as a top enterprise and supervisory priority because of continued attacks on the nation's financial sector and the broader national critical infrastructure.

Supervision of Credit Union Cybersecurity

The NCUA engages in interagency cybersecurity preparedness as a member of the FFIEC and of the Financial and Banking Information Infrastructure Committee. The NCUA monitors cyber threats identified by federal and non-federal sources and shares relevant information about them with the credit union industry and financial sector partners.

The NCUA maintains a team within the Office of Examination and Insurance dedicated to developing and maintaining supervisory policies, procedures, and tools and examiner training for cybersecurity. The regions and the ONES employ highly trained regional information security specialists for information security examinations and supervision of credit unions.

All credit unions will periodically receive an information security examination as part of the agency's new Information Security Examination program (ISE). The ISE uses a risk-focused approach to examine credit unions' information security, providing examiners flexibility to focus on areas of material current or potential risk relevant to each credit union's unique business model. The objectives of an information security examination include:

- Evaluating management's ability to recognize, assess, monitor, and manage information systems and technology-related risks.

- Assessing whether the credit union has sufficient expertise to adequately plan, direct, and manage information systems and technology operations.
- Determining whether the board of directors has adopted and implemented adequate information systems and technology-related policies and procedures.[15]
- Evaluating the adequacy of internal information systems and technology controls and oversight to safeguard member information.

The NCUA built and maintains the Automated Cybersecurity Evaluation Toolbox (ACET) to help credit unions voluntarily assess their level of cybersecurity preparedness. The tool incorporates appropriate cybersecurity standards and practices established for financial institutions. The tool maps each of its declarative statements to the practices found in the *FFIEC Information Technology Examination Handbook*, regulatory guidance, and leading industry standards like the National Institute of Standards and Technology's (NIST) Cybersecurity Framework. The ACET also provides a plain-language explanation and references for each of the statements included within the assessment.

Enhanced and continuing examiner training related to information security and evolving cyber risks is planned for 2025.

Protection of the Agency's Information and Systems

The NCUA's approach to agency cybersecurity is based on requirements established by federal statute such as the Federal Information Security Management and Federal Information Security Modernization Act (FISMA), and government-wide policy such as the NIST's Cybersecurity Framework, and Executive Order (EO) 14028, *Improving the Nation's Cybersecurity*. Based upon the most recent FISMA reporting metrics, the NCUA earned a Level 4 maturity rating for its information security program. This is the highest rating the NCUA has earned to date and demonstrates the agency's commitment a strong cybersecurity posture that mitigates risk and protects sensitive data. The proposed 2025 budget includes over $22 million for the cost of compliance with and implementation of these requirements, of which $3.2 million is budgeted for capital investments. Many government cybersecurity requirements are not necessarily expected of non-governmental entities; however, as a federal agency the NCUA must carry them out.

Examination Workforce

In 2021, a cross-agency working group at the NCUA conducted an internal review to determine the appropriate level of specialist positions required to ensure compliance with the Bank Secrecy Act (BSA) and consumer financial protection laws and regulations. The review evaluated staffing needs for three potential regional specialist groups in the areas of electronic payment systems, consumer compliance, and the BSA. Unlike other specialist areas where credit union asset size is a reasonable basis for allocating supervisory resources, BSA and consumer compliance risks are not necessarily concentrated in a particular asset group.

[15] *See* https://ncua.gov/regulation-supervision/letters-credit-unions-other-guidance/board-director-engagement-cybersecurity-oversight

Since this review, the NCUA added specialist positions to each of the regions in two separate phases. These new specialist positions were offset by a reduction in general examiner positions throughout the regions. These positions are now fully annualized in the 2025 budget and no new specialist positions are proposed in the 2025 budget. The proposed 2025 budget recommends a net reduction of 10 positions across the NCUA's three regions. The draft budget is based on certain adjustments to the examination program that result in a net decrease in the staff time required to carry out the examination program. These changes would provide incentives for federally insured credit unions with assets between $1 billion and $10 billion to remain very sound. In return, sound practices at credit unions would allow the regions more flexibility to work with state regulators on coordinating joint examinations and reduce the time between exams for certain federal credit unions whose practices and management necessitate closer scrutiny. These changes would also result in a further cycle-time extension between exams for well-managed and well-capitalized smaller and mid-sized credit unions.

Support for Small Credit Unions and Minority Depository Institutions

Small credit unions with less than $100 million in assets and MDIs are uniquely positioned to improve financial inclusion by offering their communities access to safe, fair, and affordable credit and other services. The NCUA's Small Credit Union and MDI Support Program is designed to support and preserve these credit unions. This program provides dedicated resource hours for field staff to conduct this important work, and the proposed 2025 budget continues to support this important effort.

Program assistance focuses on identifying available resources, providing training and guidance, and supporting credit union management in their efforts to address operational matters. Additional benefits of the program include:

- Building greater awareness of the unique needs of small credit unions and MDIs and their role serving underserved communities.
- Expanding opportunities for these credit unions to receive support through NCUA grants, training, and other initiatives.
- Furthering partnerships with organizations and industry mentors that can support small credit unions and MDIs.

Fair Lending and Consumer Financial Protection

The NCUA's consumer financial protection program supports the agency's statutory responsibility and strategic goal of ensuring a safe, sound, and viable system of cooperative credit that protects consumers. Within the division of fair lending supervision, NCUA staff conduct targeted fair lending examinations at federal credit unions to assess compliance with federal fair lending laws and regulations. These reviews are critical to identifying discriminatory lending patterns or practices and to reducing barriers to economic equity. Past examinations conducted by NCUA examiners have identified patterns or practices of discrimination violations, illegal race-based redlining, indirect lending pricing concerns, systemic Home Mortgage Disclosure Act violations, Regulation B notification and government monitoring information

violations, and numerous instances of inadequate fair lending compliance management systems, including those related to discrimination based on age and marital status.

In 2024, the NCUA joined the other Federal Financial Institution Examination Council agencies to issue a statement of examination principles related to valuation discrimination and bias in residential real estate lending. The staff draft budget includes funding for the current division of fair lending supervision and for one new program officer who will help to develop Home Mortgage Disclosure Act analyses and examinations, oversee the annual fair lending examination selection process through outlier analysis, and fulfill fair lending speaking and Freedom of Information Act requests submitted by the public.

The agency is also engaged in a project to develop an expanded consumer compliance examination and enforcement program. That project will develop and be implemented over the course of several years.

Chartering Investments

Credit unions are an important part of the financial services industry and can play a key role in helping families achieve financial freedom by building generational wealth, aiding entrepreneurs in starting a business, and helping to create jobs and strengthen communities. To extend financial services to more individuals and communities, the 2025 capital budget supports a multi-year process automation project to implement an external facing portal that will make it easier for organizing groups to submit new charter applications. When this project is complete, organizing groups will be able to upload forms and supporting files and track the status of their submissions through an intuitive, user-friendly interface, significantly reducing the time to process these requests.

IT Enhancements: MERIT and Cloud Migration

Two information technology investments in the 2025 budget support efforts to create cost efficiencies and avoid cost escalation in future years.

The NCUA recompeted the operations and maintenance contract for NCUA's examination platform in 2024. The new contract reduced the estimated cost of core MERIT Operations and Maintenance (O&M) support activities by $1.7 million for the 2025 operating budget when compared to the cost of the previous support vendor.

Migrating to a cloud computing environment offers significant advantages by enhancing efficiencies and improving security. By moving IT services from physical datacenters to cloud service providers, the NCUA can lower the risk and expense of maintaining physical infrastructure such as servers, storage, and networking equipment. Cloud infrastructure also enables faster and more efficient deployment of new services and system upgrades. This scalability leads to greater operational flexibility, reducing the time and cost of managing information technology operations. Furthermore, cloud service providers offer advanced cybersecurity measures, ensuring that data is protected with the latest encryption and security standards, enhancing the reliability and security of the NCUA's information technology environment. By leveraging cloud services, the NCUA can focus its resources on innovation and mission-critical tasks, rather than on costly and resource-intensive management of physical infrastructure.

NCUA Organizational Changes

The staff draft budget proposes a new Office of the Executive Secretary, which is a common function in many other federal agencies. The new office will centralize responsibility for the NCUA's policy review and decision-making processes, coordinate the clearance and submission of all policy documents to the Chairman and the NCUA Board, as appropriate, for review and approval, and facilitate discussions between the NCUA's program offices to align appropriate policies, among other things. Policy documents include regulations, recommendation memos, action memos, briefing memos, responses to correspondence, reports to Congress, and other policy documents. Appendix A includes a separate table illustrating the budget for the proposed Office of the Executive Secretary.

Operating Budget

Overview

The NCUA Operating Budget provides the resources required for the agency to conduct activities prescribed by the Federal Credit Union Act. These mandates 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 Share Insurance Fund. The NCUA must also implement mandates required by other statutes including those related to BSA compliance, consumer financial protection, and diversity, equity, and inclusion.

Operating Budget Categories

There are five major expenditure categories in the Operating Budget. This section explains how these expenditures support the NCUA's operations and presents an overview of the Operating Budget.

2025 - 2026 NCUA OPERATING BUDGET SUMMARY

Budget Cost Category	2024 Board Approved Budget	2025 Requested Budget	2024-2025 Change	Change Percent	2026 Requested Budget	2025-2026 Change	Change Percent
Employee compensation	$ 292,783,000	$ 312,275,000	19,492,000	6.7%	$ 329,172,000	16,897,000	5.4%
Salaries	$ 202,972,000	$ 217,680,000	14,708,000	7.2%	$ 230,427,000	12,747,000	5.9%
Benefits	$ 89,811,000	$ 94,595,000	4,784,000	5.3%	$ 98,745,000	4,150,000	4.4%
Travel	$ 20,012,000	$ 22,105,000	2,093,000	10.5%	$ 24,210,000	2,105,000	9.5%
Rent /Comm/Utilities	$ 7,136,000	$ 6,832,000	(304,000)	-4.3%	$ 7,882,000	1,050,000	15.4%
Administrative	$ 7,494,000	$ 5,109,000	(2,385,000)	-31.8%	$ 5,859,000	750,000	14.7%
Contracted Services	$ 47,069,000	$ 73,004,000	25,935,000	55.1%	$ 83,484,000	10,480,000	14.4%
Total	**$ 374,494,000**	**$ 419,325,000**	**44,831,000**	**12.0%**	**$ 450,607,000**	**31,282,000**	**7.5%**

Pay and Benefits. Pay and benefits increase by $19.5 million in 2025, or 6.7 percent compared to 2024, for a total of $312.3 million. Pay and benefits costs make up approximately 74.5 percent of the annual NCUA Operating Budget. There are four primary drivers of increased costs in 2025 for the pay and benefits category:

- Merit and locality pay increases for the NCUA's employees are paid per the agency's Collective Bargaining Agreement (CBA) and its merit-based pay system.

- Contributions for employee retirement to the Federal Employee Retirement System (FERS), which are set by the U.S. Office of Personnel Management (OPM) based on actuarial estimates and cannot be negotiated or changed by the NCUA. The mandatory FERS contribution rate increases total NCUA benefits costs by 2.7 percent in 2025 compared to 2024. OPM's current assumptions for actuarial valuation of FERS remain unchanged in 2025 but remain a cost driver for the agency's pay and benefits growth. Because the NCUA must contribute 18.4 percent of employee salaries to the retirement fund in 2025, the estimated impact on the NCUA budget is an increase of approximately $2.5 million in mandatory payments.
- Contributions for employee health insurance are also set by OPM. This insurance contribution increases total NCUA benefits costs by 1.3 percent in 2025 compared to 2024. The annual OPM estimate for the 2025 government share of the Federal Employees Health Benefits Program (FEHBP) premiums is expected to be released in October 2024, and the budget will be updated if there are material changes to FEHBP costs estimates.
- The employee salary and benefits category includes costs associated with other mandatory employer contributions such as Social Security, Medicare, transportation subsidies, unemployment, and workers' compensation. The limit on employee earnings subject to Social Security taxes increased in 2025 and applies to all employers in the United States. The projected additional employer Social Security contributions that result from this increase account for approximately one percent of the total adjustment to employee salaries.

Attracting a well-qualified workforce requires the agency to pay competitive salaries. In 2025, the NCUA's compensation levels will continue to "maintain comparability with other federal bank regulatory agencies" as required by the Federal Credit Union Act.[16] More than 85 percent of the NCUA workforce has earned a bachelor's degree or higher, compared to approximately 35 percent of the private-sector workforce.

The pay and benefits budget includes all employee pay raises for 2025, such as merit and locality increases consistent with the CBA in place for 2024, and those for promotions, reassignments, and other changes, as described below. Consistent with other federal pay systems, the NCUA's compensation includes base pay and locality pay components.

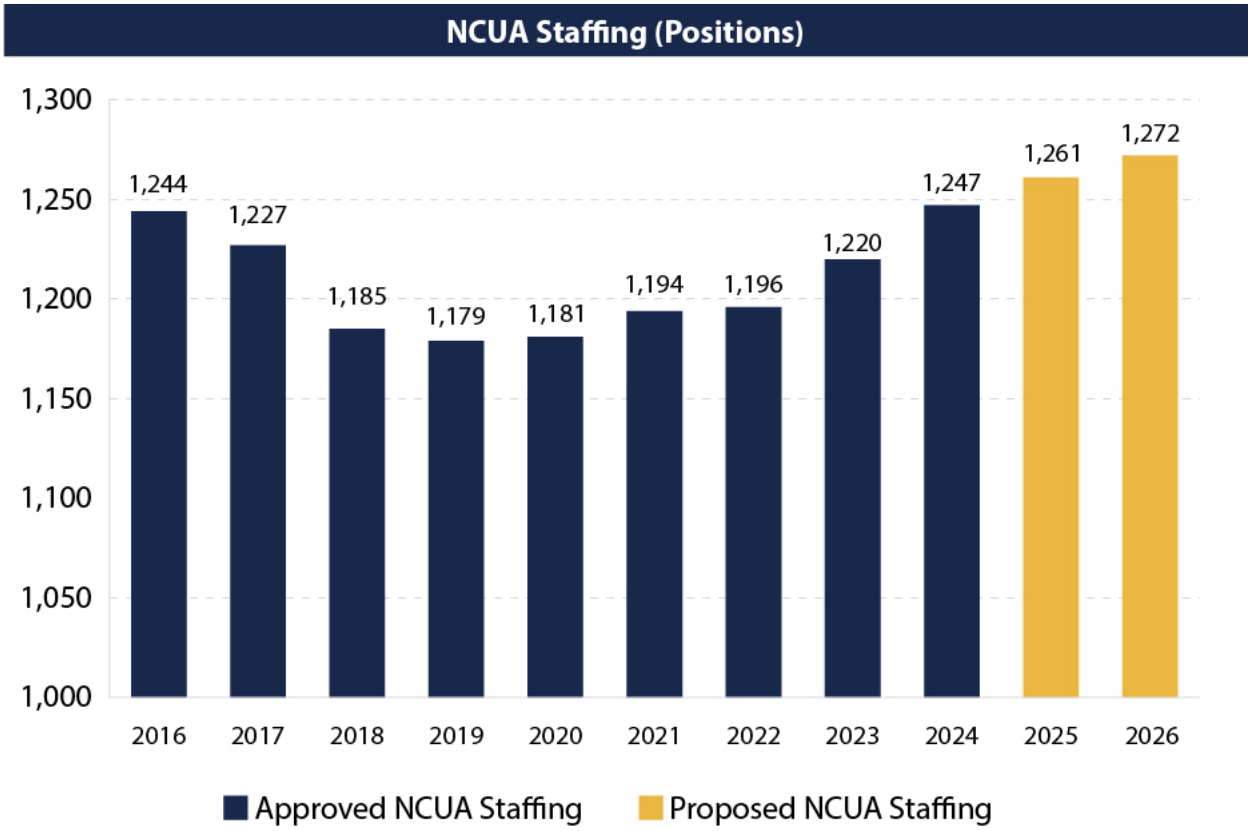
The proposed 2025 Operating Budget supports a total agency staffing level of 1,261 positions.[17] This is a net increase of 14 positions, or 1.1 percent, compared to the agency's 2024 staffing level. The net increase includes 12 new positions, four of which were approved by the NCUA Board in the 2024 budget for 2025 and incorporates into the 2025 budget two existing positions currently unfunded in the 2024 budget. The first-year cost of the 12 net new positions for 2025 is estimated to be approximately $1.9 million. The cost for 2025 of the two existing positions currently unfunded is estimated to be approximately $0.7 million.

[16] The Federal Credit Union Act states that, "In setting and adjusting the total amount of compensation and benefits for employees of the Board, the Board shall seek to maintain comparability with other federal bank regulatory agencies." *See* 12 U.S.C. 1766(j)(2).

[17] Does not include five positions assigned to the CLF.

The proposed 2025–2026 draft budget includes funding for the NCUA to increase permanent staffing in critical areas necessary to operate more effectively and address emerging risks. The staffing levels proposed for 2025 also reflect the resource requirements that support the NCUA's continued efforts to ensure its examination processes keep pace with the growing scale and complexity of the credit union system while the agency enhances the efficiency and effectiveness of its supervisory efforts.

The following chart illustrates the NCUA's staffing levels in recent years.



Note: Total NCUA staffing excludes positions funded by the CLF.

The proposed changes for the NCUA's 2025 staffing level include:

- Reducing the number of generalist examiners by a net of eight positions across the NCUA's three regional offices, including the reduction of one supervisory examiner.
- Adding two new Division of Supervision Director positions (one each in the Eastern and Western regions) while simultaneously reducing the number of regional Division of Supervision Deputy Director positions by four positions. The net change in regional staff is a reduction of two positions.
- Creating a new Office of the Executive Secretary with two dedicated staff positions authorized for 2025 and a third position for 2026. This office will centralize responsibility for coordinating the review of documents, related decision-making processes, and the clearance and submission of all documents to the NCUA Board members, as appropriate.

- Increasing ONES by three positions. The three new positions include a supervisor for the capital planning and stress testing division, a financial data analyst, and a new executive position to lead the financial risk management team. Additionally, three positions are recommended for 2026: one national credit union examiner, one national lending specialist, and one national payment systems officer.
- Increasing the Office of Business Innovation by two positions. The new positions include one artificial intelligence (AI) officer and one business innovation officer. Additionally, two new AI officers are recommended for 2026.
- Adding one new senior Equal Employment Opportunity (EEO) specialist in the Office of Minority and Women Inclusion.
- Increasing the Office of Consumer Financial Protection (OCFP) by three positions. The new positions include one consumer affairs specialist, one fair lending program officer, and a new division director in 2025.
- Increasing the Office of Examination and Insurance by three positions. The new positions include two new fraud officers and one climate financial risk officer in 2025. Additionally, one new systems officer is recommended for 2026.
- Increasing the Office of External Affairs and Communications by three positions. The new positions include one section 508 compliance manager and two division directors in 2025. Additionally, two new positions are recommended for 2026. These include one technical writer/editor and one stakeholder relations specialist.
- Funding two positions previously unfunded but authorized within the total NCUA staffing plan. These positions are both within the Office of Human Resources.

The proposed 2026 budget for pay and benefits is estimated at $329.2 million, a $16.9 million increase from the 2025 level. Included within this total is the full-year cost impact of new positions proposed for 2025 (approximately $4 million), $1.6 million for 11 new positions (three in ONES, two in the Office of Business Innovation, two in the Office of General Counsel, two in the Office of External Affairs and Communications, one in the Office of the Executive Secretary, and one in the Office of Examination and Insurance). The 2026 budget for pay and benefits also includes projected merit and locality pay increases consistent with recent compensation agreements (approximately $8.8 million), and associated increases in benefits for all employees (approximately $2.5 million).

Travel. The proposed travel budget increases by $2.1 million, or 10.5 percent, compared to 2024, for a total of $22.1 million. The travel cost category includes expenses for employees' airfare, lodging, meals, auto rentals, reimbursements for privately owned vehicle usage, and other travel-related expenses. These are necessary expenses for examiners' onsite work in credit unions. Close to two-thirds of the NCUA's workforce is comprised of field staff who spend part of their time traveling to conduct the examination and supervision program. The NCUA staff also travel for routine and specialized training and other work assignments.

During the COVID-19 pandemic, the NCUA and its employees transitioned to an offsite examination posture, developing new procedures and processes to continue examination and supervisory work. In 2025, the NCUA will continue to conduct portions of examinations offsite, which is expected to constrain the

growth of future travel budgets. Nevertheless, per trip costs have increased in recent years due to price inflation across the U.S. economy. Despite the projected growth in travel expenses for 2025, the total budget for travel is approximately $4.7 million, or 17.4 percent, below the pre-pandemic 2019 travel budget of $26.8 million.

The proposed 2026 budget for travel is estimated at $24.2 million, a 9.5 percent increase compared to the 2025 level. This budget level reflects an expectation for continued travel-related cost inflation and travel to support a national training conference planned for 2026.

Rent, Communications, and Utilities. The proposed budget for rent, communications, and utilities decreases by $0.3 million in 2025, or 4.3 percent compared to 2024, for a budget of $6.8 million. The 2025 decrease is largely driven by a one-time reduction in the first-year rent for the new Southern Region office lease.

Funding within this budget category pays for facilities-related costs, telecommunications services, data storage, and information technology network support. Telecommunications charges include leased data lines and data service subscriptions, Voice over Internet Protocol and mobile telephony, and other network charges. Facilities-related budgets pay for the cost of the office leases, utilities, rental of the disaster recovery and continuity of operations sites, meeting space rental for offsite events, and postage.

The proposed 2026 budget for the rent, communications, and utilities category is $7.9 million, or a 15.4 percent increase compared to 2025. The full, second-year cost of the Southern Region office lease is the primary driver for this increase.

Administrative Expenses. The draft budget proposes a $2.4 million decrease in administrative expenses for 2025, which is a reduction of 31.8 percent compared to 2024, for a budget of $5.1 million. The 2025 decrease is driven almost entirely by reclassifying the $2.4 million Federal Financial Institutions Examinations Council costs from this budget category to the contracted services budget category, which more accurately captures the nature of this spending.

Recurring costs in the administrative expenses category include employee relocation expenses, recruitment and advertising expenses, shipping, printing, subscriptions, examiner training and meeting supplies, office furniture, and employee supplies and materials. The NCUA pays relocation costs to employees who are competitively selected for a promotion or new job within the agency in a different geographic area than where they live.

The proposed 2026 budget for administrative expenses is $5.9 million, an increase of $0.8 million, or 14.7 percent increase from the level proposed in the 2025 budget. The costs associated with a planned agency-wide National Training Conference is the major contributor to the budget increase.

Contracted Services. The proposed budget for contracted services increases by $25.9 million in 2025, or 55.1 percent compared to 2024, for a total budget of $73.0 million.[18] A significant portion of the growth in this budget results from the assumption that approximately $18.0 million in 2024 contracted services funded

[18] The total budget for Contracted Services in 2025 before offsets of prior year unspent funds is estimated to be $78.0 million.

by carryover budget surplus from previous years will not be available for 2025. Since 2021, the NCUA has used unspent budget amounts from previous years to reduce its budget levels in the following year.

The remaining $7.9 million of budgetary growth is driven by a combination of factors, including operations and maintenance costs for newly delivered capital projects, inflationary cost increases for contracted services, and additional analytic and operational tools necessary to address cybersecurity threats and growing complexity and risk in the credit union system.

Acquiring specific expertise or services from contract providers is often the most cost-effective way for the NCUA to accomplish its mission. Such services include critical mission support such as information technology equipment and software development, accounting and auditing services, and specialized subject matter expertise that enable staff to focus on executing core mission requirements. Most of the funding in the contracted services category supports the NCUA's supervision framework, including tools used to identify and address risk concerns such as interest rate risk, credit risk, and industry concentration risk.

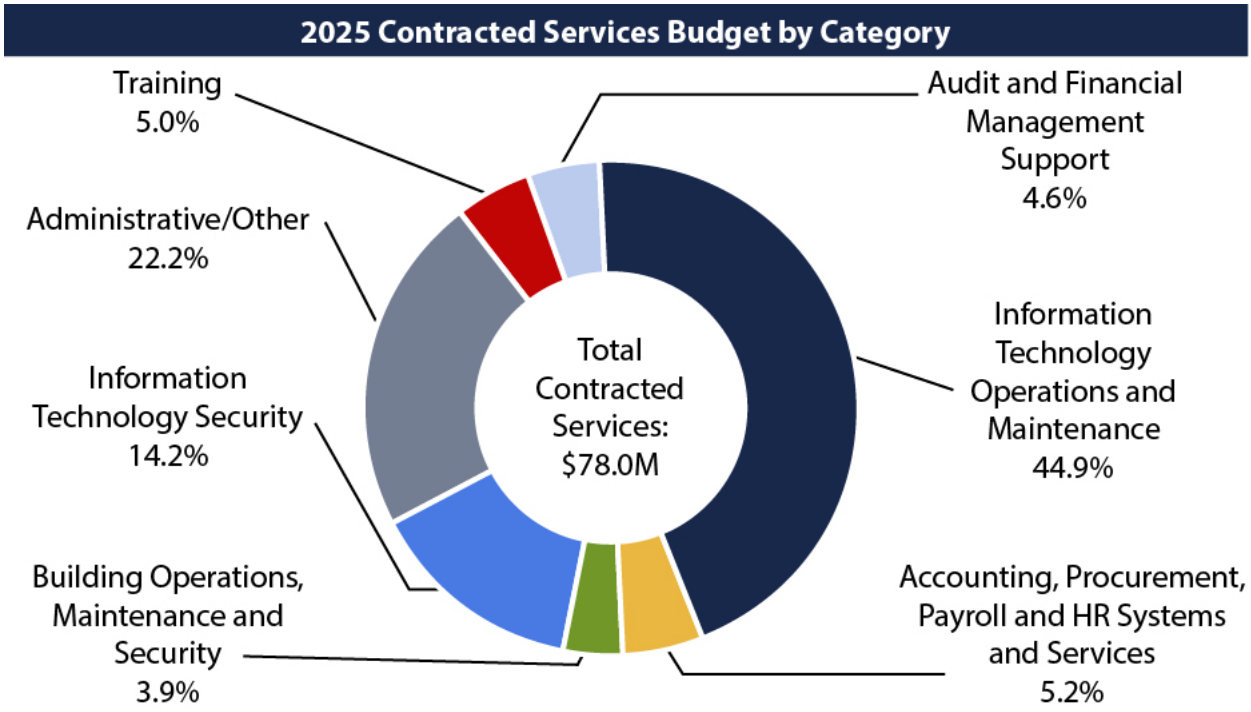
Growth in the contracted services budget category also results from new operations and maintenance costs for deployed capital investment projects. Other costs include core NCUA business operation systems such as accounting and payroll processing, and various recurring costs, as described in the following seven major categories:

- Information Technology Operations and Maintenance (44.9 percent of contracted services)
  - IT network support services and help desk support
  - Contractor program and web support and network and equipment maintenance services
  - Administration of software products such as Microsoft Office, SharePoint, and audio-visual services
- Administrative Support and Other Services (22.2 percent of contracted services)
  - Examination and supervision program support
  - Technical support for examination and cybersecurity training programs
  - Equipment maintenance services
  - Legal services and other expert consulting support
  - FFIEC reimbursements
- IT Security (14.2 percent of contracted services)
  - Secure data storage and operations
  - Information security programs
  - Security system assessment services
- Accounting, Procurement, Payroll, and Human Resources Systems (5.2 percent of contracted services)
  - Accounting and procurement systems and support
  - Human resources, payroll, and employee services
  - EEO and diversity programs
- Training (5.0 percent of contracted services)
  - Technical and specialized training and professional development for staff
- Audit and Financial Management Support (4.6 percent of contracted services)

  - Annual audit support services
  - Material loss reviews
  - Investigation support services
  - Financial management support services

- Building Operations, Maintenance, and Security (3.9 percent of contracted services)
  - Headquarters facility operations and maintenance
  - Building security and continuity programs
  - Personnel security and administrative programs

The following chart illustrates the breakout of the seven categories for the total proposed 2025 contracted services budget of $78.0 million, of which $5.0 million is funded from prior year available balances.



Note: Minor rounding differences may occur in totals.

Major programs within the contracted services category include:

- **Training requirements for the examiner workforce.** The NCUA's most important resource is its highly educated, experienced, and skilled workforce. Staff must have the proper knowledge, skills, and abilities to perform assigned duties and meet emerging needs. Each year, examiners complete a wide range of training classes to ensure their skills and industry knowledge remain current, including in core areas such as capital markets, consumer compliance, and specialized lending. Major training deliverables for 2025 include examiner training development, including subject matter expert conferences, and planned leadership forums for all the NCUA's executives and managers. The

NCUA continues to control training costs with a blended schedule of both in-person and virtual sessions.

- **Information security program.** This NCUA program supports ongoing efforts to strengthen the agency's cybersecurity and ensure its compliance with the Federal Information Security Modernization Act and other standards for federal agencies.
- **Agency financial management services, human resources technology support, and payroll services.** The NCUA contracts for these back-office support services with the U.S. Department of Transportation's Enterprise Service Center and the General Services Administration. The NCUA's human resource system, also adopted by other federal agencies, is a shared solution that automates routine human resource tasks and improves time and attendance functionality.
- **Audit.** The NCUA's Office of the Inspector General (OIG) contracts with an accounting firm to conduct the annual audit of the agency's four permanent funds. The results of these audits are posted annually on the NCUA website and included as part of the agency's Annual Report.

A significant share of the budget for contracted services finances ongoing IT infrastructure support for the agency. The 2025 budget includes operations and maintenance of the MERIT system, which replaced the legacy Automated Integrated Regulatory Examination System (AIRES) in 2021. Several of the NCUA's other core information technology systems and processes also require contract support in 2025, which results in increased costs for contracted services, as described below.

Within the **Office of Chief Information Officer's** budget, an additional $2.0 million compared to the 2024 budget level is required for:

- Implementation of the NCUA's Cybersecurity Supply Chain Risk Management tools, which help identify, assess, and mitigate risks to ensure integrity and security of products and services purchased by the agency. NIST standards require implementation of robust supply risk management procedures.
- IT software, infrastructure services, and operations and maintenance labor support for NCUA systems, including legacy applications.
- O&M associated with the agency's new onboarding and offboarding system, which is being designed to fulfill new personnel background investigation standards required by the Defense Counterintelligence and Security Agency.

The **Asset Management Assistance Center's** contracted services budget increases by $1.1 million compared to the 2024 budget level. These funds will provide additional examination support for NCUA's field examiners and ensure sufficient surge resources are available to respond to emergent matters.

The **Office of External Affairs and Communication's** contracted services budget increases by $688,000 compared to the 2024 budget level. These funds will provide for a new website hosting and services support.

Within the **Office of General Counsel**, the contracted services budget increases by $470,000 compared to the 2024 budget level. This increase primarily relates to anticipated legal fees associated with agency consumer financial protection efforts.

Within the **Office of Business Innovation**, the contracted services budget increases by approximately $331,000 compared to the 2024 budget level. These funds will provide contract support for the agency's

information system security processes and fund a survey administered by a third party about credit unions' examination experiences.

The proposed contracted services budget for 2026 is $83.5 million. Excluding the $5.0 million from surplus carryover used in 2025, the 2026 budget level represents a net increase of $5.5 million, or approximately 7.1 percent.

Capital Budget

Overview

Annually, the NCUA carries out a rigorous review of agency's needs for IT, facility improvements and repairs, and other multi-year capital investments. The NCUA's executives and staff review the agency's inventory of IT systems, IT hardware, and owned facilities and equipment to determine what requires repair, major renovation, or replacement. The staff then make recommendations for prioritized investments to the NCUA Board.

The proposed 2025 Capital Budget is $8.2 million. This amount includes $7.7 million for IT development projects and investments and $480,000 for central office building minor construction and maintenance projects. Within the total 2025 Capital Budget, the agency has identified $1.5 million of past-year capital project budget surpluses, which reduces by the same amount the level of new capital funding provided for 2025.

IT systems and hardware require significant capital expenditures for modern organizations. The 2025 Capital Budget's highest priorities include continuing investments to bolster the NCUA's cybersecurity posture and enable the agency to comply with EO 14028, *Improving the Nation's Cybersecurity*, along with enhancements to the MERIT platform. The budget also supports ongoing efforts to modernize the NCUA's IT infrastructure and applications through the Information Technology Infrastructure, Platform and Security Refresh project. Finally, the 2025 Capital Budget continues support for two multi-year projects: development of a personnel security system in compliance with the Trusted Workforce 2.0 directive from the Office of the Director of National Intelligence (ODNI) and OPM, and further technology enhancements to streamline and automate NCUA processes for reviewing field of membership and new charter requests from credit unions and organizing groups.

Routine repairs and lifecycle-driven property renovations are also necessary to maintain investments in the NCUA-owned facilities. Each year the NCUA assesses the physical condition of the agency's properties to determine the need for essential repairs, replacement of building systems that have reached the end of their engineered lives, or renovations required to support changes in the agency's organizational structure, or address revisions to building standards and codes. The 2025 Capital Budget includes funding for the costs associated with routine repairs, maintenance, and lifecycle-driven property renovations for the agency's Alexandria, Virginia, headquarters. Following an assessment and recommendations presented to the Board, a decision was made to sell the NCUA-owned office building in Austin, Texas, which is expected to be completed in 2025. Given potential challenges in the commercial real estate market, however, proceeds from this transaction have not been factored into the 2025 staff draft budget.

2025–2026 NCUA CAPITAL BUDGET							
	2024 Board Approved Budget	2025 Requested Budget	Change (2024-2025)	Percent Change (2024-2025)	2026 Requested Budget	Change (2025-2026)	Percent Change (2025-2026)
Information technology investments	$ 5,712,000	$ 7,729,000	$ 2,017,000	35.3%	$ 12,050,000	$ 4,321,000	55.9%
Capital building improvements and repairs	$ 477,000	$ 480,000	$ 3,000	0.6%	$ 450,000	$ (30,000)	-6.3%
Total	**$ 6,189,000**	**$ 8,209,000**	**$ 2,020,000**	**32.6%**	**$ 12,500,000**	**$ 4,291,000**	**52.3%**

Detailed descriptions of all proposed 2025 capital projects, including a discussion of how each project helps the agency achieve its goals and objectives, are provided in Appendix B.

Summary of Capital Projects

Examination and Supervision Solution/MERIT Enhancements ($1.8 million)

Investments in the MERIT platform in 2025 will focus on upgrading the MERIT system platform to take advantage of security improvements, a streamlined interface, and new record management capability; modifying the ISE output files for more efficient import into MERIT; and implementing single sign-on for Partner Gateway applications including for new reports.

Cloud Migration and Modernization ($1.3 million)

The Cloud Migration and Modernization project is a major multi-year investment that involves moving applications, data, and IT infrastructure from servers located at NCUA controlled facilities to cloud computing environments. This project will also include updating and optimizing existing applications for cloud-native capabilities. By leveraging cloud computing solutions, the NCUA can reduce costs related to data center hosting, IT hardware purchasing, IT maintenance, and associated IT labor costs. The cloud computing environment also provides enhanced security functionality for the agency's systems. Aspects of this project were included under the "Executive Order on Improving the Nation's Cybersecurity" project in past years' budgets.

Network Access Control ($1.0 million)

This project will strengthen the NCUA's network security by automating and enhancing security patch management and scanning functions for users connected to the agency's networks. In addition, this project will integrate the NCUA's firewall services within the overall network infrastructure and with the new patch and scanning functionality.

CURE Process Automation ($1.0 million)

This capital investment supports the development of initial requirements and scoping for a public-facing portal that credit unions and organizing groups will use to submit their field of membership and new charter requests.

EO on Improving the Nation's Cybersecurity ($0.9 million)

The purpose of this capital investment is to ensure the NCUA complies with EO 14028. The project will continue efforts to enable Multi-Factor Authentication for certain NCUA applications, adhere to best practices for supply chain risk management, and implement Zero Trust Architecture for the agency's infrastructure and applications.

Information Technology Infrastructure, Platform, and Security Refresh ($0.8 million)

This capital project will improve system availability and stability by replacing outdated or end-of-life network and platform hardware to ensure business continuity and efficient operations. Proposed projects for 2025 include refreshing hardware and software, and costs associated with backup storage at the NCUA's disaster recovery site.

Performance Management System ($0.8 million)

This investment will support a modernized, phased workflow, dashboards, and automated management of over 350 performance plan packages to facilitate the employee performance management program for the NCUA's employees.

Enterprise Laptop Refresh ($0.6 million)

The purpose of this multi-year capital investment is to boost overall agency productivity, efficiency, and security by providing the NCUA staff with new laptops that offer improved processing power and speed to multitask more effectively, enhanced mobility features like reduced weight and longer battery life, and advanced security features to better combat evolving cyber threats. The budgeted amount for 2025 will support testing and selection of new, standard laptop configurations that will work with the NCUA's business applications and requirements.

Headquarters Building Minor Construction and Maintenance Projects ($0.5 million)

The proposed 2025 budget supports the NCUA's multi-year headquarters building improvement plan that identifies projects that can be completed incrementally, prioritizing the replacement of health and safety infrastructure. The headquarters building is 30 years old, and many original components need replacement. The ongoing multi-year approach recognizes the critical building management and maintenance needs while reducing the potential budgetary impact of such projects in a single budget year.

System Updates for Significant Regulatory Changes ($0.3 million)

This project will allow NCUA to update applications and databases to accommodate new regulatory requirements or initiatives. Multiple legacy systems are often impacted when regulatory changes are finalized, or new initiatives are approved by the NCUA Board. These changes can require significant time and programming resources to ensure that related systems maintain their functionality before updated rules take effect.

Onboarding/Offboarding Solution and Personnel Security Case Management System ($0.3 million)

The purpose of this project is to develop a new personnel security management system for the NCUA in compliance with the Trusted Workforce 2.0 directive promulgated by ODNI and OPM. This system will centralize personnel security case management and serve as a repository for agencywide onboarding/offboarding actions.

Management Automated Resource System (MARS), Time Management System (TMS), and Credit Union Service Organization (CUSO) Development and Reports ($0.3 million)

This project funds short-term contractor support to develop CUSO Reports, data collection forms such as the CUSO Registry Online form, and to realign MARS and TMS development in support of regional redistricting, new work code classifications, new examiner specialties, and new supervisory examiner groups.

Off-Site Monitoring Project ($0.3 million)

The goal of this capital investment is to leverage data analytics solutions to minimize technology burdens on examination staff during off-site monitoring while streamlining the way that offices identify emerging and increasing risks to the Share Insurance Fund.

ONES Dedicated Computing Resources ($0.05 million)

This capital investment will provide dedicated computing resources required for data ingested through the ONES large credit union data collection program.

Generative AI Licensing ($0.03 million)

This capital project investment will fund a pilot program to test the capability of Microsoft's AI tool, Microsoft 365 Copilot, for possible development across the NCUA.

Share Insurance Fund Administrative Expenses Budget

Overview

The Share Insurance Fund Administrative Expenses Budget funds direct costs associated with authorized Share Insurance Fund activities.[19] Direct costs to the Share Insurance Fund include items such as travel for state examiners attending NCUA-sponsored training, data subscriptions and technology tools for ONES' analysis of large credit unions, audit support for the Share Insurance Fund's financial statements, and certain insurance-related expenses for AMAC operations.

The Share Insurance Fund Administrative Expenses Budget also pays for costs associated with the corporate resolution program and related NCUA Guaranteed Notes (NGN) program. On June 14, 2021, the last outstanding NGN Trust matured. Given the significantly reduced size of the legacy asset portfolio in the corporate asset management estates, the proposed 2025 budget for the corporate resolution program continues to decrease compared to the 2024 funding levels. The remaining assets held by the NCUA are subject to ongoing litigation and will be sold once all claims to ownership of underlying assets are resolved.

Budget Requirements and Description

The proposed 2025 Share Insurance Fund Administrative Expenses Budget is $5.5 million, which is $0.4 million, or 7.0 percent, higher than 2024.

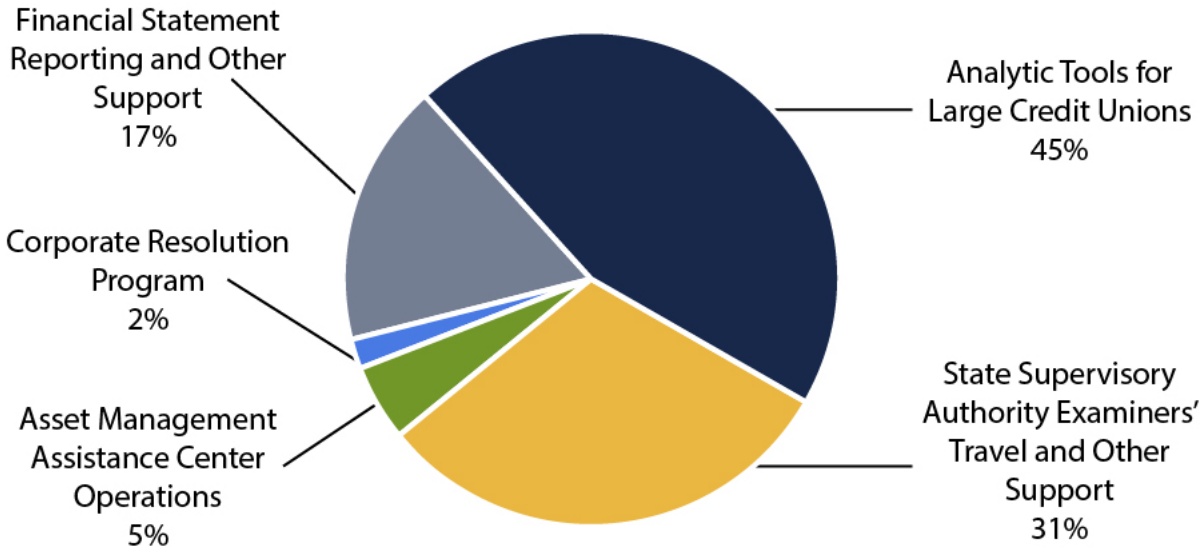
The proposed 2025 budget increase is primarily driven by an increase in the projected costs of state examiners traveling to NCUA-sponsored training, increases in the cost of data and analytic models used for analysis of large credit unions, costs of AMAC activities, and inflationary growth in the cost of audit support. The proposed 2024 Share Insurance Fund Administrative Expenses Budget includes:

- $2.5 million for operating and maintenance costs of the Asset and Liabilities Management system, which allows the NCUA to build internal analytical capabilities to conduct supervisory stress testing analyses and to perform other quantitative risk assessments of large credit unions.
- $0.3 million for certain insurance-related activities and expenses of AMAC, such as consulting expenses necessary to avoid or attempt to prevent a liquidation or conservatorship and staff travel for consultation on complex or problem cases.
- $1.5 million for state examiner travel to NCUA-sponsored training classes and $0.2 million to ensure that state supervisory authorities can securely and efficiently access NCUA applications and the NCUA's MERIT system for state examination and supervision activities.

[19] Direct costs do not include any costs that are shared with the Operating Fund through the Overhead Transfer Rate, and with payments available upon requisition by the Board, without fiscal year limitation, for insurance under section 1787 of the Federal Credit Union Act, and for providing assistance and making expenditures under section 1788 of the Federal Credit Union Act in connection with the liquidation or threatened liquidation of insured credit unions as it may determine to be proper.

- $0.9 million for financial reporting, including the annual financial audit and for contractor support to ensure effective internal controls for the fund.
- $0.1 million for corporate resolution program legacy asset waterfall models and valuation analysis support and data. The budget for NGN support decreases by 60.1 percent between 2024 and 2025.

2025 Share Insurance Fund Administrative Expenses Budget



2025–2026 SHARE INSURANCE FUND ADMINISTRATIVE EXPENSES BUDGET

	2024 Board Approved Budget	2025 Requested Budget	Change (2024-2025)	Percent Change (2024-2025)	2026 Requested Budget
SIF Direct Expenses					
Travel					
OHR: State Examiner Training	1,015	1,490	475	46.8%	1,490
AMAC: Staff travel for problem cases	15	15	-	0.0%	15
Subtotal, Travel (SIF Direct Expenses)	**1,030**	**1,505**	**475**	**46.1%**	**1,505**
Administrative Expenses					
ONES: Analytic Tools for Large Credit Unions	116	160	44	37.9%	140
AMAC: Shipping and Miscellaneous Admin	54	48	-6	-11.1%	48
Subtotal Administrative Expenses (SIF Direct Expenses)	**170**	**208**	**38**	**22.4%**	**188**
Contracted Services					
ONES: Analytic Tools for Large Credit Unions	2,286	2,300	14	0.6%	2,300
OCFO: Financial Accounting, Audit Support, Bank Charges and Other Support	925	937	12	1.3%	937
OBI: SSA costs for MERIT	216	216	-	0.0%	216
AMAC: Corp. Resolution Study (2022), legal, other contracts	229	220	-9	-3.9%	220
Subtotal, Contracted Services (SIF Direct Expenses)	**3,656**	**3,673**	**17**	**0.5%**	**3,673**
Total, SIF Direct Expenses	**4,856**	**5,386**	**530**	**10.9%**	**5,366**
Corporate Resolution Program					
Administrative Expenses					
E&I: Software and Data Subscriptions	186	64	-122	-65.6%	-
Contracted Services					
E&I: Valuation Services, Contract Support, Training	100	50	-50	-50.0%	-
Total, Corporate Resolution Program	**286**	**114**	**-172**	**-60.1%**	**-**
Total SIF Budget	**$ 5,142**	**$ 5,500**	**$ 358**	**7.0%**	**$ 5,366**

The proposed 2026 budget supports similar workload and resources for the Share Insurance Fund, which at $5.4 million is $0.1 million lower than the proposed 2025 level. With the anticipated wind-down of the program in 2025 (subject to the status of ongoing litigation), there is no corporate resolution budget planned for 2026 at this time.

Financing the NCUA's Programs

Overview

The NCUA incurs various expenses to achieve its statutory mission, including those involved in examining and supervising federally insured credit unions. The NCUA Board adopts an Operating Budget, a Capital Budget, and a Share Insurance Fund Administrative Expenses Budget each year to fund most of the costs to operate the agency.[20] When formulating the annual budget, the NCUA is mindful that its funding comes from credit unions and strives to operate in an efficient, effective, transparent, and fully accountable manner.

The Federal Credit Union Act authorizes two primary sources to fund the Operating Budget:

(1) Requisitions from the Share Insurance Fund "for such administrative and other expenses incurred in carrying out the purposes of [Title II of the Act] as [the Board] may determine to be proper,"[21] and

(2) "[F]ees and assessments (including income earned on insurance deposits) levied on insured credit unions under [the Act]."[22] Among the fees levied under the Act are annual Operating Fees, which are required for federal credit unions under 12 United States Code (U.S.C.) 1755 "and may be expended by the Board to defray the expenses incurred in carrying out the provisions of [the Act,] including the examination and supervision of [federal credit unions]."

Taken together, these authorities effectively require the Board to determine which expenses are appropriately paid from each source while giving the Board broad discretion in allocating expenses.

In 1972, the U.S. Government Accountability Office recommended the NCUA adopt a method for allocating Operating Budget costs—that is, the portion of the NCUA's budget funded by requisitions from the Share Insurance Fund and the portion covered by operating fees paid by federal credit unions.[23] The NCUA has since used an allocation methodology known as the OTR to determine how much of the Operating Budget to fund with a requisition from the Share Insurance Fund.

The NCUA uses the OTR methodology to allocate agency expenses between these two primary funding sources. Specifically, the OTR is the formula the NCUA uses to allocate insurance-related expenses to the

[20] Some costs are directly charged to the Share Insurance Fund when appropriate to do so. For example, costs for training and equipment provided to SSAs are directly charged to the Share Insurance Fund.

[21] 12 U.S.C. 1783(a).

[22] 12 U.S.C. 1766(j)(3). Other sources of income for the Operating Budget have included interest income, funds from publication sales, parking fee income, and rental income.

[23] *See* https://www.gao.gov/products/b-1640314-31.

Share Insurance Fund under Title II of the Act. Almost all other operating expenses are funded through collecting annual operating fees paid by federal credit unions.[24]

Two statutory provisions directly limit the Board's discretion with respect to Share Insurance Fund requisitions for the NCUA's Operating Budget and, hence, the OTR. First, expenses funded from the Share Insurance Fund must carry out the purposes of Title II of the Act, which relate to share insurance.[25] Second, the NCUA may not fund its entire Operating Budget through charges to the Share Insurance Fund.[26]

The NCUA conducts a comprehensive workload analysis annually. This analysis estimates the amount of time necessary to conduct examinations and supervise federally insured credit unions to carry out the NCUA's dual mission as insurer and regulator. This analysis starts with a field-level review of every federally insured credit union to estimate the number of workload hours needed for the year. These estimates are informed by the overall parameters of the NCUA's examination program, as most recently updated by the Exam Flexibility Initiative approved by the Board.[27] The workload estimates are then refined by regional managers and submitted to the NCUA headquarters for the annual budget proposal. The OTR methodology accounts for the costs of the NCUA, not the costs of state regulators. Therefore, there are no calculations made for state examiner hours.

Overhead Transfer Rate

There have not been any major changes to the parameters of the examination program since the current OTR methodology went into effect.[28] The minor variations in the OTR since 2018 are the result of routine, small fluctuations in the variables that affect the OTR, including normal fluctuations in the workload budget from one calendar year to the next.

The NCUA Board approved the current methodology for calculating the OTR at its November 2017 open meeting.[29] In 2023, the Board published in the *Federal Register* a request for comment regarding the OTR methodology but did not propose or adopt any changes to the current methodology.[30] The OTR is designed to cover the NCUA's costs of examining and supervising the risk to the Share Insurance Fund posed by all

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[24] Annual operating fees must "be determined according to a schedule, or schedules, or other method determined by the NCUA Board to be appropriate, which gives due consideration to the expenses of the [NCUA] in carrying out its responsibilities under the [Act] and to the ability of [federal credit unions] to pay the fee." 12 U.S.C. 1755(b).

[25] 12 U.S.C. 1783(a).

[26] The Act in 12 U.S.C. 1755(a) states, "[i]n accordance with rules prescribed by the Board, each [federal credit union] shall pay to the [NCUA] an annual operating fee which may be composed of one or more charges identified as to the function or functions for which assessed." *See also* 12 U.S.C. 1766(j)(3).

[27] The Exam Flexibility Initiative started with the January 1, 2017, examination cycle, and it allows for extended examination cycles for eligible credit unions. Letters to Credit Unions 16-CU-12, December 2016.

[28] On November 16, 2017, the NCUA Board adopted a new methodology for calculating the Overhead Transfer Rate starting with the 2018 Overhead Transfer Rate. 82 FR 55644, November 22, 2017.

[29] 82 FR 55644 (Nov. 22, 2017).

[30] *See* https://www.federalregister.gov/documents/2023/12/20/2023-28000/request-for-comment-regarding-overhead-transfer-rate-methodology

federally insured credit unions, as well as the costs of administering the fund. The OTR represents the percentage of the agency's operating budget paid for by a transfer from the Share Insurance Fund. Federally insured credit unions are not billed for and do not have to remit the OTR amount; instead, it is transferred directly to the Operating Fund from the Share Insurance Fund. This transfer, therefore, represents a cost to all federally insured credit unions.

Based on the Board-approved methodology and the proposed budget, the OTR for 2025 is estimated to be 61.7 percent, which is the same percentage as 2024.[31] Thus, 61.7 percent of the total 2025 Operating Budget is estimated to be paid out of the Share Insurance Fund. The remaining 38.3 percent of the Operating Budget is estimated to be paid for by operating fees collected from federal credit unions. The explicit and implicit distribution of total Operating Budget costs for federal credit unions and federally insured, state-chartered credit unions (FISCUs) is outlined in the table below:

2025 Estimated Distribution: Overhead Transfer Rate and Operating Fee

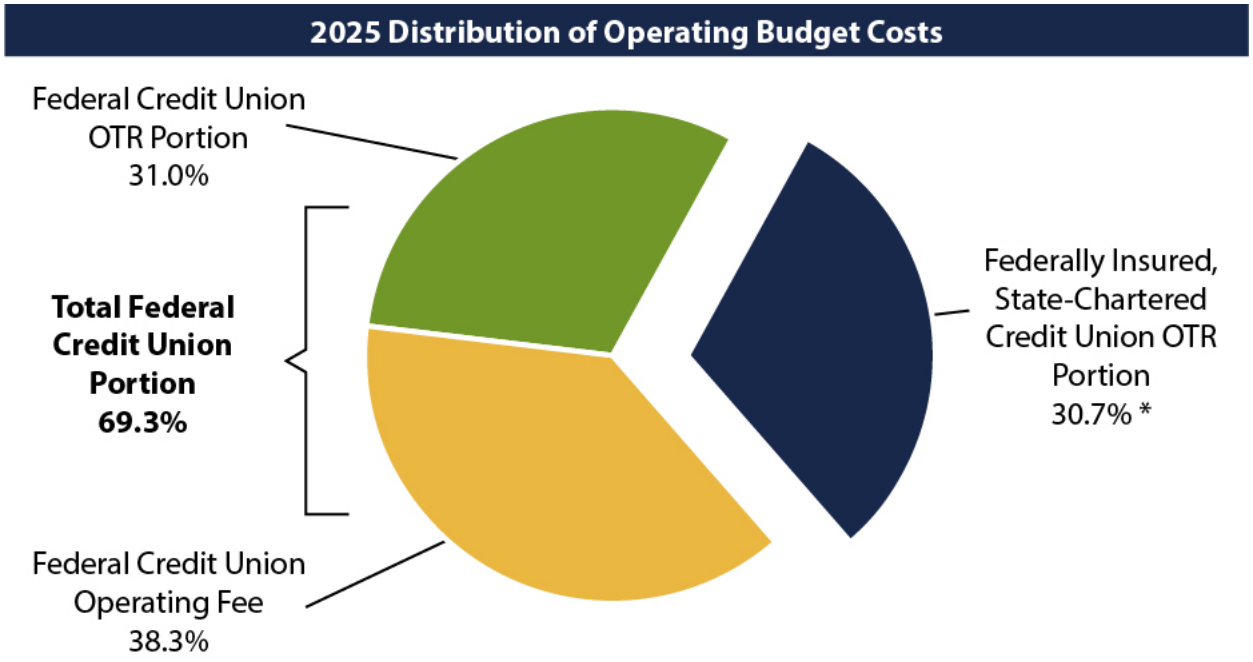
Est. Share of the Operating Budget covered by:	Federal Credit Unions	Federally Insured, State-Chartered Credit Unions
Federal Credit Union Operating Fee	38.3%	0.0%
Overhead Transfer Rate x Percent of Insured Shares *	31.0% (61.7% x 50.2%)	30.7% 61.7% x 49.8%
Total	**69.3%**	**30.7%**

** Insured Shares are as of June 2024.*

At the start of each year, the Office of the Chief Financial Officer estimates the share of annual spending that will be paid by the Share Insurance Fund through the OTR and calculates a monthly cash advance that is transferred from the Share Insurance Fund to the Operating Fund at the start of each month. During the financial close at the end of each month, the OTR is multiplied by each month's actual Operating Fund cash disbursement and expenditures, and the product of that calculation is transferred from the Operating Fund to the Share Insurance Fund or vice versa depending upon whether the Share Insurance Fund share of the cash disbursements was lower or higher than the OTR cash advance. This monthly reconciliation captures the variance between actual and budgeted amounts, so that when the NCUA's expenditures are less than budgeted, the amount charged to the Share Insurance Fund is also less—and those lower expenditures benefit both federally chartered and federally insured, state-chartered credit unions.

The following chart illustrates the share of the proposed 2025 Operating Budget that would be paid by federal credit unions (69.3%) and federally insured, state-chartered credit unions (30.7%).

[31] *See* https://www.federalregister.gov/documents/2020/12/28/2020-28487/overhead-transfer-rate-methodology-and-operating-fee-schedule-methodology.



*Note: Federally insured, state-chartered credit unions typically pay supervisory fees to their respective State Supervisory Authority.

Operating Fee

The Board delegated authority to the Chief Financial Officer to administer the methodology approved by the Board for calculating the operating fee and to set the fee schedule as calculated per the approved methodology. In December 2023, the Board approved and published in the *Federal Register* the current operating fee methodology, which forms the basis for how the operating fee is calculated in this section.[32] Consistent with its triennial schedule for regulatory reviews, the NCUA requested public comment about the operating fee methodology in 2023. At its December 2023 open meeting, the NCUA Board approved three changes to the methodology for computing the operating fee. First, for purposes of calculating the operating fee, the asset exemption threshold was increased from $1 million to $2 million. Second, the NCUA Board agreed to adjust the asset exemption threshold annually in future years by the computed rate of aggregate asset growth at Federal Credit Unions. Third, in response to comments from the public, as part of future reviews of the operating fee schedule methodology the NCUA Board plans to analyze options to adjust the distribution of operating fee costs.[33]

[32] *See* https://www.federalregister.gov/documents/2023/12/26/2023-28303/national-credit-union-administration-operating-fee-schedule-methodology

[33] *See* https://ncua.gov/newsroom/press-release/2023/board-approves-ncua-2024-2025-and-central-liquidity-facility-budgets

Under the current methodology to determine the annual operating fee assessed on federal credit unions serving consumers, the NCUA first calculates the average of total assets reported in the preceding four calendar quarters available at the time of the calculation, net of any reported Paycheck Protection Program loans. Credit unions with assets less than approximately $2 million are not assessed an operating fee and their assets are therefore excluded from this calculation. [34]

Based on the Board-approved operating fee methodology, which is summarized in the following tables, the share of the proposed 2025 budget funded by the operating fee is $155.8 million. This equates to 0.01354 percent of the actual average of natural person federal credit union assets for the four calendar quarters ending on June 30, 2024. The calculated operating fee rate for 2025 increases by 9.02 percent compared to the rate in 2024. This computation is shown in the table on the following page.

As part of the Board-approved operating fee methodology, the NCUA can adjust the share of the budget funded by the operating fee based on an analysis of the agency's future cash flow requirements compared to past years' collections that were not spent as planned. Any projected surplus cash from past years' fee collections not required to finance agency operations can accordingly be used to lower the operating fee share of the proposed budget. Because such cash surpluses result from past years' operating fee collections, they do not offset the portion of the budget funded by the OTR. As the final 2025–2026 budget is prepared for consideration by the NCUA Board, the Chief Financial Officer will evaluate the agency's cash position and make a recommendation about any surplus cash that can be credited to the operating fee.

To set the assessment scale for 2025, total growth in natural person federal credit union assets is calculated as the change between the average of the four most-current quarters (that is, the third and fourth quarters of 2023 and the first two quarters of 2024) and the previous four quarters (that is, the third and fourth quarters of 2022 and the first two quarters of 2023), which is calculated as 4.01 percent. The fee exemption threshold and the asset level dividing points for the fee tiers are likewise increased by this same growth rate to preserve the same relative relationship of the scale to the applicable asset base.

[34] The exemption threshold for 2025 is estimated at $2,080,250, which accounts for 4.01% aggregate growth in credit union system assets.

PROJECTED 2025 OPERATING FEE REQUIREMENTS

($ in millions)

			2025 Budget
1	Proposed Operating Budget		$ 419.325
2	Add Capital Investments		$ 8.209
3	Miscellaneous Revenue		$ (0.570)
4	**Operating Budget to apply OTR**		**$ 426.964**
5	Overhead Transfer Rate	**61.7%**	$ (263.437)
6	Interest Income		$ (7.728)
7	**Net** (sum lines 4 - 6)		**$ 155.799**
8	Operating Fund adjustment		$ -
9	**Budgeted Operating Fee/Capital Requirements** (sum lines 7 - 8)		**$ 155.799**
10	Corporate Federal CU Operating Fees		$ (0.325)
11	**Natural Person FCU Operating Fees Required** (sum lines 9 -10)		**$ 155.474**
12	Fees projected with Asset Growth of	**4.01%**	$ (142.609)
13	**Difference** (lines 11 & 12)		**$ 12.865**
14	**Average Rate Adjustment Indicated** (line 13 divided by line 12)		**9.02%**

Operating Fee Scale

To illustrate the rate for each asset tier for which operating fees are charged, the tables below show the effect of the average 9.02 percent increase in the operating fee for natural person federal credit unions, using the current $2.08 million exemption threshold.

PROPOSED 2025 OPERATING FEE SCALE

2024 Natural Person Federal Credit Union Scale

Asset Level			Operating Fee Assessment				
$0	TO	$2,000,000	$0.00				
$2,000,000	TO	$2,354,802,962	$0.00	+	0.00019094	X total assets over	$2,000,000.00
$2,354,802,962	TO	$7,125,598,385	$449,626	+	0.00005565	X total assets over	$2,354,802,962
$7,125,598,385	AND	Over	$715,121	+	0.00001859	X total assets over	$7,125,598,385

2025 (Proposed) Natural Person Federal Credit Union Scale

Projected FCU asset growth rate	4.01%	Change in asset level dividing points
Operating fee rate change	9.02%	Change in assessment rate percentages

Asset Level			Operating Fee Assessment				
$0	TO	$2,080,250	$0.00				
$2,080,250	TO	$2,449,289,570	$0.00	+	0.00020816	X total assets over	$0.00
$2,449,289,570	TO	$7,411,513,440	$509,844	+	0.00006067	X total assets over	$2,449,289,570
$7,411,513,440	AND	Over	$810,902	+	0.00002027	X total assets over	$7,411,513,440

2025 (Proposed) Corporate Federal Credit Union Scale

Asset Level			Operating Fee Assessment				
$50,000,000	TO	$100,000,000	$10,725	+	0.00019870	X total assets over	$50,000,000
$100,000,000	AND	Over	$20,660	+	0.00001230	X total assets over	$100,000,000

Appendix A: Supplemental Budget Information

Budget by Strategic Goal

The table below shows the combined total of the 2025 Operating, Capital, and Share Insurance Fund Administrative Expenses budgets, organized by the NCUA's three current strategic goals.

Strategic Goal	2025 Staff Draft Budget	
	Dollars (in Millions)	Positions
Goal 1: Ensure a safe, sound, and viable system of cooperative credit that protects consumers	$281.06	1,027
Goal 2: Improve the financial well-being of individuals and communities through access to affordable and equitable financial products and services	$19.28	65
Goal 3: Maximize organizational performance to enable mission success	$128.23	159
Office of Inspector General	$4.46	10
Total	**$433.03**	**1,261**

Budgets for the Offices of the Board, Executive Director, General Counsel, Ethics Council, External Affairs and Communications, and Chief Financial Officer and the Capital Budget are allocated across all strategic goals.

Note: Position totals do not include five positions funded by the CLF. Minor rounding differences may occur in totals.

Office Budget Summary

2025–2026 NCUA OPERATING BUDGET										
Office	2024 Board Approved Budget	2025 Requested Budget	2024 - 2025 Change		2026 Requested Budget	2025 - 2026 Change		Authorized Positions		
								2024	2025	2026
Eastern Region	57,973,649	62,638,779	4,665,131	8.0%	65,091,236	2,452,457	3.9%	264	260	260
Southern Region	51,534,265	53,728,361	2,194,095	4.3%	56,070,559	2,342,198	4.4%	234	232	232
Western Region	56,971,428	60,164,601	3,193,173	5.6%	61,990,580	1,825,979	3.0%	248	244	244
Office of National Examinations and Supervision	16,887,934	17,918,056	1,030,122	6.1%	19,496,522	1,578,466	8.8%	54	57	60
Office of Consumer Financial Protection	8,295,407	9,077,484	782,077	9.4%	9,868,920	791,436	8.7%	31	34	34
Subtotal, Examination and Supervision	**191,662,683**	**203,527,280**	**11,864,598**	**6.2%**	**212,517,817**	**8,990,536**	**4.4%**	**831**	**827**	**830**
Office of the Board	3,998,314	4,040,586	42,271	1.1%	4,205,477	164,891	4.1%	13	13	13
Office of the Executive Director	4,180,635	4,711,005	530,370	12.7%	4,882,908	171,903	3.6%	10	10	10
Federal Financial Institutions Examination Council	2,350,000	2,400,000	50,000	2.1%	2,400,000	-	0.0%	-	-	-
Office of the Executive Secretary	-	460,971	460,971	N/A	977,167	516,196	112.0%	-	2	3
Office of the Ombudsman	581,052	830,849	249,798	43.0%	865,045	34,195	4.1%	2	3	3
Office of Ethics Counsel	2,233,522	2,307,806	74,284	3.3%	2,413,996	106,190	4.6%	7	7	7
Office of Business Innovation	4,931,853	6,114,966	1,183,113	24.0%	7,412,670	1,297,703	21.2%	15	17	19
Office of Continuity and Security Management	5,797,907	6,210,198	412,292	7.1%	6,382,859	172,661	2.8%	12	13	13
Office of Minority and Women Inclusion	4,414,174	4,513,851	99,677	2.3%	4,801,961	288,111	6.4%	10	11	11
Office of the Chief Economist	2,963,274	3,210,643	247,370	8.3%	3,498,588	287,944	9.0%	8	9	9
Office of the Chief Financial Officer	25,264,361	25,755,151	490,791	1.9%	27,244,562	1,489,410	5.8%	55	55	55
Cross-cutting agency expenses	(18,622,495)	(51,198)	18,571,297	-99.7%	7,590,709	7,641,907	14926.1%	-	-	-
Office of the Chief Information Officer	62,568,571	65,259,655	2,691,084	4.3%	68,484,805	3,225,150	4.9%	50	50	50
Credit Union Resources and Expansion	10,873,394	11,719,405	846,011	7.8%	12,222,546	503,140	4.3%	41	41	41
Office of Examination & Insurance	16,554,806	18,059,038	1,504,231	9.1%	19,379,184	1,320,146	7.3%	53	56	57
Office of General Counsel	14,926,034	15,630,421	704,387	4.7%	16,777,081	1,146,660	7.3%	46	47	49
Office of Inspector General	4,290,027	4,460,090	170,063	4.0%	4,617,238	157,148	3.5%	10	10	10
Office of Human Resources	22,640,418	24,827,962	2,187,545	9.7%	27,612,004	2,784,042	11.2%	46	49	49
Office of External Affairs and Communication	6,469,138	7,750,358	1,281,219	19.8%	8,442,712	692,355	8.9%	15	18	20
Asset Management and Assistance Center	6,416,332	7,585,960	1,169,628	18.2%	7,877,673	291,713	3.8%	23	23	23
Subtotal, Other Offices	**182,831,318**	**215,797,720**	**32,966,402**	**18.0%**	**238,089,184**	**22,291,465**	**10.3%**	**416**	**434**	**442**
Total, Operating Budget	**$374,494,000**	**$419,325,000**	**$44,831,000**	**12.0%**	**$450,607,000**	**$31,282,000**	**7.5%**	**1,247**	**1,261**	**1,272**

Note: minor rounding differences may occur in totals.

Office Budgets

OFFICE OF THE CHAIRMAN: 2025-2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**4.0**	**4.0**	**-**	**0.0%**	**4.0**	**-**	**0.0%**
Employee Compensation	1,089,761	1,111,969	22,209	2.0%	1,164,636	52,667	4.7%
Salaries	765,019	773,628	8,610	1.1%	814,075	40,446	5.2%
Benefits	324,742	338,341	13,599	4.2%	350,562	12,221	3.6%
Travel	50,000	50,000	-	0.0%	50,000	-	0.0%
Rent /Comm/Util	2,250	2,250	-	0.0%	2,250	-	0.0%
Administrative	10,000	10,000	-	0.0%	10,000	-	0.0%
Contracted Services	39,000	29,000	(10,000)	-25.6%	29,000	-	0.0%
Total	**$ 1,191,011**	**$ 1,203,219**	**$ 12,209**	**1.0%**	**$ 1,255,886**	**$ 52,667**	**4.4%**

VICE CHAIRMAN HAUPTMAN: 2025-2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**3.0**	**3.0**	**-**	**0.0%**	**3.0**	**-**	**0.0%**
Employee Compensation	752,009	748,786	(3,223)	-0.4%	780,281	31,495	4.2%
Salaries	525,639	522,117	(3,522)	-0.7%	546,257	24,140	4.6%
Benefits	226,370	226,669	299	0.1%	234,024	7,354	3.2%
Travel	50,000	65,000	15,000	30.0%	65,000	-	0.0%
Rent /Comm/Util	6,750	6,750	-	0.0%	6,750	-	0.0%
Administrative	14,000	14,000	-	0.0%	14,000	-	0.0%
Contracted Services	83,000	68,000	(15,000)	-18.1%	68,000	-	0.0%
Total	**$ 905,759**	**$ 902,536**	**$ (3,223)**	**-0.4%**	**$ 934,031**	**$ 31,495**	**3.5%**

BOARD MEMBER OTSUKA: 2025-2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**3.0**	**3.0**	**-**	**0.0%**	**3.0**	**-**	**0.0%**
Employee Compensation	784,822	777,197	(7,624)	-1.0%	814,303	37,105	4.8%
Salaries	551,586	543,832	(7,753)	-1.4%	572,265	28,432	5.2%
Benefits	233,236	233,365	129	0.1%	242,038	8,673	3.7%
Travel	65,000	65,000	-	0.0%	65,000	-	0.0%
Rent /Comm/Util	6,750	6,750	-	0.0%	6,750	-	0.0%
Administrative	14,000	14,000	-	0.0%	14,000	-	0.0%
Contracted Services	98,000	98,000	-	0.0%	98,000	-	0.0%
Total	**$ 968,572**	**$ 960,947**	**$ (7,624)**	**-0.8%**	**$ 998,053**	**$ 37,105**	**3.9%**

Note: Minor rounding differences may occur in totals.

OFFICE OF THE BOARD: 2025-2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**13.0**	**13.0**	**-**	**-**	**13.0**	**-**	**0.0%**
Employee Compensation	3,484,564	3,536,836	52,271	1.5%	3,701,727	164,891	4.7%
Salaries	2,452,739	2,481,200	28,461	1.2%	2,607,763	126,564	5.1%
Benefits	1,031,825	1,055,636	23,811	2.3%	1,093,964	38,328	3.6%
Travel	169,000	185,000	16,000	9.5%	185,000	-	0.0%
Rent /Comm/Util	16,250	16,250	-	0.0%	16,250	-	0.0%
Administrative	40,500	40,500	-	0.0%	40,500	-	0.0%
Contracted Services	288,000	262,000	(26,000)	-9.0%	262,000	-	0.0%
Total	**$ 3,998,314**	**$ 4,040,586**	**$ 42,271**	**1.1%**	**$ 4,205,477**	**$ 164,891**	**4.1%**

OFFICE OF THE EXECUTIVE DIRECTOR: 2025-2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions*	**10.0**	**10.0**	**-**	**0.0%**	**10.0**	**-**	**0.0%**
Employee Compensation	3,284,885	3,560,255	275,370	8.4%	3,732,158	171,903	4.8%
Salaries	2,318,339	2,530,899	212,561	9.2%	2,663,218	132,319	5.2%
Benefits	966,546	1,029,356	62,809	6.5%	1,068,940	39,584	3.8%
Travel	30,000	85,000	55,000	183.3%	85,000	-	0.0%
Rent /Comm/Util	20,000	20,000	-	0.0%	20,000	-	0.0%
Administrative	2,375,250	25,250	(2,350,000)	-98.9%	25,250	-	0.0%
ED Core	25,250	25,250	-	0.0%	25,250	-	0.0%
FFIEC	2,350,000	-	(2,350,000)	-100.0%		-	0.0%
Contracted Services	820,500	3,420,500	2,600,000	316.9%	3,420,500	-	0.0%
ED Core	820,500	1,020,500	200,000	24.4%	1,020,500	-	0.0%
FFIEC	-	2,400,000	2,400,000	-	2,400,000	-	0.0%
Total	**$ 6,530,635**	**$ 7,111,005**	**$ 580,370**	**8.9%**	**$ 7,282,908**	**$ 171,903**	**2.4%**

OFFICE OF THE EXECUTIVE SECRETARY: 2025-2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**-**	**2.0**	**2.0**	**N/A**	**3.0**	**1.0**	**50.0%**
Employee Compensation	-	390,971	390,971	N/A	907,168	516,197	132.0%
Salaries	-	278,762	278,762	N/A	655,037	376,275	135.0%
Benefits	-	112,210	112,210	N/A	252,131	139,921	124.7%
Travel	-	10,000	10,000	N/A	10,000	-	0.0%
Rent /Comm/Util	-	-	-	-	-	-	-
Administrative	-	-	-	-	-	-	-
Contracted Services	-	60,000	60,000	N/A	60,000	-	0.0%
Total	**-**	**$ 460,971**	**$ 460,971**	**N/A**	**$ 977,168**	**$ 516,197**	**112.0%**

Note: Minor rounding differences may occur in totals.

OFFICE OF THE OMBUDSMAN: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**2.0**	**3.0**	**1.0**	**50.0%**	**3.0**	**-**	**0.0%**
Employee Compensation	568,552	803,349	234,798	41.3%	837,545	34,195	4.3%
Salaries	402,580	574,899	172,318	42.8%	601,070	26,172	4.6%
Benefits	165,971	228,451	62,479	37.6%	236,474	8,023	3.5%
Travel	2,500	9,500	7,000	280.0%	9,500	-	0.0%
Rent /Comm/Util	2,000	2,000	-	0.0%	2,000	-	0.0%
Administrative	1,000	9,000	8,000	800.0%	9,000	-	0.0%
Contracted Services	7,000	7,000	-	0.0%	7,000	-	0.0%
Total	**$ 581,052**	**$ 830,849**	**$ 249,798**	**43.0%**	**$ 865,045**	**$ 34,195**	**4.1%**

OFFICE OF ETHICS COUNSEL: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**7.0**	**7.0**	**-**	**0.0%**	**7.0**	**-**	**0.0%**
Employee Compensation	2,123,270	2,196,091	72,821	3.4%	2,302,281	106,190	4.8%
Salaries	1,514,785	1,569,800	55,014	3.6%	1,651,871	82,071	5.2%
Benefits	608,485	626,291	17,806	2.9%	650,410	24,119	3.9%
Travel	15,000	15,000	-	0.0%	15,000	-	0.0%
Rent /Comm/Util	-	-	-	N/A	-	-	0.0%
Administrative	3,000	3,000	-	0.0%	3,000	-	0.0%
Contracted Services	92,252	93,715	1,463	1.6%	93,715	-	0.0%
Total	**$ 2,233,522**	**$ 2,307,806**	**$ 74,284**	**3.3%**	**$ 2,413,996**	**$ 106,190**	**4.6%**

OFFICE OF BUSINESS INNOVATION: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**15.0**	**17.0**	**2.0**	**13.3%**	**19.0**	**2.0**	**11.8%**
Employee Compensation	4,103,729	4,884,293	780,564	19.0%	5,681,997	797,703	16.3%
Salaries	2,905,330	3,477,112	571,782	19.7%	4,056,775	579,663	16.7%
Benefits	1,198,400	1,407,182	208,782	17.4%	1,625,221	218,040	15.5%
Travel	100,000	170,000	70,000	70.0%	170,000	-	0.0%
Rent /Comm/Util	9,000	10,000	1,000	11.1%	10,000	-	0.0%
Administrative	6,300	6,500	200	3.2%	6,500	-	0.0%
Contracted Services	712,824	1,044,173	331,349	46.5%	1,544,173	500,000	47.9%
Total	**$ 4,931,853**	**$ 6,114,966**	**$ 1,183,113**	**24.0%**	**$ 7,412,670**	**$ 1,297,703**	**21.2%**

Note: Minor rounding differences may occur in totals.

OFFICE OF CONTINUITY AND SECURITY MANAGEMENT: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**12.0**	**13.0**	**1.0**	**0.1**	**13.0**	**-**	**0.0%**
Employee Compensation	3,403,080	3,696,069	292,990	8.6%	3,868,730	172,661	4.7%
Salaries	2,414,873	2,629,409	214,535	8.9%	2,762,366	132,957	5.1%
Benefits	988,206	1,066,661	78,454	7.9%	1,106,365	39,704	3.7%
Travel	25,000	25,000	-	0.0%	25,000	-	0.0%
Rent /Comm/Util	55,000	110,000	55,000	100.0%	110,000	-	0.0%
Administrative	36,000	41,000	5,000	13.9%	41,000	-	0.0%
Contracted Services	2,278,827	2,338,129	59,302	2.6%	2,338,129	-	0.0%
Total	**$ 5,797,907**	**$ 6,210,198**	**$ 412,292**	**7.1%**	**$ 6,382,859**	**$ 172,661**	**2.8%**

OFFICE OF MINORITY AND WOMEN INCLUSION: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**10.0**	**11.0**	**1.0**	**10.0%**	**11.0**	**-**	**0.0%**
Employee Compensation	2,904,975	3,232,926	327,951	11.3%	3,521,036	288,111	8.9%
Salaries	2,062,228	2,304,208	241,979	11.7%	2,518,582	214,374	9.3%
Benefits	842,747	928,718	85,972	10.2%	1,002,455	73,736	7.9%
Travel	60,000	63,925	3,925	6.5%	63,925	-	0.0%
Rent /Comm/Util	11,550	5,000	(6,550)	-56.7%	5,000	-	0.0%
Administrative	184,180	198,500	14,320	7.8%	198,500	-	0.0%
Contracted Services	1,253,469	1,013,500	(239,969)	-19.1%	1,013,500	-	0.0%
Total	**$ 4,414,174**	**$ 4,513,851**	**$ 99,677**	**2.3%**	**$ 4,801,961**	**$ 288,111**	**6.4%**

OFFICE OF THE CHIEF ECONOMIST: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**8.0**	**9.0**	**1.0**	**12.5%**	**9.0**	**-**	**0.0%**
Employee Compensation	2,629,911	2,877,280	247,370	9.4%	3,165,225	287,944	10.0%
Salaries	1,885,251	2,064,856	179,605	9.5%	2,280,049	215,192	10.4%
Benefits	744,659	812,424	67,764	9.1%	885,176	72,752	9.0%
Travel	20,000	20,000	-	0.0%	20,000	-	0.0%
Rent /Comm/Util	4,200	4,200	-	0.0%	4,200	-	0.0%
Administrative	304,849	304,849	-	0.0%	304,849	-	0.0%
Contracted Services	4,314	4,314	-	0.0%	4,314	-	0.0%
Total	**$ 2,963,274**	**$ 3,210,643**	**$ 247,370**	**8.3%**	**$ 3,498,588**	**$ 287,944**	**9.0%**

Note: Minor rounding differences may occur in totals.

OFFICE OF CONSUMER FINANCIAL PROTECTION: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**31.0**	**34.0**	**3.0**	**9.7%**	**34.0**	**-**	**0.0%**
Employee Compensation	7,491,112	8,184,404	693,292	9.3%	8,975,840	791,436	9.7%
Salaries	5,240,507	5,740,197	499,690	9.5%	6,322,334	582,138	10.1%
Benefits	2,250,605	2,444,207	193,602	8.6%	2,653,506	209,298	8.6%
Travel	650,000	650,300	300	0.0%	650,300	-	0.0%
Rent /Comm/Util	36,795	33,600	(3,195)	-8.7%	33,600	-	0.0%
Administrative	17,500	14,180	(3,320)	-19.0%	14,180	-	0.0%
Contracted Services	100,000	195,000	95,000	95.0%	195,000	-	0.0%
Total	**$ 8,295,407**	**$ 9,077,484**	**$ 782,077**	**9.4%**	**$ 9,868,920**	**$ 791,436**	**8.7%**

OFFICE OF THE CHIEF FINANCIAL OFFICER: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**55.0**	**55.0**	**-**	**0.0%**	**55.0**	**-**	**0.0%**
Employee Compensation	17,352,685	18,631,679	1,278,995	7.4%	19,482,997	851,317	4.6%
Salaries	11,679,275	13,058,472	1,379,198	11.8%	13,702,458	643,986	4.9%
OCFO	9,885,627	10,421,444	535,818	5.4%	10,966,292	544,847	5.2%
Crosscutting	1,793,648	2,637,028	843,380	47.0%	2,736,166	99,138	3.8%
Benefits	5,673,410	5,573,207	(100,203)	-1.8%	5,780,539	207,332	3.7%
OCFO	4,182,687	4,362,453	179,766	4.3%	4,527,016	164,563	3.8%
Crosscutting	1,490,723	1,210,754	(279,969)	-18.8%	1,253,523	42,769	3.5%
Travel	51,720	(200,005)	(251,725)	-486.7%	(200,005)	-	0.0%
OCFO	50,000	50,000	-	0.0%	50,000	-	0.0%
Crosscutting	1,720	(250,005)	(251,725)	-14635.2%	(250,005)	-	0.0%
Rent /Comm/Util	1,972,375	1,287,225	(685,150)	-34.7%	1,787,225	500,000	38.8%
OCFO	1,972,300	1,286,807	(685,493)	-34.8%	1,286,807	-	0.0%
Crosscutting	75	418	343	457.3%	500,418	500,000	119617.2%
Administrative	2,068,280	2,138,336	70,056	3.4%	2,638,336	500,000	23.4%
OCFO	718,000	788,500	70,500	9.8%	788,500	-	0.0%
Crosscutting	1,350,280	1,349,836	(444)	0.0%	1,849,836	500,000	37.0%
Contracted Services	(14,803,194)	3,846,718	18,649,912	126.0%	11,126,718	7,280,000	189.3%
OCFO	8,455,747	8,845,947	390,200	4.6%	9,625,947	780,000	8.8%
Crosscutting	(23,258,941)	(4,999,229)	18,259,712	78.5%	1,500,771	6,500,000	130.0%
Total	**$ 6,641,866**	**$ 25,703,953**	**$ 19,062,087**	**287.0%**	**$ 34,835,271**	**$ 9,131,317**	**35.5%**
OCFO Total	25,264,361	25,755,151	490,791	1.9%	27,244,562	1,489,410	5.8%
Crosscutting	(18,622,495)	(51,198)	18,571,297	99.7%	7,590,709	7,641,907	14926.1%

Note: Minor rounding differences may occur in totals.

OFFICE OF THE CHIEF INFORMATION OFFICER: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**50.0**	**50.0**	**-**	**0.0%**	**50.0**	**-**	**0.0%**
Employee Compensation	14,440,258	15,051,986	611,728	4.2%	15,777,136	725,150	4.8%
Salaries	10,246,520	10,709,260	462,740	4.5%	11,269,155	559,895	5.2%
Benefits	4,193,738	4,342,726	148,988	3.6%	4,507,981	165,255	3.8%
Travel	60,000	60,000	-	0.0%	60,000	-	0.0%
Rent /Comm/Util	3,580,607	3,678,850	98,243	2.7%	3,678,850	-	0.0%
Administrative	30,000	30,000	-	0.0%	30,000	-	0.0%
Contracted Services	44,457,706	46,438,819	1,981,113	4.5%	48,938,819	2,500,000	5.4%
Total	**$ 62,568,571**	**$ 65,259,655**	**$ 2,691,085**	**4.3%**	**$ 68,484,805**	**$ 3,225,150**	**4.9%**

OFFICE OF NATIONAL EXAMINATIONS AND SUPERVISION: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**54.0**	**57.0**	**3.0**	**5.6%**	**60.0**	**3.0**	**5.3%**
Employee Compensation	15,268,184	16,253,442	985,258	6.5%	17,831,909	1,578,466	9.7%
Salaries	10,808,978	11,532,251	723,273	6.7%	12,700,642	1,168,391	10.1%
Benefits	4,459,206	4,721,192	261,985	5.9%	5,131,267	410,075	8.7%
Travel	1,200,000	1,300,000	100,000	8.3%	1,300,000	-	0.0%
Rent /Comm/Util	50,000	63,350	13,350	26.7%	63,350	-	0.0%
Administrative	44,040	51,710	7,670	17.4%	51,710	-	0.0%
Contracted Services	325,710	249,554	(76,157)	-23.4%	249,554	-	0.0%
Total	**$ 16,887,934**	**$ 17,918,056**	**$ 1,030,122**	**6.1%**	**$ 19,496,522**	**$ 1,578,466**	**8.8%**

OFFICE OF CREDIT UNION RESOURCES AND EXPANSION: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**41.0**	**41.0**	**-**	**0.0%**	**41.0**	**-**	**0.0%**
Employee Compensation	10,043,394	10,491,905	448,511	4.5%	10,995,046	503,140	4.8%
Salaries	7,028,250	7,363,259	335,009	4.8%	7,748,221	384,961	5.2%
Benefits	3,015,144	3,128,646	113,502	3.8%	3,246,825	118,179	3.8%
Travel	200,000	250,000	50,000	25.0%	250,000	-	0.0%
Rent /Comm/Util	34,000	32,000	(2,000)	-5.9%	32,000	-	0.0%
Administrative	35,000	39,500	4,500	12.9%	39,500	-	0.0%
Contracted Services	561,000	906,000	345,000	61.5%	906,000	-	0.0%
Total	**10,873,394**	**11,719,405**	**846,011**	**7.8%**	**12,222,546**	**$503,140**	**4.3%**

Note: Minor rounding differences may occur in totals.

OFFICE OF EXAMINATION AND INSURANCE: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**53.0**	**56.0**	**3.0**	**5.7%**	**57.0**	**1.0**	**1.8%**
Employee Compensation	14,706,706	16,299,586	1,592,879	10.8%	17,619,732	1,320,146	8.1%
Salaries	10,400,782	11,588,725	1,187,943	11.4%	12,573,589	984,864	8.5%
Benefits	4,305,924	4,710,860	404,936	9.4%	5,046,142	335,282	7.1%
Travel	445,000	550,000	105,000	23.6%	550,000	-	0.0%
Rent /Comm/Util	34,500	35,000	500	1.4%	35,000	-	0.0%
Administrative	248,600	286,665	38,065	15.3%	286,665	-	0.0%
Contracted Services	1,120,000	887,787	(232,213)	-20.7%	887,787	-	0.0%
Total	**$ 16,554,806**	**$ 18,059,038**	**$ 1,504,231**	**9.1%**	**$ 19,379,184**	**$ 1,320,146**	**7.3%**

OFFICE OF GENERAL COUNSEL: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**46.0**	**47.0**	**1.0**	**2.2%**	**49.0**	**2.0**	**4.3%**
Employee Compensation	14,348,034	14,581,421	233,387	1.6%	15,728,081	1,146,660	7.9%
Salaries	10,253,644	10,420,391	166,747	1.6%	11,274,456	854,064	8.2%
Benefits	4,094,390	4,161,030	66,640	1.6%	4,453,625	292,595	7.0%
Travel	90,000	90,000	-	0.0%	90,000	-	0.0%
Rent /Comm/Util	3,000	4,000	1,000	33.3%	4,000	-	0.0%
Administrative	5,000	5,000	-	0.0%	5,000	-	0.0%
Contracted Services	480,000	950,000	470,000	97.9%	950,000	-	0.0%
Total	**$ 14,926,034**	**$ 15,630,421**	**$ 704,387**	**4.7%**	**$ 16,777,081**	**$ 1,146,660**	**7.3%**

OFFICE OF HUMAN RESOURCES: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**46.0**	**49.0**	**3.0**	**6.5%**	**49.0**	**-**	**0.0%**
Employee Compensation	13,496,410	15,309,490	1,813,081	13.4%	16,093,532	784,042	5.1%
Salaries	8,512,523	9,708,362	1,195,839	14.0%	10,303,181	594,819	6.1%
Benefits	4,983,887	5,601,129	617,242	12.4%	5,790,351	189,223	3.4%
Travel	2,460,000	2,747,500	287,500	11.7%	3,747,500	1,000,000	36.4%
Rent /Comm/Util	328,600	469,000	140,400	42.7%	1,019,000	550,000	117.3%
Administrative	1,165,950	975,693	(190,257)	-16.3%	1,225,693	250,000	25.6%
Contracted Services	5,189,458	5,326,279	136,821	2.6%	5,526,279	200,000	3.8%
Total	**$ 22,640,418**	**$ 24,827,962**	**$ 2,187,545**	**9.7%**	**$ 27,612,004**	**$ 2,784,042**	**11.2%**

Note: Minor rounding differences may occur in totals.

OFFICE OF EXTERNAL AFFAIRS AND COMMUNICATION: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**15.0**	**18.0**	**3.0**	**20.0%**	**20.0**	**2.0**	**11.1%**
Employee Compensation	3,932,738	4,489,608	556,869	14.2%	5,181,962	692,355	15.4%
Salaries	2,775,240	3,168,537	393,297	14.2%	3,660,100	491,564	15.5%
Benefits	1,157,499	1,321,071	163,572	14.1%	1,521,862	200,791	15.2%
Travel	50,000	50,000	-	0.0%	50,000	-	0.0%
Rent /Comm/Util	32,500	30,500	(2,000)	-6.2%	30,500	-	0.0%
Administrative	174,400	212,750	38,350	22.0%	212,750	-	0.0%
Contracted Services	2,279,500	2,967,500	688,000	30.2%	2,967,500	-	0.0%
Total	**$ 6,469,138**	**$ 7,750,358**	**$ 1,281,219**	**19.8%**	**$ 8,442,712**	**$ 692,355**	**8.9%**

ASSET MANAGEMENT AND ASSISTANCE CENTER 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**23.0**	**23.0**	**-**	**0.0%**	**23.0**	**-**	**0.0%**
Employee Compensation	5,952,098	6,064,529	112,431	1.9%	6,356,242	291,713	4.8%
Salaries	4,185,609	4,270,599	84,990	2.0%	4,493,715	223,116	5.2%
Benefits	1,766,489	1,793,930	27,441	1.6%	1,862,527	68,597	3.8%
Travel	125,280	125,280	-	0.0%	125,280	-	0.0%
Rent /Comm/Util	6,113	12,150	6,037	98.8%	12,150	-	0.0%
Administrative	65,341	63,501	(1,840)	-2.8%	63,501	-	0.0%
Contracted Services	267,500	1,320,500	1,053,000	393.6%	1,320,500	-	0.0%
Total	**$ 6,416,332**	**$ 7,585,960**	**$ 1,169,628**	**18.2%**	**$ 7,877,673**	**$ 291,713**	**3.8%**

Note: Minor rounding differences may occur in totals.

EASTERN REGION: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**264.0**	**260.0**	**(4.0)**	**-1.5%**	**260.0**	**-**	**0.0%**
Employee Compensation	53,701,839	57,750,269	4,048,431	7.5%	59,802,726	2,052,457	3.6%
Salaries	37,168,964	40,099,807	2,930,843	7.9%	41,686,669	1,586,862	4.0%
Benefits	16,532,875	17,650,463	1,117,588	6.8%	18,116,057	465,595	2.6%
Travel	3,650,000	4,125,000	475,000	13.0%	4,525,000	400,000	9.7%
Rent /Comm/Util	288,610	359,020	70,410	24.4%	359,020	-	0.0%
Administrative	189,200	225,490	36,290	19.2%	225,490	-	0.0%
Contracted Services	144,000	179,000	35,000	24.3%	179,000	-	0.0%
Total	**$ 57,973,649**	**$ 62,638,779**	**$ 4,665,131**	**8.0%**	**$ 65,091,236**	**$ 2,452,457**	**3.9%**

SOUTHERN REGION: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**234.0**	**232.0**	**(2.0)**	**-0.9%**	**232.0**	**-**	**0.0%**
Employee Compensation	46,154,367	47,873,298	1,718,930	3.7%	49,815,496	1,942,198	4.1%
Salaries	31,811,713	33,112,094	1,300,381	4.1%	34,592,819	1,480,724	4.5%
Benefits	14,342,654	14,761,203	418,549	2.9%	15,222,677	461,474	3.1%
Travel	4,583,000	5,148,000	565,000	12.3%	5,548,000	400,000	7.8%
Rent /Comm/Util	392,400	373,855	(18,545)	-4.7%	373,855	-	0.0%
Administrative	228,410	153,445	(74,965)	-32.8%	153,445	-	0.0%
Contracted Services	176,088	179,763	3,675	2.1%	179,763	-	0.0%
Total	**$ 51,534,265**	**$ 53,728,361**	**$ 2,194,095**	**4.3%**	**$ 56,070,559**	**$ 2,342,198**	**4.4%**

WESTERN REGION: 2025–2026 BUDGET SUMMARY							
	2024 Board Approved Budget	2025 Proposed Budget	2024-2025 Change	Percent Change	2026 Proposed Budget	2025-2026 Change	Percent Change
Positions	**248.0**	**244.0**	**(4.0)**	**-1.6%**	**244.0**	**-**	**0.0%**
Employee Compensation	50,259,328	52,825,801	2,566,473	5.1%	54,346,780	1,520,979	2.9%
Salaries	34,694,296	36,670,463	1,976,167	5.7%	37,854,863	1,184,399	3.2%
Benefits	15,565,031	16,155,338	590,306	3.8%	16,491,917	336,579	2.1%
Travel	6,000,000	6,600,000	600,000	10.0%	6,905,000	305,000	4.6%
Rent /Comm/Util	258,500	286,000	27,500	10.6%	286,000	-	0.0%
Administrative	241,600	252,800	11,200	4.6%	252,800	-	0.0%
Contracted Services	212,000	200,000	(12,000)	-5.7%	200,000	-	0.0%
Total	**$ 56,971,428**	**$ 60,164,601**	**$ 3,193,174**	**5.6%**	**$ 61,990,580**	**$ 1,825,979**	**3.0%**

Note: Minor rounding differences may occur in totals.

Appendix B: Capital Projects

NATIONAL CREDIT UNION ADMINISTRATION: CAPITAL INVESTMENT PROJECTS						
Description		**2024 Board Approved**		**2025 Requested**		**2026 Requested**
Information Technology Investments						
Examination and Supervision Solution/MERIT Enhancements	$	540,000	$	1,771,000	$	576,000
Cloud Migration & Modernization	$	-	$	1,300,000	$	2,806,000
Network Access Control	$	-	$	1,050,000	$	-
EO on Improving the Nation's Cybersecurity	$	2,408,000	$	850,000	$	250,000
IT Infrastructure, Platform and Security Refresh	$	1,294,000	$	775,000	$	-
Performance Management System	$	-	$	750,000	$	-
Enterprise Laptop Refresh	$	-	$	550,000	$	4,385,000
Onboarding/ Offboarding Solution and Personnel Security Case Management System	$	730,000	$	300,000	$	-
MARS and CUSO Development and Reports	$	-	$	260,000	$	-
Generative AI Licensing	$	-	$	25,000	$	-
System Updates for Significant Regulatory Changes	$	-	$	300,000	$	300,000
CURE Process Automation	$	1,100,000	$	1,000,000	$	-
Off-Site Monitoring Project	$	-	$	250,000	$	-
ONES Dedicated Computing Resources	$	-	$	48,000	$	-
Data Collection and Sharing Solution	$	208,000	$	-	$	-
Microsoft Power Platform/M365 Enhancements	$	500,000	$	-	$	-
NCUA Website Development	$	100,000	$	-	$	-
Balances from completed prior-year projects	$	(1,168,000)	$	(1,500,000)	$	-
Anticipated Additional Information Technology Investments	$	-	$	-	$	3,733,000
Total, Information Technology Investments	**$**	**5,712,000**	**$**	**7,729,000**	**$**	**12,050,000**
Capital building improvements and repairs						
Central Office maintenance and repair	$	477,000	$	480,000	$	450,000
Grand Total, Capital Projects	**$**	**6,189,000**	**$**	**8,209,000**	**$**	**12,500,000**

Project name	**Examination and Supervision Solution/MERIT Enhancements**					
Project sponsor	Office of Business Innovation Office of the Chief Information Officer (OCIO)					
Customers/ beneficiaries	Internal: Office of Examination and Insurance (E&I), ONES, All Field Program Offices, OCIO, CURE, OHR, and OCFP External: Credit Unions, State Supervisory Authorities (SSAs)					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$540	$1,771	$576	$1,600	$1,600
	Operations and Maintenance	$11,944	$9,358	$10,904	$12,427	$12,604
	SIF	$216	$216	TBD	TBD	TBD
Link to NCUA strategic goals	Strategic Goal 1: Ensure a Safe and Sound Credit Union System. Examination and Supervision Solutions (ESS) tools will enable credit union examiners to fulfill NCUA strategic objective 1.2, "provide high-quality and efficient supervision," by providing a more effective and secure examination tool. Strategic Goal 3: Maximize organizational performance to enable mission success. ESS will enable credit union examiners to perform their work more efficiently, helping the NCUA achieve strategic objective 3.2, "deliver an efficient organizational design supported by improved business processes and innovation."					
Detailed project description	In addition to on-going operations maintenance, the 2025 capital investment will focus on upgrading the MERIT system platform to take advantage of security improvements, a streamlined interface and new record management capability; partnering with E&I to modify the Information Security Examination program toolbox to generate files that can be imported into MERIT, which will result in new examiner efficiencies; and supporting OCIO with the implementation of single sign-on for applications including new reports via NCUA Connect.					

Project name	**Cloud Migration & Modernization**					
Project sponsor	OCIO					
Customers/ beneficiaries	All internal and external users of NCUA software products.					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$0	$1,300	$2,806	$3,100	$1,000
	Operations and Maintenance	$0	$0	$0	$406	$3,506
Link to NCUA strategic goals	Strategic Goal 3: Maximize organizational performance to enable mission success. This capital project supports strategic objective: 3.2, "deliver improved business processes supported by secure, innovative, and reliable technology solutions and data" by updating and optimizing existing agency applications for cloud capabilities and moving them to cloud-based environments.					
Detailed project description	The Cloud Migration & Modernization capital project is a major multi-year investment that involves moving applications, data, and IT infrastructure from on-premises, or legacy systems, to cloud-based environments. This project will also include updating and optimizing existing applications for cloud-native capabilities. By leveraging the cloud, the NCUA can also avoid costs related to data center hosting, IT hardware purchasing, IT maintenance, and associated IT labor costs. IT Security will be enhanced as well with cloud security, network, firewall, and logging. By leveraging cloud infrastructure NCUA will be able to further adhere to federal strategies such as the Cloud Smart Strategy, Zero Trust Architecture, and independently operate a Trusted Internet Connection (TIC 3.0). This is a phased, multi-year project with Phase 1 beginning in 2025 and over 2–3 years, will involve moving numerous computing and storage infrastructure assets to a cloud-based environment.					

Project name	**Network Access Control**					
Project sponsor	OCIO					
Customers/ beneficiaries	Internal: All NCUA					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$0	$1,050	TBD	TBD	TBD
	Operations and Maintenance	$0	TBD	TBD	TBD	TBD
Link to NCUA strategic goals	Strategic Goal 3: Maximize organizational performance to enable mission success. This capital investment supports strategic objective 3.2, to "deliver improved business processes supported by secure, innovative, and reliable technology solutions and data" by identifying and implementing service improvements to replace end-of-life and unsupported systems currently in place at the NCUA. This investment will implement more secure and user-enhanced services that will reduce the impact of current services that present a higher risk of vulnerabilities.					
Detailed project description	This project will strengthen the NCUA's network security by automating and enhancing security patch management and scanning functions for users connected to the agency's networks. In addition, this project will integrate the NCUA's firewall services within the overall network infrastructure and with the new patch and scanning functionality.					

Project name	**Executive Order on Improving the Nation's Cybersecurity**					
Project sponsor	OCIO					
Customers/ beneficiaries	Internal: All NCUA External: All Credit Unions					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027***	**2028***
	Acquisition	$2,408	$850	$250	TBD	TBD
	Operations and Maintenance	$0	$0	$536	$825	$867
* Budget estimates for 2027 and beyond are dependent on guidance from the Office of Management and Budget and the Cybersecurity and Infrastructure Security Agency related to the various domains of the EO.						
Link to NCUA strategic goals	Strategic Goal 3: Maximize organizational performance to enable mission success. This multi-year capital investment supports strategic objective 3.2, to "deliver an efficient organizational design supported by improved business processes and innovation" by enabling compliance with EO 14208, *Improving the Nation's Cybersecurity*.					
Detailed project description	The purpose of this capital investment is to ensure that the NCUA complies with EO 14208, *Improving the Nation's Cybersecurity*. The project will enable the appropriate applications to use Multi-Factor Authentication, ensure adherence to Supply Chain Risk Management best practices, and implement Zero Trust Architecture for the NCUA's infrastructure and applications.					

Project name	**Information Technology Infrastructure, Platform and Security Refresh**					
Project sponsor	OCIO					
Customers/ beneficiaries	Internal: All NCUA					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$1,294	$775	TBD	TBD	TBD
	Operations & Maintenance	$1,068	TBD	TBD	TBD	TBD
Link to NCUA strategic goals	Strategic Goal 3: Maximize organizational performance to enable mission success. This capital investment will help the NCUA achieve strategic objective 3.2, to "deliver improved business processes supported by secure, innovative, and reliable technology solutions and data" by replacing end-of-life and unsupported systems currently in place at the NCUA. This investment reduces risk to agency systems by implementing more secure and user enhanced services.					
Detailed project description	This project will allow the NCUA OCIO to refresh network and platform hardware, as well as infrastructure components to ensure business continuity and efficient operations by improving system availability, stability, and security. Projects include refreshing infrastructure, hardware, and the professional services required to migrate and harden the IT services for production readiness.					

Project name	**Performance Management System**					
Project sponsor	Office of Human Resources OCIO					
Customers/ beneficiaries	Internal: All NCUA Offices					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$0	$750	$0	$0	$0
	Operations and Maintenance	$0	$0	$136	$136	$136
Link to NCUA strategic goals	Strategic Goal 3: Maximize organizational performance to enable mission success. The Performance Management System (PMS) replacement project will assist all NCUA employees to perform their work more effectively and efficiently, supporting strategic objective 3.2, "deliver an efficient organizational design supported by improved business processes and innovation." The new PMS will be the NCUA's primary system for maintaining performance plans and annual performance evaluations.					
Detailed project description	This capital investment will facilitate the employee performance management program for all NCUA employees by supporting modernized, phased workflows for performance plans and evaluations, user and administrator dashboards, and overall management of over 350 performance plan templates.					

Project name	**Enterprise Laptop Refresh**					
Project sponsor	OCIO					
Customers/ beneficiaries	Internal: All NCUA					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$0	$550	$4,385	$150	$150
	Operations & Maintenance	$0	$0	$0	$0	$0
Link to NCUA strategic goals	Strategic Goal 3: Maximize organizational performance to enable mission success. The 2025–26 Enterprise Laptop Refresh project will help employees perform their work more effectively, efficiently, and securely, supporting strategic objective 3.2, "deliver improved business processes supported by secure, innovative, and reliable technology solutions and data." Upgraded hardware provides staff with new functionality and enhanced security features that improve user productivity, increase mobile functionality, and lower IT administrative costs due to a decreased need for support services.					
Detailed project description	The purpose of this capital investment is to boost overall agency productivity, efficiency, and security by providing the NCUA staff with laptops that offer improved processing power and speed to run multiple applications more effectively, enhanced mobility features like reduced weight and longer battery life, and advanced security features to better combat evolving cyber threats. In 2025, capital funding will provide for the selection of new, standard laptop configurations and testing of those laptops and their operating system with the NCUA's existing business applications. Future year costs are associated with the expected purchase of additional laptops and peripherals. By including hardware and operating system support in the purchase contract (and following a 3-year replacement lifecycle), the NCUA will be able to keep pace with changes in workstation and operating system technology in a cost-effective manner.					

Project name	**Onboarding/Offboarding Solution and Personnel Security Case Management System**					
Project sponsor	Office of Continuity and Security Management OCIO					
Customers/ beneficiaries	Internal: All NCUA					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$630*	$300	$0	$0	$0
	Operations and Maintenance	$0	$315	$331	$348	$365
*Excludes a $100K reprogramming approved in 2024.						
Link to NCUA strategic goals	Strategic Goal 3: Maximize organizational performance to enable mission success. Specifically, this capital investment will help achieve strategic objective 3.2 to, "deliver improved business processes supported by secure, innovative, and reliable technology solutions and data."					
Detailed project description	The purpose of this project is to develop a new personnel security management system for NCUA in compliance with the Trusted Workforce 2.0 directive promulgated by the ODNI and OPM. The NCUA currently lacks a centralized system to manage employee and contractor onboarding and offboarding data. Instead, the agency relies upon a combination of legacy SharePoint applications, the HRLinks employee timekeeping system, and the USAStaffing recruitment system to track and manage this information. This capital investment will deploy a centralized IT solution to maintain onboarding and offboarding data for both Federal and contractor staff per requirements established by the ODNI and OPM.					

Project name	**MARS and CUSO Development and Reports**					
Project sponsor	Office of Examination and Insurance					
Customers/ beneficiaries	Internal: All NCUA External: SSAs, Credit unions, CUSOs, credit union leagues, vendors, and consumers					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$0	$260	$0	$0	$0
	Operations and Maintenance	$0	$0	$0	$0	$0
Link to NCUA strategic goals	Strategic Goal 1: Ensure a safe, sound, and viable system of cooperative credit that protects consumers. This capital investment facilitates strategic objective 1.2, "provide effective and efficient supervision," by collecting and reporting data that supports the examination and supervision process efficiently using improved technology. For example, MARS development improves the agency's management of the annual examination resource planning processes and improvements in TMS accurately capture examiner time to guide resource planning. Strategic Goal 3: Maximize organizational performance to enable mission success. This capital investment also supports strategic objective 3.2, "deliver improved business processes supported by secure, innovative, and reliable technology solutions and data" by enhancing existing systems at a just-in-time schedule to match agency data collection cycles, regulatory changes, increased risk in the industry, and the annual exam resource budget process.					
Detailed project description	This project will fund short-term contractor support to develop data collection forms and CUSO Reports, such as the CUSO Registry Online form and realign MARS and TMS development in support of redistricting, new work code classifications, new examiner specialties, and new supervisory examiner groups.					

Project name	**Generative AI Licensing**					
Project sponsor	OCIO					
Customers/ beneficiaries	Internal: All NCUA					
Budget*	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$0	$25	$0	$0	$0
	Operations & Maintenance	$0	$0	$662	$713	$766
* The 2025 budget amounts fund initial licenses to pilot and test the use of AI tools at the NCUA. Future year budget amounts reflect assumed deployment of the tool to the agency.						
Link to NCUA strategic goals	Strategic Goal 3: Maximize organizational performance to enable mission success. This capital project will support strategic objective 3.2, "deliver improved business processes supported by secure, innovative, and reliable technology solutions and data" by leveraging the power of next-generation AI to increase individual and organizational performance.					
Detailed project description	This capital investment will fund a pilot program to test the capability of an AI tool for possible development across the NCUA.					

Project name	**System Updates for Significant Regulatory Changes**					
Project sponsor	OCIO					
Customers/ beneficiaries	Internal: Various NCUA offices External: Credit Unions, Credit Union Members, SSAs					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$0	$300	$300	$300	$300
	Operations and Maintenance	$0	$0	$0	$0	$0
Link to NCUA strategic goals	Strategic Goal 1: Ensure a Safe and Sound Credit Union System. This capital investment will enable agency staff to better fulfill NCUA strategic objective 1.2, to "provide high-quality and efficient supervision" by providing high-quality, low defect, and secure applications that support examination and supervision functions. Strategic Goal 3: Maximize organizational performance to enable mission success. This investment also supports strategic objective 3.2, to "deliver improved business processes supported by secure, innovative, and reliable technology solutions and data."					
Detailed project description	This project will allow NCUA to update applications and databases to accommodate new regulatory requirements or initiatives. Often, multiple legacy systems are impacted when regulatory changes are finalized, or new initiatives are approved by the NCUA Board. These changes can be significant, requiring additional time and resources to ensure that the affected systems are updated before the rule takes place.					

Project name	**CURE Process Automation**					
Project sponsor	Office of Credit Union Resources and Expansion Office of the Chief Information Officer					
Customers/ beneficiaries	Internal: CURE and Regional Staff External: All credit unions and organizing groups					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$1,100	$1,000	$0	$0	$0
	Operations and Maintenance	$0	$0	TBD	TBD	TBD
Link to NCUA strategic goals	Strategic Goal 2: Improve the financial well-being of individuals and communities through access to affordable and equitable financial products and services. This capital investment will develop an external-facing portal for organizing groups to submit charter applications for new credit unions. This project directly supports the strategic goal by making it easier for stakeholders to charter new credit unions, which will provide financial products and services to additional groups and expanded geographic areas.					
Detailed project description	This multi-year process automation project will implement an external-facing portal for organizing groups to submit their new charter applications. The portal is expected to include forms for submission of information and data, the ability to upload supporting files, and a visible timeline so that applicants can track the status of their submission. In addition, the project will incorporate the NCUA's current tool for submitting field of membership expansion requests, CAPRIS, and the agency's document file and workflow system, MAGIC.					

Project name	**Off-Site Monitoring Project**					
Project sponsor	Office of Examination and Insurance					
Customers/ beneficiaries	Internal: All NCUA					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$0	$250	TBD	TBD	TBD
	Operations and Maintenance	$0	$0	TBD	TBD	TBD
Link to NCUA strategic goals	Strategic Goal 3: Maximize organizational performance to enable mission success. The off-site monitoring project will improve the agency's ability to gather and review information in a timely manner while reducing the needed resources. This will improve the efficiency of the NCUA's primary work activities in support of NCUA strategic objective 3.2, "deliver improved business processes supported by secure, innovative, and reliable technology solutions and data."					
Detailed project description	The goal of this investment is to reduce burdens on examination staff during off-site monitoring while streamlining the way that offices identify emerging and increasing risks to the Share Insurance Fund.					

Project name	**Office of National Examination and Supervision (ONES) Dedicated Computing Resources**					
Project sponsor	Office of National Examination and Supervision					
Customers/ beneficiaries	Internal: ONES, Regional Large Credit Union Program examinations External: Credit Unions with greater than $10 billion in assets					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$0	$48	$0	$0	$0
	Operations and Maintenance	$0	$0	$48–$77	$48–$77	$48–$77
Link to NCUA strategic goals	Strategic Goal 1: Ensure a safe, sound, and viable system of cooperative credit that protects consumers. This capital investment facilitates strategic objective 1.2, "provide effective and efficient supervision," by collecting and reporting data that supports the examination and supervision process efficiently using improved technology. Strategic Goal 3: Maximize organizational performance to enable mission success. This capital investment will help achieve strategic objective 3.2 to, "deliver improved business processes supported by secure, innovative, and reliable technology solutions and data."					
Detailed project description	This capital investment will provide dedicated computing resources to support the ONES data quality and assurance team's current and anticipated quarterly data collection through the large credit union data collection program.					

Project name	**Central Office Maintenance and Repair**					
Project sponsor	Office of the Chief Financial Officer					
Customers/ beneficiaries	Internal: All NCUA headquarters building occupants External: All NCUA headquarters building visitors					
Budget	**$ in thousands**	**2024**	**2025**	**2026**	**2027**	**2028**
	Acquisition	$477	$480	$450	$450	$425
	Operations and Maintenance	$0	$0	$0	$0	$0
Link to NCUA strategic goals	Strategic Goal 3: Maximize organizational performance to enable mission success. Investments in minor construction and maintenance projects will improve facility operations and building efficiency, safety, and functionality at the NCUA's Central Office building. The Central Office facility was built in 1993. The average life span of building components is between 20–25 years. Aged, outdated and failing building components and systems pose a threat to the performance of the NCUA mission. Collectively these investments will maximize organizational performance and enable mission success, for example, by improving building accessibility for NCUA employees and the public through installation of Americans with Disability Act-compliant entryways; conserving natural resources through installation of energy efficient devices and equipment; and protecting and maintaining the building's exterior and interior finishes.					
Detailed project description	In 2025, this capital investment will provide the funding necessary for six planned projects. Several of these projects are multi-year in nature, requiring an incremental approach: building automation and system controls replacement; roof drain repair and replacement; and office and common area painting. Other projects include plumbing repairs, waterproofing within the Central Office garage, and a modest amount for unforeseen repairs that may occur during the year.					

Appendix C: Glossary of Terms and Acronyms

A

Asset Management and Assistance Center (AMAC): The office at the NCUA responsible for conducting credit union liquidations and performing management and recovery of assets. Additionally, this office supports the NCUA's regional offices' review of large complex loan portfolios and actual or potential bond claims.

Automated Cybersecurity Evaluation Toolbox (ACET): The NCUA's ACET application provides credit unions the capability to conduct a maturity assessment aligned with the FFIEC's Cybersecurity Assessment Tool. Using the assessment within the toolbox allows institutions of all sizes to easily determine and measure their own cybersecurity preparedness over time.

Automated Integrated Regulatory Examination System (AIRES): AIRES is the NCUA's legacy examination system, which was replaced by MERIT.

C

CAMELS: The NCUA's composite CAMELS rating consists of an assessment of a credit union's Capital adequacy, Asset quality, Management, Earnings, Liquidity risk, and Sensitivity to market risk.

Central Liquidity Facility (CLF): The CLF is a mixed-ownership government corporation that serves as a source for emergency funding for consumer credit unions and corporate credit unions that join the facility.

Credit Union Resources and Expansion (CURE): The NCUA's Office of Credit Union Resources and Expansion supports credit union growth and development. CURE assists low-income and minority credit unions, as well as all credit unions seeking assistance with chartering, charter conversions, bylaw amendments, field-of-membership expansion requests and low-income designations. CURE also provides access to online training and resources and to grants and loans through the Community Development Revolving Loan Fund.

E

Office of Examination and Insurance (E&I): The office at the NCUA responsible for supervision programs, which ensure the safety and soundness of the credit union system and that manages risk to the Share Insurance Fund.

F

Federal Credit Union: A federal credit union is a member-owned and controlled, not-for-profit, cooperative financial institution chartered by the NCUA and formed to provide its members with affordable and safe financial services.

Federal Information Security Modernization Act: A federal statute enacted in 2014 that enables the government to better respond to cyberattacks on departments and agencies.

Federal Employees Retirement System (FERS): FERS is a defined-benefit retirement plan for civilian employees of the federal government.

Field of Membership: A credit union's field of membership defines who is eligible to join the credit union.

Federally Insured, State-chartered Credit Union (FISCU): A FISCU is a member-owned and controlled, not-for-profit, cooperative financial institution chartered by the state in which it is located. FISCUs are insured by the NCUA and supervised jointly with the state supervisory authority that chartered them.

I

Information Security Examination (ISE): A risk-focused approach to examine credit unions' information security focused on areas of material current or potential risk relevant to each credit union's unique business model.

M

Modern Examination and Risk Identification Tool (MERIT) examination system: MERIT is the NCUA's new web-based examination platform that replaced AIRES.

Minority Deposit Institution (MDI): By law, MDI describes a federally insured credit union in which a majority of its current members, its board of directors, and the community it services, as designated in its charter, fall within any of the eligible minority groups described in Section 308 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.[35]

[35] *See* https://www.federalreserve.gov/publications/2013-preserving-minority-depository-institutions-section-308-firrea.htm

O

Office of the Chief Information Officer (OCIO): The office at the NCUA responsible for establishing the organization's enterprise IT vision, security strategy, roadmap and related policies and management controls.

Office of Consumer Financial Protection (OCFP): The office at the NCUA responsible for the consumer financial literacy efforts, the NCUA's Consumer Assistance Center, consumer financial protection compliance policy and rulemaking, fair lending examinations, interagency coordination on consumer financial protection compliance matters, and the agency's consumer-focused website MyCreditUnion.gov.

Office of the Inspector General (OIG): The office at the NCUA responsible for promoting the economy, efficiency, and effectiveness of NCUA programs and operations, and detects and deters fraud, waste and abuse, thereby supporting the NCUA's mission of monitoring and promoting safe and sound federally insured credit unions. OIG conducts independent audits, investigations, and other activities, and keeps the NCUA Board and U.S. Congress fully and currently informed of its work.

Office of Management and Budget (OMB): An agency within the Executive Office of the President responsible for overseeing the performance of federal agencies and administering the federal budget.

Office of National Examinations and Supervision (ONES): The office at the NCUA responsible for overseeing the examination and supervision issues related to consumer credit unions with assets greater than $15 billion and all corporate credit unions.

U.S. Office of Personnel Management (OPM): An agency responsible for human resources matters and personnel policy for the federal government.

Overhead Transfer Rate (OTR): The share of the NCUA's operating and capital budgets that comes from the Share Insurance Fund. The OTR represents the insurance-related costs that are paid for out of the Share Insurance Fund.