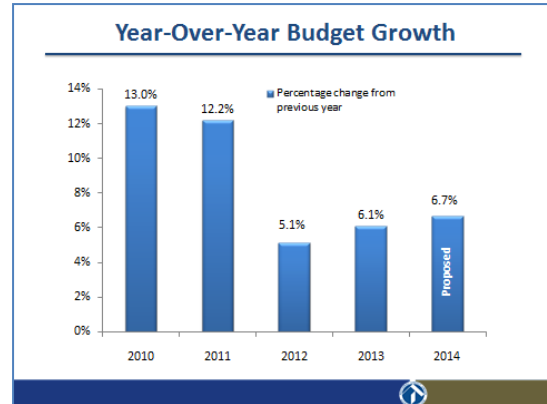


## 2014 - NCUA Budget in Brief

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The 2014 Operating Budget is \$268.3 million, and includes no increase to the 2013 staffing levels. The \$16.9 million or 6.7% budget increase over the prior year provides for a merit and locality adjustment as required by the collective bargaining agreement (CBA), as well as inflationary adjustments and expenditures needed to ensure successful execution of the agency's safety and soundness mission. The major changes to the budget are as follows:

**Staffing.** There is no increase in the total authorized staffing level. The 2014 Full Time Equivalents (FTE) level remains at 1,262.50. Within existing positions, the budget reflects three significant realignments which strengthen NCUA's ability to carry out its mission, without an increase in staff. This includes reallocating resources within Regional Offices to balance workload, establishing the Office of Continuity and Security Management (OCSM) to aggregate all security-related functions, and aligning the Equal Opportunity Programs office with the Office of Minority and Women Inclusion to strengthen NCUA's compliance with the Dodd-Frank Wall Street Reform and Consumer Protection Act.



**Pay & Benefits.** Pay and benefits increased by \$11.0 million, or 6 percent, for a total budget of \$194.6 million. The net increase of \$11.0 million reflects a 4.1 percent change, as compared to 2013, to accommodate merit and locality pay increases, primarily driven by NCUA's current collective bargaining agreement (CBA). The Employee Pay and Benefits category also includes an increase of 1.9 percent associated with promotions, position changes due to NCUA staffing realignments, and the projected low vacancy rate in 2014 based on successful hiring and retention in 2013.

**Travel.** Travel increased \$652,796, or 2.3 percent, for a total budget of \$28.5 million. While travel savings were achieved with the regional realignment, these savings are offset by an 8 percent increase in the government-wide average lodging rate, increased credit union examiner hours, full staffing levels within NCUA, and costs for the agency's bi-annual national training conference to be held in April 2014.

**Rent, Communications & Utilities.** The Rent, Communication & Utilities expenses increased by \$318,794, or 6 percent, for a total budget of \$5.6 million. The increase is attributed to network upgrades. NCUA is currently operating at the peak of its available bandwidth.

**Administrative Expenses.** Administrative expenses increase by \$1.8 million, or 13.1 percent, for a total budget of \$15.4 million. Adjustments are related to depreciation expenses, fees charged by the Federal Financial Institutions Examination Council (FFIEC), and new software licenses necessary for examiners to perform risk management.

**Contracted Services.** Contracted Services expenses increased by \$3.1 million or 14.8 percent, for a total budget of \$24.1 million. The most significant increase is related to cybersecurity to ensure compliance with the Federal Information Systems Management Act (FISMA). Requests also include funds to develop compliance guidelines for regulations issued by the Consumer Financial Protection Bureau and other federal regulators in lieu of increasing the NCUA workforce, and to improve agency security standards.