## Federal Deposit Insurance Corporation

Proposed 2012 Budget

December 7, 2011

### FDIC Planning and Budgeting Process

• Mission • Vision • Values

Strategic Plan

External Environment/ Industry Analysis Corporate Workload Assumptions

**Proposed Initiatives** 

Senior Management Strategic Planning Discussions

#### **Budget Formulation**

Baseline Budgets
(with Salary and Other Inflation adjustments)
Based on Projected Workload & New Initiatives
Investment Savings & Other Efficiencies

## **Annual Performance Plan and Corporate Performance Goals**

•Annual Goals
•Means and Strategies
•Performance Targets and Indicators

#### **Ongoing Performance Monitoring**

- Budget Variances
- Performance Goal Progress

#### Overview

- Total proposed 2012 budget is down 15.4% from 2011 due to a substantial reduction in failure activity.
- ➤ Authorized staffing is reduced by 565 positions (6%) from current 2011 authorization.
- ➤ Increased resources are included for implementation of new Dodd-Frank Act responsibilities.
- > Contingent resources are included to ensure readiness in case economic conditions deteriorate.

### Major 2012 Resource Changes

- Resolutions/Receivership Management
  - o 462 DRR positions/119 other positions are eliminated (all non-permanent).
  - o Funding for contractor services is reduced by \$375 million.
  - o The temporary West Coast and Midwest Satellite Offices will close in January and September 2012, respectively.

#### > Supervision

- O The number of problem/unfavorably rated institutions appears to have peaked, but limited changes are yet reflected in authorized staffing due to the continuing high number of such institutions.
- o 28 permanent positions are added for supervisory responsibilities transferred from OTS (state-chartered thrift institutions).
- Complex Financial Institutions
  - o Resource requirements continue to be refined as new FDIC responsibilities and operational requirements become clearer.
  - o 24 permanent positions are added for institutional monitoring and resolution planning.
  - o Contingent contractor funding is provided.
- Office of Corporate Risk Management established with 11 permanent positions.

# Corporate Operating Budget 2011 vs. 2012

(Dollars in Millions)



<sup>\*</sup> Numbers do not appear to equal the total due to rounding.

# Authorized Staffing 2011 vs. 2012

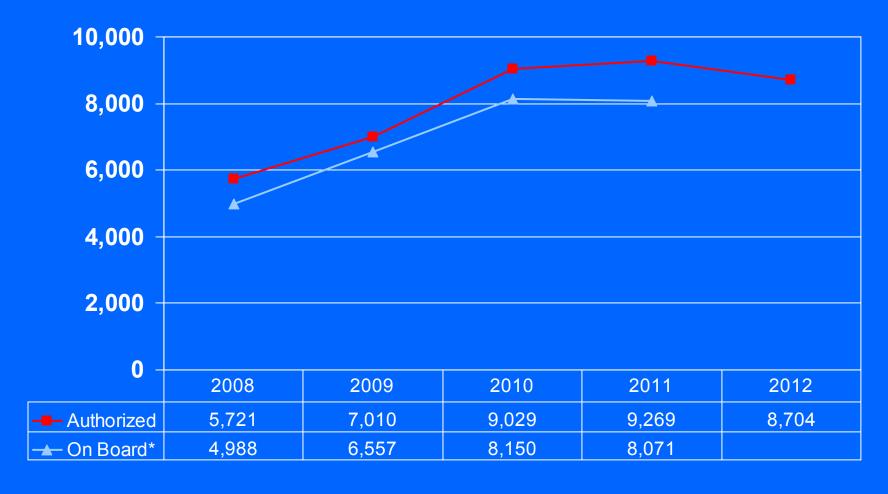


## Budget Trend 2008-2012

(\$ in millions)



# Staffing Trend 2008–2012



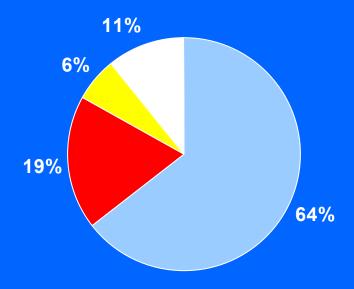
<sup>\*</sup> On-Board staffing based on FTEs at year-end, except for 2011, which is as of October 31.

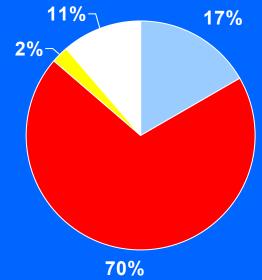
## Proposed 2012 Corporate Operating Budget By Major Expense Category

(Dollars in Millions)

Ongoing Operations Budget Total: \$1,781

Receivership Funding Budget Total: \$ 1,500



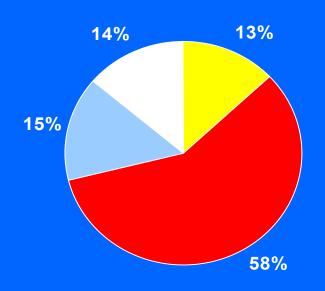


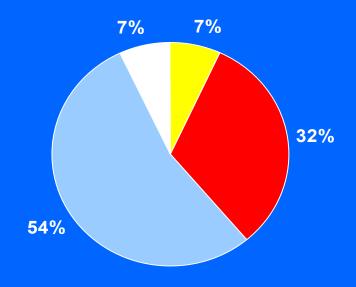
Salaries & Compensation
Outside Services
Travel
Facilities & All Other

# Proposed 2012 Corporate Operating Budget By Program

**Ongoing Operations Budget** 

**Total Operating Budget** 







## Recommendations

1. Approve Proposed 2012 Corporate Operating Budget

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| • | Ongoing Operations                      | \$1,781 |
|---|---|---------|
| • | Receivership Funding                    | \$1,500 |
| • | <b>Total Corporate Operating Budget</b> | \$3,281 |

2. Approve Proposed 2012 Authorized Staffing 8,704