

Dallas P. Tonsager, Chairman and Chief Executive Officer
Jeffery S. Hall, Board Member



**MINUTES OF THE REGULAR MEETING
OF THE
FARM CREDIT ADMINISTRATION BOARD
June 8, 2017**

These minutes reflect the business transacted at the June 8, 2017, Regular Meeting of the Farm Credit Administration Board (FCA Board) pursuant to the Government in the Sunshine Act, 5 U.S.C. § 552b, and the regulations of the Farm Credit Administration (FCA) adopted thereunder.

The FCA Board meeting was held at the FCA office in McLean, Virginia, beginning at 9:00 a.m. and concluding at 10:35 a.m. Members of the Board present were:

Dallas P. Tonsager, Chairman and Chief Executive Officer
Jeffery S. Hall, Member

Others present included **Charles Rawls**, General Counsel; **Dale Aultman**, Secretary to the Board; staff of the FCA and Farm Credit System Insurance Corporation (FCSIC); and two members of the general public. (A list of staff attendees is attached as Exhibit A.)

The **Secretary** read a statement that announced the meeting would be conducted according to the requirements of the Government in the Sunshine Act.

Chairman Tonsager reviewed the published Agenda. (A copy of the Public Announcement publishing the Agenda for the meeting is attached as Exhibit B.)

Mr. Hall moved to adopt the Agenda as published.

Chairman Tonsager seconded the motion.

There being no further discussion, **Chairman Tonsager** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

Mr. Hall noted that the Agenda did include portions of the meeting that should be closed to the public as permitted by the Government in the Sunshine Act and therefore moved that the meeting be closed at that point.

Chairman Tonsager seconded the motion.

There being no further discussion, **Chairman Tonsager** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

OPEN SESSION

Approval of Minutes

Minutes for May 11, 2017 (BM-8-JUN-17-01)

Mr. Hall moved to approve the minutes for the May 11, 2017, FCA Regular Board Meeting.

Chairman Tonsager seconded the motion.

There being no further discussion, **Chairman Tonsager** called the question.

The **Secretary** polled the Board Members and the motion carried unanimously. **(BM-8-JUN-17-01)**

(A copy of the official "Board Action Item" is attached as Exhibit C.)

REPORTS

Annual Report on the Farm Credit System's Young, Beginning, and Small Farmer Mission Performance: 2016 Results

Sal Iannetta and **Jessica Potter** of the Office of Regulatory Policy presented the Annual Report on the Farm Credit System's Young, Beginning, and Small Farmer Mission Performance: 2016 Results.

Chairman Tonsager asked if there were any questions or further discussion from the Board.

There were no further questions or discussion.

(A copy of the PowerPoint presentation is attached as Exhibit D.)

**Quarterly Report on
Economic Conditions and Farm Credit System (FCS) Conditions**

Steve Koenig of the Office of Regulatory Policy and **Hal Johnson** of the Office of Examination presented the Quarterly Report on Economic Conditions and FCS Conditions.

Chairman Tonsager asked if there were any questions or further discussion from the Board.

There were no further questions or discussion.

(A copy of the PowerPoint presentation is attached as Exhibit E.)

Semi-Annual Report on Office of Examination Operations

Hal Johnson of the Office of Examination presented the Semi-Annual Report on Office of Examination Operations.

Chairman Tonsager asked if there were any questions or further discussion from the Board.

There were no further questions or discussion.

(A copy of the PowerPoint presentation is attached as Exhibit F.)

CLOSED SESSION

Chairman Tonsager noted that this was a Closed Session and ensured that members of the public and nonessential FCA and FCSIC staff were not in the room so the Board could meet with Office of Examination in Closed Session.

Chairman Tonsager convened the closed session of the meeting at 10:15 a.m. and instructed the **Secretary** to activate the electronic recording device so that the proceedings of the Closed Session were properly recorded as required by the Government in the Sunshine Act.

Chairman Tonsager then instructed the **General Counsel** to furnish the **Secretary** with a certification, pursuant to 5 U.S.C. § 552b(f), that the portions of the meeting held in closed session may be properly closed to the public.

(A copy of the Certification is attached hereto as Exhibit G.)

Members of the Board present were:

Dallas P. Tonsager, Chairman and Chief Executive Officer
Jeffery S. Hall, Board Member

Others present included **Dale Aultman**, Secretary to the Board; and **Charles Rawls**, General Counsel. (A list of staff attendees is attached as Exhibit A).

Office of Examination Quarterly Report

Robert Coleman and **Roger Paulsen** of the Office of Examination presented the update on OE Supervisory and Oversight Activities.

Chairman Tonsager asked if there were any questions or further discussion from the Board.

There were no further questions or discussion.

ADJOURNMENT

There being no further business to come before the Board, **Chairman Tonsager** indicated he would entertain a motion to adjourn the meeting.

Mr. Hall moved that the meeting be adjourned.

Chairman Tonsager seconded the motion.

Chairman Tonsager called the question.

The **Secretary** polled the Board Members and the motion carried unanimously.

The meeting adjourned at 10:35 a.m.

NOTATIONAL VOTE ACTIONS

There were three notational vote actions approved by the FCA Board from May 12, 2017, through June 7, 2017 as follows:

Item Number	Action Date	Voting Results	Subject
NV 17-11	05/24/2017	Approved	Treatment of Farm Credit Leasing Capital Elements
NV 17-12	06/05/2017	Approved	Review of Significant Regulatory Actions Pursuant to Executive Order 12866
NV 17-13	06/05/2017	Approved	Bond Investment Request from CoBank, ACB to Invest in a continuous care facility in Texas

The undersigned hereby certify that the foregoing minutes are the official minutes of the Regular Meeting of the Farm Credit Administration Board held on June 8, 2017.

/s/
Dallas P. Tonsager
Board Chairman and Chief Executive Officer

/s/
Dale L. Aultman
Secretary to the Board

Approved: July 13, 2017

**STAFF PRESENT AT THE
FCA REGULAR BOARD MEETING
June 8, 2017**

Dallas P. Tonsager, Chairman and Chief Executive Officer
Jeffery S. Hall, Board Member

OFFICE	OPEN SESSION	CLOSED SESSION
Office of the Board		
Aultman, Dale	X	X
Laguarda, Wendy	X	X
Kramp, Kevin	X	X
Calhoun, Gaye	X	
Corey, Kathryn	X	
COO		
Hoffman, William	X	X
OIT		
Golley, Jerry	X	X
EEOI		
Burlew, Thais	X	
OCPA		
Stokke, Mike	X	X
Meaux, Willy	X	X
Middleton, Russell	X	X
OSMO		
Rea, Laurie	X	X
OGC		
Rawls, Charles	X	X
Donner, Mary Alice	X	
Strickland, Joy	X	X
OE		
Coleman, Robert	X	X
Paulsen, Roger	X	X
Johnson, Hal	X	X

OFFICE	OPEN SESSION	CLOSED SESSION
OIG		
Gallo, Kathy	X	X
ORP		
Van Meter, Gary	X	X
Mardock, Barry	X	X
Koenig, Steve	X	X
Iannetta, Sal	X	
Potter, Jessica	X	X
Johansen, Mark	X	
OCFO		
Smith, Stephen	X	X
OAS		
Fowlkes, Jerome	X	X
Bell, Vonda	X	X
FCSIC		
Rubin, Howard	X	X
Pfitzinger, Rick	X	X
Wynn, Wade	X	X
GENERAL PUBLIC	2	

**PUBLIC ANNOUNCEMENT OF
MEETING SUBJECT TO THE GOVERNMENT IN THE SUNSHINE ACT
Farm Credit Administration Board
Regular Meeting
June 8, 2017**

Summary: Notice is hereby given, pursuant to the Government in the Sunshine Act (5 U.S.C. Sec. 552b(e) (1)), of the forthcoming regular meeting of the Farm Credit Administration Board.

Date and Time: The regular meeting of the Board will be held June 8, 2017. The meeting is scheduled to be held at the office of the Farm Credit Administration in McLean, Virginia, from 9:00 a.m. until such time as the Board may conclude its business.

Address: Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102-5090. Submit attendance requests via e-mail to VisitorRequest@FCA.gov. See SUPPLEMENTARY INFORMATION for further information about attendance requests.

For Further Information Contact: Dale L. Aultman, Secretary to the Farm Credit Administration Board (703) 883-4009. TTY is (703) 883-4056.

Supplementary Information: Parts of this meeting of the Board will be open to the public (limited space available), and parts will be closed to the public. Please send an e-mail to VisitorRequest@FCA.gov at least 24 hours before the meeting. In your e-mail include: name, postal address, entity you are representing (if applicable), and telephone number. You will receive an e-mail confirmation from us. Please be prepared to show a photo identification when you arrive. If you need assistance for accessibility reasons, or if you have any questions, contact Dale L. Aultman, Secretary to the Farm Credit Administration Board, at (703) 883-4009. The matters to be considered at the meeting are:

OPEN SESSION

Approval of Minutes

- 1 May 11, 2017

Reports

- 2 Annual Report on the Farm Credit System’s Young, Beginning, and Small Farmer Mission Performance: 2016 Results
- 3 Quarterly Report on Economic Conditions and FCS Conditions
- 4 Semi-Annual Report on Office of Examination Operations

CLOSED SESSION

- 5 Office of Examination Quarterly Report¹

May 30, 2017
Date

/s/
Dale L. Aultman
Secretary to the Board

¹Session Closed-Exempt pursuant to 5 U.S.C. Section 552b(c)(8) and (9).

Farm Credit Administration

1501 Farm Credit Drive
McLean, Virginia 22102-5090
(703) 883-4000

BOARD ACTION ITEM



FCA BOARD ACTION ON

Minutes for May 11, 2017 Regular Board Meeting

BM-8-JUN-17-01

Effective Date: June 8, 2017

Effect on Previous Action: None

THE FCA BOARD HEREBY:

Approves the minutes for May 11, 2017, Regular Board Meeting as submitted.

DATED THIS 8th DAY OF JUNE 2017

BY ORDER OF THE BOARD

_____/s/_____
Dale L. Aultman
Secretary to the Board



2016 Results:

FCA's Annual Report on The Farm Credit System's Young, Beginning and Small Farmer Mission Performance

FCA Board Meeting

June 8, 2017

Salvatore Iannetta, Policy Analyst

Jessica Potter, Policy Analyst



Outline

- Review the System's YBS Mission
- YBS Numbers and Trends
- Attributes of YBS Programs



YBS Mission

Farm Credit Act - 1980 Amendments

- FCS institutions must have programs to serve YBS Customers.
- Requires the reporting of YBS activities.

Regulation - 614.4165 (2004)

- Sets minimum YBS program components, reporting and disclosure requirements for associations.

Bookletters

- 040 (2007) Provides flexibility on lending opportunities for YBS farmers and ranchers.
- 066 (2012) Provides guidance for serving farmers who market their agricultural products through local or regional food systems.

Informational Memo - (2014)

- Provides information on opportunities to coordinate lending, training, and outreach with the Farm Service Agency.



YBS Definitions

Definitions for FCA Reporting:

- Young Farmer: age 35 or younger
- Beginning Farmer: 10 years or less farming experience
- Small Farmer: gross annual farm sales of \$250,000 or less

Important Data Clarifications:

- Data are reported separately for each category
- Borrowers may qualify under more than one category; one should not add Y, B, and S data together
- Dollar volumes include advances and commitments
- Counts are for loans, not for borrowers

YBS Results



YBS Loans Outstanding As of December 31, 2016	Number of loans	Percentage of total number	Dollar volume of loans in millions*	Percentage of total volume
Young farmers/ranchers	190,995	18.3	\$27,784	11.0
Beginning farmers/ranchers	279,019	26.7	\$42,817	17.0
Small farmers/ranchers	501,874	48.1	\$47,699	18.9

YBS Loans Made During 2016 As of December 31, 2016	Number of loans	Percentage of total number	Dollar volume of loans in millions*	Percentage of total volume
Young farmers/ranchers	62,000	17.0	\$9,247	11.7
Beginning farmers/ranchers	79,166	21.7	\$12,707	16.0
Small farmers/ranchers	149,691	41.1	\$12,207	15.4

Green numbers indicate measures that increased in 2016 relative to those in 2015.

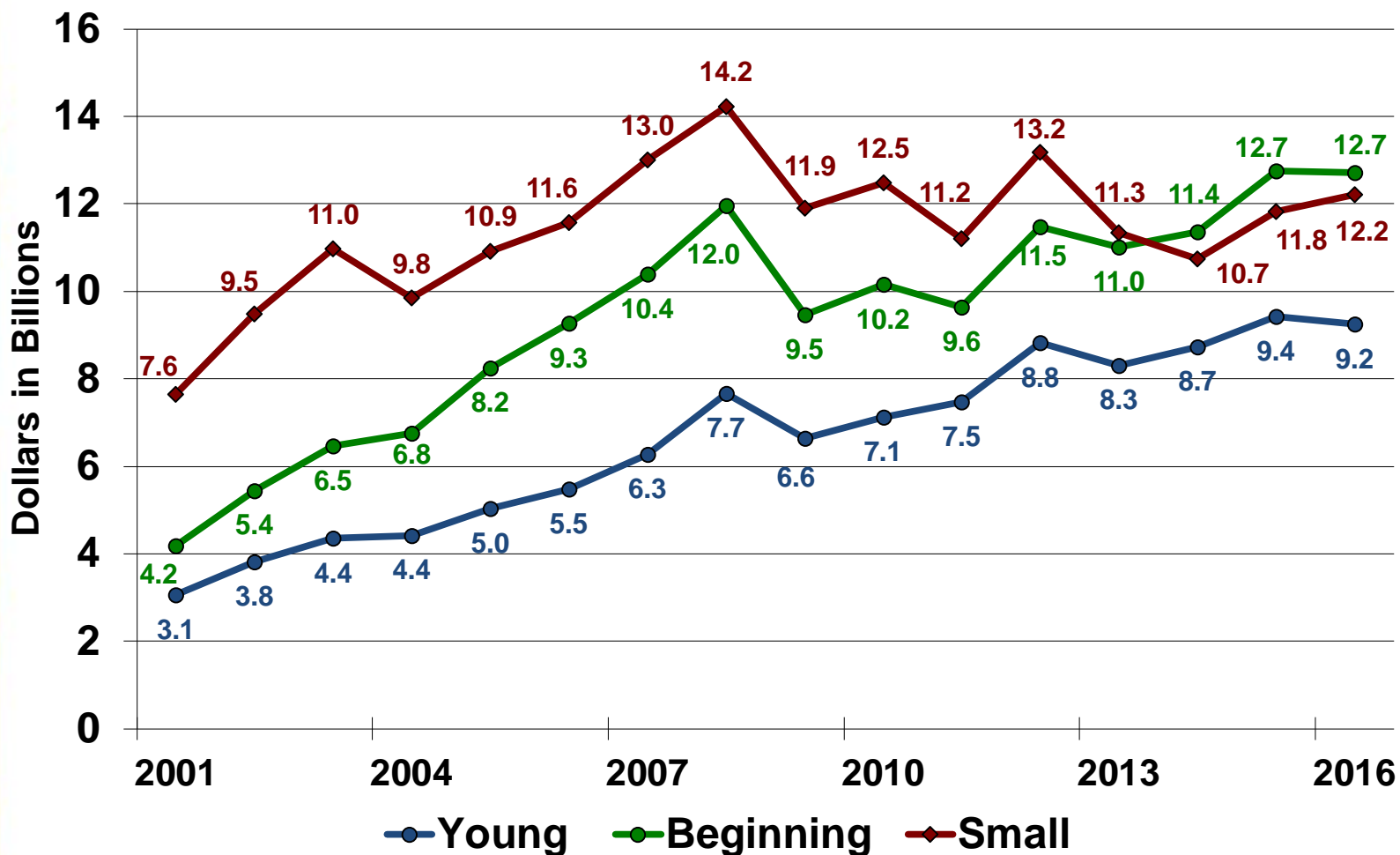
* Totals include loans, advancements, and commitments made to farmers, ranchers, and aquatic producers by the associations, and excludes rural home and Title III loans, and the Leasing Corporation activity.

Note: Because the three (young, beginning, and small) categories are not mutually exclusive, one should not add across the categories to count total YBS lending activity.

Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



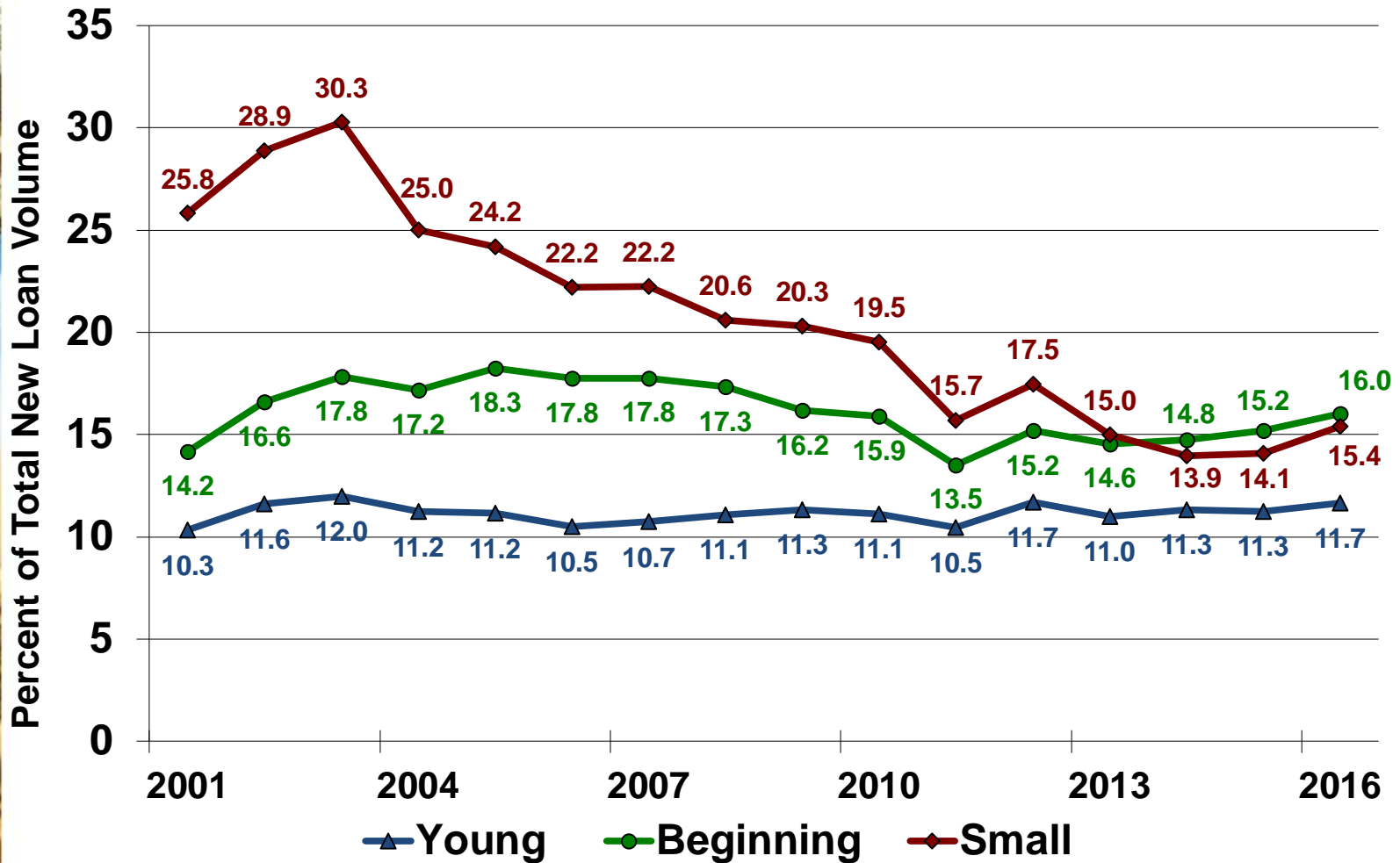
New YBS Loan Volume



Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



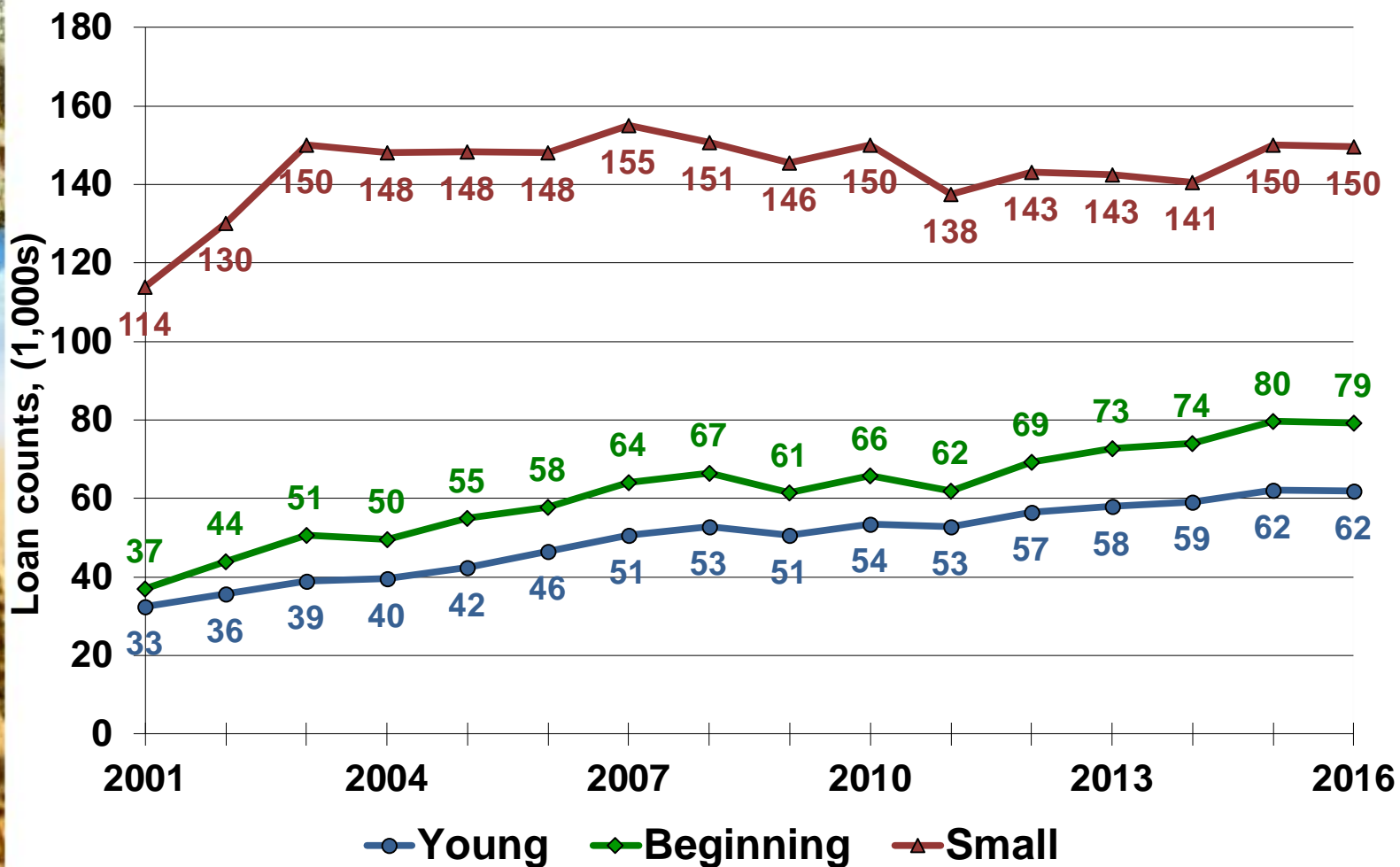
YBS Shares Total New Loan Volume



Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



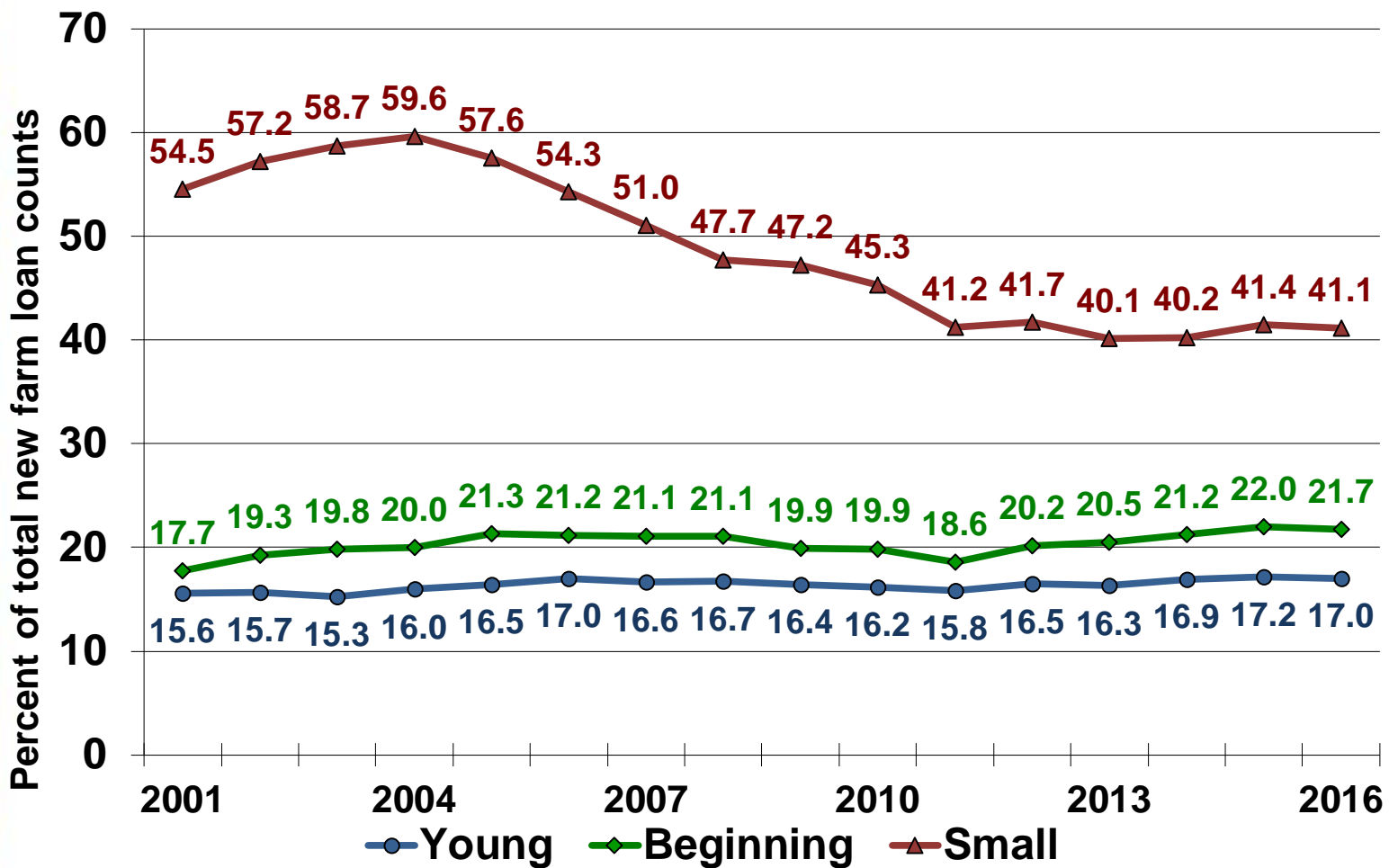
New YBS Loan Counts



Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



YBS Shares Total New Loan Counts



Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



Conclusions – The Numbers



- Most Systemwide YBS results either increased or kept pace to the levels achieved in 2015.
- Young and Beginning Farmer loans increased as a percent of overall loans outstanding. Small farmer loans kept pace.
- Young, Beginning, and Small all increased as a percent of loan volume made in 2016.



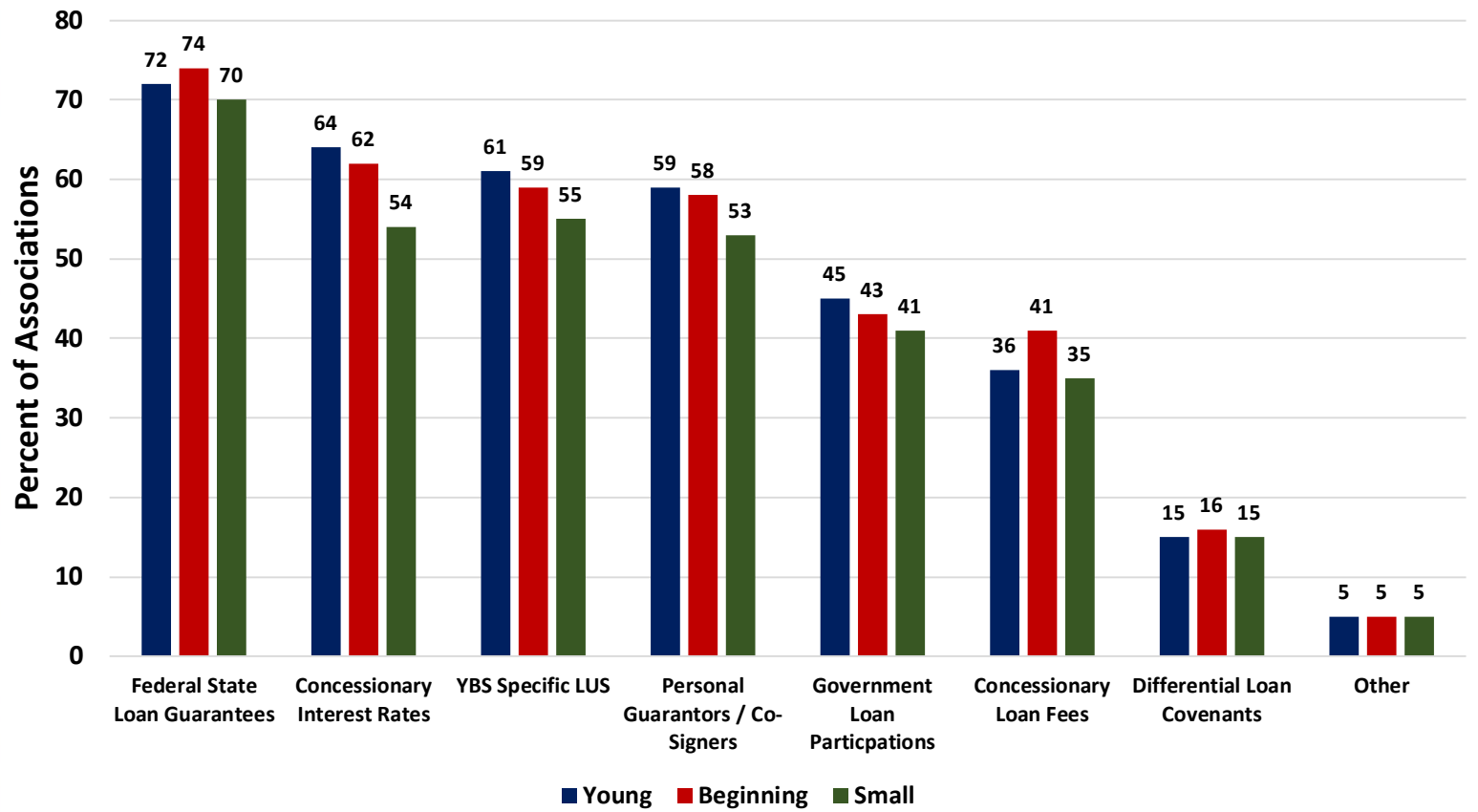
2016 YBS Qualitative Results



Tools Used to Extend Credit



Guarantees, Reduced Rates and Customized Standards Most Used to Extend Credit to YBS



Source: YBS Questionnaire



Tools Used to Extend Credit

Percent of Associations Who Used Tools to Extend Credit

Tool	Young	Beginning	Small
Federal or State Loan Guarantee	72	74	70
Concessionary Interest Rates	64	62	54
YBS Specific Standards	61	59	55
Personal Guarantors / Co-Signers	59	58	53
Government Loan Participations	45	43	41
Concessionary Loan Fees	36	41	35
Differential Loan Covenants	15	16	15
Other	5	5	5

Source: YBS Questionnaire



Continued Coordination to Extend Credit and Services



Organization	2015	2016
Farm Service Agency (FSA)	99%	99%
Other FCS Associations	80%	88%
District Farm Credit Bank	72%	85%
Producer Groups & Organizations	71%	82%
Extension Service	68%	81%
State/Local Government	68%	76%
Non-Profit Organizations	55%	70%
Natural Resources Conservation Service (NRCS)	47%	54%
USDA Outreach Staff	32%	46%
Commercial Lenders	28%	39%
Farmer Mac	25%	31%
Small Business Administration (SBA)	24%	31%
Agricultural Marketing Service (AMS)	17%	8%
Other	5%	7%



YBS Program Management



Best practices continue to be implemented resulting in more service of YBS needs.

- ***Advisory committees*** continue to provide valuable input to the Board and management.
- ***Performance standards*** for management and staff helped implement business plan objectives.
- ***Staff training*** increased in 2016.



Associations Actively Study Their YBS Marketplace

- Associations identified new markets and developed actions to market to these YBS farmers and ranchers.
- Research was conducted by a combination of internal and external sources.
- Example of results from marketplace study:
 - *Used current study to identify the unique characteristics of our market segmentation and identified underserved areas within our territory to market to. Efforts to reach those under-served areas, including YBS potential borrowers, include a new branch location, sponsorships and increased marketing efforts.*



Training, Outreach, and Education



- The System continues to customize training to address the needs of YBS farmers, including new entrants to agriculture.
- Outreach and training efforts include YBS farmers involved in local and regional food systems, as well as veterans, women and members of minority groups.
- Associations use both their internal experts and hire outside professionals to develop and present educational opportunities.
- Educational resources include a variety of learning options such as: online libraries, courses, seminars, and speakers.

Conclusions – Qualitative Data



- Increase in the amount of services and tools used to serve YBS borrowers.
- System coordination with third parties enhances credit delivery to YBS borrowers.
- Advisory committees, marketplace studies, and staff training improve knowledge of the YBS population.
- YBS training, outreach, and educational opportunities increased and are beneficial to current and potential borrowers.



YBS Farm Lending Outperformed Systemwide Farm Lending



	<u>2015</u>	<u>2016</u>	<u>Change</u> <u>(% pts.)</u>
Volume of FCS Loans Made	8.8%	-5.4%	-14.2
Number of FCS Loans Made	3.7%	0.5%	-3.2
Young Percent of FCS Loan Volume	11.3%	11.7%	0.4
Beginning Percent of FCS Loan Volume	15.2%	16.0%	0.8
Small Percent of FCS Loan Volume	14.1%	15.4%	1.3

Farm lending includes loans and commitments for real estate mortgages, production and intermediate loans, processing and marketing operations, and leases, but does not include rural home loans. Farm lending is a subset of total Farm Credit System lending.

Source: Annual Young, Beginning, and Small Farmer Reports submitted by each System lender through the District Banks



FCA Board Meeting

June 2017

Quarterly Report on FCS Condition

June 8, 2017

Steve Koenig

Hal Johnson

Exhibit E





Topics for Open Session

- Economic Conditions Affecting the FCS
- FCS Condition and Performance





Economic Conditions Affecting the Farm Credit System

Steve Koenig
Senior Agricultural Economist
Office of Regulatory Policy



Favorable economic trends

- World economic growth
- Chinese economy chugs along
- U.S. business and consumer optimism
- Consumer wage and income growth
- Improving employment





Some economic concerns

- Approaching 100 months of expansion
- Productivity challenges
- Consumer and business debt grows
- Labor availability and labor costs
- Elevated dollar
- Interest rate increases

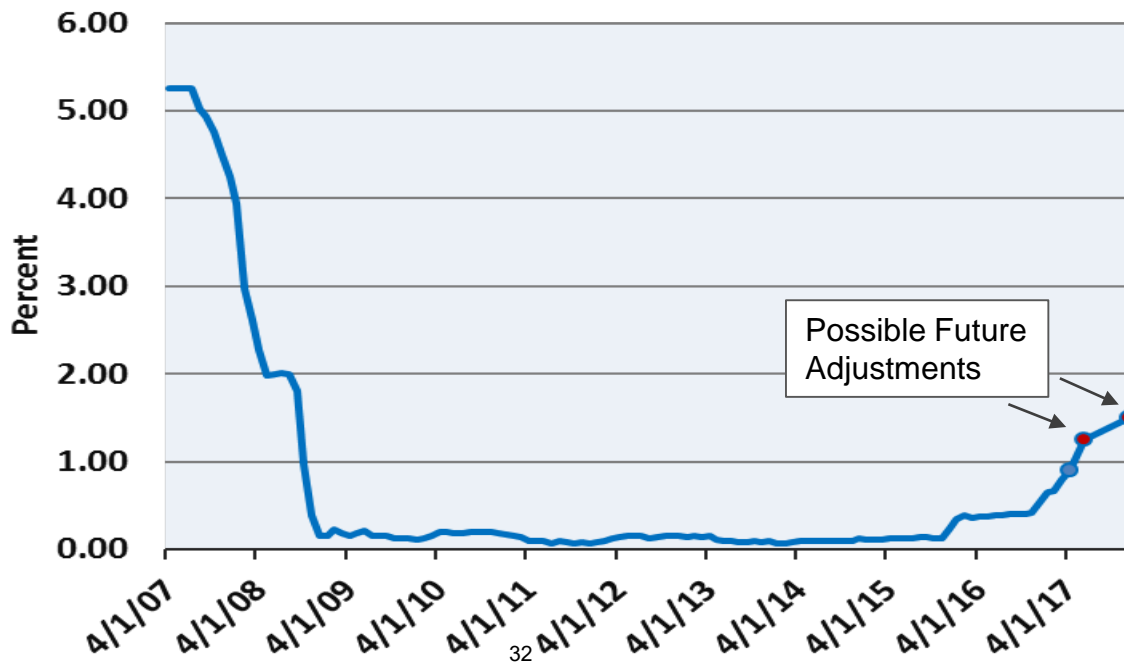




Federal Reserve rate adjustments



Effective Fed Funds Rate



Data Source: Board of Governors of the Federal Reserve System.



Forest products, nursery, rural housing



- Higher mortgage rates could stall housing starts, affordability, and values
- Rising labor & other costs
- Trade issues benefit forestry prices



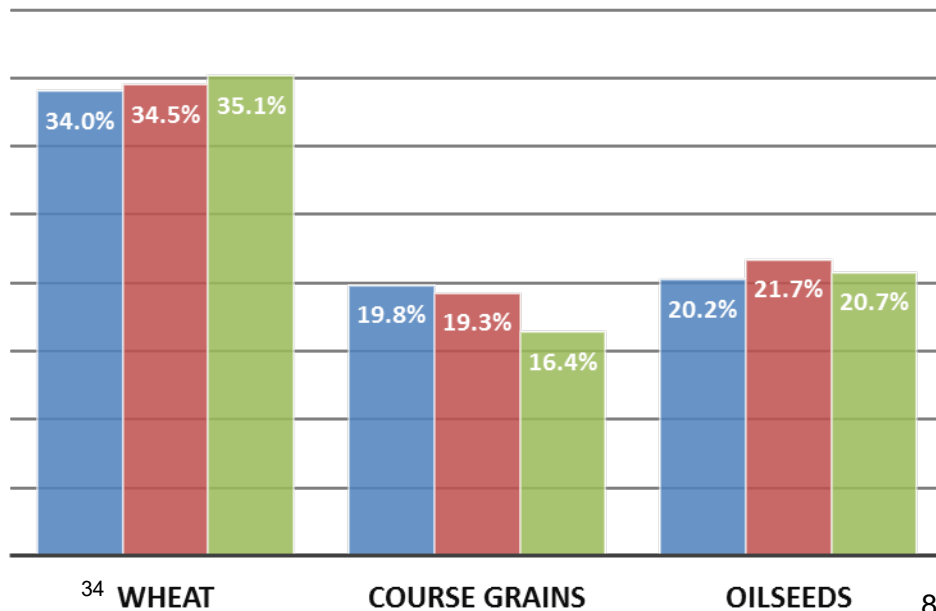
Outlook for major cash crops



- World supplies weigh on prices for grains and oilseeds

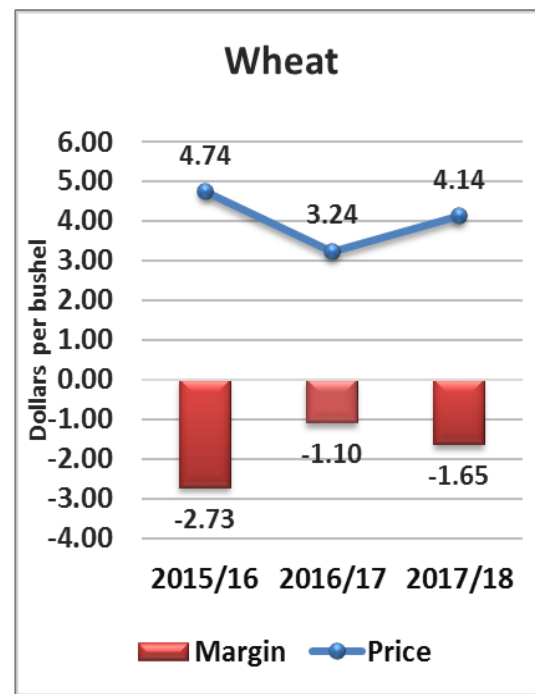
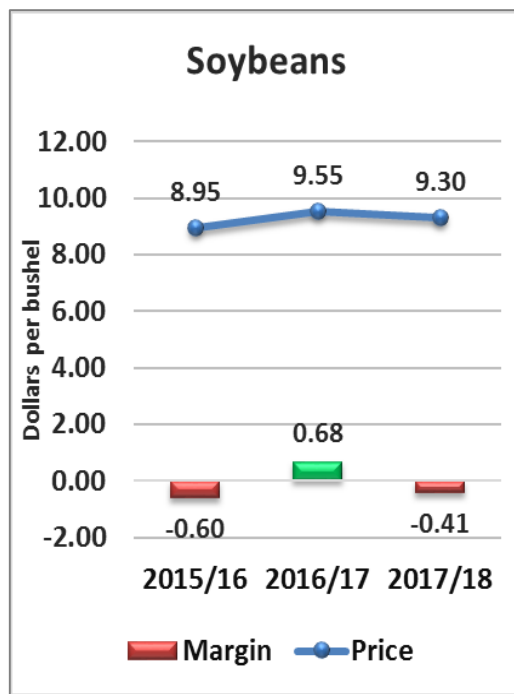
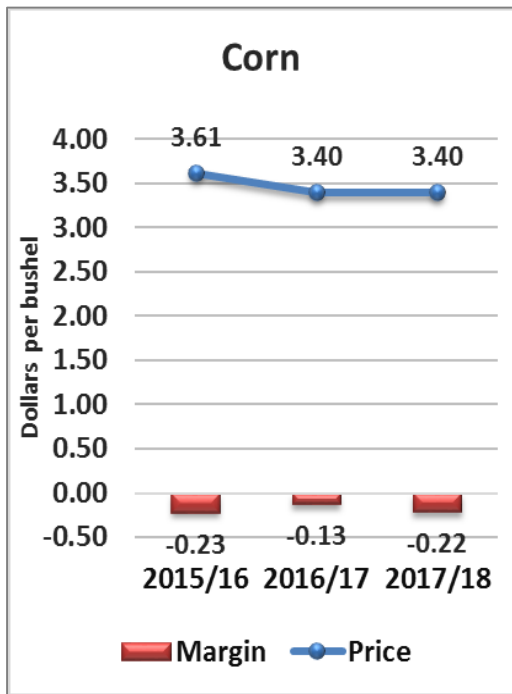
World Stocks-to-Use

■ 2015/16 ■ 2016/17 (Est.) ■ 2017/18 (Proj.)





Profits remain a challenge for major crops

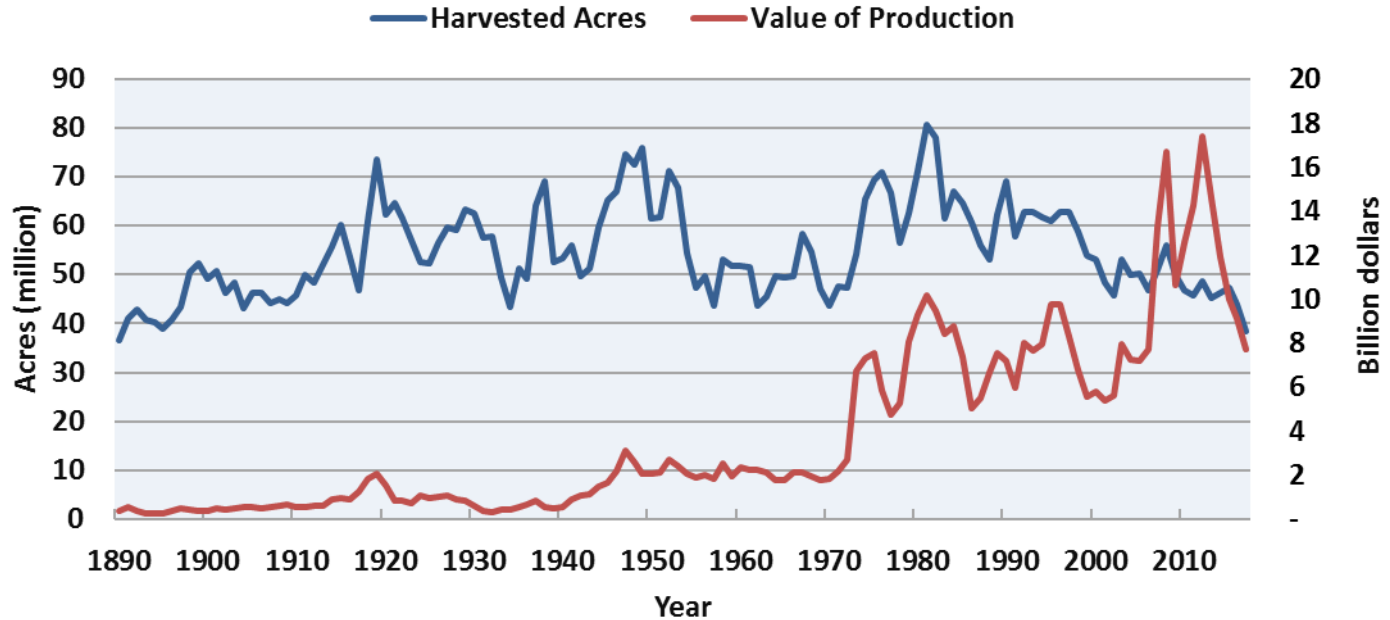




Wheat production declining

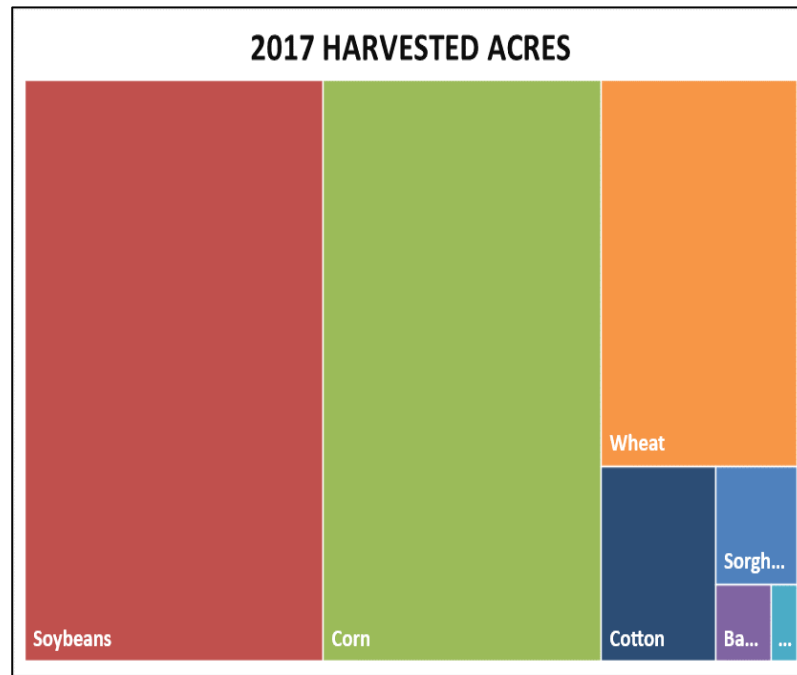
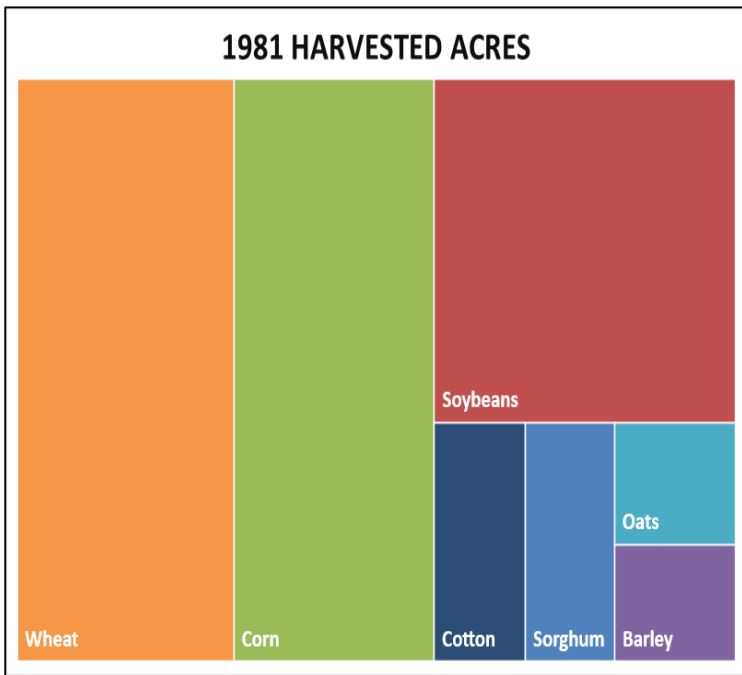


Harvested U.S. Wheat Acres and Value of Production





U.S. shift to corn and soybeans

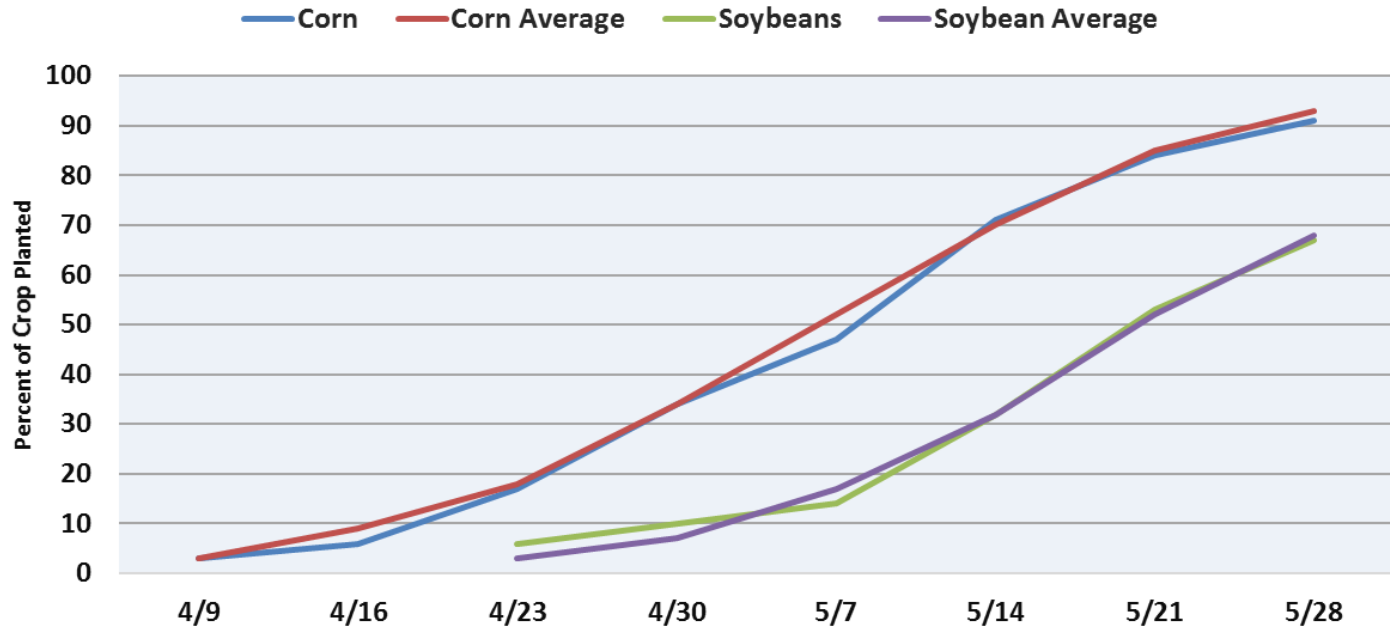




U.S. crop planting on time, but has had challenges



2017 Planting Progress





Summer conditions critical to crop size and price



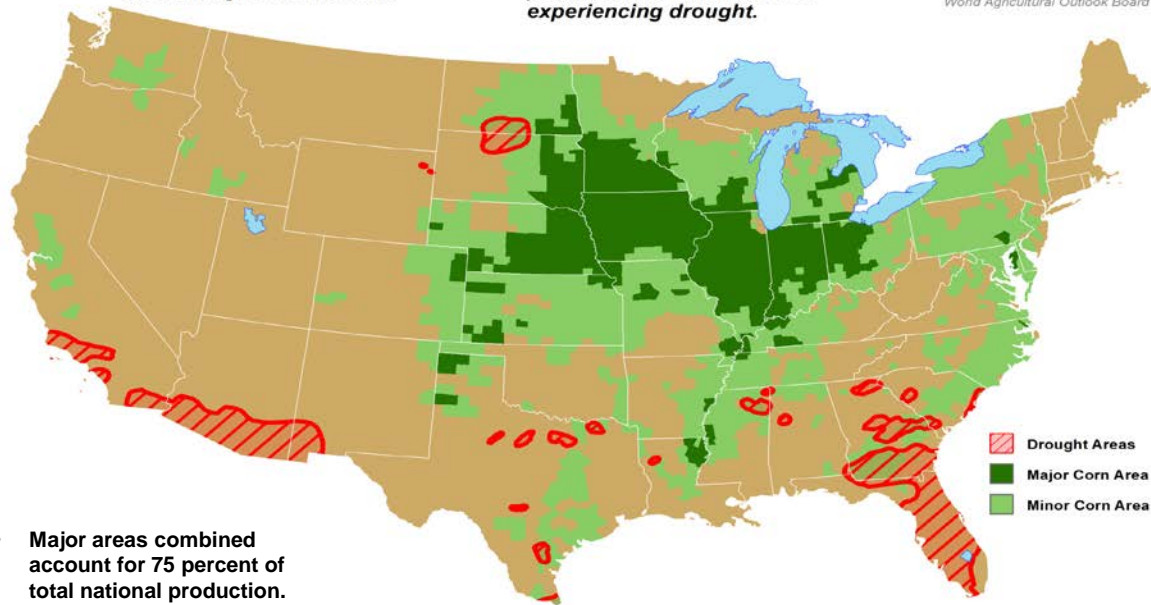
U.S. Corn Areas Experiencing Drought

Reflects May 23, 2017
U.S. Drought Monitor data

Approximately 1% of corn
production is within an area
experiencing drought.



This product was prepared by the
USDA Office of the Chief Economist
World Agricultural Outlook Board



- Major areas combined account for 75 percent of total national production.
- Major and minor areas combined account for 99% of total national production.

39



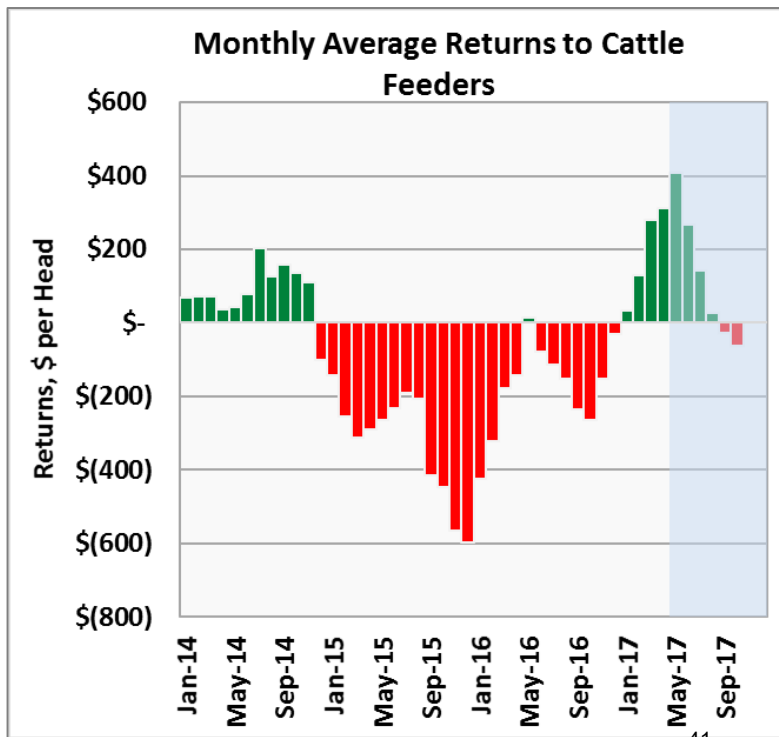
Protein sector outlook

- Dairy, hogs, broilers, and cattle feeders have a favorable profit outlook
- Favorable feed costs
- Trade developments

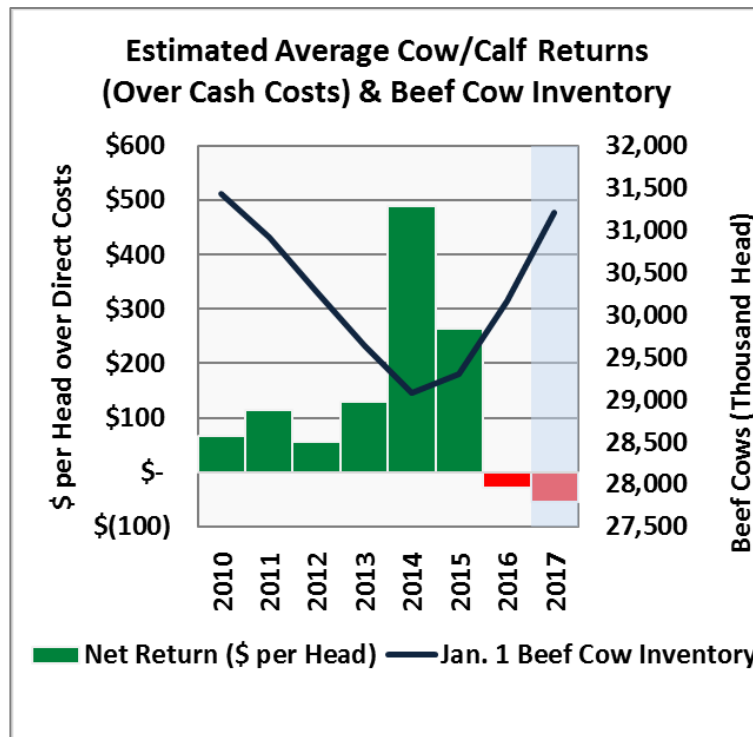




Cattle feeders banking profits



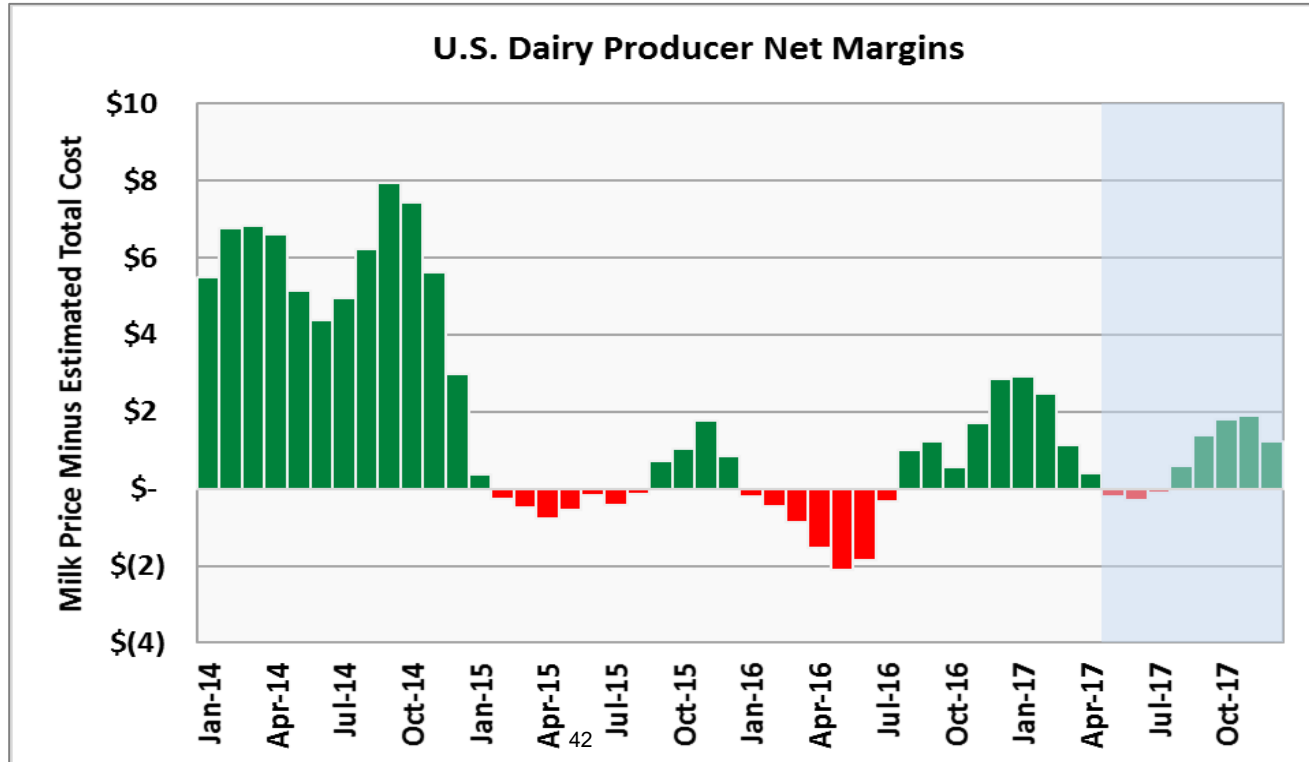
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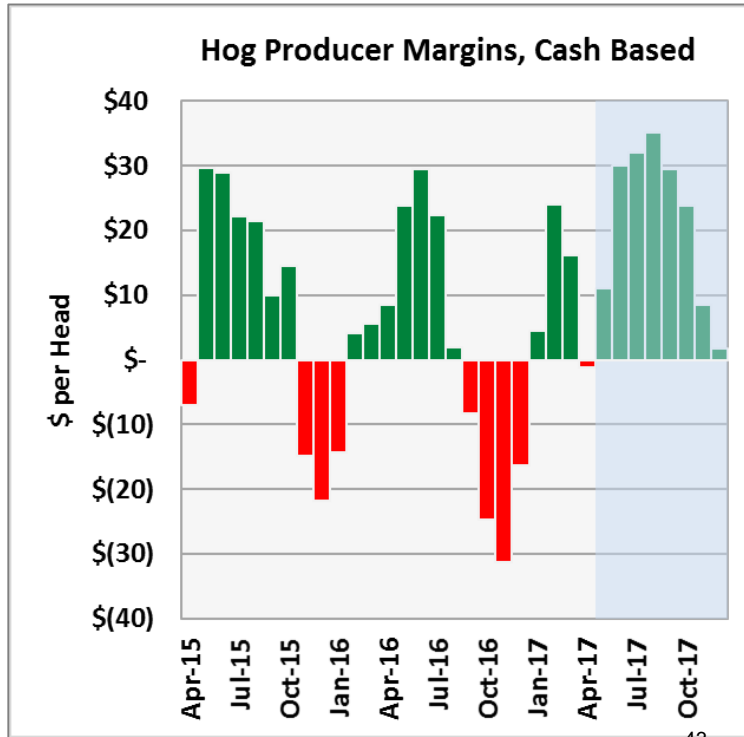
Dairy profits ahead....



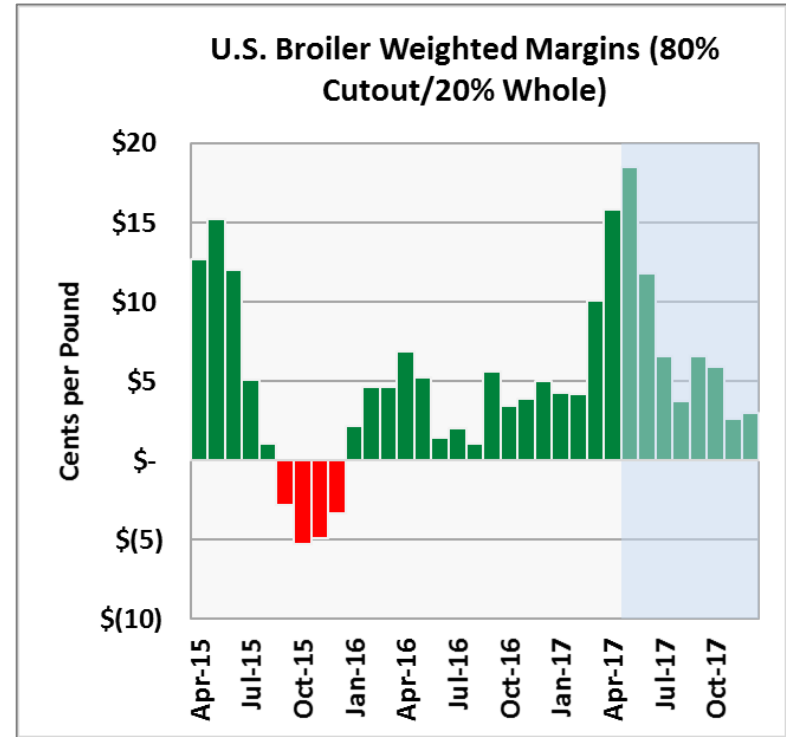
42



Hogs and broilers enjoy profits



43



17



Land markets mixed

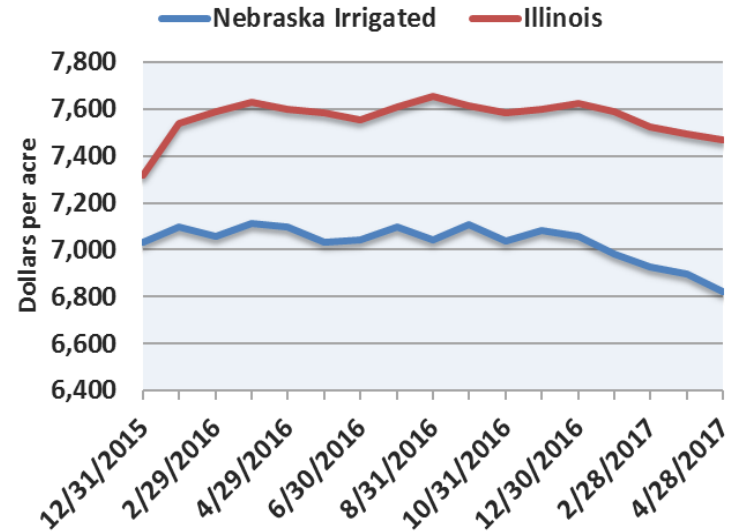


1st Quarter 2017 Bank Survey Results

Federal Reserve District	Percent change from one year ago
Chicago: Farmland	unchanged
Kansas City Cropland:	
Non-irrigated	-3.5
Irrigated	-7.6
Ranchland	-2.7

Sources: Chicago and Kansas City Federal Reserve Banks.

Recent Farmland Value Trends



Source: Peaksoil Indexes.



Looking ahead

- Summer weather
- Trade
- Economic progress



Questions



Farm Credit System Condition and Performance

as of
March 31, 2017

Hal Johnson
Sr. Financial Analyst
Office of Examination



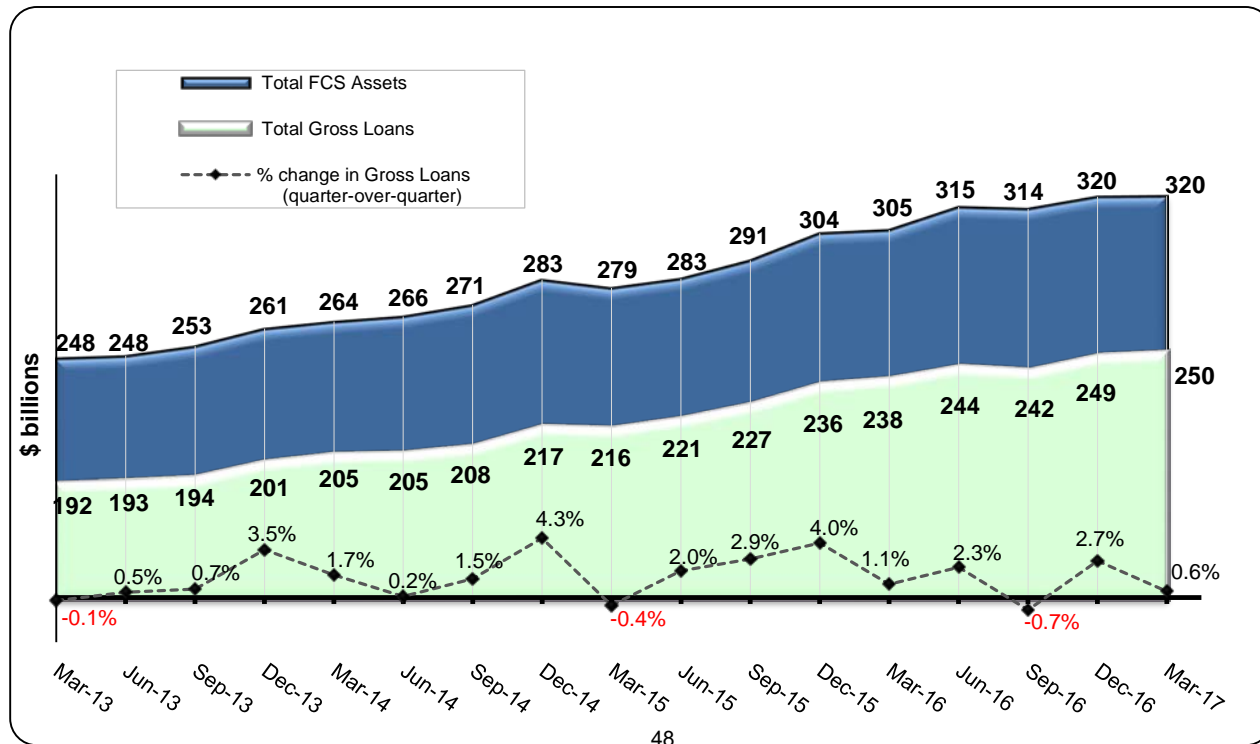
Topics

- System Growth
- Loan Portfolio
- Earnings
- Capital
- FIRS





1st quarter growth influenced by seasonal factors

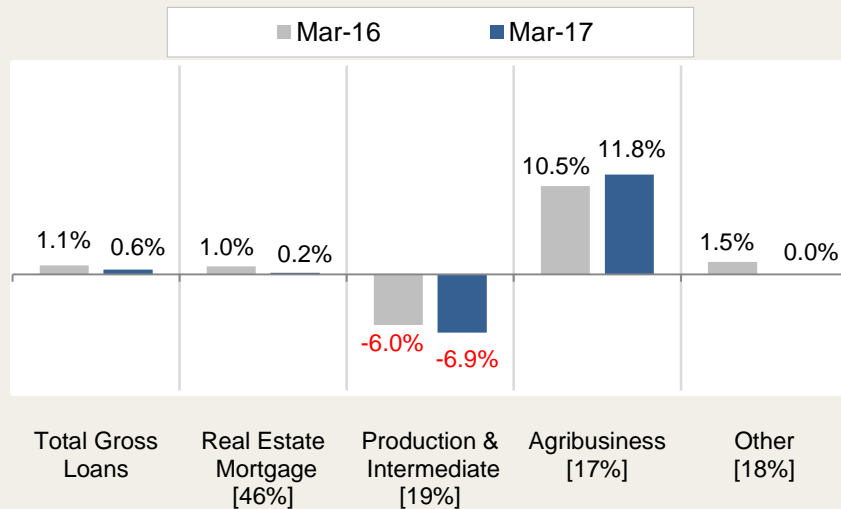




Little change in overall loan balances for the quarter



2017 Loan Growth by Loan Type
(% change quarter-over-quarter)



Loan Growth by District
(% change quarter-over-quarter)

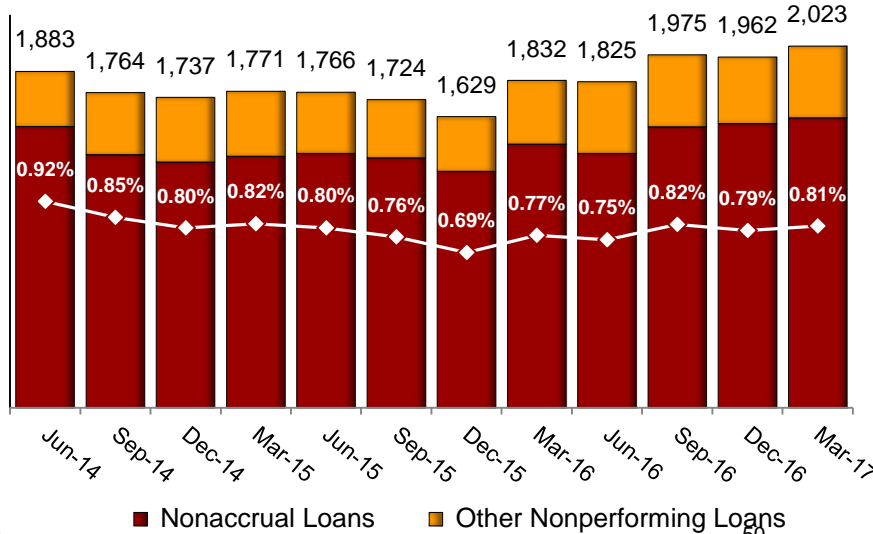
District	Q1-'15	Q1-'16	Q1-'17
AgFirst District (10%)	-1.0%	0.3%	0.0%
AgriBank District (39%)	-1.9%	0.3%	-0.7%
CoBank District (42%)	0.8%	2.0%	1.9%
Texas District (9%)	1.6%	2.3%	2.0%
Total FCS	-0.4%	1.1%	0.6%



Portfolio credit quality remains favorable; risk measures edge higher

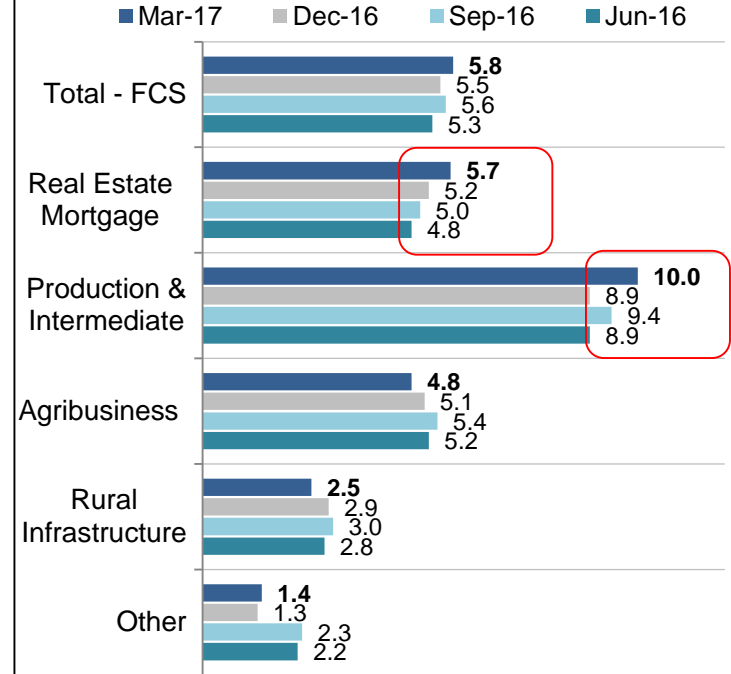


% of Nonperforming Loans-to-Total Loans (\$M)



Source: FCS Quarterly Information Statements

% of Loans Classified Less than Acceptable

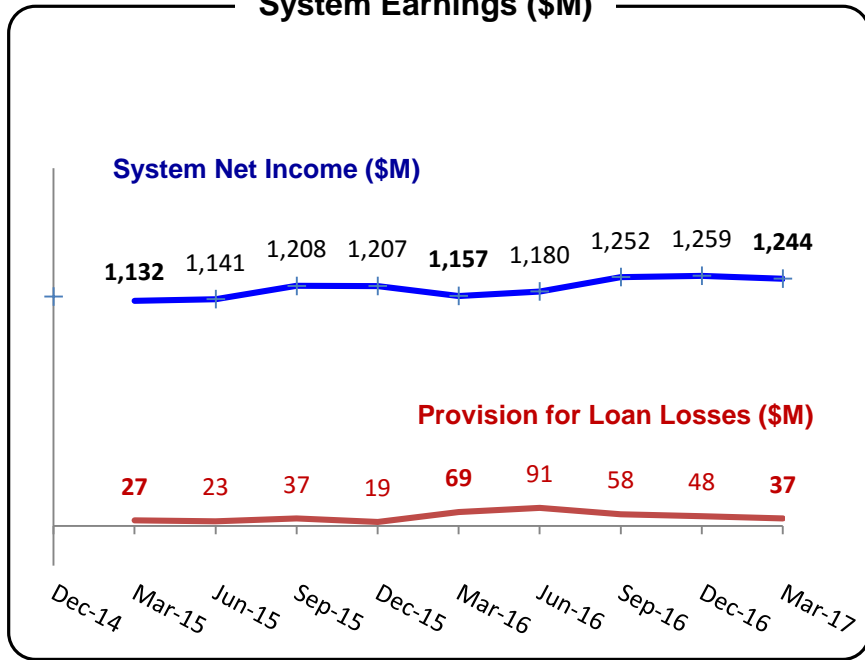




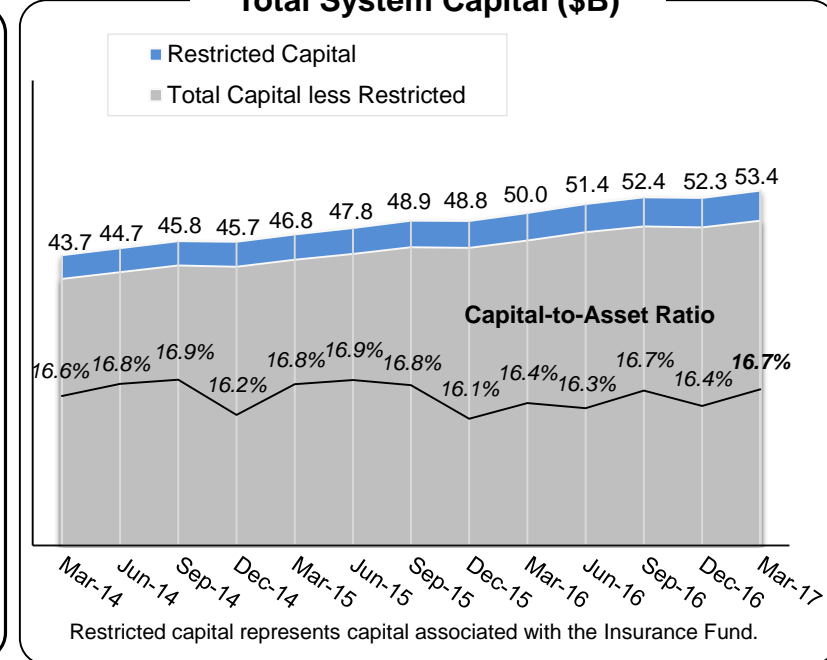
System reports solid 1st quarter financial results



System Earnings (\$M)



Total System Capital (\$B)





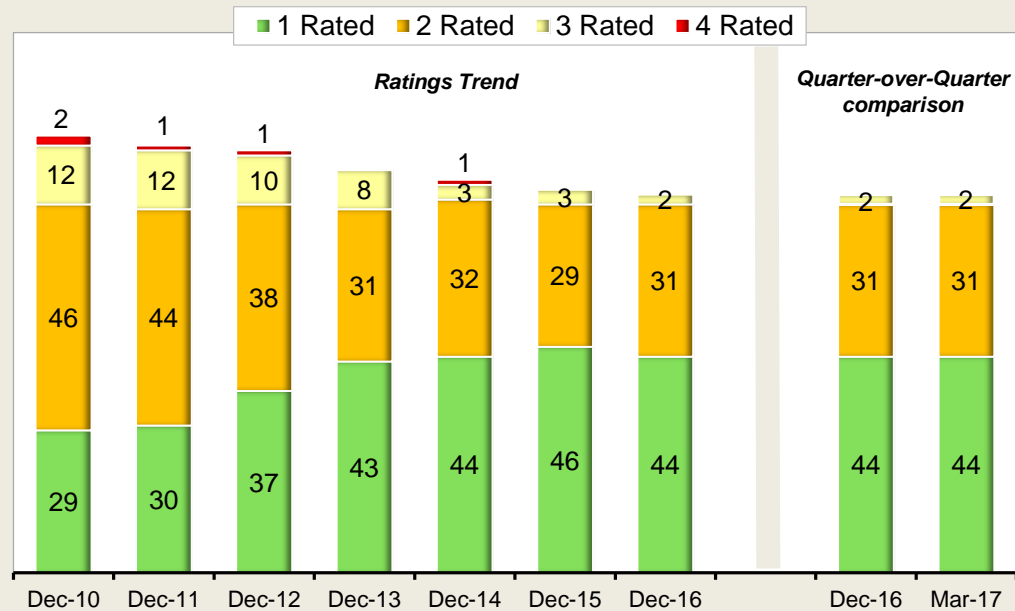
System FIRS ratings



FIRS Ratings

- Composite FIRS ratings reflect the System's solid financial performance and favorable portfolio credit quality
- Over 97% of System Banks and Associations have a Composite FIRS rating of 1 or 2
- 3 rated institutions account for less than 1.0% of total System assets

Composite FIRS Ratings - System Banks & Associations





Summary and final points

- Challenges for agriculture:
 - General economic factors – *rising interest rates, strength of the dollar, consumer and business debt levels*
 - Farm sector concerns – *persistent low grain prices, continued pressure on Midwest farmland values*
- The System is financially strong and well-capitalized
- Portfolio loan quality remains good, but rising credit risk continues to be a concern
- System institutions are well-positioned for the challenges facing agriculture and have significant risk-bearing capacity





Questions



THANK YOU



FCA Board Meeting

June 2017

Semi-Annual Report on Office of Examination Operations

June 8, 2017

Hal Johnson
Office of Examination

Exhibit F





Highlights of OE Operations

- Operating Plan Objectives
- OE Budget Performance Results
- Staffing Update
- Summary





2017 Operating Plan Objectives

➤ Risk Supervision & Examination Activities

- Onsite at 43 associations (59%), all funding banks, 4 other System entities, and Farmer Mac
- Issued 31 Reports of Examination and 13 Interim Activity Letters
- Issued: 2016 Compliance Horizontal Exam Activity (HEA) results, 2016 Cybersecurity HEA results, 2016 Shared Assets Report, and; 2016 Loan Underwriting Standards Report
- 3 institutions are under a higher level of supervisory oversight





2017 Operating Plan Objectives

➤ Risk Supervision & Examination Initiatives

- New Capital Regulations became effective January 1, 2017
 - ✓ Issued IM on Implementation of Tier 1/Tier 2 Capital Framework with new FIRS benchmarks (November 10, 2016)
 - ✓ Updated Examination Manual sections and associated workpapers for Capital, Financial & Shareholder Reporting, Business Strategy & Planning, and FIRS
 - ✓ Issued Examiner Talking Points and provided JIT training
 - ✓ Workgroup established to review/validate System capital ratio calculations
- Internal Controls - developing guidance on lending and loan servicing controls





2017 Operating Plan Objectives

➤ Risk Supervision & Examination Initiatives (cont.)

- Credit and collateral risk
 - ✓ Issued Examiner Talking Points on collateral risk
 - ✓ Analyzing systemic credit and collateral risk
 - ✓ Issued Memorandum to FCS on Attributed Customer Exposures (May 10, 2017)
- Other Informational Memorandums issued:
 - ✓ The Military Lending Act (February 6, 2017)
 - ✓ CFPB's Mortgage Servicing Rule (April 17, 2017)
- Other Examination Manual modules
 - ✓ Information Technology & Security
 - ✓ Affirmative Action Program Plan





2017 Operating Plan Objectives

➤ **Public Mission as GSE**

- Assessing systemic risk related to out-of-territory lending
- Updating Examination Manual module on YBS

➤ **Human Capital**

- Integrating Job Analysis results into Commissioning Program
- Revising Career Path Directive 52
- Supporting Agency human capital goal

➤ **Operational Efficiency & Effectiveness**

- Continued focus on developing and leveraging available technology (e.g., Loan Database, EDGe, and risk project tools)⁶

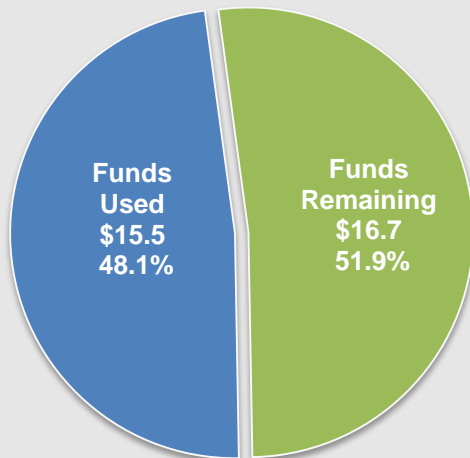




OE Budget Results (Fiscal YTD thru 3/31/17)



FY 2017 OE Budget - \$32.2M



Fiscal Year 2017

Travel: YTD through March ⁽¹⁾

◆ Actual travel expense as a % of Budget	34%
◆ Actual travel days as a % of Budget	36%

FTEs

◆ Projected Full Year FTE's	176.9
◆ Budgeted Full Year FTE's	177.8

Budget Variance (0.9)

(1) - Actual travel in the 1st half of fiscal year 2017 was notably lower than in previous years due to limitations on travel imposed by budget restrictions.



Staffing Update



Total OE Staff	Planned	Projected	Variance
Beginning FY 2017	178	177	(1)
Attrition / Retirements ⁽¹⁾	(19)	(19)	0
Hirings	19	10	(9)
Ending FY 2017	178	168	(10)

(1) There have been 13 staff attritions/retirements fiscal year-to-date through May 31, 2017

Commissioned Examiners	Planned	Projected	Variance
Beginning FY 2017	90	90	0
Attrition / Retirements	(8)	(11)	(3)
Hirings	0	0	0
Newly Commissioned	8	4	(4)
Ending FY 2017	62 90	83	(7)



Summary

- Continued emphasis on risk-based oversight and examination while maintaining a strong onsite supervision presence.
- Commissioning and developing staff remains a priority
- On target to achieve 2017 Operating Plan objectives
- Committed to accomplishing Operating Plan objectives within budget parameters





Discussion



THANK YOU

