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MSRB FY 2023 Budget Advances Strategic Plan Goals.

Washington, DC – The Municipal Securities Rulemaking Board (MSRB) today published its annual budget to report on the allocation of resources to advance its [FY 2022-2025 Strategic Plan](#). The budget provides transparency on plans to support the Board’s goals for modernizing market regulation, enhancing the Electronic Municipal Market Access (EMMA®) website as the municipal bond market’s transparency system, improving the quality of market data, and upholding public trust in the market that enables economic and social progress and access to capital for tens of thousands of communities.

“As the self-regulatory organization (SRO) for the \$4 trillion U.S. municipal securities market, we understand that fiscal transparency and accountability are critical to earning and maintaining public trust,” said MSRB Chair Meredith Hathorn and MSRB CEO Mark Kim in a letter to stakeholders. “The Board has approved the MSRB’s budget for the new fiscal year beginning on October 1, 2022 to advance our priorities in support of the Strategic Plan we adopted last year with extensive input from our diverse stakeholders.”

The MSRB’s FY 2023 Budget projects revenue of approximately \$45 million balanced against \$45 million of expenses. This year’s budget incorporates a [new fee setting process](#), which became operative on October 1, 2022. It is intended to ensure that the MSRB establishes a sustainable financial model that more closely aligns revenue with expenses and better maintains organizational reserves at target levels. Last year, the MSRB operated at a substantial deficit in line with its stated objective to spend down excess reserves built up over prior years. For the FY 2023 budget, the Board has held expenses to a relatively modest 4.9% increase despite historically high inflation.

“Importantly, the budget reflects our continued efforts to manage reserves and expenses in a manner that responsibly funds the important work of the MSRB to protect and strengthen our market and uphold the public interest,” wrote Hathorn and Kim.

Modernizing Market Regulation

As market practices continually evolve, the MSRB is adapting and modernizing its rules to ensure they continue to promote fairness and efficiency in the municipal securities market. A major emphasis for the MSRB in FY 2023 will be a coordinated review with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA) of fixed income market structure. This coordinated initiative includes the recently issued Request for Comment on MSRB Rule G-14 to shorten the time of trade reporting requirement to one minute, as well as ongoing efforts to examine the potential collection of pre-trade data in the fixed income markets. The MSRB will continue to identify opportunities to streamline and update its rules and interpretive guidance to best achieve their intended purpose to protect investors, issuers and the public interest.

Providing Transparency Through Technology

The MSRB continues to invest in its multi-year strategy with planned enhancements to its flagship EMMA website. The MSRB is focused on making the market’s transparency and disclosure system

easier to navigate and more intuitive to use, while continuing to deliver new features users have requested, such as actionable alerts to help monitor portfolios of securities and tools for streamlining issuers' continuing disclosures. The MSRB has also launched its redesigned website as a resource for issuers, investors, regulated entities and the general public.

Improving the Quality of Market Data

In the coming year, the MSRB plans to leverage its investments in technology to migrate market data into the cloud and to develop analytic tools and services to enhance the quality, accessibility and security of market data for all market participants. This includes exploring opportunities to support the market's use of structured data by leveraging EMMA Labs, the MSRB's innovation sandbox, to advance the transparency, quality and comparability of data in the municipal securities market.

Upholding the Public Trust

Hathorn and Kim noted the MSRB's new approach to fee setting that will annually adjust fee rates to account for prior year results and thus ensure the organization has sufficient annual revenue to fund operations while allowing it to more effectively and efficiently manage reserve levels as it delivers on its multi-year strategic plan. "Our promise to uphold the public trust also means that we are committed to prudent stewardship of the revenue we receive principally from regulated entities," they stated in their letter. The MSRB Chair and CEO also highlighted efforts with fellow regulators to engage with a wide range of stakeholders to understand evolving market trends, best practices and challenges in this large and diverse market. "We are expanding our touchpoints with minority-, women- and veteran-owned enterprises to understand their unique challenges and the opportunities to enhance the market's efficiency, fairness and access to capital," wrote Hathorn and Kim.

Board of Directors Update

Natasha A. Holiday, Managing Director, RBC Capital Markets, has joined the Board as bank representative, replacing Patrick O. Haskell, who withdrew from the incoming class of four new Board members for FY 2023.

As head of the New York City office and Operating Committee member for RBC Capital Markets' public finance group, Holiday structures debt and sells bonds in the public markets to raise capital on behalf of large city and state governments. Previously, Holiday served as senior managing consultant for Public Financial Management (PFM) and Vice President for financial advisor Scott Balice Strategies (acquired by PFM), having begun her public finance career at Goldman Sachs & Co. Holiday earned her Master of Public Policy from Harvard Kennedy School of Government and a BA in History/BS in Political Science from Xavier University.

MSRB Leadership Update

Effective with the start of the new fiscal year on October 1, Chief Regulatory Officer Gail Marshall has transitioned to the role of Senior Advisor to the CEO and Saliha Olgun, Deputy Chief, Market Regulation, has been named Interim Chief Regulatory Officer.

[Read the FY 2023 Budget.](#)

Date: October 04, 2022

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