





BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20561

DATE: January 27, 2016
TO: Board of Governors
VIA: Governor Jerome Powell 
FROM: Don Hammond, Chief Operating Officer 
SUBJECT: 2016 Board Operating and Capital Budgets¹

Action Requested

Staff² recommends that the Board approve the following:

1. A \$709.5 million operating budget for 2016, which includes an increase of 89 authorized positions;
2. A \$9.0 million single-cycle capital budget for 2016; and
3. A net increase of \$31.0 million in the multi-cycle capital budget.

Summary

This is the first budget request since the Board approved the 2016-19 Strategic Plan in July 2015. The new plan identifies six overarching pillars³ for the Board to address over the four-year planning horizon. Recognizing the fiscal reality in which the Board operates, the strategic plan includes a key pillar related to project management and resource allocation, which seeks to align resources to support current and emerging programs to accomplish the Board's mission.

The 2016 budget request is grounded in the principles established by the strategic plan. As shown in Figure 1, the operating budget represents a 12.7 percent increase over the 2015 budget. Excluding the expenses associated with the Survey of Consumer Finances, which occurs every three years, and centrally-managed benefits (e.g., post-retirement benefits), which grew significantly due to changes in actuarial and demographic assumptions, the Board's budget request

¹ The requests in this memorandum do not include the costs related to the budget of the Office of Inspector General (OIG). The OIG's budget is submitted separately from the Board's budget, consistent with the independence of that office.

² Bill Mitchell, Steve Bernard, Karen Vassallo, William Futrell, Kevin Brooks, Troy Dibley, and other Financial Planning & Analysis staff co-authored this memo.

³ The six pillars in the strategic plan are: project development and resource allocation, workforce, physical infrastructure, technology, data, and public engagement and accountability, and can be located at: <http://www.federalreserve.gov/publications/gpra/files/2016-2019-gpra-strategic-plan.pdf>.

is 10.1 percent higher. The single-cycle capital budget of \$9.0 million, which includes routine equipment purchases and lifecycle replacements and ongoing technology and automation projects, represents a 19.4 percent decrease over 2015. The multi-cycle capital budget of \$468.5 million represents a \$31.0 million or 7.1 percent increase over 2015 and includes new funding for various multi-cycle technology and automation projects and build out for additional leased space. The following sections provide additional information on each budget request.

Figure 1. Summary of 2016 Budget Components

Components	Millions of dollars		Variance	
	2015 Budget	2016 Budget	Amount	Percent
Operating Budget	629.3	709.5	80.2	12.7%
Single Cycle Capital	11.1	9.0	(2.2)	-19.4%
Multi-Cycle Capital	437.5	468.5	31.0	7.1%

Operating Budget

The Board’s total 2016 budget request is \$709.5 million, which is in line with guidance established by the Committee on Board Affairs. Excluding the tri-annual consumer survey and centrally-managed benefits costs, the request is \$680.7 million, which represents 10.1 percent growth over the 2015 original budget and 9.2 percent growth over the 2015 forecast. The budget request includes 89 new authorized positions. Figures 2 and 3 show operating and position budgets by functional area⁴, and Appendices 1 and 2 show operating and position budgets by division. Appendix 3 shows operating budgets by account.

Figure 2. Board 2016 Operating Budget by Functional Area

Division	2015		Variance		2016 Budget	Variance		Variance	
	Budget	Forecast	2015B To 2015F	Amount Percent		2015F To 2016B	Amount Percent	2015B To 2016B	Amount Percent
Monetary Policy	\$ 136.2	\$ 136.7	\$ 0.5	0.4%	\$ 151.2	\$ 14.5	10.6%	\$ 15.0	11.0%
Supervision	149.6	154.8	5.1	3.4%	171.4	16.6	10.7%	21.7	14.5%
Reserve Bank Oversight	39.5	40.9	1.3	3.4%	41.2	0.3	0.7%	1.6	4.1%
Support	292.9	291.1	(1.8)	-0.6%	316.9	25.8	8.8%	24.0	8.2%
Total w/o Survey, Central Benefits	618.3	\$ 623.5	\$ 5.2	0.8%	\$ 680.7	\$ 57.1	9.2%	\$ 62.3	10.1%
Survey of Consumer Finances	1.2	1.2	-	0.0%	14.8	13.6	1134.8%	13.6	1134.8%
Centrally-managed benefits	9.8	13.9	4.1	41.8%	14.1	0.2	1.4%	4.3	43.8%
Grand Total	629.3	\$ 638.6	\$ 9.3	1.5%	\$ 709.5	\$ 71.0	11.1%	\$ 80.2	12.7%

Note: Components may not sum to totals and may not yield percentages shown because of rounding.

Total budget growth includes \$655.3 million for the fundamental “run rate” of the Board’s ongoing operating expenses, costs related to the tri-annual Survey of Consumer Finances and centrally-managed benefits of \$28.9 million, as well as new initiatives totaling \$25.4 million. (Appendix 4 contains a list of new initiatives included in this budget request.) Increases in personnel expenses

⁴ For purposes of presentation, the Board’s divisions have been grouped into one of four functional areas: monetary policy (R&S, IF, MA, OFS), supervision (BS&R, C&CA), Reserve Bank oversight (RBOPS), and support (BDM, OSEC, Legal, COO, DFM, IT, IT Income, MGT, OTHER).

reflect the full-year impact of the positions added in 2015; other salary adjustments, such as promotions, completed during 2015; funding for the 2016 merit and variable pay programs; and increases of 1.0 percent of salary liability for promotions and 0.9 percent of salary liability for equity adjustments. Total personnel costs also include funding for the 89 new positions requested by the divisions as well as for centrally-managed benefits expenses. Increases in goods and services include higher costs for the Board's data needs, additional lease space to accommodate position growth, depreciation expenses associated with completed capital projects, and costs associated with the tri-annual Survey of Consumer Finances. The budget request also includes costs for new technology and data initiatives as well as infrastructure upgrades.

Figure 3. Positions by Functional Area

	2015 Budget	2015 Final	Variance 2015B To 2015F		2016 Budget	Variance 2015F To 2016B		Variance 2015B To 2016B	
			Amount	Percent		Amount	Percent	Amount	Percent
Monetary Policy	692	692	-	0.0%	715	23	3.3%	23	3.3%
Supervision ¹	548	566	18	3.3%	609	43	7.6%	61	11.1%
Reserve Bank Oversight	170	171	1	0.6%	176	5	2.9%	6	3.5%
Support	1,263	1,271	8	0.6%	1,289	18	1.4%	26	2.1%
Grand Total	2,673	2,700	27	1.0%	2,789	89	3.3%	116	4.3%

1. Includes four positions from the National Performance Measurement Program Office (PMPO) in the Federal Reserve Banks. While the functions are transferring from Banks to the Board, there is no net increase to the Federal Reserve System. In addition, includes five positions that transition workload requirements and funding from contractors to full-time staff.

The sections below highlight, by functional area, the primary drivers of budget growth.

Monetary Policy

The \$151.2 million budget request for the Monetary Policy function represents an increase of \$15.0 million or 11.0 percent over the 2015 budget. The increase represents base budget growth of \$10.2 million and new initiatives of \$4.8 million, including costs for 23 new positions. New initiatives include:

- Research and Statistics: 2 new positions to replace staff on detail to other divisions and additional funding to meet data needs.
- International Finance: 2 new positions to support an increased workload and funding for the replacement of its trading forecast software.
- Monetary Affairs: 11 new positions to create two new sections for monetary analysis and information technology, and to support increased workload.
- Office of Financial Stability: 8 new positions to create a new section to enhance the analysis of systemic risk in financial institutions.

Supervision

The Supervision function's budget request is \$171.4 million, which represents an increase of \$21.7 million or 14.5 percent over the 2015 budget. Supervision's base budget growth accounts for \$10.1 million of the increase, while new initiatives total \$11.6 million, including costs for 43 new positions. New initiatives include:

- Bank Supervision and Regulation (BS&R): 30 new positions to expand supervision of large institutions, quantitative risk management, data governance and risk surveillance, and supervisory oversight. The new positions include transferring 4 positions from a Reserve Bank and creating 5 positions to transition IT workload requirements from contractors to full-time staff. BS&R also requests \$3.8 million in data and technology initiatives.
- Consumer and Community Affairs (C&CA): 13 new positions to support fair lending and unfair and deceptive act and practices cases, merger and acquisition cases, the creation of the Community Advisory Council, and reviews of major regulations and supervisory policies. C&CA's budget request also includes funding for several technology initiatives.

Reserve Bank Oversight

The Division of Reserve Bank Operations and Payment Systems' (RBOPS) budget request is \$41.2 million, which represents an increase of \$1.6 million or 4.1 percent compared to the division's 2015 budget. RBOPS's base budget growth accounts for \$1.0 million of the increase. New initiatives total \$0.7 million, including costs for 5 new positions to support the expanding workload related to supervising designated Financial Market Utilities (FMUs).

Support

The Support function's budget request is \$316.9 million, which represents an increase of \$24.0 million or 8.2 percent over the 2015 original budget. Support's base budget growth accounts for \$15.7 million of the increase. New initiatives total \$8.3 million, including costs for 18 new positions. New initiatives include:

- Legal: 8 new positions to support the demand in enforcement and litigation cases and banking regulation and policy requirements. Legal also requests funding for additional travel expenses for expert witness and trial contractor services.
- Office of the Chief Operating Officer: 6 new positions and funding for technology projects to support the Board's enterprise data strategy.
- Information Technology: 3 new positions to support the demand from other divisions, funding for an innovation lab, and increases in contractual professional services, telecommunications, and maintenance to meet customer requirements.
- Management Division: Funding for additional lease space to support Boardwide position growth, digital signage, and the development of an insider threat program.

- Board Members: 1 new position to ensure secure and effective release of information to the public.
- Other: Funding to support the development of an Enterprise Risk Management program.

The 2016 budget request also includes \$14.8 million for the Survey of Consumer Finances, which collects information about family incomes, net worth, balance sheet components, credit use, and other financial outcomes, and is conducted every three years. In addition, the budget request includes \$14.1 million primarily related to pension expenses, which increased due to actuarial and demographic changes.

Capital Budget

The Board's capital budget consists of single-cycle and multi-cycle components. Single-cycle capital projects, such as hardware purchases and software upgrades, are planned for completion within the current budget cycle, while multi-cycle capital projects, such as building renovations and long-term automation projects, span several budget cycles.

Single-Cycle Capital

The Board's 2016 single-cycle capital budget request is \$9.0 million, which represents a decrease of \$2.2 million over the 2015 single-cycle capital budget. The budget provides funding of \$5.5 million for routine equipment purchases and lifecycle replacements, as well as new initiatives of \$3.5 million for technology and automation projects, such as network infrastructure upgrades and a closed-circuit television system replacement.

Multi-Cycle Capital

The budget request includes a net increase of \$31.0 million in the Board's multi-cycle capital budget, bringing the total budget to \$468.5 million. Figure 4 summarizes the projects included in the Board's multi-cycle capital budget. The proposed budget is largely a continuation of projects already in progress, including the Martin Building renovation and upgrades to the Eccles Building, the amounts for which are unchanged. Initiatives for the 2016 budget cycle include information technology projects supporting the statistics function, enhancing data analytical capabilities in BS&R, automation projects supporting the Board's data strategy, and the build out of additional leased space to accommodate position growth. Now that migration to the new data center is complete, staff will review the total project costs incurred and determine how best to reflect the ongoing operational aspect of the project. In addition, the New York Avenue (NYA) Building reconfiguration project is expected to be completed in the first quarter of 2016 within budget. As figure 4 shows, two projects were completed in 2015 and the amounts for these projects have been removed from the budget.

Figure 4. Multi-Cycle Capital Budget

Millions of dollars	Current Project Life Budget	Project Closures	Initiatives	New Project Life Budget	Variance
Project					
Martin building renovation	244.0			244.0	
Data center relocation	83.4			83.4	
NYA reconfiguration	26.2			26.2	
International Square leased space build out	19.6		20.0	39.6	20.0
Eccles mechanical/infrastructure upgrades	9.0			9.0	
Eccles/NYA fire alarm system upgrade	5.2			5.2	
Eccles switchgear replacement	8.9			8.9	
Martin data center renovation ¹	7.0	(7.0)		-	(7.0)
Eccles window upgrade ¹	5.3	(5.3)		-	(5.3)
C Street barriers	1.5			1.5	
Eccles IT closets	0.5			0.5	
RWRS conference room modernization	0.4			0.4	
C-SCAPE	11.8			11.8	
HR strategic automation	4.7			4.7	
CDO platforms	4.0			4.0	
Wholesale data mart (WDM)/RAMP	3.2		1.8	5.0	1.8
e-Discovery	2.3			2.3	
Procurement software	0.3			0.3	
S&R IT advanced data analytics			1.9	1.9	1.9
Statistics function support (ICAP) ²			4.6	4.6	4.6
NYA emergency generator			1.2	1.2	1.2
Security tool implementation			0.7	0.7	0.7
Data governance and quality			1.4	1.4	1.4
Data access and integration			10.0	10.0	10.0
Data discovery and collaboration			1.8	1.8	1.8
Grand Total	\$ 437.5	\$ (12.4)	\$ 43.3	\$ 468.5	\$ 31.0

Note: Components may not sum to totals and may not yield percentages shown because of rounding. Acronyms: Richmond West Relocation Site (RWRS). Consolidated Supervision Comparative Analysis, Planning, and Execution (C-SCAPE). Human Resources (HR). Chief Data Officer (CDO). Resource Assignment Management Processes (RAMP). Supervision & Regulation (S&R). Information Collection and Processing (ICAP).

1. These projects have been completed. Therefore, the budgets will be retired with the approval of the 2016 budget.

2. This project was initiated in 2015 as a single cycle project.

2016 Budget Considerations

The 2016 operating budget is built on the initial steps taken in 2014 and 2015 to better align budget requests with historic hiring rates and spending patterns, while funding the Board's highest priority needs. Meeting the CBA's 10 percent growth target required all divisions to make difficult choices and prioritize their greatest needs for 2016. During the budget process, many divisions noted the potential impact that reducing their budget requests would have on meeting workload requirements, and the Division of Financial Management will closely monitor budget execution throughout the year and provide more detailed forecast information to the divisions in an effort to identify and more quickly mitigate potential budget overruns.

Several divisions have indicated they will need additional staff in the coming years beyond the positions approved in the 2016 budget. Continued increases in staffing will impact support functions and place additional demands on available office space. Developing a facilities master plan, as outlined in the new strategic plan, will be critical to meeting future space requirements. The Martin Building renovation will continue to be an area of focus, from both a budget and project management perspective, given the size, complexity, and strategic importance of the project. Other budget risks stem from uncertainty about the rising expenses associated with the Board's data needs and the infrastructure necessary to support effective data management.

APPENDICES

Appendix 1. Board 2016 Operating Budget by Division Grouped by Functional Area

Millions of dollars									
Division	2015 Budget	2015 Forecast	Variance 2015B To 2015F		2016 Budget	Variance 2015F To 2016B		Variance 2015B To 2016B	
			Amount	Percent		Amount	Percent	Amount	Percent
Monetary Policy	\$ 136.2	\$ 136.7	\$ 0.5	0.4%	\$ 151.2	\$ 14.5	10.6%	\$ 15.0	11.0%
Research & Statistics (R&S)	66.1	66.4	0.3	0.4%	72.4	6.1	9.1%	6.4	9.6%
International Finance (IF)	28.5	28.1	(0.4)	-1.4%	31.3	3.2	11.4%	2.8	9.9%
Monetary Affairs (MA)	34.0	34.1	0.1	0.2%	37.9	3.9	11.3%	3.9	11.6%
Financial Stability Policy & Research (OFS)	7.6	8.1	0.5	6.6%	9.5	1.3	16.6%	1.9	24.3%
Supervision	149.6	154.8	5.1	3.4%	171.4	16.6	10.7%	21.7	14.5%
Banking Supervision & Regulation (BS&R)	122.4	127.5	5.1	4.2%	139.6	12.1	9.5%	17.2	14.0%
Consumer & Community Affairs (C&CA)	27.2	27.3	0.1	0.2%	31.8	4.5	16.6%	4.6	16.8%
Reserve Bank Oversight	39.5	40.9	1.3	3.4%	41.2	0.3	0.7%	1.6	4.1%
Reserve Bank Operations & Payment Systems (RBOPS)	39.5	40.9	1.3	3.4%	41.2	0.3	0.7%	1.6	4.1%
Support	292.9	291.1	(1.8)	-0.6%	316.9	25.8	8.8%	24.0	8.2%
Board Members (BDM)	27.3	26.5	(0.9)	-3.2%	27.9	1.5	5.6%	0.6	2.2%
Office of the Secretary (OSEC)	10.1	10.1	0.0	0.3%	10.6	0.4	4.2%	0.5	4.6%
Legal	25.8	26.1	0.2	0.8%	28.7	2.7	10.3%	2.9	11.2%
Chief Operating Officer (COO)	13.8	12.4	(1.4)	-10.1%	15.9	3.5	28.4%	2.1	15.4%
Financial Management (DFM)	11.3	11.3	(0.0)	-0.2%	12.2	0.9	7.9%	0.9	7.8%
Information Technology (IT)	94.8	95.6	0.8	0.9%	102.5	6.9	7.2%	7.7	8.1%
IT Income	(44.1)	(44.1)	-	0.0%	(45.0)	(0.9)	2.1%	(0.9)	2.1%
Management (MGT)	114.0	112.0	(2.0)	-1.7%	121.6	9.6	8.6%	7.6	6.7%
Other ¹	39.9	41.3	1.4	3.6%	42.5	1.2	2.9%	2.6	6.6%
Total w/o Survey, Central Benefits	618.3	\$ 623.5	\$ 5.2	0.8%	\$ 680.7	\$ 57.1	9.2%	\$ 62.3	10.1%
Survey of Consumer Finances	1.2	1.2	-	0.0%	14.8	13.6	1134.8%	13.6	1134.8%
Centrally-managed benefits	9.8	13.9	4.1	41.8%	14.1	0.2	1.4%	4.3	43.8%
Grand Total	629.3	\$ 638.6	\$ 9.3	1.5%	\$ 709.5	\$ 71.0	11.1%	\$ 80.2	12.7%

Note: Components may not sum to totals and may not yield percentages shown because of rounding.

1. Includes the Martin Building renovation project, data center relocation project, and other Boardwide programs.

Appendix 2. Positions by Division Grouped by Functional Area

Division	2015 Budget	2015 Final	Variance 2015B To 2015F		2016 Budget	Variance 2015F To 2016B		Variance 2015B To 2016B	
			Amount	Percent		Amount	Percent	Amount	Percent
Monetary Policy	692	692	-	0.0%	715	23	3.3%	23	3.3%
R&S	343	344	1	0.3%	346	2	0.6%	3	0.9%
IF	150	150	-	0.0%	152	2	1.3%	2	1.3%
MA ¹	157	156	(1)	-0.6%	167	11	7.1%	10	6.4%
OFS ¹	42	42	-	0.0%	50	8	19.0%	8	19.0%
Supervision	548	566	18	3.3%	609	43	7.6%	61	11.1%
BS&R ²	441	456	15	3.4%	486	30	6.6%	45	10.2%
C&CA	107	110	3	2.8%	123	13	11.8%	16	15.0%
Reserve Bank Oversight	170	171	1	0.6%	176	5	2.9%	6	3.5%
RBOPS	170	171	1	0.6%	176	5	2.9%	6	3.5%
Support	1,263	1,271	8	0.6%	1,289	18	1.4%	26	2.1%
BDM	118	120	2	1.7%	121	1	0.8%	3	2.5%
OSEC	53	53	-	0.0%	53	-	0.0%	-	0.0%
LEGAL	115	115	-	0.0%	123	8	7.0%	8	7.0%
COO	59	59	-	0.0%	65	6	10.2%	6	10.2%
DFM	69	66	(3)	-4.3%	66	-	0.0%	(3)	-4.3%
IT	409	409	-	0.0%	412	3	0.7%	3	0.7%
MGT	440	449	9	2.0%	449	-	0.0%	9	2.0%
Grand Total	2,673	2,700	27	1.0%	2,789	89	3.3%	116	4.3%

1. Includes a transfer of three positions from MA to OFS.

2. Includes four positions from the National Performance Measurement Program Office (PMPO) in the Federal Reserve Banks. While the functions are transferring from Banks to the Board, there is no net increase to the Federal Reserve System. In addition, includes five positions that transition workload requirements and funding from contractors to full-time staff.

Appendix 3. Board 2016 Operating Budget by Accounting Classification

Millions of dollars									
Account	2015 Budget	2015 Forecast	Variance 2015B To 2015F		2016 Budget	Variance 2015F To 2016B		Variance 2015B To 2016B	
			Amount	Percent		Amount	Percent	Amount	Percent
Salaries	362.5	366.9	4.4	1.2%	401.0	34.1	9.3%	38.5	10.6%
Retirement/Thrift Plans	44.8	48.7	3.9	8.8%	52.3	3.6	7.3%	7.5	16.7%
Employee Insurance	31.3	30.4	(0.8)	-2.6%	39.4	9.0	29.4%	8.2	26.1%
Sub-Total, Personnel Services	\$ 438.5	\$ 446.0	\$ 7.5	1.7%	\$ 492.7	\$ 46.7	10.5%	\$ 54.1	12.3%
Postage & Shipping	0.8	0.4	(0.4)	-48.0%	0.4	(0.0)	-3.8%	(0.4)	-50.0%
Travel	14.7	15.4	0.7	4.5%	16.4	1.0	6.7%	1.7	11.5%
Telecommunications	6.8	6.9	0.1	1.5%	7.2	0.3	4.6%	0.4	6.2%
Printing & Binding	1.8	1.8	-	0.0%	2.2	0.4	22.8%	0.4	22.8%
Publications	0.5	0.6	0.1	22.2%	0.6	(0.0)	-7.6%	0.1	12.9%
Stationery & Supplies	1.5	1.5	0.0	0.8%	1.4	(0.1)	-5.0%	(0.1)	-4.3%
Software	15.3	15.0	(0.3)	-2.0%	16.6	1.6	10.5%	1.3	8.3%
Furniture & Equipment (F&E)	7.5	10.5	3.0	39.8%	6.6	(3.9)	-37.5%	(0.9)	-12.6%
Rentals	22.9	23.2	0.3	1.3%	27.0	3.8	16.4%	4.1	18.0%
News, Data, & Research	16.6	16.3	(0.3)	-1.7%	32.9	16.6	102.1%	16.3	98.5%
Utilities	2.9	2.9	-	0.0%	3.3	0.5	16.5%	0.5	16.5%
Repairs & Alterations - Building	2.9	2.1	(0.8)	-27.7%	2.2	0.2	7.8%	(0.6)	-22.1%
Repairs & Maintenance - F&E	5.2	5.6	0.3	6.2%	5.6	0.1	1.2%	0.4	7.5%
ARC Expenses/R&S	1.1	1.1	-	0.0%	1.1	0.1	4.8%	0.1	4.8%
ARC Income/R&S	(1.1)	(1.1)	-	0.0%	(1.1)	(0.1)	4.8%	(0.1)	4.8%
Contingency Processing Center (CPC) ¹	1.3	1.3	-	0.0%	-	(1.3)	-100.0%	(1.3)	-100.0%
Contractual Professional Services	49.9	51.5	1.5	3.0%	53.6	2.1	4.2%	3.7	7.3%
Interest	0.0	0.0	0.0	4.1%	0.0	(0.0)	-52.1%	(0.0)	-50.2%
Tuition/Registration/Memberships	4.6	4.7	0.1	2.2%	3.1	(1.6)	-33.1%	(1.5)	-31.7%
Subsidies & Contributions	0.8	0.9	0.0	6.0%	0.9	0.0	2.7%	0.1	8.8%
All Other	5.0	4.6	(0.4)	-8.1%	3.3	(1.2)	-27.3%	(1.6)	-33.2%
Depreciation	36.9	34.4	(2.5)	-6.8%	40.3	5.9	17.2%	3.4	9.3%
IT User Charge	43.6	43.6	-	0.0%	44.7	1.1	2.5%	1.1	2.5%
IT Income	(44.1)	(44.1)	-	0.0%	(45.0)	(0.9)	2.1%	(0.9)	2.1%
Income	(6.6)	(6.3)	0.3	-4.5%	(6.5)	(0.2)	3.4%	0.1	-1.3%
Sub-Total, Goods & Services	\$ 190.8	\$ 192.6	\$ 1.8	0.9%	\$ 216.9	\$ 24.3	12.6%	\$ 26.1	13.7%
Grand Total	\$ 629.3	\$ 638.6	\$ 9.3	1.5%	\$ 709.5	\$ 71.0	11.1%	\$ 80.2	12.7%

Note: Components may not sum to totals and may not yield percentages shown because of rounding.

Acronyms: Automation and Research Computing (ARC).

1. For the 2016 budget, this account has been combined with rentals.

Appendix 4. Summary of 2016 Initiatives

Millions of dollars	2016 Operating Budget Impact	Multi- Cycle Capital Funding	Single- Cycle Capital Funding	Positions
Division				
Monetary Policy	\$ 4.8	\$ -	\$ 0.2	23
Research & Statistics (R&S)				
- Data and survey resources	1.4			
- Positions and compensation adjustments	0.3			2
International Finance (IF)				
- Software replacement	0.1			
- Positions and compensation adjustments	0.4			2
Monetary Affairs (MA) ¹				
- FOMC virtual desktop infrastructure (VDI)	0.0		0.2	
- Positions and compensation adjustments	1.7			11
Financial Stability Policy & Research (OFS) ¹				
- Positions and compensation adjustments	0.8			8
Supervision	\$ 11.6	\$ 3.7	\$ 0.2	43
Banking Supervision & Regulation (BS&R)				
- Supervision and regulation data collection, advanced analytics, and resources	3.8	3.7		
- Positions: National Performance Measurement Program Office (PMPO) ²	0.6			4
- Positions: LISCC supervisory framework	1.2			8
- Positions: policy	0.3			4
- Position: recovery and resolution planning	0.1			1
- Position: Performance, Planning, and Operations (PPO)/talent administration	0.1			1
- Positions: data governance and risk surveillance	0.5			4
- Positions: supervisory oversight	0.2			2
- Positions and contractors: information technology (IT) ³	1.9			6
Consumer & Community Affairs (C&CA)				
- Business process improvement and task force support	0.1			
- Community Reinvestment Act (CRA) systems development and improvements	0.5			
- CFPB HMDA data transition execution				
- Position and contractor funding: issues management - risk identification/tracking	0.4			1
- Positions and contractor funding: business analytics and reporting	0.8			3
- Positions: forward looking supervision and risk identification	0.5		0.2	3
- Positions: regulations, supervisory policy and operations, outreach	0.8			6
Reserve Bank Oversight	0.7	-	-	5
Reserve Bank Operations & Payment Systems (RBOPS)				
- Positions: Federal Reserve Bank protection program, financial market utilities (FMUs) supervisory support, and financial market infrastructure (FMI) oversight	0.7			5
Support	8.3	39.7	3.2	18
Board Members (BDM)				
- Positions and printing equipment replacement	0.3			1
Legal				
- Positions and contractor and travel funding: litigation and enforcement	1.2			6
- Positions: banking regulation and policy	0.2			2
Chief Operating Officer (COO)				
- Positions and contractor funding: data strategy	1.4	13.2		6
- Information management services (IMS) re-architecture	0.2			
- Financial data repository (FDR) analysis and recommendations	0.4			
Financial Management (DFM)				
- Contractor funding: automation planning, procurement review, and compliance	0.3			
Information Technology (IT)				
- Statistics function support (ICAP), innovation lab, and network infrastructure upgrades	1.0	4.6	1.5	
- Positions and contractor funding for client projects	6.8			3
IT Income: client projects	(4.6)			
Management (MGT)				
- Contractor funding for risk program and content management system	0.4			
- Leased space build out		20.0		
- CCTV system upgrade, security tool, and facilities and communications equipment	0.3	1.9	1.7	
Other ⁴				
- Enterprise risk management (ERM) program	0.4			
Grand Total	\$ 25.4	\$ 43.3	\$ 3.5	89

Note: Components may not sum to totals and may not yield percentages shown because of rounding.

Acronyms: Large Institution Supervision Coordinating Committee (LISCC). Consumer Financial Protection Bureau (CFPB). Home Mortgage Disclosure Act (HMDA). Information Collection and Processing (ICAP).

1. Includes a transfer of three positions from MA to OFS.

2. Four positions from the PMPO in the Federal Reserve Banks are transferring from Banks to the Board. Therefore, there is no net increase to the Federal Reserve System.

3. Includes five positions that transition workload requirements and funding from contractors to full-time staff.

4. Includes the Martin Building renovation project, data center relocation project, and other Boardwide programs.