



**BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551**

DATE: November 17, 2017

TO: Board of Governors

VIA: Governor Jerome Powell *JPP*

FROM: Don Hammond, Chief Operating Officer *DH*
Ricardo Aguilera, Chief Financial Officer *RAA*

SUBJECT: 2018 Board Operating and Capital Budgets¹

Action Requested

Staff² recommends that the Board approve the following:

1. A \$766.7 million operating budget for 2018, with no increase in authorized positions;
2. A \$17.3 million single-cycle capital budget for 2018;
3. A \$452.8 million multi-cycle capital budget; and
4. A \$3.7 million overexpenditure within the 2017 operating budget for centrally-managed benefits (e.g., post-retirement benefits) under the Board’s Delegations of Administrative Authority policy; this overexpenditure is more than offset by underruns in other areas, as described below in the 2017 budget performance section.

Summary

This is the third budget request since the Board approved the 2016-19 Strategic Plan (the Plan) in July 2015. The Plan identifies six overarching pillars for the Board to address over the four-year planning horizon.³ Recognizing the fiscal reality in which the Board operates,

Figure 1. Summary of 2018 Budget Components

Millions of dollars Components	2017 Budget	2018 Budget	Variance	
			Amount	Percent
Operating Budget	\$ 744.6	\$ 766.7	\$ 22.1	3.0%
Single-Cycle Capital	14.0	17.3	3.3	23.7%
Multi-Cycle Capital	412.3	452.8	40.5	9.8%

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 Steve Bernard, Karen Vassallo, William Futrell, Kevin Brooks, Troy Dibley, and Matt Seay co-authored this memo.

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

the Plan includes a key pillar related to project development and resource allocation, which seeks to align resources to support current and emerging programs central to accomplishing the Board's mission.

The 2018 budget request is grounded in the principles established by the Plan and provides funding to advance the Plan's goals, objectives, and initiatives. As shown in Figure 1, the operating budget represents a 3.0 percent increase over the 2017 approved budget. The single-cycle capital budget of \$17.3 million represents a 23.7 percent increase over 2017, driven by planned equipment replacements in the data center and the continuation of pre-design efforts for the Eccles Building. The multi-cycle capital budget of \$452.8 million represents a 9.8 percent increase from 2017, driven by new project funding for building improvements.

During the budget formulation process, several new strategic initiatives were identified and are funded with the proposed functional budgets:

Monetary Policy

- Enhancing technological support to the Federal Open Market Committee (FOMC) by providing secure document system access on mobile devices. Strategically, the Board continues to enhance the mobile environment to meet requirements for information access, ease of use, and information security.
- Replacing paper-based content delivery to FOMC participants with an automated solution. Effective information support of the FOMC is a mission priority. Under the Plan's project development and resource allocation pillar, this initiative helps to further support effective processes and policies in support of expanded mission priorities.

Supervision and Regulation

- Enhancing data reporting, storage, and management capabilities within the function. This initiative addresses the Board's strategic objective to improve data architecture, processes, and storage technology to respond with greater agility and efficiency to emerging business needs for data – getting the right data to the right people at the right time.

Support and Overhead

- Transitioning remaining mainframe applications to the distributed server environment. Replacing the mainframe will improve information processing and collaboration, and is identified as a strategic initiative under the Plan's technology and data pillars.
- Implementing an automated solution for records retention and access of email records. Under the Plan's data pillar, the Board has committed to a comprehensive data stewardship program across the organization, as well as a baseline data inventory of Board data assets. Automating records retention and access to email records is in support of these strategic initiatives.
- Strategic investments in the renovation of the Martin Building enhance the usability of existing space to provide a secure, modern environment that meets the needs of the

workforce, promotes efficiency, supports resiliency and continuity efforts, and maximizes productivity.

The following sections provide additional information on each budget request.

2018 Operating Budget

At the start of the budget process, the Chief Operating Officer and Chief Financial Officer met with the Committee on Board Affairs (CBA) to recommend a specific growth target for the Board's overall 2018 operating budget. The recommended growth target represented budget-to-budget growth of 3.0 percent. The target, which was briefed to the Board members during the budget process, included known changes in the run-rate of the Board's ongoing operations; no net growth in authorized position count; projected increases to centrally-managed benefits (e.g., post-retirement benefits); and preparation for the 2019 Survey of Consumer Finances. To manage growth across the Board, specific growth rates were identified for each functional area: Monetary Policy and Public Programs, Supervision and Regulation, Reserve Bank Oversight, and Support and Overhead.

Achieving the CBA's growth target required all divisions to allocate resources to their highest priorities and seek tradeoffs and efficiencies. Since the growth target did not include any new authorized positions, divisions prioritized vacancies to their most critical needs.

The proposed 2018 operating budget of \$766.7 million represents growth of \$22.1 million (3.0 percent) over the 2017 budget and growth of \$45.5 million (6.3 percent) over forecasted spending for 2017.⁴ Figure 2 presents the proposed 2018 operating budget by functional area⁵; appendix 1 reflects the 2017 operating budget, 2017 forecast, and proposed 2018 budget by division, office, or special account while appendix 2 contains the same information by account classification.

⁴ Projected spending is based on actual expenses incurred through September 2017, current staffing levels, approved personnel actions, and anticipated spending for the final quarter of the year.

⁵ Divisions/sections are mapped into functional areas based on work performed. Annual mapping validations may cause adjustments from one year to the next.

Figure 2. Board 2018 Operating Budget by Functional Area

Millions of dollars									
Functional Area	2017 Budget	2017 Forecast	Variance 2017F To 2017B		2018 Budget	Variance 2017F To 2018B		Variance 2017B To 2018B	
			Amount	Percent		Amount	Percent	Amount	Percent
Monetary Policy & Public Programs	\$ 184.4	\$ 179.2	\$ (5.1)	-2.8%	\$ 193.0	\$ 13.8	7.7%	\$ 8.6	4.7%
Supervision & Regulation	175.2	165.6	(9.5)	-5.4%	178.8	13.2	8.0%	3.7	2.1%
Reserve Bank Oversight	35.7	34.8	(0.8)	-2.3%	35.7	0.9	2.6%	0.1	0.2%
Support & Overhead	334.9	323.3	(11.6)	-3.5%	340.6	17.3	5.3%	5.7	1.7%
Total Without Survey, Central Benefits	\$ 730.1	\$ 703.0	\$ (27.1)	-3.7%	\$ 748.1	\$ 45.1	6.4%	\$ 18.1	2.5%
Survey of Consumer Finances	0.6	0.7	0.0	6.3%	1.2	0.5	80.7%	0.6	92.0%
Centrally-Managed Benefits ¹	13.9	17.6	3.7	26.7%	17.4	(0.2)	-1.1%	3.5	25.3%
Grand Total	\$ 744.6	\$ 721.2	\$ (23.3)	-3.1%	\$ 766.7	\$ 45.5	6.3%	\$ 22.1	3.0%

Note: Divisions/sections are mapped into functional areas based on work performed. Annual mapping validations may cause adjustments from one year to the next. Specifically, the 2017 budget and forecast figures reflect the following: (i) an internal net zero reallocation so that all central information technology costs are reflected in the support and overhead functional area; and (ii) functional mapping changes for the Division of Financial Stability (FS). Components may not sum to totals and may not yield percentages shown because of rounding.

1. Post-retirement benefits fluctuate due to changes in actuarial assumptions and demographics.

Personnel Services Costs

The proposed operating budget includes budget-to-budget growth in personnel services costs of \$21.6 million, as shown in appendix 2. Increases in personnel expenses reflect the following:

- Employment growth expected to occur in 2018;
- Other salary adjustments, such as promotions, completed during 2017;
- Funding for the 2018 merit and variable pay programs, as well as other anticipated 2018 personnel actions, such as promotions and salary equity adjustments; and
- Projected increases to healthcare and centrally-managed benefits (e.g., post-retirement benefits), which fluctuate due to changes in actuarial assumptions and demographics.

Figure 3 presents authorized positions for 2017 and 2018. The hiring freeze caused higher-than-budgeted vacancies in 2017. Hiring activities are expected to continue to normalize in 2018. Divisions will continue to prioritize their vacancies to meet their most critical needs. Therefore, the Board's total authorized position count for 2018 remains unchanged at 2,847. Appendix 3 contains more detailed information regarding position changes by division.

Figure 3. Positions by Functional Area

Functional Area	2017 Positions	2018 Positions
Monetary Policy & Public Programs	822	833
Supervision & Regulation	727	724
Reserve Bank Oversight	137	129
Support & Overhead	1,161	1,161
Grand Total	2,847	2,847

Note: Divisions/sections are mapped into functional areas based on work performed. Annual mapping validations may cause adjustments from one year to the next.

Goods and Services Costs

The proposed operating budget includes budget-to-budget growth in goods and services costs of \$0.5 million, as shown in appendix 2. Budget-to-budget growth in goods and services is driven by preparation expenses related to the 2019 Survey of Consumer Finances.⁶ Low growth reflects efforts to align goods and services budgets with spending trends and reduce consistent budget underruns. Divisions were asked to reallocate funds to their highest priorities. As a result, most goods and services accounts reflect budget-to-budget reductions.

Major reallocations within goods and services accounts for 2018 include: decreases in furniture and equipment related to one-time leased space purchases; increases in rental and depreciation expenses for major capital projects, including the new leased space and temporary systems for the Martin Building renovation project; and reduced income due to the transfer of Home Mortgage Disclosure Act (HMDA) support services from the Board to the Consumer Financial Protection Bureau (CFPB).

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 certain automation initiatives, span several budget cycles.

Figure 4 summarizes the Board's 2018 single-cycle capital budget request. The proposed budget of \$17.3 million represents an increase of \$3.3 million from the 2017 single-cycle capital budget.

⁶ The Survey of Consumer Finances, which collects information about family incomes, net worth, balance sheet components, credit use, and other financial outcomes, is conducted every three years and was conducted previously in 2016. The next tri-annual survey is expected to occur in 2019.

The primary drivers of the increase are planned equipment replacements in the data center and the continuation of pre-design efforts for the Eccles Building.

Figure 4. Single-Cycle Capital Budget

Millions of dollars				
Type	2017 Budget	2018 Budget	Variance 2017B To 2018B	
			Amount	Percent
Data Center Infrastructure	\$ 5.0	\$ 7.2	\$ 2.2	44.1%
Building Improvements	0.3	1.4	1.1	426.9%
Automation Projects	3.6	2.2	(1.4)	-39.1%
Equipment Purchases & Lifecycle Replacements	5.1	6.5	1.4	27.2%
Grand Total	\$ 14.0	\$ 17.3	\$ 3.3	23.7%

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

Figure 5 summarizes the proposed multi-cycle capital budget. The proposed budget represents an increase of \$40.5 million, which reflects new funding for new and existing capital projects.

Over 80 percent of the multi-cycle capital funding increase is driven by building improvement projects, including furniture purchases that are a result of a change in accounting policy for bulk purchases and renovation funding for design phases services in the Eccles Building. The potential renovation of the Eccles Building will improve compliance with modern building codes and allow for efficient space utilization with today's technology capabilities. Other funding increases are driven by: continued enhancements of data capabilities in the Supervision and Regulation function; automation initiatives, including an information management portal for the Division of Consumer and Community Affairs and FOMC system enhancements; and a security enhancement project for the physical access control system.

Figure 5. Multi-Cycle Capital Budget

Project	Current Project Life Budget	Initiatives	New Project Life Budget	Estimated Project Life Spending Through YE 2017		2018 Budgeted Capital Outlays
				Dollars	% Spent	
Martin building renovation ¹	\$ 299.3	\$ 9.1	\$ 308.4	\$ 68.0	22.7%	\$ 101.6
Martin north garage and east fountain exterior improvements		4.7	4.7			4.7
NYA 8th floor reconfiguration and restroom infrastructure ^{1,2}	6.7	1.0	7.7	0.2	3.0%	7.3
NYA emergency generator	1.2	1.3	2.5	0.7	60.8%	1.7
NYA mechanical upgrades		1.0	1.0			1.0
International Square build out - existing space	19.6		19.6	16.5	84.0%	
International Square build out - new space	20.0		20.0	17.8	89.2%	
Eccles mechanical upgrades	9.0		9.0	6.1	68.1%	1.0
Eccles/NYA fire alarm system upgrade	5.2		5.2	0.2	3.3%	4.5
Eccles building renovation design		16.0	16.0			8.0
Subtotal, Building Improvements	\$ 361.0	\$ 33.1	\$ 394.1	\$ 109.5	30%	\$ 129.7
C-SCAPE	11.8		11.8	9.9	83.8%	1.2
RAMP	7.1	3.9	11.0	4.8	67.4%	1.9
S&R IT advanced data analytics	1.9		1.9	0.4	19.0%	0.8
Subtotal, S&R Data Capabilities	\$ 20.8	\$ 3.9	\$ 24.7	\$ 15.1	72.4%	\$ 3.9
OCDO strategic initiatives ³	18.0		18.0	1.0	5.7%	3.7
Subtotal, Data Strategy	\$ 18.0	\$ -	\$ 18.0	\$ 1.0	5.7%	\$ 3.7
HR strategic automation	4.7		4.7	4.1	87.3%	0.1
Security tool implementation	0.7		0.7	0.5	69.9%	0.1
Statistics function support/ICAP	4.6		4.6	4.2	91.0%	0.2
e-Discovery	2.3		2.3	0.5	22.4%	
Procurement software	0.3		0.3			
Information portal ⁴		0.7	0.7	0.2	n.a.	0.7
FOMC system enhancements		0.8	0.8			0.8
Mainframe strategy implementation		0.2	0.2			0.2
Subtotal, Automation	\$ 12.5	\$ 1.7	\$ 14.2	\$ 9.4	75.1%	\$ 2.1
Physical access control systems upgrade		1.8	1.8			1.2
Subtotal, Security Enhancements	\$ -	\$ 1.8	\$ 1.8	\$ -	n.a.	\$ 1.2
Total, Board Operations	\$ 412.3	\$ 40.5	\$ 452.8	\$ 135.0	32.7%	\$ 140.6

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

Acronyms: New York Avenue (NYA). Consolidated Supervision Comparative Analysis, Planning, and Execution (C-SCAPE). Regulation, Analysis, and Modeling Platform (RAMP). Supervision & Regulation (S&R). Office of the Chief Data Officer (OCDO). Human Resources (HR). Information Collection and Processing (ICAP). Federal Open Market Committee (FOMC).

1. Capital funds requested reflects a change in accounting policy related to bulk furniture purchases.

2. It is requested that the NYA 8th floor reconfiguration and NYA restroom infrastructure projects be combined with the 2018 budget.

3. Previously, projects in the OCDO were separately reported. It is requested that the following projects be merged into one program with the 2018 budget: CDO platforms (\$4.0 million), data governance and quality (\$1.4 million), data access and integration (\$10.0 million), data discovery and collaboration (\$1.8 million), Financial Data Repository (FDR) modernization (\$0.8 million). The work and infrastructure contained within these capital projects are interrelated.

4. This project was initiated as a 2017 single-cycle project with funding of \$0.2 million. It is requested that the project be converted to a multi-cycle project with the 2018 budget.

2017 Budget Performance

Staff forecast the Board will underrun its 2017 operating budget by approximately \$23.3 million, or 3.1 percent. Figure 2 presents budget performance information by functional area, while Appendices 1 and 2 contain budget performance information by division and account, respectively. As shown in Appendix 2, staff forecast that personnel services expenses will underrun the budget by \$10.2 million and that goods and services expenses will underrun the budget by \$13.2 million. The underrun in personnel services is driven primarily by the hiring freeze, which caused higher-than-budgeted vacancy rates and lower than anticipated sign-on bonuses. While the hiring freeze directly contributed to underruns in personnel services, we believe it also contributed to underruns in goods and services, specifically in the travel and relocation accounts. Underruns in goods and services are driven primarily by:

- Lower-than-expected expenses for division travel and the relocation program;
- Lower utilization of contractual professional services, primarily in the Division of Supervision and Regulation, Legal Division, Office of the Chief Operating Officer, and Management Division;
- Reduced telecommunications expenses driven by the later-than-planned implementation of data circuits and less professional service support for projects in the Division of Supervision and Regulation; and
- Lower depreciation expenses due to delays in several major capital projects.

Staff in the Division of Financial Management continues to work with administrative staff in all of the divisions to better utilize the Board's budget and forecasting application to enhance the budgeting and forecasting processes.

As Appendix 1 shows, centrally-managed benefits is forecasted to overspend its 2017 operating budget by \$3.7 million, primarily due to higher-than-planned pension-related expenses. This overrun is largely the result of changes in actuarial assumptions, including lower-than-planned discount rates and changes in demographics. This overexpenditure is more than offset by underruns in other areas, as described above. Under the Board's Delegations of Administrative Authority policy, staff request that the Board approve this overexpenditure.

APPENDICES

Appendix 1. Board 2018 Operating Budget by Division, Office, or Special Account

Millions of dollars									
Division, Office, or Special Account	2017 Budget	2017 Forecast	Variance 2017F To 2017B		2018 Budget	Variance 2017F To 2018B		Variance 2017B To 2018B	
			Amount	Percent		Amount	Percent	Amount	Percent
Research & Statistics (R&S)	\$ 80.1	\$ 78.6	\$ (1.5)	-1.9%	\$ 85.0	\$ 6.4	8.1%	\$ 4.9	6.1%
International Finance (IF)	33.4	32.2	(1.2)	-3.7%	34.7	2.6	8.0%	1.3	3.9%
Monetary Affairs (MA)	41.1	39.6	(1.5)	-3.7%	43.4	3.8	9.7%	2.3	5.6%
Financial Stability (FS)	12.7	12.1	(0.6)	-4.5%	13.1	1.0	8.3%	0.4	3.3%
Supervision & Regulation (S&R)	143.4	135.3	(8.0)	-5.6%	144.8	9.4	7.0%	1.4	1.0%
Consumer & Community Affairs (C&CA)	35.3	35.3	0.0	0.0%	37.6	2.3	6.6%	2.3	6.6%
Reserve Bank Operations & Payment Systems (RBOPS)	44.7	43.1	(1.6)	-3.5%	46.3	3.2	7.4%	1.6	3.6%
Board Members (BDM)	28.4	27.1	(1.3)	-4.4%	28.5	1.4	5.1%	0.1	0.5%
Secretary (OSEC)	11.3	11.2	(0.1)	-0.8%	12.0	0.7	6.3%	0.6	5.5%
Legal	32.1	29.8	(2.3)	-7.2%	32.0	2.2	7.3%	(0.1)	-0.4%
Chief Operating Officer (COO)	17.7	16.7	(1.0)	-5.5%	19.2	2.5	14.7%	1.5	8.3%
Financial Management (DFM)	12.8	12.3	(0.6)	-4.3%	13.1	0.8	6.7%	0.3	2.1%
Information Technology (IT)	116.0	113.1	(2.8)	-2.4%	118.2	5.0	4.5%	2.2	1.9%
IT Income	(48.3)	(48.3)	0.0	0.0%	(52.8)	(4.5)	9.3%	(4.5)	9.2%
Management (MGT)	137.0	133.1	(3.9)	-2.9%	137.7	4.6	3.5%	0.7	0.5%
Special Projects ¹	16.4	16.2	(0.1)	-0.7%	14.5	(1.8)	-10.8%	(1.9)	-11.5%
Extraordinary Items: Strategic Projects ²	16.1	15.5	(0.6)	-3.8%	20.9	5.4	34.9%	4.8	29.8%
Survey of Consumer Finances	0.6	0.7	0.0	6.3%	1.2	0.5	80.7%	0.6	92.0%
Centrally-Managed Benefits ³	13.9	17.6	3.7	26.7%	17.4	(0.2)	-1.1%	3.5	25.3%
Grand Total	\$ 744.6	\$ 721.2	\$ (23.3)	-3.1%	\$ 766.7	\$ 45.5	6.3%	\$ 22.1	3.0%

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

1. Includes centralized Boardwide benefit programs.

2. Includes several strategic projects, including the Martin Building renovation.

3. Post-retirement benefits fluctuate due to changes in actuarial assumptions and demographics.

Appendix 2. Board 2018 Operating Budget by Account Classification

Millions of dollars	2017 Budget	2017 Forecast	Variance 2017F To 2017B		2018 Budget	Variance 2017F To 2018B		Variance 2017B To 2018B	
Account			Amount	Percent		Amount	Percent	Amount	Percent
Salaries	\$ 433.9	\$ 422.7	\$ (11.2)	-2.6%	\$ 449.8	\$ 27.1	6.4%	\$ 15.8	3.6%
Retirement/Thrift Plans	56.5	58.9	2.5	4.3%	61.7	2.8	4.7%	5.2	9.2%
Employee Insurance	42.3	40.9	(1.4)	-3.2%	42.8	1.9	4.7%	0.5	1.3%
Sub-Total, Personnel Services	\$ 532.7	\$ 522.5	\$ (10.2)	-1.9%	\$ 554.3	\$ 31.7	6.1%	\$ 21.6	4.1%
Postage & Shipping	0.4	0.3	(0.0)	-12.7%	0.3	(0.1)	-21.8%	(0.1)	-31.7%
Travel	17.5	14.6	(2.8)	-16.2%	17.1	2.4	16.6%	(0.4)	-2.3%
Telecommunications	8.3	6.2	(2.2)	-26.0%	7.2	1.0	17.0%	(1.1)	-13.4%
Printing & Binding	2.2	2.0	(0.2)	-8.2%	1.8	(0.2)	-9.6%	(0.4)	-17.0%
Publications	0.6	0.5	(0.1)	-10.7%	0.6	0.0	1.9%	(0.1)	-9.1%
Stationery & Supplies	1.7	1.2	(0.5)	-28.7%	1.4	0.2	20.5%	(0.2)	-14.1%
Software	17.1	16.2	(0.9)	-5.3%	17.0	0.7	4.6%	(0.2)	-0.9%
Furniture & Equipment (F&E)	11.1	11.1	0.0	0.3%	6.3	(4.8)	-42.9%	(4.7)	-42.8%
Rentals	30.6	29.4	(1.2)	-3.9%	32.5	3.2	10.9%	2.0	6.5%
Data, News, & Research	14.7	14.5	(0.3)	-1.8%	14.8	0.3	2.3%	0.1	0.4%
Utilities	2.8	2.1	(0.7)	-25.3%	2.3	0.2	7.9%	(0.6)	-19.4%
Repairs & Alterations - Building	2.7	3.5	0.8	31.7%	2.5	(1.0)	-27.8%	(0.1)	-5.0%
Repairs & Maintenance - F&E	5.4	4.6	(0.8)	-15.5%	4.7	0.2	3.7%	(0.7)	-12.4%
ARC Expenses/R&S ¹	1.1	1.1	-	0.0%	-	(1.1)	-100.0%	(1.1)	-100.0%
ARC Income/R&S ¹	(1.1)	(1.1)	-	0.0%	-	1.1	-100.0%	1.1	-100.0%
Contractual Professional Services	53.9	51.3	(2.6)	-4.7%	54.2	2.9	5.6%	0.3	0.6%
Interest	0.0	0.0	(0.0)	-43.1%	0.0	0.0	0.0%	(0.0)	-43.1%
Training & Dues	4.8	4.3	(0.6)	-11.5%	4.7	0.4	10.4%	(0.1)	-2.3%
Subsidies & Contributions	0.9	0.9	0.0	2.2%	2.1	1.2	123.3%	1.2	128.2%
All Other	3.6	3.5	(0.1)	-3.8%	4.0	0.5	13.9%	0.3	9.6%
Depreciation/Amortization	40.3	38.0	(2.3)	-5.7%	43.2	5.2	13.7%	2.9	7.2%
IT User Charge	47.5	47.5	(0.0)	0.0%	52.2	4.8	10.1%	4.8	10.0%
IT Income	(48.3)	(48.3)	0.0	0.0%	(52.8)	(4.5)	9.3%	(4.5)	9.2%
Income	(5.9)	(4.7)	1.1	-19.5%	(3.8)	0.9	-19.9%	2.1	-35.5%
Sub-Total, Goods & Services	\$ 211.9	\$ 198.7	\$ (13.2)	-6.2%	\$ 212.4	\$ 13.7	6.9%	\$ 0.5	0.3%
Grand Total	\$ 744.6	\$ 721.2	\$ (23.3)	-3.1%	\$ 766.7	\$ 45.5	6.3%	\$ 22.1	3.0%

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

1. The 2018 budget retires these accounts, which were allocated charges from the Automation and Research Computing (ARC) area.

Appendix 3. Positions by Division

Division or Office	2017 Budget	2017 Current	Variance 2017B To 2017C		2018 Budget	Variance 2017C To 2018B		Variance 2017B To 2018B	
			Amount	Percent		Amount	Percent	Amount	Percent
Research & Statistics (R&S) ¹	356	356	-	0.0%	356	-	0.0%	-	0.0%
International Finance (IF) ¹	154	155	1	0.6%	155	-	0.0%	1	0.6%
Monetary Affairs (MA)	172	172	-	0.0%	172	-	0.0%	-	0.0%
Financial Stability (FS)	55	55	-	0.0%	55	-	0.0%	-	0.0%
Supervision & Regulation (S&R)	493	493	-	0.0%	493	-	0.0%	-	0.0%
Consumer & Community Affairs (C&CA)	131	131	-	0.0%	131	-	0.0%	-	0.0%
Reserve Bank Operations & Payment Systems (RBOPS)	183	183	-	0.0%	183	-	0.0%	-	0.0%
Board Members (BDM)	121	121	-	0.0%	121	-	0.0%	-	0.0%
Secretary (OSEC)	53	53	-	0.0%	53	-	0.0%	-	0.0%
Legal	125	125	-	0.0%	125	-	0.0%	-	0.0%
Chief Operating Officer (COO) ¹	68	67	(1)	-1.5%	67	-	0.0%	(1)	-1.5%
Financial Management (DFM) ²	68	69	1	1.5%	69	-	0.0%	1	1.5%
Information Technology (IT)	413	413	-	0.0%	413	-	0.0%	-	0.0%
Management (MGT) ²	455	454	(1)	-0.2%	454	-	0.0%	(1)	-0.2%
Grand Total	2,847	2,847	-	0.0%	2,847	-	0.0%	-	0.0%

1. Reflects the transfer of one new position approved in the 2017 budget from COO to R&S. In addition, R&S transferred one position to IF.

2. MGT transferred a position to DFM.