



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

DATE: November 29, 2023

TO: Board of Governors

VIA: Vice Chair Philip Jefferson

FROM: Pat McClanahan, Chief Operating Officer
Ricardo Aguilera, Chief Financial Officer

SUBJECT: 2024 Board Operating/Capital Budgets¹ and 2023 Board Operating Budget Overrun

Actions Requested

Staff² recommends the Board approve the following:

Operating Budget

1. A \$1,044.1 million operating budget for 2024, as presented in Appendix 1 by division/office and parent account³.
2. Increase to the Board's authorized position count by 17 positions to 3,007. (The 2024 budget includes funding for 20 positions, 17 new positions and 3 previously approved, unfunded centralized positions.)

Capital Budget

3. A \$25.1 million single-cycle capital budget for 2024, as presented in Table 5 by category.
4. A \$3,177.5 million multi-cycle capital budget, as presented in Table 6 by category.

2023 Budget Performance

5. An overrun not to exceed 3.0 percent (\$28.8 million) of the 2023 operating budget.

¹ This memorandum does not include the costs related to the budget of the Office of Inspector General (OIG) or Currency. Those budgets are submitted separately from the Board's budget.

² Steve Bernard, Karen Vassallo, William Futrell, Troy Dibley, and Kevin Brooks co-authored this memo.

³ The information presented in Appendices 2 through 6 are for background information only.

Discussion

This budget request follows the Board’s 2024-27 draft Strategic Plan (the Plan).⁴ The Plan and the budget are organized by functional area, which helps ensure organizational resources are used to advance the Board’s mission and provide a structure to fund strategic priorities over the four-year period. The 2024 budget request is based on the strategic priorities established by the Plan and provides funding to advance the Plan’s goals and objectives. Additionally, the 2024 operating budget provides funding for strategic projects and ongoing operations.

Table 1 presents the components of the proposed 2024 budget, including the operating budget, single-cycle capital budget, and multi-cycle capital budget, compared to the 2023 budget and 2023 forecast⁵. As shown in Table 1, the 2024 budget components represent the following:

- Operating budget of \$1,044.1 million: 5.7 percent increase over the 2023 forecast and 8.5 percent over the 2023 budget, excluding the triennial Survey of Consumer Finances;
- Single-cycle capital budget of \$25.1 million: 61.9 percent increase over the 2023 forecast and 15.5 percent increase over the 2023 budget; and
- Multi-cycle capital budget of \$3,177.5 million: 0.2 percent increase over 2023.

Table 1. Summary of 2024 Budget Components

Millions of dollars							
Component	2023 Budget	2023 Forecast	2024 Budget	Variance 2023F To 2024B		Variance 2023B To 2024B	
				Amount	Percent	Amount	Percent
Operating Budget	\$ 960.2	\$ 985.6	\$ 1,042.0	\$ 56.4	5.7%	\$ 81.8	8.5%
Sub-Total, Without Survey	\$ 960.2	\$ 985.6	\$ 1,042.0	\$ 56.4	5.7%	\$ 81.8	8.5%
Survey of Consumer Finances (Triennial)	\$ 0.5	\$ 1.3	\$ 2.1	\$ 0.8	55.6%	\$ 1.6	292.5%
Grand Total, Operating Budget	\$ 960.8	\$ 987.0	\$ 1,044.1	\$ 57.1	5.8%	\$ 83.3	8.7%
Single-Cycle Capital Budget	\$ 21.7	\$ 15.5	\$ 25.1	\$ 9.6	61.9%	\$ 3.4	15.5%
Multi-Cycle Capital Budget	\$ 3,171.2	\$ 3,171.2	\$ 3,177.5	\$ 6.3	0.2%	\$ 6.3	0.2%

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

Delegated Budget Responsibilities

In the delegations from the Board to the Chair⁶, Section A: Delegation of Administrative Responsibilities from the Board to the Chair, in carrying out delegated responsibilities, the Chair may amend any of the operating and single-year capital budgets or multiyear capital budgets by: (1) approving, with regard to the operating budget, reallocations among divisions, offices, reporting units, and parent accounts (as set forth in the budget authorized by the Board) or over-

⁴ The Board’s Performance Plans and Reports are located at: <https://www.federalreserve.gov/publications/gpra.htm>. The Board’s 2024-27 Strategic Plan will be published by the end of 2023.

⁵ Projected spending is based on actual expenses incurred through August 2023, current staffing levels, approved personnel actions, and anticipated spending for the last four months of the year.

⁶ Board’s Delegations of Authority policy.

expenditures of the amount budgeted for divisions, offices, reporting units or parent accounts, except that no individual reallocation or over-expenditure may exceed \$2.0 million and the total of all such changes combined may not exceed 2 percent of the operating budget approved by the Board for the budget period. However, these limits do not apply to non-cash accounts and transactions (such as depreciation, amortization, and retirement expense accounts) as long as the Chair has reason to believe that the overall operating budget will not be exceeded.

Strategic Plan 2024-27

The 2024 budget includes funding for the most important strategic priorities within each functional area. During 2024, new initiatives will be funded through offsets in existing operations and projects.

Goal 1: Monetary Policy and Financial Stability

The Plan moves forward efforts that support the congressional mandate for maximum employment and stable prices, as well as the stability of the financial system. The Board will continue to prioritize work to:

- Support and inform policymakers in their efforts to conduct of monetary policy and ensure the stability of the financial system through technology investments and more streamlined business processes and security controls;
- Modernize the research landscape to provide scalable technology and data when performing research and economic assessments; and
- Solicit a broad range of perspectives into the development of research and analysis environment in support of policy deliberation.

Goal 2: Supervision and Regulation

The Plan promotes safety, soundness, and fairness of financial institutions and systems. The function's priorities will sustain their focus on efforts that:

- Continuously modify and evaluate rulemaking, guidance, and supervisory programs to ensure they keep pace with changes in the banking system and as individual firms grow in size or complexity;
- Adjust prudential standards so financial institutions maintain the ability to absorb losses under a range of conditions;
- Provide education and timely guidance on relevant regulations and compliance matters; and
- Focus on technological advances to increase access to financial services through strengthening the Federal Reserve's supervision of entities engaged in novel fintech and crypto activities and increasing the monitoring and analysis of these activities to guide regulatory and supervisor policy.

Goal 3: Payment System and Reserve Bank Oversight

The Plan focuses on fostering a safe, efficient, and accessible payment, clearing and settlement system, and promoting effective Reserve Bank strategies, policies, and operations. The Board will continue to prioritize work to:

- Enhance technology adoption and leverage new and relevant data sources to improve risk identification and mitigation in the payment system;
- Reinforce leading cyber-security and risk-management standards within payments, clearing, and settlement systems; and
- Enhance oversight capabilities to effectively assess Reserve Banks and ensure accountable stewardship of resources.

Goal 4: Consumer Protection and Community Development

The Plan promotes fostering an accessible and fair financial system and promote community investment. Work will focus on efforts to:

- Engage with community, consumer, and industry representatives to better understand consumer financial risks and economic conditions of low- and moderate-income communities and households;
- Modernize Community Reinvestment Act (CRA) regulations in collaboration with other regulatory agencies, and once finalized, establish examination procedures for state member banks; and
- Execute the Survey of Household Economics and Decisionmaking to collect data and conduct analysis on the financial and economic conditions and experiences of households and communities.

Goal 5: Mission Advancement (Support and Overhead)

The Plan works to advance operations and capabilities to sustain a high-performing workforce; promote diversity, equity, and inclusion; ensure effective stewardship of resources; modernize infrastructures; and provide impactful communication and outreach. The Board will continue its efforts to:

- Reinforce understanding of employment ethics obligations through education and training;
- Enhance talent strategies to remain competitive in an evolving labor market and attract an increasingly diverse candidate pool;
- Continue efforts that support the current workplace strategy;
- Sustain data management program to meet the increasing demand for complex data;
- Advance the adoption of cloud services, automation, foundational platforms, and related technologies; and
- Strengthen cybersecurity, privacy, and risk-management capabilities in alignment with federal requirements.

2024 Operating Budget

At the start of the budget process, the Chief Operating Officer (COO) and Chief Financial Officer (CFO) met with the Committee on Board Affairs (CBA) to recommend a specific growth target for the Board’s overall 2024 operating budget. The CBA approved a forecast-to-budget growth target of 5.7 percent, excluding the impact of the Survey of Consumer Finances.

Growth in 2024 is driven by increases in personnel services. Existing projects and new initiatives were evaluated, refined, and prioritized to fund the most important strategic priorities. During 2024, new initiatives will be funded through offsets in existing operations and projects. If funding is identified during the 2024 operating year, prioritized new initiatives may receive funding.

For 2024, all divisions were encouraged to take measured risk in developing their budgets. We will continue to encourage symmetrical risk across divisions, monitor financial performance throughout the year, and update the CBA on budget execution.

Table 2 presents the 2023 budget, 2023 forecast, and proposed 2024 budget by functional area. Excluding the impact of the Survey of Consumer Finances, the proposed 2024 budget represents growth of 5.7 percent over the 2023 forecast, in alignment with the CBA target. Appendix 1 presents the proposed 2024 budget by division/office and parent account. Appendices 2 and 3 presents the 2023 budget, 2023 forecast, and proposed 2024 budget by division/office and account, respectively.

Table 2. Board 2024 Operating Budget by Functional Area

Millions of dollars									
Functional Area	2023 Budget	2023 Forecast	Variance 2023F To 2023B		2024 Budget	Variance 2023F To 2024B		Variance 2023B To 2024B	
			Amount	Percent		Amount	Percent	Amount	Percent
Monetary Policy and Financial Stability	\$ 237.7	\$ 239.8	\$ 2.1	0.9%	\$ 257.9	\$ 18.1	7.5%	\$ 20.2	8.5%
Supervision and Regulation	204.8	209.1	4.4	2.1%	222.7	13.5	6.5%	17.9	8.7%
Payment System and Reserve Bank Oversight	43.8	44.8	0.9	2.1%	47.3	2.5	5.6%	3.4	7.9%
Consumer Protection and Community Development	32.5	32.6	0.1	0.5%	35.2	2.6	8.1%	2.8	8.6%
Mission Advancement	441.5	459.3	17.9	4.0%	478.9	19.6	4.3%	37.4	8.5%
Total Without Survey	\$ 960.2	\$ 985.6	\$ 25.4	2.6%	\$ 1,042.0	\$ 56.4	5.7%	\$ 81.8	8.5%
Survey of Consumer Finances	0.5	1.3	0.8	152.3%	2.1	0.8	55.6%	1.6	292.5%
Grand Total	\$ 960.8	\$ 987.0	\$ 26.2	2.7%	\$ 1,044.1	\$ 57.1	5.8%	\$ 83.3	8.7%

Note: Components may not sum to totals and may not yield percentages shown because of rounding. Divisions/sections are mapped into functional areas based on work performed. Annual mapping validations may cause adjustments from one year to the next. Starting in 2024, the statistics function moved from Mission Advancement to Consumer Protection and Community Development; for comparability, all reporting periods have been adjusted.

Personnel Services Costs

The proposed 2024 operating budget includes growth in personnel services costs of \$51.6 million or 7.0 percent over the 2023 forecast and \$59.5 million or 8.2 percent over the 2023 budget, as shown in Appendix 3.

Increases in personnel services costs reflect the following:

- Funding for the Board’s 2024 compensation program for merit, promotions, market adjustments, and variable pay;
- The full year impact of promotions and market adjustments completed during 2023;
- Increases to healthcare costs and centrally managed pension benefits, which fluctuate due to changes in actuarial and demographic assumptions; and
- Moderate employment growth as new and existing vacancies are filled to meet critical needs and contractors are leveraged to support the Board’s strategic projects.

Positions by division/office are reflected in Appendix 4. For 2024, the proposed budget includes funding for an additional 20 positions within Extraordinary Items (3 previously approved positions and 17 new positions).

Growth for each division and functional area is affected by factors above, particularly compensation and benefits programs and FTE growth.⁷ Table 3 presents FTE for 2023 and 2024 by functional area, while appendix 5 reflects FTE by division/office. For 2024, budgeted FTE is expected to grow by 47 or 1.5 percent over the 2023 forecast and 94 or 3.1 percent over the 2023 budget.

Table 3. FTE by Functional Area

Functional Area	2023 Budget	2023 Forecast	Variance 2023F To 2023B		2024 Budget	Variance 2023F To 2024B		Variance 2023B To 2024B	
			Amount	Percent		Amount	Percent	Amount	Percent
Monetary Policy and Financial Stability	793	814	21	2.6%	826	12	1.5%	33	4.2%
Supervision and Regulation	699	713	15	2.1%	724	11	1.5%	25	3.6%
Payment System and Reserve Bank Oversight	137	140	2	1.8%	142	2	1.5%	5	3.3%
Consumer Protection and Community Development	124	125	1	0.9%	125	0	0.1%	1	1.0%
Mission Advancement	1,301	1,308	7	0.6%	1,330	22	1.7%	29	2.3%
Grand Total	3,054	3,101	46	1.5%	3,148	47	1.5%	94	3.1%

Note: Components may not sum to totals and may not yield percentages shown because of rounding. Full-time equivalent (FTE) includes Board staff and contractors. For 2024, the Board transitioned from average number of personnel (ANP) to FTE to better align with the Reserve Banks and industry. Annual mapping validations may cause adjustments from one year to the next. Starting in 2024, the statistics function moved from Mission Advancement to Consumer Protection and Community Development; for comparability, all reporting periods have been adjusted.

Goods and Services Costs

The proposed 2024 operating budget includes growth in goods and services costs of \$4.8 million or 1.9 percent over the 2023 forecast and \$22.2 million or 9.6 percent over the 2023 budget, as shown in Appendix 3.

Reductions in one-time consultant costs for the NextGen transformation⁸ and other strategic projects allowed for investments in key priorities, including:

- Some strategic investments in the cloud computing environment;

⁷ Full-time equivalent (FTE) includes Board staff and contractors. For 2024, the Board transitioned from average number of personnel (ANP) to FTE to better align with the Reserve Banks and industry.

⁸ This initiative replaces the Board’s human capital, financial management, and procurement systems.

- Data investments, including the acquisition of more robust cyber risk and supervision data;
- Migration to a new information technology contingency site; and
- Contract renewal escalations and lifecycle replacements.

Survey of Consumer Finances

The Survey of Consumer Finances adds \$2.1 million to the proposed 2024 operating budget, which is \$0.8 million over the 2023 forecast and \$1.6 million over the 2023 budget, as shown in Table 2 above. The bulk of cost for the next triennial Survey of Consumer Finances will occur in 2025. The survey collects information about family incomes, net worth, balance sheet components, credit use, and other financial outcomes.

2024 Budget Risk

Divisions took measured budget risks in the development of the proposed 2024 operating budget in order to meet overall growth targets. The risk includes reasonable but challenging vacancy rates that are budgeted based on historical level levels but fluctuate based on several attrition and hiring factors. Further, strategic projects are funded at 2023 levels. Divisions will have to fund new initiatives through prioritization and internal allocation of resources.

Staff will monitor these risks and update the CBA on budget execution during 2024. If these risks materialize, staff will discuss options with the CBA including the possibility of requesting Board approval for additional resources and funding.

Multi-Year Projects

Table 4 summarizes the project life budgets of two significant, multi-year projects:

- Long-term space plan (\$3,600.0 million): This initiative provides a secure, modern environment that meets the needs of the Board's workforce and leverages opportunities to increase collaboration, efficiency, productivity, and sustainability. There are no changes to the overall operating and capital budgets for this project.
- NextGen transformation (\$170.0 million): This initiative provides new cloud-based automation solutions for the Board's human capital, finance, and procurement functions. The proposed net changes of \$10.0 million are needed to replenish the program contingency, which was exhausted during the first release completed in mid-2023. The

Table 4. Multi-Year Projects

Millions of dollars			
	Current Project Life Budget	Changes	New Project Life Budget
Project			
Operating Expenses	\$ 555.9	\$ -	\$ 555.9
Capital Expenditures	3,044.1	-	3,044.1
Long Term Space Plan	\$ 3,600.0	\$	\$ 3,600.0
Operating Expenses	126.0	12.6	138.6
Capital Expenditures	34.0	(2.6)	31.4
NextGen Transformation	\$ 160.0	\$ 10.0	\$ 170.0

Note: Components may not sum to totals and may not yield percentages shown because of rounding. The NextGen transformation project includes internal labor costs.

second release will be phased and include additional hyper care and configuration support, incorporating lessons learned from the first release. The program team is monitoring potential schedule risk and cost pressures, which informed the request to replenish the program contingency. We incorporated operating costs for 2024 and changes to multi-cycle capital expenditures as part of this budget request.

Capital Budget

The Board's capital budget consists of single-cycle and multi-cycle components. Divisions complete single-cycle capital projects, such as routine replacements of equipment, software, and building components, within the current budget cycle, while multi-cycle capital projects, such as building improvements and certain technology initiatives, span several budget cycles.

Table 5 summarizes the Board's 2024 single-cycle capital budget request by category and includes routine replacements of equipment, software, and building components. The proposed 2024 single-cycle capital budget is \$25.1 million, which represents an increase of \$9.6 million over the 2023 forecast and \$3.4 million over the 2023 budget. The growth is driven by the deferral of some automation purchases from 2023 to 2024.

Table 5. Single-Cycle Capital Budget by Category

Millions of dollars									
	2023	2023	Variance		2024	Variance		Variance	
Category	Budget	Forecast	2023F To 2023B		Budget	2023F To 2024B		2023B To 2024B	
			Amount	Percent		Amount	Percent	Amount	Percent
Building Improvements	\$ 5.3	\$ 6.2	\$ 0.9	17.5%	\$ 1.8	\$ (4.4)	-71.1%	\$ (3.5)	-66.0%
Automation Projects	0.8	1.0	0.3	32.9%	2.1	1.1	103.2%	1.3	170.1%
Equipment Purchases & Lifecycle Replacements	15.6	8.2	(7.4)	-47.3%	21.2	12.9	157.2%	5.6	35.5%
Grand Total	\$ 21.7	\$ 15.5	\$ (6.2)	28.6%	\$ 25.1	\$ 9.6	61.9%	\$ 3.4	15.5%

Note: Components may not sum to totals and may not yield percentages shown because of rounding. For the 2024 budget, Data Center Infrastructure category was consolidated into Equipment Purchases & Lifecycle Replacements; for comparability, all reporting periods have been adjusted.

Table 6 summarizes the proposed multi-cycle capital budget of \$3,177.5 million by category, while appendix 6 reflects the multi-cycle capital budget by project/program.

Table 6. Multi-Cycle Capital Budget by Category

Millions of dollars	Current Project Life Budget	Initiatives/ Project Closures	New Project Life Budget	Estimated Project Life Spending Through Year End 2023		2024 Expected Expenditures
Category				Dollars	Percent Spent	
Building Improvements	\$ 3,062.3	\$ -	\$ 3,062.3	\$ 817.5	26.7%	\$ 347.0
Data Strategy	18.0	-	18.0	11.1	61.7%	-
Automation	89.7	6.3	96.0	66.8	74.4%	16.2
Security Enhancements	1.1	-	1.1	-	n.a.	1.1
Grand Total	\$ 3,171.2	\$ 6.3	\$ 3,177.5	\$ 895.4	28.2%	\$ 364.3

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

The proposed multi-cycle capital budget represents an increase of \$6.3 million or 0.2 percent over 2023 (details provided in Appendix 6):

- Additional funding for the alternate data center (ADC) relocation project (\$6.3 million): Finalize the migration of information technology services from the current contingency site to another site/provider.
- Funding reallocation among existing automation projects (net zero):
 - Reductions (-\$2.6 million)
 - NextGen transformation project (-\$2.6 million): Reflects updated estimates as discussed above in the multi-year projects section.
 - Increases (+\$2.6 million)
 - Regulation, analysis, and modeling platform (RAMP) (\$1.4 million): Continue development on the data store of record for stress testing projections and results.
 - ServiceNow enterprise solution (\$0.7 million): Finalize legacy IT application replacement with a cloud-based solution.
 - Currency data analytics platform (CDAP) (\$0.4 million): Replace a legacy application for recordkeeping and accountability of Federal Reserve notes and collateral.
 - Technology for CRA modernization (TCM) (less than \$0.1 million): Address new and emerging business-driven requirements for the Community Reinvestment Act (CRA).

2023 Budget Performance

We request the Board approve an overrun not to exceed 3.0 percent (\$28.8 million) of the 2023 operating budget.

We forecast that the Board will overrun its 2023 operating budget by \$26.2 million or 2.7 percent. However, we are requesting a slightly higher amount to accommodate unforeseen circumstances.

In developing the 2023 budget, the Board took measured risks to address perennial underruns. The approved 2023 budget included \$21.2 million of budget risk with \$4.6 million of risk in personnel services and \$16.6 million of risk in goods and services. In 2023, these risks materialized.

Overruns are forecast in the following:

- Personnel services (\$8.0 million or 1.1 percent overrun):
 - Lower-than-budgeted vacancy rates.
 - Materialized budget risk for unfunded term positions and market adjustments.
- Goods and services (\$17.4 million or 7.5 percent overrun): Materialized budget risk primarily within projects, driven by:
 - NextGen transformation project (\$13.3 million overrun): Half the overrun is driven by expected implementation costs that were expensed rather than capitalized. The remainder of the overrun was within the multiyear project budget and funded from the project's contingency.
 - Strategic projects (\$3.4 million overrun).
 - All other (\$0.7 million overrun).
- Survey of Consumer Finance (\$0.8 million overrun): Two survey deliverables were not completed by the end of 2022 and were expensed in 2023.

Table 2 presents forecasted budget performance by functional area, while Appendices 2 and 3 contain budget performance by division/office and account, respectively.

APPENDICES

Appendix 1. Board 2024 Operating Budget by Division/Office and Parent Account

Millions of dollars Division/Office	Parent Account		2024 Budget
	Personnel Services	Goods & Services	
Research & Statistics (R&S)	\$ 98.6	\$ 16.7	\$ 115.3
International Finance (IF)	43.1	4.2	47.3
Monetary Affairs (MA)	51.0	3.3	54.3
Financial Stability (FS)	21.4	1.2	22.6
Supervision & Regulation (S&R)	126.3	14.4	140.7
Consumer & Community Affairs (C&CA)	39.5	3.8	43.3
Reserve Bank Operations & Payment Systems (RBOPS)	44.3	11.0	55.3
Board Members (BDM)	27.7	4.8	32.5
Secretary (OSEC)	12.7	0.8	13.5
Legal	40.6	2.0	42.6
Chief Operating Officer (COO)	14.6	2.1	16.7
Financial Management (DFM)	17.5	0.3	17.8
Information Technology (IT)	110.4	55.5	165.9
Management (MGT)	92.2	108.2	200.4
Centrally Managed Benefits ¹	27.1	4.8	32.0
Extraordinary Items ²	22.4	44.5	66.9
Savings & Reallocations ³	(2.0)	(22.9)	(25.0)
Total Without Survey	\$ 787.2	\$ 254.8	\$ 1,042.0
Survey of Consumer Finances	-	2.1	2.1
Grand Total	\$ 787.2	\$ 256.9	\$ 1,044.1

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

1. Centrally Managed Benefits includes centralized Boardwide benefit programs, such as accrued annual leave, academic assistance, and relocation, and retirement and post-retirement benefits, which fluctuate due to changes in actuarial assumptions and demographics.

2. Strategic initiatives will continue to be centralized within Extraordinary Items. Also includes the centralized position pool.

3. Includes negative centralized budget execution and forecast adjustments and Board support and overhead allocations to the OIG and Currency.

Appendix 2. Board 2024 Operating Budget by Division/Office

Millions of dollars									
Division/Office	2023 Budget	2023 Forecast	Variance 2023F To 2023B		2024 Budget	Variance 2023F To 2024B		Variance 2023B To 2024B	
			Amount	Percent		Amount	Percent	Amount	Percent
Research & Statistics (R&S)	\$ 108.3	\$ 107.9	\$ (0.4)	-0.4%	\$ 115.3	\$ 7.5	6.9%	\$ 7.1	6.5%
International Finance (IF)	42.2	44.4	2.3	5.4%	47.3	2.9	6.4%	5.1	12.1%
Monetary Affairs (MA)	49.3	50.0	0.8	1.5%	54.3	4.3	8.5%	5.0	10.2%
Financial Stability (FS)	21.0	20.6	(0.4)	-1.8%	22.6	1.9	9.4%	1.6	7.5%
Supervision & Regulation (S&R)	129.7	132.8	3.1	2.4%	140.7	8.0	6.0%	11.1	8.5%
Consumer & Community Affairs (C&CA)	41.0	40.6	(0.5)	-1.1%	43.3	2.7	6.7%	2.3	5.5%
Reserve Bank Operations & Payment Systems (RBOPS)	51.4	52.1	0.7	1.4%	55.3	3.2	6.2%	4.0	7.7%
Board Members (BDM)	30.0	30.6	0.6	2.0%	32.5	1.9	6.1%	2.5	8.3%
Secretary (OSEC)	11.9	12.7	0.8	7.0%	13.5	0.8	6.4%	1.6	13.9%
Legal	36.8	39.4	2.6	6.9%	42.6	3.3	8.3%	5.8	15.8%
Chief Operating Officer (COO)	15.1	15.3	0.2	1.5%	16.7	1.4	9.0%	1.6	10.6%
Financial Management (DFM)	16.1	16.4	0.3	1.6%	17.8	1.5	8.9%	1.7	10.7%
Information Technology (IT)	158.2	158.3	0.2	0.1%	165.9	7.5	4.7%	7.7	4.9%
Management (MGT)	192.7	190.8	(1.9)	-1.0%	200.4	9.6	5.0%	7.7	4.0%
Centrally Managed Benefits ¹	33.2	33.4	0.2	0.8%	32.0	(1.4)	-4.3%	(1.2)	-3.5%
Extraordinary Items ²	48.3	71.9	23.5	48.7%	66.9	(5.0)	-7.0%	18.5	38.3%
Savings & Reallocations ³	(24.7)	(31.4)	(6.7)	27.2%	(25.0)	6.4	-20.5%	(0.3)	1.1%
Total Without Survey	\$ 960.2	\$ 985.6	\$ 25.4	2.6%	\$ 1,042.0	\$ 56.4	5.7%	\$ 81.8	8.5%
Survey of Consumer Finances	0.5	1.3	0.8	152.3%	2.1	0.8	55.6%	1.6	292.5%
Grand Total	\$ 960.8	\$ 987.0	\$ 26.2	2.7%	\$ 1,044.1	\$ 57.1	5.8%	\$ 83.3	8.7%

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

1. Centrally Managed Benefits includes centralized Boardwide benefit programs, such as accrued annual leave, academic assistance, and relocation, and retirement and post-retirement benefits, which fluctuate due to changes in actuarial assumptions and demographics.
2. Strategic initiatives will continue to be centralized within Extraordinary Items. Also includes the centralized position pool.
3. Includes negative centralized budget execution and forecast adjustments and Board support and overhead allocations to the OIG and Currency.

Appendix 3. Board 2024 Operating Budget by Account

Millions of dollars	2023 Budget	2023 Forecast	Variance 2023F To 2023B		2024 Budget	Variance 2023F To 2024B		Variance 2023B To 2024B	
Account			Amount	Percent		Amount	Percent	Amount	Percent
Salaries	\$ 558.5	\$ 565.3	\$ 6.9	1.2%	\$ 607.6	\$ 42.3	7.5%	\$ 49.1	8.8%
Outside Agency Help	44.5	45.7	1.2	2.8%	50.3	4.5	9.9%	5.8	13.0%
Retirement, Insurance, and Benefits	109.2	109.3	0.1	0.1%	114.9	5.6	5.1%	5.7	5.2%
Pension and Post-Retirement Benefits	15.5	15.3	(0.2)	-1.2%	14.5	(0.9)	-5.6%	(1.0)	-6.7%
Sub Total, Personnel Services	\$ 727.6	\$ 735.6	\$ 8.0	1.1%	\$ 787.2	\$ 51.6	7.0%	\$ 59.5	8.2%
Contractual Services and Professional Fees	49.5	66.7	17.2	34.8%	54.3	(12.5)	-18.7%	4.8	9.6%
Rentals	39.6	39.0	(0.6)	-1.5%	42.3	3.3	8.5%	2.7	6.9%
Data, News, and Research	22.4	21.8	(0.6)	-2.7%	26.4	4.6	20.9%	4.0	17.7%
Software	35.9	36.0	0.1	0.2%	40.8	4.7	13.2%	4.8	13.5%
Furniture, Equipment, Postage, and Supplies	8.3	7.9	(0.4)	-5.2%	8.4	0.5	6.1%	0.0	0.6%
Repairs and Maintenance	11.7	12.2	0.5	4.5%	13.5	1.3	10.4%	1.8	15.4%
Utilities	9.3	9.0	(0.2)	-2.6%	9.9	0.9	10.2%	0.7	7.3%
Travel	5.7	7.7	2.0	35.4%	7.9	0.2	2.6%	2.2	38.9%
Other Expenses	19.5	20.7	1.2	5.9%	22.0	1.2	6.0%	2.4	12.3%
Depreciation/Amortization	57.2	56.2	(1.1)	-1.9%	57.6	1.5	2.6%	0.4	0.7%
Support and Overhead Allocations ¹	(21.9)	(21.9)	(0.0)	0.0%	(22.9)	(1.0)	4.6%	(1.0)	4.6%
Earned Revenue	(4.7)	(5.3)	(0.6)	12.8%	(5.3)	0.0	-0.9%	(0.6)	11.8%
Sub-Total, Goods & Services	\$ 232.6	\$ 250.0	\$ 17.4	7.5%	\$ 254.8	\$ 4.8	1.9%	\$ 22.2	9.6%
Total Without Survey	\$ 960.2	\$ 985.6	\$ 25.4	2.6%	\$ 1,042.0	\$ 56.4	5.7%	\$ 81.8	8.5%
Survey of Consumer Finances	0.5	1.3	0.8	152.3%	2.1	0.8	55.6%	1.6	292.5%
Grand Total	\$ 960.8	\$ 987.0	\$ 26.2	2.7%	\$ 1,044.1	\$ 57.1	5.8%	\$ 83.3	8.7%

Note: Components may not sum to totals and may not yield percentages shown because of rounding. For 2024, the Board migrated to a new chart of accounts as part of the NextGen transformation project. For comparability, all reporting periods have been adjusted.

1. Support and overhead allocations include a net zero transfer of costs from the Board operating budget to the OIG and Currency operating budgets for Board support and overhead expenses attributable to the OIG and Currency.

Appendix 4. Positions by Division/Office

Division/Office	2023 Budget	2023 Current	Variance 2023C To 2023B		2024 Budget	Variance 2023C To 2024B		Variance 2023B To 2024B	
			Amount	Percent		Amount	Percent	Amount	Percent
Research & Statistics (R&S)	364	366	2	0.5%	366	-	0.0%	2	0.5%
International Finance (IF)	168	168	-	0.0%	168	-	0.0%	-	0.0%
Monetary Affairs (MA)	186	188	2	1.1%	188	-	0.0%	2	1.1%
Financial Stability (FS)	81	81	-	0.0%	81	-	0.0%	-	0.0%
Supervision & Regulation (S&R)	497	497	-	0.0%	497	-	0.0%	-	0.0%
Consumer & Community Affairs (C&CA)	138	138	-	0.0%	138	-	0.0%	-	0.0%
Reserve Bank Operations & Payment Systems (RBOPS)	190	190	-	0.0%	190	-	0.0%	-	0.0%
Board Members (BDM) ¹	124	126	2	1.6%	126	-	0.0%	2	1.6%
Secretary (OSEC)	56	54	(2)	-3.6%	54	-	0.0%	(2)	-3.6%
Legal	136	139	3	2.2%	139	-	0.0%	3	2.2%
Chief Operating Officer (COO)	64	64	-	0.0%	64	-	0.0%	-	0.0%
Financial Management (DFM)	72	72	-	0.0%	72	-	0.0%	-	0.0%
Information Technology (IT)	419	419	-	0.0%	419	-	0.0%	-	0.0%
Management (MGT)	485	485	-	0.0%	485	-	0.0%	-	0.0%
Extraordinary Items ²	10	3	(7)	-70.0%	20	17	n.a.	10	100.0%
Grand Total	2,990	2,990		0.0%	3,007	17	0.6%	17	0.6%

1. Two positions were transferred from Secretary to Board Members to provide executive support for Board members.

2. Includes the centralized position pool (CPP). Seven positions were awarded from the CPP to Research & Statistics, Monetary Affairs, and Legal in 2023.

Appendix 5. FTE by Division/Office

Division/Office	2023 Budget	2023 Forecast	Variance 2023F To 2023B		2024 Budget	Variance 2023F To 2024B		Variance 2023B To 2024B	
			Amount	Percent		Amount	Percent	Amount	Percent
Research & Statistics (R&S)	363	373	11	2.9%	373	(0)	0.0%	10	2.9%
International Finance (IF)	161	168	7	4.3%	172	3	1.9%	10	6.3%
Monetary Affairs (MA)	180	186	6	3.4%	189	2	1.2%	8	4.7%
Financial Stability (FS)	77	80	4	4.8%	83	3	3.2%	6	8.1%
Supervision & Regulation (S&R)	472	487	15	3.1%	488	2	0.3%	16	3.4%
Consumer & Community Affairs (C&CA)	139	138	(1)	-0.7%	139	1	1.0%	1	0.4%
Reserve Bank Operations & Payment Systems (RBOPS)	176	176	(0)	-0.1%	178	2	1.0%	2	0.9%
Board Members (BDM)	124	126	2	1.6%	127	1	0.6%	3	2.3%
Secretary (OSEC)	55	60	5	9.6%	58	(2)	-3.4%	3	5.9%
Legal	120	125	5	4.2%	128	3	2.6%	8	6.9%
Chief Operating Officer (COO)	56	56	0	0.9%	59	3	4.5%	3	5.4%
Financial Management (DFM)	74	78	4	5.5%	80	2	2.2%	6	7.8%
Information Technology (IT)	485	478	(6)	-1.3%	484	6	1.2%	(0)	0.0%
Management (MGT)	473	479	6	1.3%	481	2	0.3%	8	1.6%
All Other ¹	100	89	(11)	-11.3%	110	21	23.4%	9	9.4%
Grand Total	3,054	3,101	46	1.5%	3,148	47	1.5%	94	3.1%

Note: Components may not sum to totals and may not yield percentages shown because of rounding. Full-time equivalent (FTE) includes Board staff and contractors. For 2024, the Board transitioned from average number of personnel (ANP) to FTE to better align with the Reserve Banks and industry.

1. Includes Boardwide strategic initiatives, the centralized position pool (CPP), and negative centralized budget execution and forecast adjustments.

Appendix 6. Multi-Cycle Capital Budget by Project/Program

Millions of dollars	Current Project Life Budget	Changes	New Project Life Budget	Estimated Project Life Spending Through Year End 2023		2024 Expected Expenditures
Project/Program				Dollars	Percent Spent	
Martin renovation program ¹	\$ 600.0		\$ 600.0	\$ 453.4	75.6%	\$ 25.0
NYA renovation program ²	530.4		530.4	4.1	0.8%	-
Eccles-1951 renovation program	1,883.5		1,883.5	356.8	18.9%	315.0
Post Eccles reconfiguration	29.8		29.8	-	0.0%	-
Board relocation site ³	18.6		18.6	3.2	17.2%	7.0
Sub-Total, Building Improvements	\$ 3,062.3	\$ -	\$ 3,062.3	\$ 817.5	26.7%	\$ 347.0
OCDO strategic initiatives	18.0		18.0	\$ 11.1	61.7%	-
Sub-Total, Data Strategy	\$ 18.0	\$ -	\$ 18.0	\$ 11.1	61.7%	\$ -
Regulation, Analysis, and Modeling Platform (RAMP)	14.6	1.4	16.0	14.4	98.7%	1.4
FOMC system enhancements	2.6		2.6	0.7	27.9%	-
NextGen transformation	34.0	(2.6)	31.4	22.8	67.0%	6.7
Technology Optimization Program (TOP)	22.2		22.2	10.0	45.3%	4.2
ServiceNow enterprise solution ⁴	1.0	0.7	1.7	1.6	159.5%	-
Board statistics portfolio modernization	2.4		2.4	2.2	94.8%	-
Ethics program support	1.3		1.3	1.2	96.5%	-
Cyber capability investment	2.2		2.2	1.4	60.4%	0.8
New data download program (NDDP)	0.9		0.9	0.9	100.0%	-
Metadata management platform ⁷	0.8		0.8	-	0.0%	-
Currency data analytics platform (CDAP)	1.3	0.4	1.7	0.8	67.6%	0.8
Technology for CRA modernization (TCM)	1.6	0.1	1.7	-	0.0%	1.6
Alternate data center (ADC) relocation ^{4,5}	5.0	6.3	11.3	10.7	213.4%	0.6
Sub-Total, Automation	\$ 89.7	\$ 6.3	\$ 96.0	\$ 66.8	74.4%	\$ 16.2
HSDN modernization	1.1	-	1.1	-	0.0%	1.1
Sub-Total, Security Enhancements	\$ 1.1	\$ -	\$ 1.1	\$ -	0.0%	\$ 1.1
Grand Total	\$ 3,171.2	\$ 6.3	\$ 3,177.5	\$ 895.4	28.2%	\$ 364.3

Note: Components may not sum to totals and may not yield percentages shown because of rounding. For changes, new initiatives are positive values and project closures are negative values.

Acronyms: New York Avenue (NYA). Office of the Chief Data Officer (OCDO). Federal Open Market Committee (FOMC). Homeland Secure Data Network (HSDN).

1. Includes the Martin north garage and east fountain exterior improvements projects.

2. Includes 8th floor reconfiguration, restroom infrastructure, and mechanical upgrades projects.

3. Previously, this project was named Board contingency site.

4. Project over-execution in 2023 was more than offset by under-execution within other automation projects.

5. Previously, this project was named contingency data center relocation.