

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

DIVISION OF RESERVE BANK OPERATIONS AND PAYMENT SYSTEMS

2024 Federal Reserve Bank Budgets Addendum

ACTION

In December, the Board approved the 2024 Federal Reserve Bank budgets, with the understanding that the U.S. Department of the Treasury's Bureau of the Fiscal Service (Fiscal Service) had not yet provided its final authorization for certain expenditures to be made by the Federal Reserve as the U.S. Department of the Treasury's fiscal agent. Subsequently, Fiscal Service issued its authorization, resulting in no change to the total amount of the Federal Reserve Bank operating expense and capital budgets that the Board approved in December.¹

Consequently, the director of the Division of Reserve Bank Operations and Payment Systems (RBOPS), acting under limited authority specifically delegated by the Board for this purpose, undesignated total operating and capital expenses associated with services provided to the Treasury for conditional approval, except for investments for Treasury Retail Investment Manager (TRIM) and a Treasury program related to retail security call center operations, and accordingly approved the Reserve Bank budgets, as detailed below.²

1. The final approved budgets include the following: Total 2024 Reserve Bank operating expense budgets of \$6,053.2 million, which reflects an increase of \$360.1 million, or 6.3 percent, from the 2023 forecasted expenses. Total 2024 budgeted employment for the Reserve Banks and NIT is 21,238 FTE, an increase of 390 FTE, or 1.9 percent, from 2023 forecasted staff levels. In consultation with the chair of the Committee on Federal Reserve Bank Affairs, the director of RBOPS retained the conditional approval designation for

¹ On December 15, the Board approved the 2024 Reserve Bank operating budgets totaling \$6,053.2 million, inclusive of \$819.8 million in Treasury services. The Fiscal Service Executive Steering Board (ESB) approved a CY 2024 total reimbursable budget at a not-to-exceed amount of \$863 million, inclusive of an additional amount of \$26 million, placed into a reserve for activities that still require Fiscal Service governance approval. Since the not-to-exceed amount was not a material difference from the Treasury services budget, and well within one percent of total approved operating expenses, the director of RBOPS approved Reserve Bank budgets acting under limited authority delegated by the Board. The immaterial difference is taken as budget risk and does not change the approved 2024 Reserve Bank budget.

² TRIM is a multiyear development program to introduce new business functionality and infrastructure for the retail Treasury program.

expenses associated with investments for Treasury Retail Investment Manager (TRIM), a Treasury program related to retail security call center operations, the Markets Transformation Program, Enterprise Resource Planning investments, and the data center modernization initiative.³ The Reserve Banks are required to provide further information about these projects and obtain approval by the director of RBOPS prior to committing funds.

2. The 2024 Reserve Bank APT, totaling 22,429 positions.⁴
3. The 2024 Reserve Bank single and multiyear capital budgets were approved in three categories:
 - a. significant capital expenditures – multiyear approval for significant capital expenditures (typically expenditures exceeding \$1 million) totaling \$1,189.0 million for 2024 and the remaining term of these projects
 - b. other capital expenditures – single-year capital expenditures, by asset class, for less significant expenditures (less than \$1 million per project) totaling \$72.6 million for 2024
 - c. conditional approval – the chair of the Committee on Federal Reserve Bank Affairs designated \$334.2 million in 2024 and \$1,179.1 million for 2025 and the remaining term of these projects for conditional approval.⁵ The Reserve Banks are required to provide further information about these projects and obtain approval by the director of RBOPS prior to committing funds.

The approval of these updates to conditional approval designations and expectations regarding the process have been communicated to the Reserve Banks.

³ In lieu of expenses in the 2024 budget for the Markets Transformation Program, Enterprise Resource Planning investments, and the data center modernization initiative, staff will provide criteria to Reserve Banks based on project milestone expectations in order to fulfill conditional approval requirements.

⁴ In 2023, the Federal Reserve Board endorsed the creation of an Authorized Position Threshold (APT) as a new budget control, providing greater transparency for positions within or across Reserve Banks for strategic alignment. FRAM 1-049 was updated to include a single APT applicable to the Reserve Banks and NIT. This policy states that a Reserve Bank may plan to hire any authorized position within the System APT approved by the Board and within its budgeted operating expense, unless designated for conditional approval.

⁵ Generally, capital expenditures that are designated for conditional approval include certain building projects, District expenditures that substantially affect or influence future System direction or the manner in which significant services are performed, expenditures that may be inconsistent with System direction or vary from previously negotiated purchasing agreements, and local expenditures that duplicate national efforts.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

DIVISION OF RESERVE BANK OPERATIONS AND PAYMENT SYSTEMS

2024 Federal Reserve Bank Budgets

ACTION

On December 15, 2023, the Board approved the 2024 Reserve Bank operating expense, the Authorized Position Threshold (APT), and capital budgets for 2024. The final approved budgets the following:

1. The 2024 Reserve Bank operating budgets, totaling \$6,053.2 million, an increase of \$360.1 million, or 6.3 percent, from the 2023 forecasted expenses. Total 2024 budgeted employment for the Reserve Banks and National IT (NIT) is 21,238, full-time equivalent (FTE), an increase of 390 FTE, or 1.9 percent, from 2023 forecasted staffing levels.⁶

Further, the chair of the Committee on Federal Reserve Bank Affairs designated for conditional approval the operating expenses for services provided to the Treasury (\$819.8 million) that may require additional review and Board approval, pending authorization from the Bureau of the Fiscal Service (Fiscal Service).⁷ The authorization from Fiscal Service is not anticipated to differ significantly from the 2024 Reserve Bank budgets. The Board delegated the approval of the resources for services provided to the Treasury to the director of the Division of Reserve Bank Operations and Payment Systems (RBOPS) for revisions that are not material, which are those requiring an adjustment of less than one percent of the 2024 Reserve Bank operating budgets of \$6,053.2 million.⁸ Following the receipt of the final funding authorization from Fiscal Service, the chair of the Committee on Federal Reserve Bank Affairs will remove the conditionally approved designation for operating expenses for services provided to the Treasury, except for the portion of the 2024 operating expense budgets associated with investments for Treasury Retail Investment Manager (\$39.3 million) and a program related to retail security call center operations (\$5.4 million).

⁶ The operating budget includes expenses for NIT that are chargeable to the Reserve Banks. Expenses exclude assessments for the Board of Governors operating expenses, pension costs, the cost of currency, and the Consumer Financial Protection Bureau. Previously total budgeted employment for the Federal Reserve System reflected Reserve Banks, the Office of Employee Benefits (OEB) and NIT. In 2023, the OEB was consolidated into the Federal Reserve Bank of Atlanta including budgeted employment. In prior years, National IT was referred to as the Federal Reserve Information Technology office (FRIT).

⁷ The chair of the Committee on Federal Reserve Bank Affairs also designated for conditional approval the markets transformation effort, Enterprise Resource Planning Support Office, and data center modernization initiative.

⁸ For material revisions resulting from the authorization from Fiscal Service (which would constitute an adjustment of one percent or more to the 2024 Reserve Bank operating budgets of \$6,053.2 million reported in this memo), Board approval of the total Reserve Bank operating expense budget would be requested. This is consistent with the approach that was taken for 2019 – 2022 budgets.

2. The 2024 Reserve Bank APT, totaling 22,429 positions.⁹
3. The 2024 Reserve Bank single-year and multiyear capital budgets:
 - a) Multiyear approval for significant capital expenditures (typically expenditures exceeding \$1 million) totaling \$937.1 million for 2024 and the remaining term of these projects, which includes building investments, infrastructure upgrades, and ongoing maintenance and space planning strategies.
 - b) Single-year capital expenditures, by asset class, for less significant expenditures (less than \$1 million per project) totaling \$72.6 million for 2024, covering a broad range of projects including small scale facilities projects and software updates.
 - c) Moreover, the chair of the Committee on Federal Reserve Bank Affairs designated \$502.0 million in 2024, \$1,601.5 million for 2025, and the remaining term of these projects for conditional approval, requiring additional review and approval by the director of RBOPS. Also included in the \$502.0 million is \$96.8 million in Treasury-related capital investments currently designated for conditional approval in 2024. Following the receipt of the final funding authorization from Fiscal Service, while the conditional approval designation will be dropped from the majority of Treasury-related capital expenditures, the chair of the Committee on Federal Reserve Bank Affairs will continue to designate the portion of the 2024 capital budgets associated with Treasury Retail Investment Manager and a program related to retail security call center operations.

DISCUSSION

The Reserve Banks staff have prepared annual budgets for 2024 through a process designed by the Conference of Presidents (COP) to demonstrate the System's commitment to careful stewardship of public funds. The budgets are developed to align with the System's and each individual Reserve Bank's strategic priorities, including

- contributing to the formulation of monetary policy and enhancing monetary policy implementation to become more effective, flexible, and resilient
- promoting financial stability through effective monitoring, analysis, and policy development
- promoting safety and soundness of financial institutions through effective supervision

⁹ In 2023, the Federal Reserve Board endorsed the creation of an Authorized Position Threshold (APT) as a new budget control, providing greater transparency for positions within or across Reserve Banks for strategic alignment. FRAM 1-049 was updated to include a single APT applicable to the Reserve Banks and NIT. This policy states that a Reserve Bank may plan to hire any authorized position within the System APT approved by the Board and within its budgeted operating expense, unless designated for conditional approval.

- leading efforts to enhance the security, resiliency, functionality, and efficiency of services provided to financial institutions, to the U.S. Department of the Treasury as its fiscal agent, and to the public

In 2023, the COP, working closely with the Conference of First Vice Presidents (CFVP), reorganized and simplified its committee structure, establishing five “umbrella” committees responsible for major operational areas and functional areas.¹⁰ The leader of each umbrella committee sits on the Committee on Spend Stewardship (CSS), which is charged by the COP with aligning the budget with strategic priorities at the System level. With guidance from the CSS, the twelve Reserve Banks develop budgets that reflect the strategic priorities, relying heavily on framing and making appropriate tradeoffs. These budgets are reviewed by each Reserve Bank’s senior leadership and respective board of directors.

Board staff analyzed these budgets both individually and, in the aggregate, and then provided its recommendations to the Committee on Federal Reserve Bank Affairs. While all concerned agreed that process improvements have been made, Board staff will continue to work with Reserve Bank leadership to refine the budget process with the most important focal points being alignment with long-term strategy and stewardship of public funds.

Given differences in the budget timelines between the Federal Reserve and the U.S. Department of the Treasury, the Board will take action on the Reserve Bank budgets before Fiscal Service finalizes the approved level of funding for fiscal agent activities provided by the Federal Reserve Banks that is included in the 2024 Reserve Banks budgets. Because the approved level of funding is not anticipated to differ significantly from what is included in the 2024 Reserve Bank budgets the Board has delegated to the director of RBOPS the approval of any revisions that are not material – that is, those of less than one percent of the 2024 Reserve Bank operating budgets of \$6,053.2 million.¹¹

¹⁰ The five umbrella committees are (1) Governance and Risk, (2) People, (3) Payments, (4) Technology and Operations, and (5) Research, Banking, Communities, and Communications.

¹¹ If Fiscal Service authorizes a budget that is materially different from what the Reserve Banks included in the 2024 Budget (an adjustment of one percent or more of the Reserve Bank operating budgets of \$6,053.2 million reported in this memo), Board approval of the total Reserve Bank operating expense budget would again be requested. This is consistent with the approach that the Board took for Reserve Bank budgets from 2019-2022 when the Reserve Banks were similarly awaiting final authorization from Fiscal Service.

TOTAL EXPENSE SUMMARY

Reserve Bank Expenses							
(dollars in millions)							
	2023 Budget	2023 Forecast	23F to 23B		2024 Budget	24B to 23F	
			Amount	Percent		Amount	Percent
Central Bank Services	\$4,185.0	\$4,213.7	\$28.6	0.7%	\$4,458.1	\$244.4	5.8%
Monetary Policy	657.2	656.3	-1.0	-0.1%	629.1	-27.2	-4.1%
Open Market	286.0	289.5	3.5	1.2%	299.8	10.3	3.5%
Public Programs	282.1	278.7	-3.5	-1.2%	280.4	1.7	0.6%
Supervision	1,722.1	1,737.8	15.7	0.9%	1,784.5	46.8	2.7%
Cash	859.1	861.5	2.4	0.3%	897.9	36.4	4.2%
All Other Central Bank Services ^{1,2}	378.6	389.9	11.3	3.0%	566.4	176.5	45.3%
Fee-Based Services³	739.9	750.1	10.2	1.4%	775.2	25.2	3.4%
Treasury Services	721.3	711.4	-9.9	-1.4%	819.8	108.5	15.2%
System IT Residual ⁴		18.0					
Total Expense	\$5,646.2	\$5,693.0	\$46.8	0.8%	\$6,053.2	\$360.1	6.3%

Note: Here and in subsequent tables, components may not sum to totals and may not yield percentages shown because of rounding.

¹ Includes Reserve Accounts and Risk Admin, Services to Int'l Organizations, Services to Other Central Banks, and Loans to Depository Institutions.

² Beginning in 2024, cost accounting policy will be changed to move the Statistics function from Supervision and Monetary Policy into All Other Central Bank Services for reporting purposes only, resulting in a large increase in variance in the latter.

³ Fee-based services are all expenses associated with the Priced Services, including the check, FedACH, Fedwire Funds and National Settlement, Fedwire Securities services, and FedNow services.

⁴ System IT residual represents the difference in actual expenses incurred and budgeted expenses for National and Local IT services, and are held in an unallocated account until year-end.

2024 Operating Expenses, Net of Revenue and Reimbursements

The 2024 operating budgets of the Reserve Banks, inclusive of Treasury services, total \$6,053.2 million, which is \$360.1 million, or 6.3 percent, higher than the 2023 forecast.

Change in Net Expenses				
(dollars in millions)				
	2023 Budget	2023 Forecast	2024 Budget	Percent Change 24B - 23F
Total Expense	\$5,646.2	\$5,693.0	\$6,053.2	6.3%
Less:				
Priced Services Revenue	495.8	504.9	501.4	-0.7%
Reimbursable Claims	787.9	777.5	879.8	13.1%
Net Expenses	\$4,362.5	\$4,410.6	\$4,672.0	5.9%

About a quarter of Reserve Bank expenses in the 2024 budget are offset by either priced services revenue (8.3 percent) or reimbursable claims for services provided to the Treasury and fiscal

principals (14.5 percent).¹² Budgeted 2024 operating expenses, net of revenue and reimbursements, are expected to increase \$261.4 million, or 5.9 percent, from 2023 forecasted expenses.¹³ Budgeted 2024 revenue from priced services is 0.7 percent lower than 2023 forecasted revenue, which reflects an expected decline in check revenue due to decreased volume. Reimbursable claims are expected to increase 13.1 percent in 2024, primarily reflecting increased fees and personnel for Treasury services which are largely needed to meet Federal Reserve System and Treasury deadlines for cloud migrations, security mandates, and technical debt remediation.

2023 Budget Performance

The total 2023 operating expense forecast for the Reserve Banks is \$5,693.0 million, which is \$46.8 million, or 0.8 percent, over the approved 2023 budget of \$5,646.2 million. The overrun is primarily attributable to higher than planned expenses to support cloud migration efforts, as well as funds related to the administration of the Paycheck Protection Program Liquidity Facility program.

Staffing alignment was needed across the System to reduce positions, as resources overran the approved budget, leading to the need for severance and outside agency help expenses. Considering these reductions, the forecasted full time equivalent (FTE) is 20,848, is 115, or 0.6 percent, over the 2023 budget.¹⁴ These increases are offset slightly by lower than anticipated postretirement expenses and lower than planned facilities expenses.

¹² The Federal Reserve provides services to the U.S. government pursuant to the Federal Reserve Act, which stipulates that, when required by the Secretary of the Treasury, Reserve Banks will act as fiscal agents and depositories of the United States. Direct and indirect expenses associated with the services provided to the Treasury are reimbursable. Reimbursable claims include the expenses of fiscal agency and depository services provided to the U.S. Department of the Treasury, other government agencies, and other fiscal principals. Reimbursable claims are slightly higher than Treasury service expenses shown in the “Reserve Bank Expenses” table because the reimbursable claims also include expenses associated with the government’s use of the Reserve Banks’ check, ACH, Fedwire Funds, and Fedwire Securities services; these expenses are included in the “Change in Net Expenses” table.

¹³ Reimbursable claims exclude annual assessments for the supervision of large financial companies pursuant to Regulation TT, which are not recognized as revenue or used to fund System expenses. A final rule was approved in November 2020 to modify the supervision and regulation assessment of fees. This rule adjusted the amount charged to assessed companies with total consolidated assets between \$100 billion and \$250 billion to reflect Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) related changes in supervisory and regulatory responsibilities. The Board issued a final rule implementing the requirements of section 401 of EGRRCPA in December 2020 with the implementation of these modifications beginning with the 2021 assessment. The Board estimates that the 2023 assessment basis will be approximately \$777.3 million, 3.1 percent greater than the 2022 assessment basis. This increase is subject to change as actual 2023 expenses are realized.

¹⁴ The FTE statistic represented here and going forward for 2023 budget, 2023 forecast, and 2024 forecast excludes interns. However, in the 2023 Reserve Bank Budget Memo, the reported 2023 budget for FTE (20,763 FTE) included interns. The analysis of the FTE variance included in this memo excludes interns from 2023 budgeted FTE to ensure a consistent basis for assessing change between budgets. The FTE statistic represents the workload of an employee. FTE is calculated as follows: an employee’s scheduled weekly hours divided by 40 hours (which is the default weekly hours for US jobs).

The forecasted 2023 capital spending for the Reserve Banks and National IT (NIT) is less than the 2023 budget by \$158.3 million, or 17.8 percent.¹⁵ This decrease is predominantly driven by the delay in the purchase of a new cash processing facility and delays and scope reductions for building related projects. This underrun is partially offset by costs associated with the Treasury related initiatives.

2024 Budgeted Operating Expenses

The 2024 operating budgets of the Reserve Banks, including services to the Treasury, total \$6,053.2 million, \$360.1 million, or 6.3 percent, higher than the 2023 forecast. Treasury growth is primarily attributable to fees, software, and personnel for temporary resources and vendor support to meet System and Treasury deadlines for cloud migrations, security mandates, and technical debt remediation. Supervision resource additions align with portfolio growth. Cash investments reflect increases across several Districts to support local implementations for the NextGen program.¹⁶ Investments in fee-based services are for the FedNowSM Service which, aligns with the Federal Reserve System's commitment to modernize the nation's payment system and establish a safe and efficient foundation for the future.

The chair of the Committee on Federal Reserve Bank Affairs designated for conditional approval the portion of the 2024 operating expense budgets (\$819.8 million) associated with investments for Treasury Services, pending final authorization from Fiscal Service.¹⁷ The chair of the Committee on Federal Reserve Bank Affairs also designated for conditional approval the markets transformation effort, Enterprise Resource Planning, and the data center modernization initiative; however, in lieu of expenses in the 2024 budget, staff will provide approval criteria to Reserve Banks based on project milestone expectations. Investments with the conditional approval designation require additional review and approval by the director of RBOPS.

¹⁵ Previously capital spend for the Federal Reserve System reflected Reserve Banks, the Office of Employee Benefits (OEB) and NIT. In 2023, the OEB was consolidated into the Federal Reserve Bank of Atlanta including capital spend. In past years, National IT was referred to as the Federal Reserve Information Technology office (FRIT).

¹⁶ FedCash (formerly the Cash Product Office) is transitioning the existing fleet of high-speed currency processing machines and the sensor suite from the Banknote Processing System platform to the future next-generation (NextGen) processing infrastructure.

¹⁷ In addition, following the receipt of the final authorization from Fiscal Service the chair of the Committee on Federal Reserve Bank Affairs will retain the conditional approval designation for the portion of the 2024 operating expense budgets associated with investments for Treasury Retail Investment Manager and a program related to retail security call center operations.

2024 Personnel Expenses and Staffing

Reserve Bank officer and staff personnel expenses for 2024 total \$4,436.6 million, an increase of \$219.1 million, or 5.2 percent, from 2023 forecasted expenses. The increase reflects the expenses associated with additional staff, salary administration (that is, merit increases, equity adjustments, and promotions), variable pay, and retirement and other benefit costs.

In 2023, the Federal Reserve Board endorsed the creation of an Authorized Position Threshold (APT) as a new budget control to support the strategic allocation of resources across the Federal Reserve System. The objective of the effort is to provide greater transparency for positions within and across Reserve Banks so that System leaders are able to fully assess whether resources and expenditures are strategically aligned. The APT, which establishes a maximum number of positions—both filled and open—for the System, provides both a control on hiring and a reporting mandate. For 2024, the Committee on Federal Reserve Bank Affairs has endorsed, and the Board approved 22,429 positions as the APT.

Total 2024 budgeted employment for the Reserve Banks and NIT is 21,238 FTE, an increase of 390 FTE, or 1.9 percent, from 2023 forecasted staff levels. System IT continues to evaluate resources as the System moves out of the data centers into the Cloud/Colo environment which includes centralization and a realignment in staffing. During the transition, staffing will increase as Reserve Banks and NIT collaborate to upskill and add new resources to support cloud architecture, application enablement and optimization. Growth also supports critical operations, cloud security configurations, access management, and integration services. Increases in support and overhead areas reflect local and enterprise efforts to align resources with strategy and replacements for turnover and delays in hiring. Central Bank services, which includes Supervision, is increasing primarily due to supervisory portfolio growth. Fee-based services reflects investments in resources in technology skills to further align staffing with high-priority objectives, and Treasury resources are increasing to support business and technology modernizations, as well as to support increased operational demand.

Significant Staffing (FTE) Changes 2024 Budget to 2023 Forecast	
2023 Forecast	20,848
Support and Overhead	183
<i>Information Technology</i>	159
<i>Finance and Procurement</i>	12
<i>Law Enforcement</i>	12
<i>Facilities</i>	4
<i>All Other SOH</i>	(4)
Central Bank Services (including Supervision)	173
Fee-Based Services	20
Treasury Services	14
2024 Budget	21,238

2024 Capital Budgets

The 2024 capital budget submitted by the Reserve Banks and NIT totals \$913.9 million. The 2024 capital budget has increased \$183.9 million, or 25.2 percent, from the 2023 forecasted level of \$729.9 million, largely reflecting ongoing multiyear building and IT strategic initiatives,

2024 Capital Budget
(dollars in millions)

	2024 Capital	2025 and Beyond Capital	Total
Capital Expenditures Designated for Conditional Approval¹	\$502.0	\$1,099.5	\$1,601.5
Projects previously designated (without Treasury)	286.1	654.1	940.1
New conditionally approved projects (without Treasury)	119.1	361.3	480.3
Conditionally approved projects (Treasury only) ²	96.8	84.2	181.0
Significant Capital Expenditures	339.3	597.8	\$937.1
Other Capital Expenditures	72.6		72.6
Art	0.0		99.3
Building	15.4		0.2
Furniture and Equipment	49.3		16.0
Land and Land Improvements	0.5		59.5
Leasehold Improvements	0.0		0.7
Software	7.4		0.0
Total Capital Budget	\$913.9	\$1,697.3	\$2,611.2

¹ Previously designated projects may include amounts that have already been approved by the Director of RBOPS that are not reflected on this chart.

² Treasury initiatives are recommended for designation of conditional approval for the 2024 budget year alone.

including expenditures related to the building of a new cash facility that was delayed from 2023. Initiatives in the 2024 capital budget support the development and deployment phase of NextGen, cash facility renovations, address aging building infrastructure in several Reserve Banks, continue data center modernization efforts, and improve IT infrastructure. The chair of the Committee on Federal Reserve Bank Affairs designated a portion of the projects comprising the 2024 capital budgets (\$502.0 million) for conditional approval, including treasury initiatives pending authorization from Fiscal Service, which require additional review and approval by the director of RBOPS. The remainder of the budgets were approved in two categories: (1) approval for significant capital expenditures for 2024 and the remaining term of these projects (\$937.1 million) and (2) single-year approval for all other capital expenditures by asset class (\$72.6 million).

Capital expenditures designated for conditional approval

The chair of the Committee on Federal Reserve Bank Affairs designated for conditional approval budgeted 2024 capital expenditures of \$502.0 million and total multiyear budgeted expenditures of \$1,601.5 million for 2024 and future years. The expenditures designated for conditional approval include several cash investments including the development and deployment of currency processors and facility renovations as part of the NextGen program, and funds to expand an existing cash vault and build a new cash facility. Technology projects include investments to modernize the data center and migrate applications to cloud to increase agility, speed, resilience, and operational efficiency.

Significant capital expenditures

Significant capital expenditures (typically expenditures exceeding \$1 million) that have not been designated for conditional approval include total multiyear budgeted expenditures of \$937.1 million for 2024 and future years, of which the single-year 2024 budgeted expenditures are \$339.3 million. This category includes necessary infrastructure investments for building and IT projects, and applications support for cash, priced services, monetary policy, and supervision initiatives.

Other capital expenditures

The 2024 capital budgets include \$72.6 million for other capital expenditures that are individually less than \$1 million per project, such as building maintenance expenditures, scheduled software and equipment upgrades, and equipment and furniture replacements.

Statistical Supplement

Table A	Total Expenses of the Federal Reserve Banks, by District
Table B	Total Employment in the Federal Reserve Banks, by District
Table C	Budgeted Changes to Cash Compensation Programs of the Federal Reserve Banks, Officers and Staff, by District
Table D	Capital Outlays of the Federal Reserve Banks, by District

Notes: In the following tables, Reserve Bank expenses include those budgeted by NIT are chargeable to the Reserve Banks.

TABLE A: TOTAL EXPENSES OF THE FEDERAL RESERVE BANKS
by District, 2023 and 2024
(Dollars in Thousands)

District	2023 Budget	2023 Forecast	2024 Budget	Variance	
				23F to 23B	24B to 23F
Boston	407,726	410,876	438,199	0.8%	6.6%
New York	1,291,334	1,301,111	1,364,071	0.8%	4.8%
Philadelphia	232,817	234,287	243,940	0.6%	4.1%
Cleveland	304,192	306,907	330,017	0.9%	7.5%
Richmond	394,217	398,150	418,419	1.0%	5.1%
Atlanta	476,614	488,492	530,444	2.5%	8.6%
Chicago	540,087	536,468	557,574	-0.7%	3.9%
St. Louis	427,945	430,790	491,625	0.7%	14.1%
Minneapolis	257,128	264,368	302,199	2.8%	14.3%
Kansas City	487,910	488,205	484,930	0.1%	-0.7%
Dallas	302,160	308,140	334,499	2.0%	8.6%
San Francisco	524,072	525,243	557,238	0.2%	6.1%
Total	5,646,203	5,693,038	6,053,153	0.8%	6.3%

**TABLE B: TOTAL EMPLOYMENT
OF THE FEDERAL RESERVE BANKS**
by District, 2023 and 2024
Full Time Equivalent (FTE)

District	2023 Budget	2023 Forecast	2024 Budget	Variance		Variance	
				23F to 23B		24B to 23F	
Boston	1,283	1,285	1,296	2	0.1%	11	0.8%
New York	2,981	3,000	3,073	19	0.7%	73	2.4%
Philadelphia	857	879	884	22	2.6%	5	0.5%
Cleveland	1,104	1,093	1,114	-11	-1.0%	21	1.9%
Richmond	1,547	1,601	1,617	54	3.5%	16	1.0%
Atlanta*	1,715	1,753	1,780	38	2.2%	27	1.5%
Chicago	1,679	1,719	1,726	40	2.4%	7	0.4%
St. Louis	1,447	1,482	1,508	35	2.4%	25	1.7%
Minneapolis	1,066	1,122	1,147	56	5.2%	25	2.2%
Kansas City	2,132	2,038	2,072	-94	-4.4%	34	1.7%
Dallas	1,281	1,292	1,343	11	0.9%	51	3.9%
San Francisco	1,864	1,851	1,910	-13	-0.7%	59	3.2%
Subtotal	18,955	19,116	19,468	161	0.8%	352	1.8%
NIT	1,719	1,732	1,770	13	0.7%	38	2.2%
OEB*	58	-	-	-58	-100.0%	0	NA
Total	20,733	20,848	21,238	115	0.6%	390	1.9%

* Reflects the consolidation of the OEB to FRB Atlanta.

TABLE C: BUDGETED CHANGES TO CASH COMPENSATION PROGRAMS OF THE FEDERAL RESERVE BANKS
Officers and Staff by District, 2024
(Dollars in Thousands)

District	Total 12/31/23 Salary Liability (a)	Additions to Salary Base				Percentage Increase to Total 12/31/23 Salary Liability (b + c + d) / (a)	Change in Variable Pay (e)	Total	
		Merit (b)	Equity Adjustments (c)	Promotions and Reclasses (d)	Dollars (b + c + d + e)			Percentage Increase to Total 12/31/23 Salary Liability (b + c + d + e) / (a)	
Boston	201,069	6,334	1,005	1,709	4.5%	1,089	10,137	5.0%	
New York	559,841	16,795	2,799	5,598	4.5%	4,897	30,090	5.4%	
Philadelphia	114,455	3,434	572	1,145	4.5%	765	5,915	5.2%	
Cleveland	136,235	4,496	272	1,362	4.5%	539	6,670	4.9%	
Richmond	207,276	6,426	829	2,073	4.5%	1,320	10,647	5.1%	
Atlanta	221,023	6,951	772	2,207	4.5%	1,077	11,007	5.0%	
Chicago	248,359	7,451	1,394	2,332	4.5%	1,272	12,449	5.0%	
St. Louis	195,566	5,867	978	1,956	4.5%	1,456	10,256	5.2%	
Minneapolis	126,368	3,791	632	1,264	4.5%	810	6,496	5.1%	
Kansas City	214,499	6,435	1,716	1,501	4.5%	454	10,107	4.7%	
Dallas	165,679	4,970	828	1,657	4.5%	1,391	8,847	5.3%	
San Francisco	269,446	8,082	1,347	2,694	4.5%	1,565	13,688	5.1%	
FRIT	259,246	8,037	1,037	2,592	4.5%	1,311	12,977	5.0%	
Total	2,919,064	89,068	14,182	28,090	4.5%	17,946	149,286	5.1%	

The table above shows the cash compensation components that add to base salary (merit, equity, and promotion) and the 2024 change in variable pay expense compared to those forecasted for 2023.

December 31, 2023 Salary Liability: the annualized salary expense based on the salaries in effect on December 31.

Merit: the amount of 2024 budgeted salary expense that reflects salary increases for individuals based on performance.

Equity Adjustments: the amount of 2024 budgeted salary expense to bring individual salaries to the minimum of a salary range or to better align salaries based on internal or external compensation pressures.

Promotions: the amount of 2024 budgeted salary expense that reflects salary increases for individuals as a result of promotions resulting from a significant increase in job responsibilities.

Variable Pay: the change in 2024 budgeted incentive payments (payment for the achievement of pre-determined goals) and cash awards (awards in recognition of exceptional achievements) compared to the 2023 forecast.

TABLE D: CAPITAL OUTLAYS OF THE FEDERAL RESERVE BANKS

by District, 2023 and 2024

(Dollars in Thousands)

District	2023 Budget	2023 Forecast	2024 Budget	Variance	
				23F to 23B	24B to 23F
Boston	53,533.5	42,784.1	59,285.1	-20.1%	38.6%
New York	145,774.3	71,442.0	183,057.9	-51.0%	156.2%
Philadelphia	15,702.3	11,487.4	22,432.5	-26.8%	95.3%
Cleveland	29,680.5	32,569.2	31,408.1	9.7%	-3.6%
Richmond	17,045.9	19,825.8	18,220.6	16.3%	-8.1%
Atlanta*	80,888.0	56,186.8	145,902.3	-30.5%	159.7%
Chicago	43,784.9	29,852.8	30,299.9	-31.8%	1.5%
St. Louis	39,045.3	36,921.9	32,935.9	-5.4%	-10.8%
Minneapolis	34,190.5	29,839.6	30,694.7	-12.7%	2.9%
Kansas City	68,991.1	48,460.5	63,885.1	-29.8%	31.8%
Dallas	45,319.9	39,885.3	48,089.4	-12.0%	20.6%
San Francisco	134,457.9	119,272.4	118,201.4	-11.3%	-0.9%
Subtotal	708,414	538,528	784,413	-24.0%	45.7%
NIT	179,752.8	191,409.8	129,453.8	6.5%	-32.4%
OEB*	60.0	-	-	NA	NA
Total	888,227	729,937	913,867	-17.8%	25.2%

* Includes the consolidation of the OEB to FRB Atlanta.