

IANA and PTI Draft FY23 Operating Plan and Budget

ALAC OFB-WG
September 23, 2021

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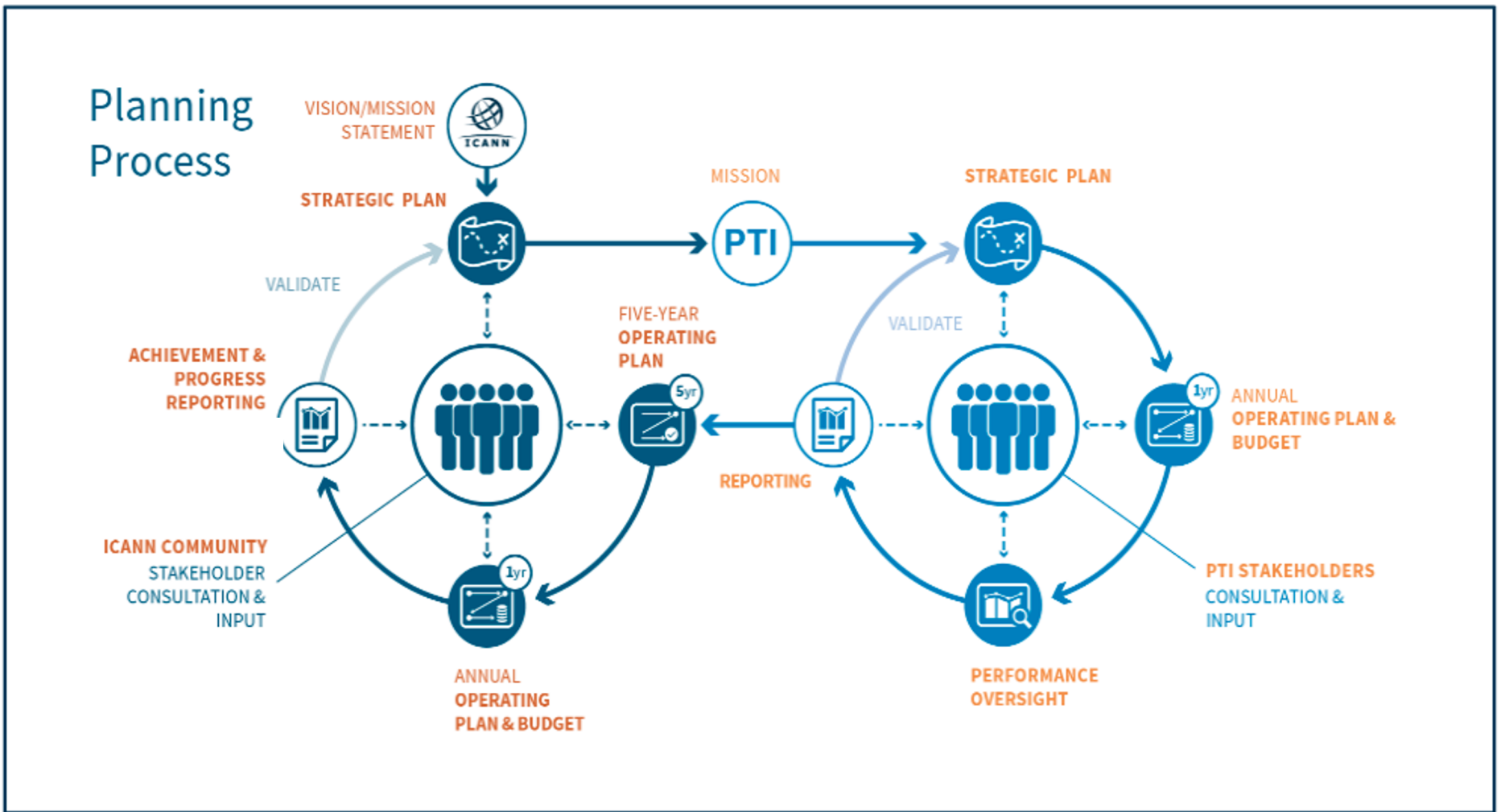
Budget
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Timeline and
Next Step

FY23 Planning Process and Overview

Process Overview: Planning Process Steps



Bylaw Planning Requirements

PTI Strategic Plan

“The Corporation shall develop and annually update a four-year strategic plan that outlines the Corporation’s strategic priorities (the “Strategic Plan”). This Strategic Plan process may be run concurrently with the Annual Budget development process...”

PTI Bylaws

PTI Operating Plan and Budget

“At least nine months prior to the commencement of each fiscal year, the Corporation shall submit to the PTI Board and the Board of Directors of ICANN (the “ICANN Board”) a proposed annual operating plan and budget for the Corporation’s next fiscal year (“Annual Budget”).

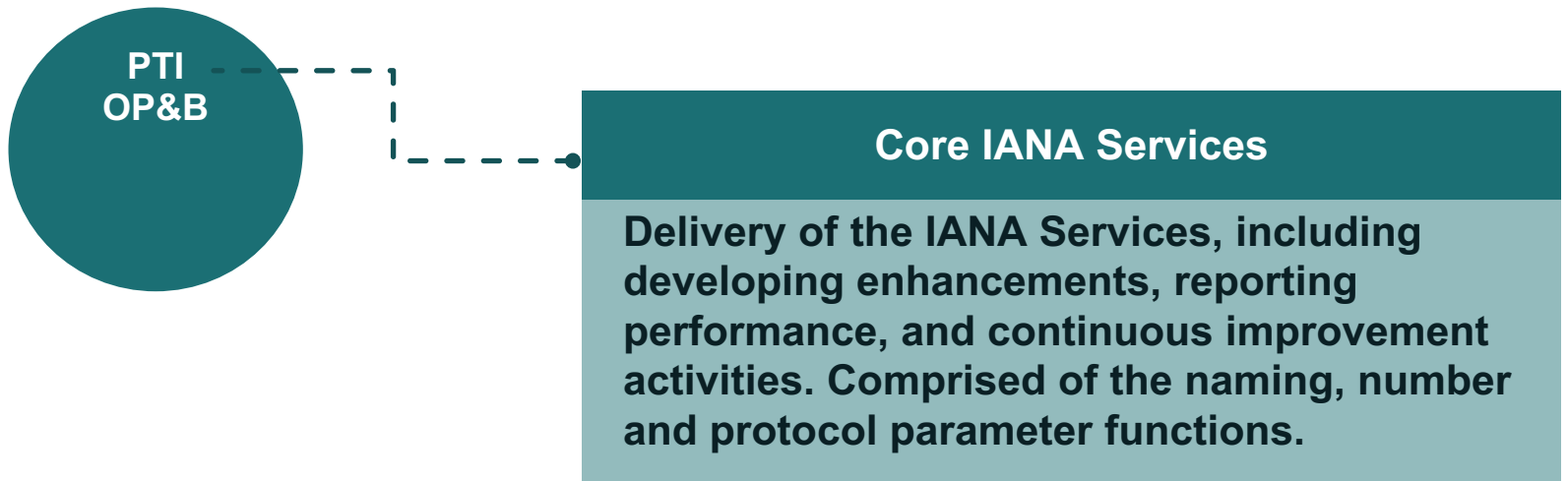
PTI Bylaws

IANA Operating Plan and Budget

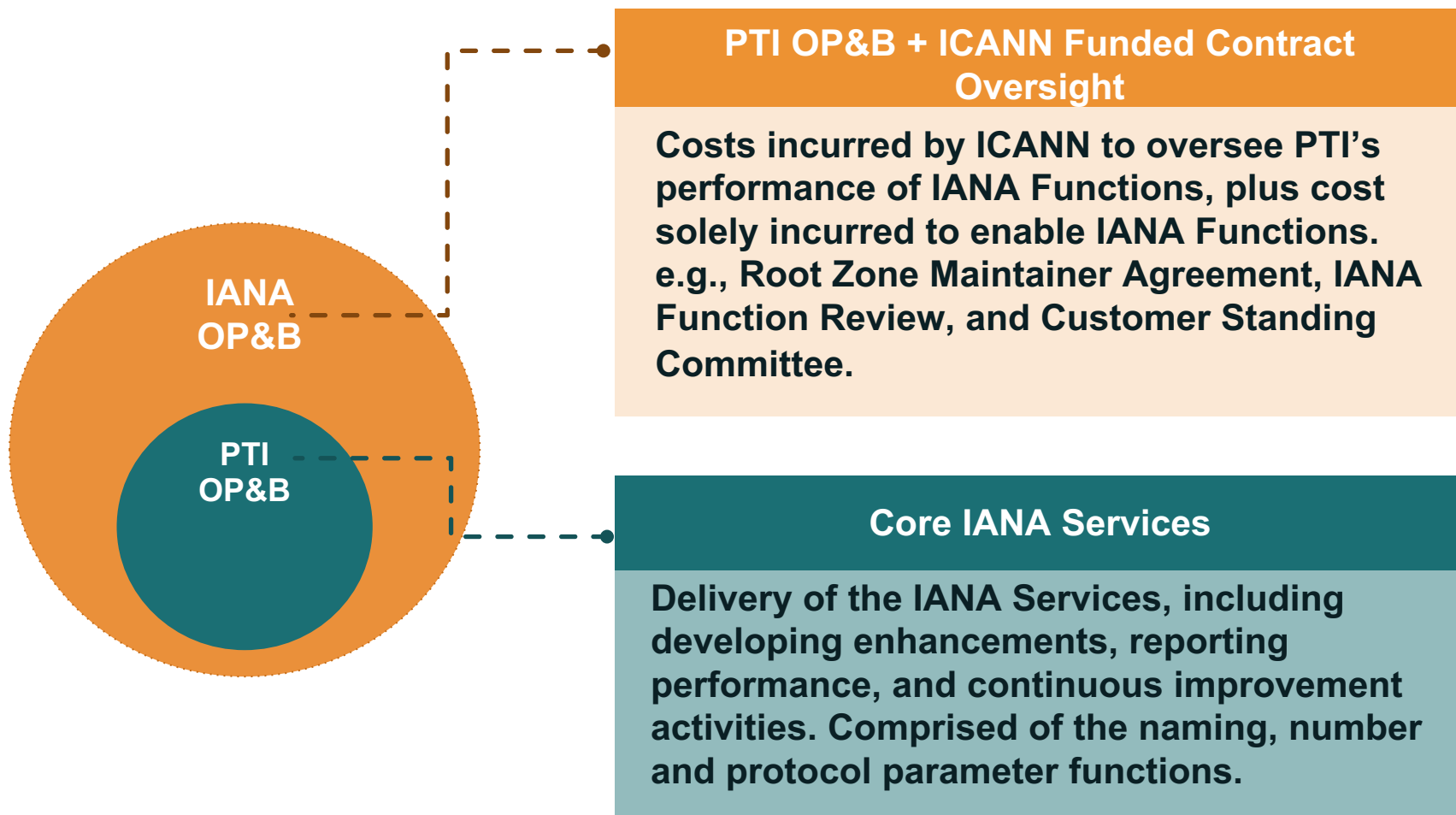
“At least 45 days prior to the commencement of each fiscal year, ICANN shall prepare and submit to the Board a proposed annual operating plan and budget of PTI and the IANA department, ... (the “IANA Budget”)....”

ICANN Bylaws

Scope of The Plans

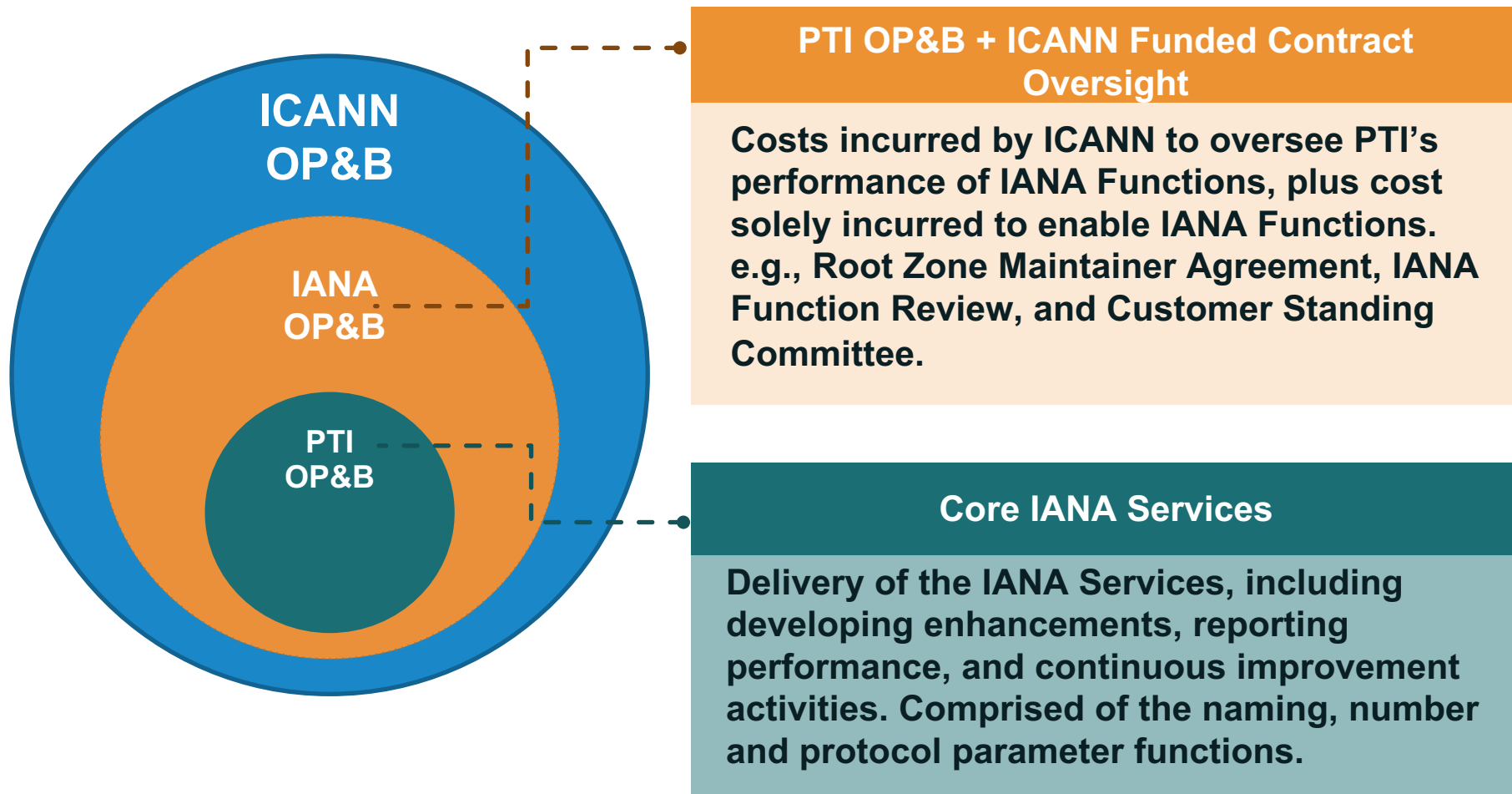


Scope of The Plans



Scope of The Plans

The PTI and IANA Operating Plan and Budgets (OP&B) are components of the ICANN Operating Plan and Budget



Operating Plan and Budget Assumptions

FY23 Operating Plan and Budget Assumptions

Strategic Objectives Remain Unchanged

The 2020-2024 strategic plan correctly captures our FY23 objectives

Customer Satisfaction and Expectations

Ongoing customer satisfaction remains high, but there is a need to incrementally improve our services to maintain this happiness

Affordability Assumption and Balanced Budget

Funding for IANA remains a priority and ICANN will continue to support all expected expenses

Face-to-Face Meetings and Engagement

Although there is still uncertainty, for planning purposes, the FY23 plans assume business travel, face-to-face meetings and other engagement activities will resume

Community Recommendation Work

Implementation work will be planned only as recommendations and policies move forward and reach the stage of Board adoption and prioritization

Review Draft Operating Plan

PTI Overall Priorities

IANA Website (iana.org) Improvements

- FY22: Complete backend improvements as well as adding new services to report service availability, including scheduled maintenance periods and the ability to provide narrative around unexpected events.
- **FY23:** Registry searching, robust content delivery, structured Data Improvements

Operational Excellence & Engagement

- Enhance engagement opportunities with the IETF leadership, CSC, RIRs and the AC/SO while adapting to the post-pandemic reality across the globe.
- Maintain our culture of continuous improvement through customer surveys, audits and Organizational Assessments.
- Continue striving for excellence when meeting our SLAs and all other contractual commitments.

PTI Priorities – Naming Function

Next-generation Root Zone Management System will be launched, but will have a program of incremental improvements:

- Deferred quality-of-life/functional improvements
- Implementing new policies/programs (e.g., SubPro)

ccNSO Review Mechanism — Implementation

KSK management

- Next rollover
- R&D on algorithm roll (kicks off FY22)
- Facilities review

PTI Priorities – Protocol Parameters Function

Protocol Parameter Registry Workflow System (**Opal**)

- FY21: Much of the pre-work that has gone into Opal has created a solid foundation for this work.
- FY22: Implementing workflow handling for Private Enterprise Number (PEN) registration and retire the current application tool.
- **FY23:** Incrementally enhanced with a focus on making regular small improvements.
- Over time, more IETF registries and other workflows will migrate to the system.

PTI Priorities – Numbering Function

- Number services expected to benefit from Opal platform enhancements
- Continue to monitor RIR communities and evolving policies to be adaptable to future requirements
- We welcome input on further enhancements in this space

FY23 Budget

FY23 PTI Budget Summary

1

PTI Budget Funding/ICANN Funding

Funding for the PTI Budget is provided solely from ICANN and is driven by the work performed or expenses

2

PTI Budget cash expenses

Expenses are driven by the main cost categories of Personnel, Travel & Meetings, Professional Services, Administration, and Capital. Expenses are segregated into three cost pools: Direct Dedicated, Direct Shared, and Shared Services

3

PTI Budget contingency

Contingency represents an amount of budgeted expense unallocated to specific activities or departments

Grand Total Including Support Functions Shared with ICANN

	FTE	Personnel	T&M	ProfSvcs	Admin	Capital	Total
Direct costs / Dedicated resources	17.0	\$3.3	\$0.3	\$1.0	\$0.1	\$0.3	\$5.1
Direct costs / Shared resources	5.0	\$1.3	\$0.1	\$0.3	\$0.5	-	\$2.2
Support Services Allocations	0.0	\$1.6	\$0.1	\$0.4	\$0.3	-	\$2.5
Total	22.0	\$6.3	\$0.5	\$1.8	\$0.9	\$0.3	\$9.8

Description of PTI Costs by Cost Type

Direct Dedicated

Wholly dedicated employees within PTI

For example:

- All cost of IANA Department, including request specialists, Software Development and IT Operation team, Audit, Continuous Improvement Management

Direct Shared

Specific staff and other allocations from other ICANN departments

For example:

- Key ceremony roles
- Dedicated IT operations and software developers from Engineering and Information Technology
- Dedicated staff support from legal, Board operations, finance, etc.

Shared Services

Communal services used by whole ICANN org

For example:

- Ombudsman
- Human Resources
- Global Communications and Language Services

Draft FY23 PTI Budget by Cost Category

FY23 PTI Budget in Millions, USD	FY23 Budget	FY22 Budget	Under/(Over)		FY21 Actuals	Under/(Over)	
			Total	%		Total	%
FUNDING	\$9.8	\$9.7	(\$0.1)	-1.1%	\$7.7	(\$2.1)	-27.7%
Personnel	\$6.3	\$6.1	(\$0.2)	-3.3%	\$5.7	(\$0.6)	-11.3%
Travel & Meetings	\$0.5	\$0.6	\$0.0	5.2%	\$0.0	(\$0.5)	-13991.5%
Professional Services	\$1.3	\$1.3	\$0.0	2.2%	\$0.8	(\$0.5)	-56.6%
Administration	\$0.9	\$0.9	\$0.0	-5.4%	\$1.0	\$0.1	5.4%
Contingency	\$0.5	\$0.5	\$0.0	0.0%	\$0.0	(\$0.5)	0.0%
Capital	\$0.3	\$0.3	\$0.0	0.0%	\$0.3	(\$0.1)	-22.1%
Depreciation (a)	\$0.0	\$0.1	\$0.1	83.2%	\$0.0	\$0.0	-799.0%
TOTAL CASH EXPENSES	\$9.8	\$9.7	(\$0.1)	-1.1%	\$7.7	(\$2.1)	-27.7%
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
Average Headcount (FTE) (b)	22.0	22.0	0.0	0.0%	20.9	-1.1	-5.2%

(a) Depreciation is treated as a cash expense for PTI since it will be reimbursed to ICANN

(b) FTE: Full-time staff equivalent

In millions, USD- unaudited – Scale and arithmetic inconsistencies are due to rounding to the nearest million

Draft FY23 IANA Budget

FY23 IANA Budget in Millions, USD	FY23 IANA Draft Budget	FY22 IANA Adopted Budget	Under/(Over)		FY21 IANA Actuals	Under/(Over)	
			Total	%		Total	%
PTI Budget	\$9.8	\$9.7	(\$0.1)	-1.1%	\$7.7	(\$2.1)	-27.7%
IANA Support Activities (1)	\$0.6	\$0.6	\$0.1	8.8%	\$0.6	\$0.0	2.0%
TOTAL	\$10.4	\$10.3	(\$0.1)	-0.5%	\$8.3	(\$2.1)	-25.6%

(1) IANA Support Activities include the Root Zone Maintainer function, Customer Standing Committee, Root Zone Evolution Committee, and IANA Naming Function reviews.

The IANA support activities component is \$0.1M lower compared to the FY22 IANA Budget due to the mix of personnel support. Overall, the services remain the same to the FY22 Budget.

Draft FY23 PTI Budget by Client Service

PTI Services FY23 Budget				
In Millions, USD	Names	Numbers	Protocol Parameters	FY23 Budget
Direct costs / Dedicated resources	2.6	1.0	1.5	5.1
Direct costs / Shared resources	1.1	0.4	0.7	2.2
Support Services Allocations	1.3	0.5	0.7	2.5
Total	\$5.0	\$1.9	\$2.9	\$9.8

PTI Services FY22 Budget				
In Millions, USD	Names	Numbers	Protocol Parameters	FY22 Budget
Direct costs / Dedicated resources	2.7	0.9	1.4	5.0
Direct costs / Shared resources	1.2	0.4	0.6	2.3
Support Services Allocations	1.3	0.4	0.7	2.5
Total	\$5.3	\$1.7	\$2.8	\$9.7

Variance FY23 vs FY21				
In Millions, USD	Names	Numbers	Protocol Parameters	Variance
Direct costs / Dedicated resources	(0.1)	0.1	0.1	0.1
Direct costs / Shared resources	(0.1)	0.0	0.0	(0.0)
Support Services Allocations	(0.1)	0.1	0.0	0.0
Total	(\$0.3)	\$0.2	\$0.2	\$0.1

Timeline and Next Steps

PTI and IANA OP&B Planning Timeline

Key Steps	When	Who	Comments
Initial Community Consultation	June – July 2021	Community	Two Community Webinars 27 July
Draft Operating Plan and Budget Development	July – August 2021	PTI & ICANN	
PTI Draft OP&B Submitted to PTI Board	09 September 2021	PTI Board	At Least 9 Months Before Next Fiscal Year (Input to ICANN OP&B Per Bylaws)
IANA Draft OP&B Submitted to ICANN BFC	10 September 2021	ICANN BFC	At Least 9 Months Before Next Fiscal Year (Input to ICANN OP&B Per Bylaws)
Draft OP&B Public Comment Period	15 September – 25 October 2021	Community	Public Comment periods runs for 40 days
Staff Report on Public Comment Published	Late November 2021	Org	
OP&B Adoption	Early December 2021	PTI Board (PTI OP&B) ICANN Board (IANA OP&B)	Once the PTI Board adopts the PTI Plans, the IANA plans are submitted to the BFC for a recommendation to the ICANN Board for Adoption
Empowered Community Period	January 2022	Empowered Community	28 Days should no petition be submitted