

Adopted PTI FY21 Operating Plan and Budget

14 April 2020

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PTI | An ICANN Affiliate

Agenda

1. FY21 Operating Plan and Budget Public Comment Summary
2. FY21 Operating Plan and Budget Summary
3. Appendix

FY21 Operating Plan Budget and Public Comment Summary

Agenda Item #1

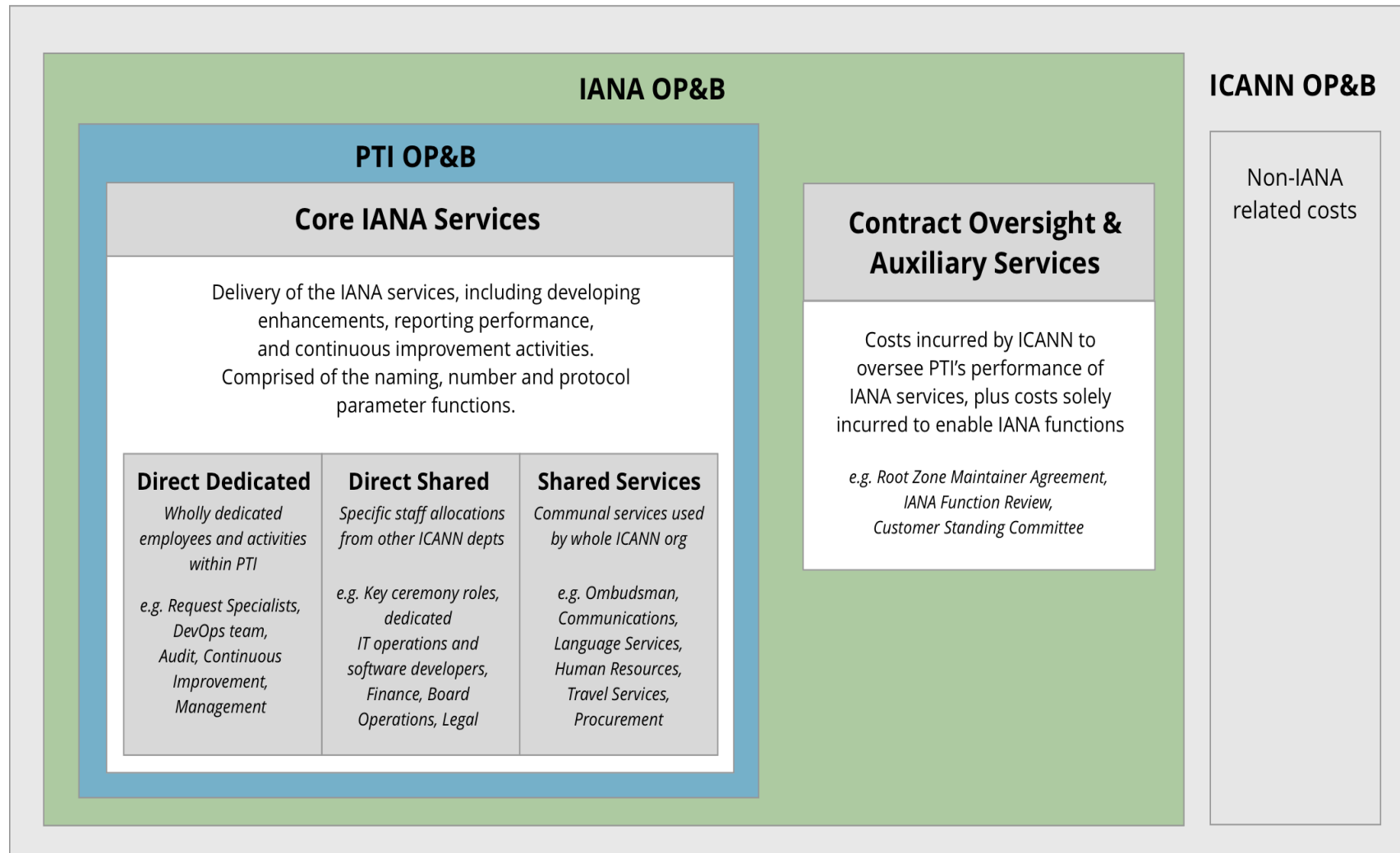
FY21 Operating Plan and Budget: Public Comments

- Public comment period ran from 14 October – 27 November 2019 (~6 weeks)
- 32 comments received by 6 organizations/groups and 1 individual.
 - ICANN At Large Advisory Committee (ALAC) – 1
 - GNSO Council (GNSO) – 6
 - Non-Commercial Stakeholders Group (NCSG) - 9
 - ICANN Business Constituency (BC) - 7
 - Registries Stakeholder Group (RySG) – 6
 - Registrars Stakeholder Group (RrSG) – 2
 - Individual – 1
- Consistent themes across comments
 - Financial Data and Format - 18
 - PTI Structure & Information – 11
 - Public Comment Process - 1
 - General Comments - 2
- No substantive changes required to Operating Plan and Budget as a result of public comments.

Adopted FY21 Operating Plan and Budget (OP&B)

Agenda Item #2

IANA and PTI Operating Plan and Budget Structure



FY21 PTI Budget Summary

1

PTI Funding/ICANN Funding

FY21 Funding of PTI is \$10.0M provided solely from ICANN and is driven by the FY21 Expenses

2

PTI baseline cash expenses

FY21 Expenses of \$10.0M (including \$0.5M contingency) increased versus prior year budget driven by inflationary Personnel increases

3

PTI contingency

Contingency of \$0.5M remains flat in FY21 compared to prior year budget. Contingency is about 10% of the Direct Dedicated costs and represents an amount of budgeted expense unallocated to specific activities or departments

4

Capital Budget

Capital for FY21 is for a Hardware Security Module (HSM) Replacements and Key Management Facility (KMF) improvements

TOTAL PTI in Millions, USD	PTI Services FY21 Budget	PTI Services FY20 Forecast	Under/(Over)		PTI Services FY19 Actuals	Under/(Over)	
			Total	%		Total	%
Operating Expenses (a)	\$9.9	\$9.8	(\$0.1)	-1.2%	\$7.6	(\$2.3)	-30.6%
Capital	\$0.1	\$0.1	\$0.0	0.0%	\$0.3	\$0.2	64.0%
TOTAL	\$10.0	\$9.9	(\$0.1)	-1.2%	\$7.9	(\$2.1)	-26.8%

(a) Included budgeted contingency of \$0.5M.

Adopted FY21 PTI Budget by Cost Category

FY21 PTI Budget in Millions, USD	PTI Services FY21 Budget	PTI Services FY20 Forecast	Under/(Over)		PTI Services FY19 Actuals	Under/(Over)	
			Total	%		Total	%
FUNDING	\$10.0	\$9.9	(\$0.1)	-1.2%	\$7.9	(\$2.1)	-26.8%
Personnel	\$6.3	\$6.0	(\$0.3)	-5.6%	\$4.9	(\$1.4)	-29.0%
Travel & Meetings	\$0.5	\$0.5	\$0.0	1.5%	\$0.5	(\$0.0)	-3.4%
Professional Services	\$1.4	\$1.4	\$0.0	0.1%	\$1.2	(\$0.2)	-12.7%
Administration	\$0.9	\$1.1	\$0.2	18.3%	\$0.9	(\$0.0)	-4.7%
Contingency	\$0.5	\$0.5	\$0.0	0.0%	\$0.0	(\$0.5)	0.0%
Capital	\$0.1	\$0.1	\$0.0	0.0%	\$0.3	\$0.2	64.0%
Depreciation (a)	\$0.3	\$0.3	\$0.0	0.0%	\$0.1	(\$0.2)	-425.4%
TOTAL CASH EXPENSES	\$10.0	\$9.9	(\$0.1)	-1.2%	\$7.9	(\$2.1)	-26.8%
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
Average Headcount (FTE) (b)	23.0	23.0	0.0	0.2%	21.0	(2.0)	-9.5%

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

(b) FTE: Full-time staff equivalent

FY21 IANA Budget in Millions, USD	FY21 IANA Budget	FY20 IANA Forecast	Under/(Over)		FY19 IANA Actuals	Under/(Over)	
			Total	%		Total	%
PTI Services	\$10.0	\$9.9	(\$0.1)	-1.2%	\$7.9	(\$2.1)	-26.8%
IANA Services (c)	\$0.6	\$0.6	\$0.0	2.9%	\$0.4	(\$0.2)	-36.2%
TOTAL	\$10.6	\$10.5	(\$0.1)	-1.0%	\$8.3	(\$2.3)	-27.3%

(c) IANA Services includes the Root Zone Maintainer function, Customer Standing Committee,

Root Zone Evolution Committee and IANA Naming Function reviews

These costs are funded by ICANN Operations.

- Variance explanations on individual cost segment tabs

Adopted FY21 PTI Budget by PTI Client Services

PTI Services FY21 Budget				
In Millions, USD	Names	Numbers	Protocol Parameters	FY21 Budget
Direct costs / Dedicated resources	2.7	0.8	1.4	4.9
Direct costs / Shared resources	1.4	0.4	0.6	2.3
Support Services Allocations	1.5	0.4	0.8	2.7
Total	\$5.7	\$1.6	\$2.8	\$10.0

PTI Services FY20 Forecast				
In Millions, USD	Names	Numbers	Protocol Parameters	FY20 Budget
Direct costs / Dedicated resources	2.7	0.8	1.3	4.7
Direct costs / Shared resources	1.5	0.4	0.6	2.5
Support Services Allocations	1.5	0.4	0.7	2.7
Total	\$5.6	\$1.6	\$2.7	\$9.9

Adopted FY21 PTI Budgeted Headcount by Client Services

FY21 Budget Headcount - Direct Dedicated resources				
	Names	Numbers	Protocol Parameters	Total
Operational Activities	5.9	1.0	2.7	9.6
Operational Improvement Activities	2.9	1.2	1.6	5.7
PTI Technical System Enhancements	1.2	0.8	0.7	2.7
Total	10.1	3.0	4.9	18.0

FY20 Forecast Headcount - Direct Dedicated resources				
	Names	Numbers	Protocol Parameters	Total
Operational Activities	5.9	1.0	2.7	9.6
Operational Improvement Activities	3.1	1.1	1.5	5.7
PTI Technical System Enhancements	1.5	0.8	0.4	2.7
Total	10.6	2.8	4.6	18.0

FY21 Budget Headcount - Direct Shared resources				
	Names	Numbers	Protocol Parameters	Total
Operational Activities	1.6	0.3	0.7	2.7
Operational Improvement Activities	0.0	0.0	0.0	0.0
PTI Technical System Enhancements	1.0	0.7	0.6	2.3
Total	2.7	1.0	1.3	5.0

FY20 Forecast Headcount - Direct Shared resources				
	Names	Numbers	Protocol Parameters	Total
Operational Activities	1.5	0.2	0.7	2.5
Operational Improvement Activities	0.0	0.0	0.0	0.0
PTI Technical System Enhancements	1.4	0.7	0.4	2.6
Total	2.9	1.0	1.1	5.0

FY21 Budget Headcount - Total				
	Names	Numbers	Protocol Parameters	Total
Operational Activities	7.6	1.2	3.4	12.3
Operational Improvement Activities	2.9	1.2	1.6	5.7
PTI Technical System Enhancements	2.2	1.5	1.3	5.0
Total	12.7	3.9	6.3	23.0

FY20 Forecast Headcount - Total				
	Names	Numbers	Protocol Parameters	Total
Operational Activities	7.4	1.2	3.4	12.1
Operational Improvement Activities	3.1	1.1	1.5	5.7
PTI Technical System Enhancements	2.9	1.5	0.8	5.3
Total	13.5	3.8	5.7	23.0

Appendix

Agenda Item #3

FY21 PTI Budget – PTI Dedicated Costs

FY21 PTI Budget in Millions, USD	PTI Services FY21 Budget Direct Dedicated	PTI Services FY20 Forecast Direct Dedicated	Under/(Over) Direct Dedicated		PTI Services FY19 Actuals Direct Dedicated	Under/(Over) Direct Shared	
			Total	%		Total	%
			FUNDING	\$4.9		\$4.7	(\$0.2)
Personnel	\$3.5	\$3.3	(\$0.2)	-6.2%	\$2.8	(\$0.7)	-24.3%
Travel & Meetings	\$0.3	\$0.3	\$0.0	0.8%	\$0.2	(\$0.2)	-112.1%
Professional Services	\$0.5	\$0.5	(\$0.0)	-3.3%	\$0.3	(\$0.1)	-38.2%
Administration	\$0.1	\$0.1	\$0.0	0.0%	\$0.0	(\$0.1)	-1856.7%
Contingency	\$0.5	\$0.5	\$0.0	0.0%	\$0.0	(\$0.5)	0.0%
Capital	\$0.1	\$0.1	\$0.0	0.0%	\$0.3	\$0.2	64.0%
Depreciation (a)	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
TOTAL CASH EXPENSES	\$4.9	\$4.7	(\$0.2)	-4.5%	\$3.6	(\$1.3)	-36.9%
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
Average Headcount (FTE) (b)	18.0	18.0	0.0	0.0%	15.9	(2.1)	-13.1%

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

(b) FTE: Full-time staff equivalent

Direct Dedicated is \$0.2M over FY21 Forecast primarily due to:

- Personnel increases of \$0.2M driven by inflationary adjustments

FY21 PTI Budget – Direct Shared Costs

FY21 PTI Budget in Millions, USD	PTI Services FY21 Budget Direct Shared	PTI Services FY20 Forecast Direct Shared	Under/(Over) Direct Shared		PTI Services FY19 Actuals Direct Shared	Under/(Over) Direct Shared	
			Total	%		Total	%
FUNDING	\$2.3	\$2.5	\$0.1	5.1%	\$2.4	\$0.1	3.4%
Personnel	\$1.2	\$1.2	(\$0.0)	-4.1%	\$1.0	(\$0.2)	-16.1%
Travel & Meetings	\$0.1	\$0.1	(\$0.0)	-31.8%	\$0.2	\$0.1	52.7%
Professional Services	\$0.3	\$0.4	\$0.1	22.2%	\$0.6	\$0.4	55.9%
Administration	\$0.5	\$0.6	\$0.1	20.2%	\$0.5	(\$0.0)	-3.6%
Contingency	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
Capital	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
Depreciation (a)	\$0.3	\$0.3	\$0.0	0.0%	\$0.1	(\$0.2)	-425.4%
TOTAL CASH EXPENSES	\$2.3	\$2.5	\$0.1	5.1%	\$2.4	\$0.1	3.4%
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
Average Headcount (FTE) (b)	5.0	5.0	0.0	0.8%	5.1	0.1	1.9%

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

(b) FTE: Full-time staff equivalent

Direct Shared is \$0.1M under FY20 Forecast primarily due to:

- Professional Services and Administration decreases of \$0.2M driven by reducing general Comms and E&IT activities

FY21 PTI Budget – Shared Services Allocations

FY21 PTI Budget in Millions, USD	PTI Services FY21 Budget Shared Services	PTI Services FY20 Forecast Shared Services	Under/(Over) Direct Shared		PTI Services FY19 Actuals Shared Services	Under/(Over) Direct Shared	
			Total	%		Total	%
FUNDING	\$2.7	\$2.7	(\$0.0)	-1.1%	\$1.9	(\$0.9)	-46.7%
Personnel	\$1.7	\$1.6	(\$0.1)	-5.5%	\$1.1	(\$0.6)	-53.2%
Travel & Meetings	\$0.1	\$0.1	\$0.0	36.2%	\$0.1	\$0.0	29.6%
Professional Services	\$0.6	\$0.6	(\$0.1)	-10.9%	\$0.3	(\$0.4)	-145.1%
Administration	\$0.4	\$0.4	\$0.1	19.8%	\$0.4	\$0.1	16.5%
Contingency	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
Capital	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
Depreciation (a)	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
TOTAL CASH EXPENSES	\$2.7	\$2.7	(\$0.0)	-1.1%	\$1.9	(\$0.9)	-46.7%
EXCESS/(DEFICIT)	\$0.0	\$0.0	\$0.0	0.0%	\$0.0	\$0.0	0.0%
Average Headcount (FTE) (b)	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%

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

(b) FTE: Full-time staff equivalent

Shared Services is flat to FY20 Forecast

Description of PTI costs by Cost Type

Direct Dedicated

- IANA Department

Direct Shared

- Administration and Rent for Los Angeles Office
- Depreciation Expense
- Board Management & Operations
- Communications
- Engineering & Information Technology
- Finance & Procurement
- Governance Support (Legal)
- Office of the Chief Technology Officer

Shared Services

- Ombudsman
- Executive (Office of the CEO)
- Communications
- Language Services
- Governance Support (Legal)
- Engineering & Information Technology
- Finance & Procurement
- Administrative Support
- Office of the COO
- Security Operations
- Board Operations

Budget Assumptions

Merit and Promotion

- FY21 envelope includes a placeholder assumption for standard of living increases and promotions

Fringe Rates

- Based on employee type and location
- Derived from historical rates adjusted with market data from Human Resources on increases year over year

Travel Rates

- Rates were derived using information from the ICANN travel provider (FCM) and the ICANN meetings team
- Non-ICANN meetings travel is categorized by duration and destination of travel

Shared Services

- Based on FY21 Forecast projections for designated departments

PTI and ICANN FY21 Planning Timeline

