ICANN FY19 Planning

Overview of Proposed for Adoption FY19 Operating Plan and Budget Documents

Planning Team

Webinar
May 24 2018

ICANN

INTRODUCTION

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Agenda

1 Introduction

2 Current Status

3 Key Changes in Proposed For Adoption Budget

4 Budget Overview

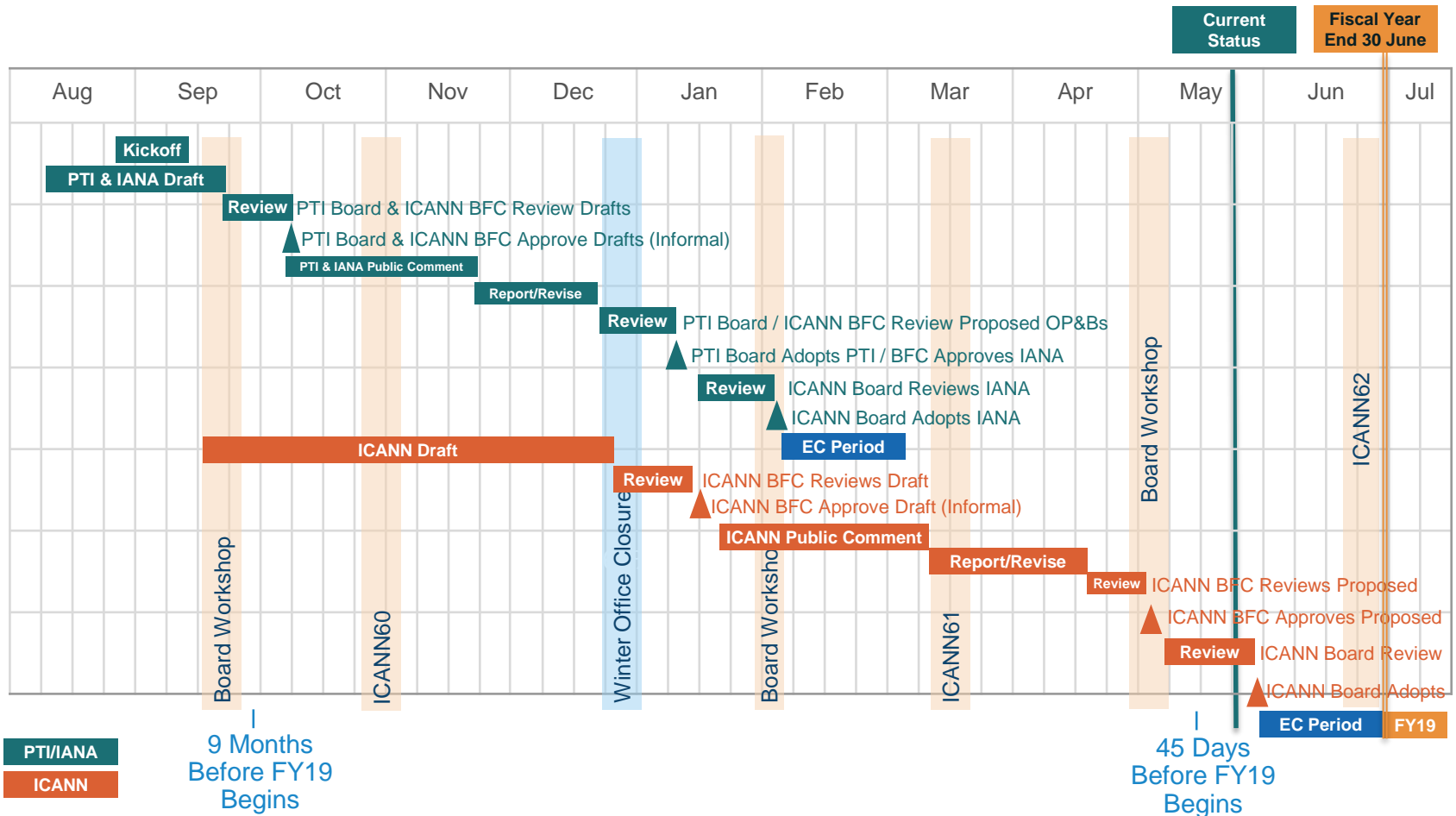**5** FY19 SO/AC Additional Budget Requests

6 Next Steps

1. Introduction

Introduction

- Slowing growth of our funding

- Cost containment approach: helps to focus on the right thing to do.

- New approach in FY19 Operating Plan & Budget

- Many in the community are ready for prioritization and cost containment.

- Plan/Budget achievable but takes everyone's participation and contribution.
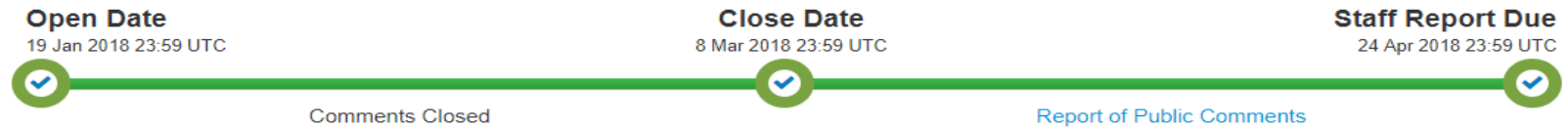
2. Current Status

FY19 Planning Timeline Highlights

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul

Current Status

Fiscal Year End 30 June

Kickoff

PTI & IANA Draft

Review — PTI Board & ICANN BFC Review Drafts

PTI Board & ICANN BFC Approve Drafts (Informal)

PTI & IANA Public Comment

Report/Revise

Review — PTI Board / ICANN BFC Review Proposed OP&Bs

PTI Board Adopts PTI / BFC Approves IANA

Review — ICANN Board Reviews IANA

ICANN Board Adopts IANA

EC Period

ICANN Draft

Review — ICANN BFC Reviews Draft

ICANN BFC Approve Draft (Informal)

ICANN Public Comment

Report/Revise

Review — ICANN BFC Reviews Proposed

ICANN BFC Approves Proposed

Review — ICANN Board Review

ICANN Board Adopts

EC Period

FY19

Board Workshop

ICANN60

Winter Office Closure

Board Workshop

ICANN61

ICANN62

9 Months Before FY19 Begins

45 Days Before FY19 Begins

PTI/IANA

ICANN

FY19 Operating Plan and Budget Documents

ICANN Draft FY19 Operating Plan and Budget and Five-Year Operating Plan Update

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Open Date
19 Jan 2018 23:59 UTC

Close Date
8 Mar 2018 23:59 UTC

Staff Report Due
24 Apr 2018 23:59 UTC

Comments Closed   Report of Public Comments

Section IV: Additional Information

21 May 2018 FY19 Proposed Adopted Planning Documents

Report and Supporting Documents

- Revised Documents – FY19 Proposed Adopted Planning Documents
  - Document #1 – FY19 Budget Highlights and Overview [PDF, 304 KB]
  - Document #2 – FY19 Total ICANN Budget [PDF, 621 KB]
  - Document #3 – FY19 Key Projects and Activities [PDF, 582 KB]
  - Document #4 – FY19 Operating Plan [PDF, 806 KB]
  - Document #5 – FY19 Five Year Operating Plan Update [PDF, 582 KB]
  - Document #6 – FY19 By Portfolio and Project [XLSX, 143 KB]

https://www.icann.org/public-comments/fy19-budget-2018-01-19-en

3. Key Changes in Proposed For Adoption Budget

FY19 Public Comments Summary

Category	Number of Comments
Community Travel Support/Funding	36
Community Outreach/ Engagement/ Programs	22
ICANN org Headcount	19
Budget Development Process & Document Contents/Structure	16
ICANN Wiki	14
GDD Operations and gTLDs	14
Other - Financial Management	13
Funding	10
Policy Development	7
Reserve Fund	7
General	7
Strategic/Operating Priorities	6
CROP⬛	6
Contractual Compliance	3
IT Projects	1
Complaints Office	1
Funds Under Management	1
Language Services	1
Grand Total	**184**

- ICANN published the FY19 draft update to its Five-Year Operating Plan and budget documents on January 19th

- The Documents were supported by webinars with the community on January 25th and 26th, the start of the 49-day public comment period.

- Comments were received from 20 community groups and 19 individuals, with a total of 184 comments

- The staff report of Public Comments was published on 24 April 2018

Summary of Changes

As a result of public comments received and new information on several projects there were updates on several key projects:

- ⊙ Key Changes
  - ○ Meeting Sponsorships reduction – external sponsorships for ICANN meetings has decreased -$300K
  - ○ Increase in rate of growth for Legacy TLD transactions $700K
  - ○ Decrease in rate of growth for New gTLDs transactions $1,700K
  - ○ Decrease in Registry Fixed Fees -$600K
  - ○ Increase in Registrar Accreditation Fees $1,700K
  - ○ Fellowship Program Travel Funding $151K: increase from 30 to 45 seats per meeting, and allocate the fellows to the SO/ACs for direct support during ICANN meetings.
  - ○ Community Regional Outreach Program $50K: reinstate for travel support to ICANN-sponsored meetings (excludes sponsoring travel to non- ICANN meetings)

Summary of Changes (continued)

○ ICANN Wiki $66K: fund 2/3 of historical contribution in FY19, with progressive elimination of support over next 2 years.

○ The funding of reviews has been reduced by $800K, and a portion of the Contingency has been reserved for additional funding of reviews, should it be necessary.

○ Subsequent procedures recommendations language has been revised to reflect that when the policy recommendations are finalized, the Board will consider the recommendations and how to fund the implementation.

Impact of Changes

In millions USD	Draft	Changes	Proposed for Adoption
Funding	138.0	(0.3)	137.7
Expenses (excl. Contingency)	133.5	(1.0)	132.5
As a result of public comments		*0.3*	
Reviews		*(0.8)*	
Other Changes and Corrections		*(0.5)*	
Contingency	4.5	0.8	5.2
Allocated to Reviews		*0.8*	
General		*(0.0)*	
Net	0	0	0

4. Budget Overview

ICANN Operations FY19 Budget Overview

in Millions, USD	Proposed Adopted FY19 Budget			FY18 Forecast			Increase/(Decrease) vs. FY18 Forecast			
	ICANN Operations	IANA - PTI	Total ICANN Operations	ICANN Operations	IANA - PTI	Total ICANN Operations	ICANN Operations	IANA - PTI	Total ICANN Operations	%
Funding	**$137.7**	**$0.0**	**$137.7**	**$134.5**	**$0.0**	**$134.5**	**$3.2**	**$0.0**	**$3.2**	**2.4%**
Personnel	70.6	6.0	76.6	63.0	5.8	68.7	7.6	0.3	7.9	11%
Travel & Meetings	15.2	0.7	15.9	15.2	0.6	15.8	0.0	0.1	0.1	1%
Professional Svcs.	20.2	1.5	21.7	25.4	1.4	26.9	(5.2)	0.1	(5.1)	-19%
Administration [1] & Capital	16.4	1.9	18.3	20.2	1.8	21.9	(3.7)	0.1	(3.6)	-16%
Contingency [2]	4.8	0.5	5.2	2.7	0.5	3.2	2.0	(0.0)	2.0	64%
Cash Expenses	**$127.2**	**$10.6**	**$137.7**	**$126.5**	**$10.0**	**$136.5**	**$0.7**	**$0.5**	**$1.2**	**0.9%**
Increase/ (Decrease) to Net Assets	**$10.6**	**($10.6)**	**$0.0**	**$8.0**	**($10.0)**	**($2.0)**	**$2.5**	**($0.5)**	**$2.0**	**n/a**
Funding from FY17 Savings (Approved by Board)						**$2.0**			**($2.0)**	**-100%**
Increase/ (Decrease) to Net Assets	**$10.6**	**($10.6)**	**$0.0**	**$8.0**	**($10.0)**	**($0.0)**	**$2.5**	**($0.5)**	**$0.0**	**n/a**
End of Period Headcount	401	23	424	393	23	416	8	0	8	2%

(1) ICANN Operations cash expenses excludes Depreciation and Bad Debt.

(2)The FY19 contingency expense represents an amount of budgeted expenses unallocated to specific activities or departments. FY18 activities covered by the contingency have been reported in the expense categories above based on the nature of the expense.

5. FY19 SO/AC Additional Budget Requests

FY19 SO/AC Additional Budget Requests

- The Final Proposed FY19 Budget includes $300K for SO/AC Additional Budget Requests recommended for approval.

  - A total of 55 Requests were submitted by 16 different organizations and evaluated by ICANN org

  - The ABR assessment process focused on facilitating effective and sustainable community work using guiding principles

    - For travel related requests, a primary consideration was to prioritize events that are intended to take place at an ICANN Public Meeting or other ICANN-organized meeting (e.g. the GDD Summit);

  - 17 requests are recommended for approval for a total of $300K which is the budgeted amount.

- In Document #2, FY19 Total ICANN Budget, we have published the requests that are being recommended for approval

6. Next Steps

Next Steps

Step	Key Dates	Note
ICANN Proposed OP&B Submitted to ICANN Board	21 May-Completed	At Least 45 Days Before Next Fiscal Year (Per Bylaws)
ICANN Board to consider ICANN OP&B for Adoption	30 May	To allow for EC Review Period before 1 July
Adopted ICANN OP&B Published on ICANN.org	31 May	
ICANN Secretary notice to the Decisional Participants of the EC	31 May (est.)	Notice of Board Approval
Empowered Community's Power to Reject	1 June – 28 June	28 days
Effective Date of FY19 OP&B	1 July	

Q&A

Engage with ICANN

Thank You and Questions

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Appendix

Planning Document Structure

Document Number	Document Name	Description of Contents
1	**FY19 Budget Introduction & Highlights**	**Overview of the key elements of the draft FY19 plans**
2	FY19 Total ICANN Budget	High-level review of the draft FY19 budget
3	FY19 Key Projects & Activities	Information on key cross-functional projects and activities planned for FY19
4	FY19 Operating Plan	Section 1: Summary of 6 modules of work planned for FY19 Section 2: Breakdown of the operating plan with the budget by strategic goal
5	FY19 Five-Year Operating Plan Update	High-level five-year perspective on the operations ICANN undertakes to implement its strategic plan
6	FY19 Excel Spreadsheet	Detailed breakdown of the budget for each project

⊙ Six documents that form the ICANN annual update to the fiscal Operating Plan and Budget.

- ○ Introduction and Highlights document recommended to read first

- ○ Each document is standalone and can be reviewed separately in no specific order, dependent on interest.

- ○ Key Projects and Operating Plan Modules provide more information on planned projects and activities