ICANN FY19 Planning

Overview of Draft FY19 Operating Plan and Budget Documents for Public Comment

Planning Team

Webinar
January 2018
INTRODUCTION

Göran Marby
CEO & President

Xavier Calvez
CFO

Becky Nash
VP Finance
Agenda

1. CEO Introduction
2. Current Status
3. FY 19 Document Structure Overview
4. Five Year Operating Plan Update
5. Draft FY19 Operating Plan and Budget Highlights
6. Next Steps and Q&A
1. CEO Introduction
Introduction

- Slowing growth of our funding
- Cost containment approach: helps to focus on the right thing to do.
- New approach in proposed FY19 Operating Plan & Budget published
- 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

Key Next Steps:
1. Public Comment Period Ends 8 March
2. ICANN.org report on Public Comment Due 12 April
3. ICANN Board Approval 31 May 2018
3. FY19 Documents Structure Overview
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
12 Apr 2018 23:59 UTC

Contents
Brief Overview
Submit Comment to Forum
Comments Forum
Section I: Description and Explanation
Section II: Background
Section III: Relevant Resources
Section IV: Additional Information
Section V: Reports

Brief Overview

Purpose:

Focusing on ICANN’s commitment to the multistakeholder model, ICANN’s Draft FY19 Operating Plan and Budget and the current year update to the Five-Year Operating Plan are provided for community discussion and public comment. ICANN seeks structured feedback on the plans described in these documents. The documents incorporate improvements on previous years based on regular interaction with the ICANN community and reflect FY19’s planned

# Planning Document Structure

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

- New series of 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
4. Five-Year Operating Plan Update
5YOPU FY18 → FY19 Types of Changes

1. Strategic Plan
   Objectives and Goals are defined in the Strategic Plan and remain unchanged

2. Portfolios
   Portfolios updated to reflect work that will be completed in FY18, work to be started in FY19, and refinements to work that will continue. This includes moving portfolios between goals following organizational changes.

3. Accountability Indicators
   Accountability Indicators launched as a replacement for the KPI Dashboard early in FY18. We are now focusing on measuring our accountability to the community and many measurements are redesigned.

4. Dependencies
   Dependencies updated to reflect completed work, events that have happened, and arising situations.

5. Phasing
   Phasing updated based on planned progress for FY18 and to give additional detail in FY19 and beyond.
Five-Year Operating Plan Updates

This is year 4 of the Updates to the 5-year Operating Plan:

- Small differences in timing or deliverables, most notably in:
  - WS2 implementation now funded by operations
  - Reviews associated with the Affirmation of Commitments that have now been incorporated into the Bylaws are called Specific Reviews.
5. FY19 Operating Plan and Budget Highlights
Strategic / Operating plan overview

STRATEGIC PLAN

OBJECTIVES
- Core foundational strategies upon which goals are based

GOALS
- Desired deliverables to meet organization-wide objectives

PORTFOLIOS
- Cross-functional work undertaken in support of goals to fulfil core deliverables and services

PROJECTS
- Temporary endeavour with a defined beginning and end and a specific set of deliverables

OPERATING PLAN AND BUDGET
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## Draft FY19 Budget Summary

<table>
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<tr>
<th>ICANN Operations</th>
<th>FY17 Actuals</th>
<th>FY18 Adopted Budget ¹</th>
<th>FY18 Forecast ²</th>
<th>Draft FY19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding</td>
<td>$135</td>
<td>$143</td>
<td>$135</td>
<td>$138</td>
</tr>
<tr>
<td>Cash Expenses</td>
<td>$128</td>
<td>$143</td>
<td>$137</td>
<td>$138</td>
</tr>
<tr>
<td>Funding from FY17 Savings (Approved by Board)</td>
<td>$0</td>
<td>$0</td>
<td>$2</td>
<td>$0</td>
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<tr>
<td>Excess/(Deficit)</td>
<td>$6</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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</table>

$ in USD Millions

¹ FY18 Adopted Budget June 2017
² FY18 Forecast is the most recent data on FY18
FY19 Budget Highlights

FY19 Budget balanced

1. Funding = Operations expenses = $138M
2. Significant shift in budgeting only for defined requirements, and not including tentative and unapproved potential work.
3. Draft budget include $6m of cost reductions to offset inflation and necessary increases.

Funding increases at a slower rate

2. Funding of $138M, 2.6% above the FY18 forecast $135M.
3. Slower growth in funding as all new gTLDs are now delegated.

ICANN Operations expenses

3. Operations expenses are stable year on year.
4. Personnel expenses increase offset by cost reductions (FY19 $133.5M vs. FY18 Forecast $133.3M, both excluding contingency).

Headcount Trends

4. Total ICANN headcount in FY19 is growing at a slower pace.
5. End of Period headcount for FY19 is 425 or 1% higher than the expected headcount of 421 for the end of FY18.
6. Next Steps and Q&A
## FY19 Planning Timeline – Key Dates

<table>
<thead>
<tr>
<th>Step</th>
<th>Target Dates</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICANN Public Comment</td>
<td>19 Jan – 8 Mar</td>
<td>49 Days (7 weeks)</td>
</tr>
<tr>
<td>Clarifying Questions on Documents</td>
<td>30 Jan 2018</td>
<td>Community submits clarifying questions to <a href="mailto:planning@icann.org">planning@icann.org</a></td>
</tr>
<tr>
<td>Responses to Clarifying Questions Published</td>
<td>12 Feb 2018</td>
<td>Approximately 4 weeks before end of public comment</td>
</tr>
<tr>
<td>SO/AC Additional Budget Request Submission Due Date</td>
<td>30 January</td>
<td>Process timing similar to last year</td>
</tr>
<tr>
<td>ICANN 61 Community Forum</td>
<td>10 Mar – 15 Mar</td>
<td>2 Public Sessions to discuss comments received on ICANN OP&amp;B.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attend SO/AC/SG Meetings to discuss comments as needed.</td>
</tr>
<tr>
<td>ICANN.org Report on Public Comment</td>
<td>12 April</td>
<td>Report on Responses to Public Comment Published</td>
</tr>
<tr>
<td>ICANN Proposed OP&amp;B Submitted to ICANN Board</td>
<td>11 May</td>
<td>At Least 45 Days Before Next Fiscal Year (Per Bylaws)</td>
</tr>
<tr>
<td>ICANN Board to Approve ICANN OP&amp;B</td>
<td>31 May</td>
<td>Target to allow for EC Review Period before 1 July</td>
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</table>
Q&A
Engage with ICANN

Thank You and Questions
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