

Briefing on the Draft FY11 Operating Plan and Budget

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Purpose for the Briefing

- ❑ Encourage further community feedback
- ❑ Highlight the draft FY11 Operating Plan and Budget
- ❑ Highlight what changed from the framework posted in February
- ❑ Next Steps

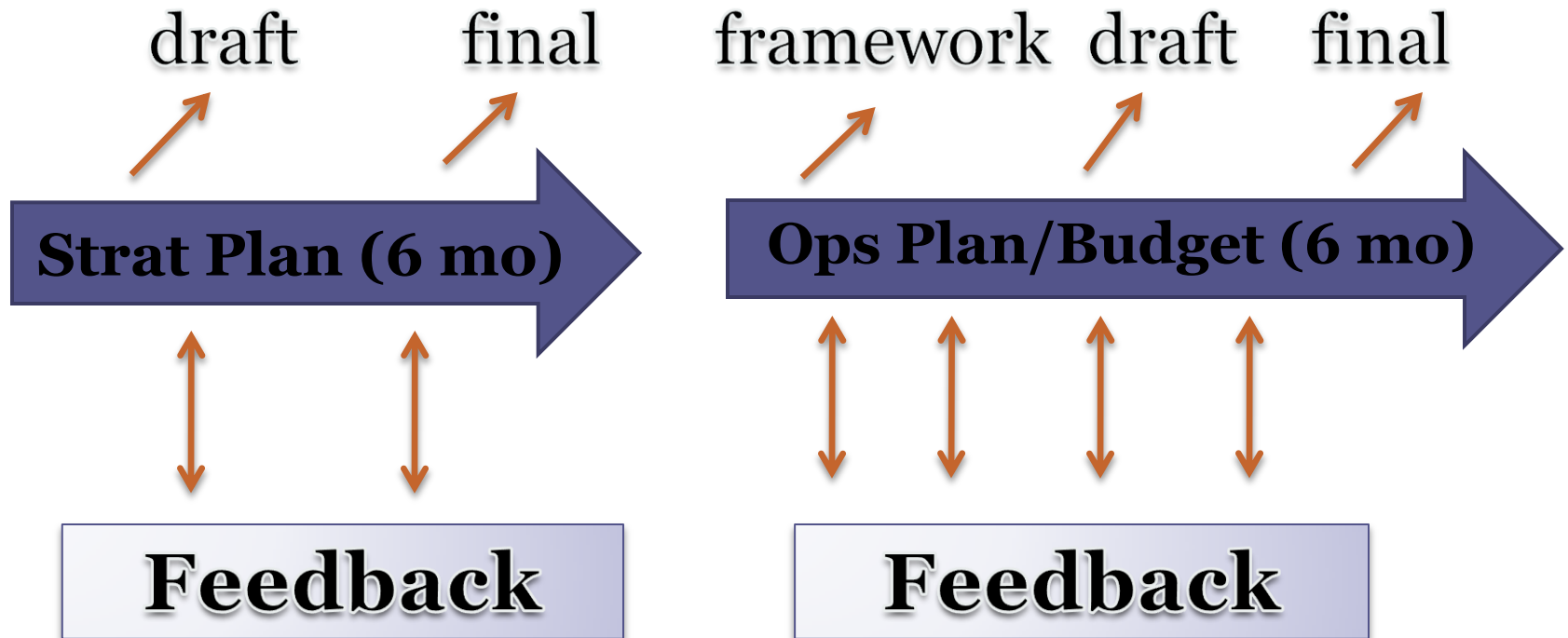
The Process

- ✓ 3-year Strategic Plan updated; 19 Feb
- ✓ Framework for FY11 Ops/Budget posted; 15 Feb
- ✓ Community feedback synthesized
- ✓ Draft FY11 Ops/Budget posted; 17 May
- Community feedback and synthesis
- Final FY11 Budget submitted to Board; Brussels

- Consider altering process for FY12

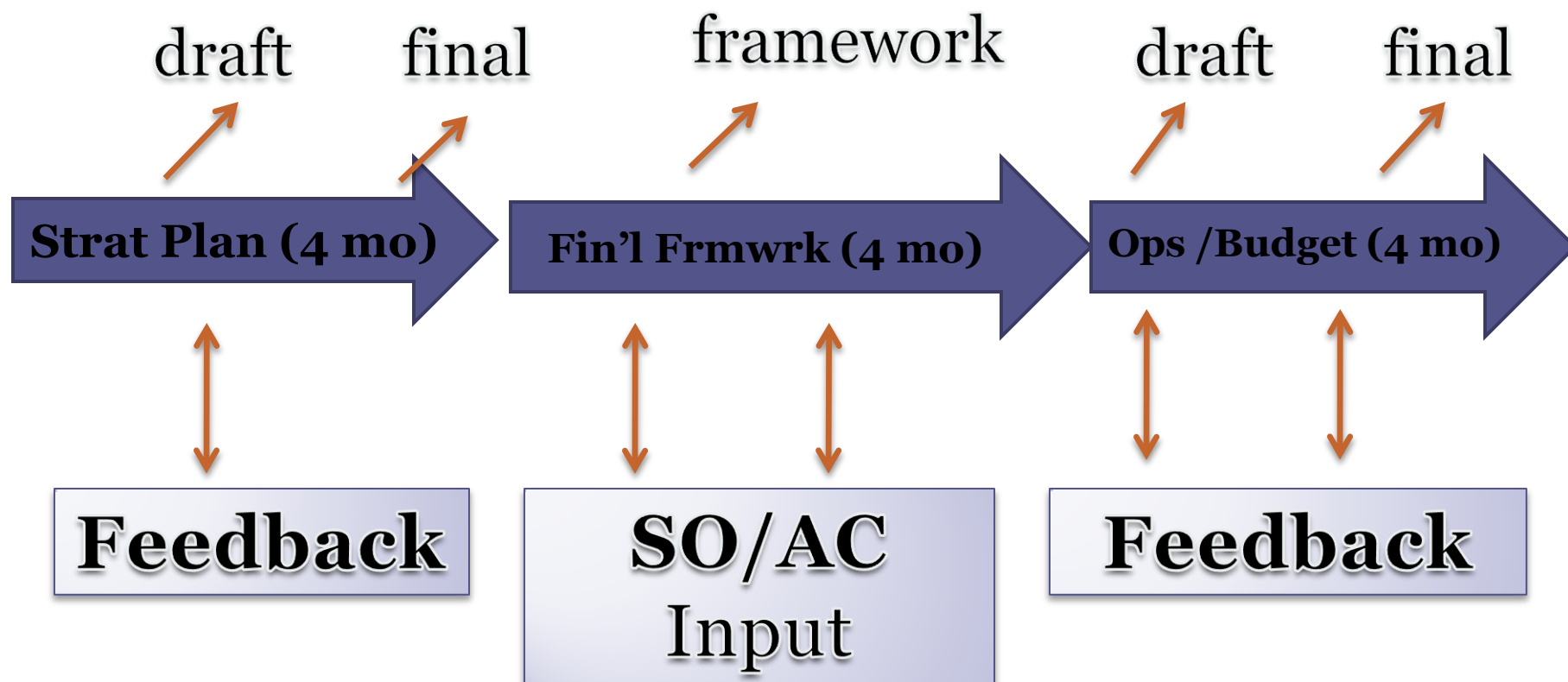
Current Process

- Ops Plan/Budget follows Strategic Plan
- Time for Feedback Built into Process



New Process under consideration

- SO/AC input formalized
- Strat plan earlier; more time for resource allocations



Community Feedback

- Open forum in Nairobi, chat room
 - In Nairobi: RYSG, BC, IPC, NomCom, ccNSO, ccNSO SOP WG, ALAC, Travel
 - Conf calls: RRSO, ALAC, BC, GNSO Travel
 - Board briefings 2x
 - GNSO resolution on studies for PDP
 - Online comments, 12, 70 pages, links
 - Travel guidelines, 10 more
- **19 page analysis posted includes:**
- I. Key points**
 - II. Summary of all points**
 - III. Responses to each comment**

Community Feedback - Key Points

- Need for more detailed information. (20)
- Need for more resources. (7)
- Revenue management. (2)
- Operations suggestions. (9)
- Cost Reduction. (3)

Responses to community feedback

- Responded to request for more detail.
 - 39 pages in framework and 80+ pages in draft
 - 30+ extra tables and analyses
 - More fact based studies – increased resources
 - At Large support – more staffing
 - Conservative revenue forecasting – querying all
 - DNS stability and security – “internal” security
 - Reduce expenses – kept w/in \$59mil framework
- **All comments analyzed, response provided and documented in Appendix C**

FY11 Budget Snapshot

(in Thousands USD)	FY11 BUDGET	FY10 FORECAST	FY10 BUDGET	FY11 BUDGET change from FY10 BUDGET	
Revenue	\$65,509	\$63,313	\$62,642	\$2,867	4.6%
Operating Expenses	\$60,788	\$57,980	\$55,867	\$4,921	8.8%
Non-Cash Expense	\$2,600	\$2,210	\$2,900	(\$300)	-10.3%
Contribution to Reserve	\$2,121	\$3,123	\$3,875	(\$1,754)	-45.3%
Investment Income	\$1,000	\$4,500	\$1,000	\$0	0.0%
Change in Net assets	\$3,121	\$7,623	\$4,875	(\$1,754)	-36.0%

FY11 Operating Expenses Kept To Framework of \$59 million

Still growth in internal SSR, Policy, DNSSEC

Reductions in new gTLD, to complete

Organizational Activities	FY11 Budget	FY10 Forecast	FY10 Budget	FY11 Budget less FY10 Budget	
1-New gTLD Implementation and Delegation	6,683	7,677	7,605	(922)	-12.1%
2-IDN Implementation	1,365	1,351	1,256	109	8.7%
New gTLD / IDN efforts	8,048	9,028	8,861	(813)	-9.2%
3-IANA and Technology Operations Improvements	5,804	4,772	5,040	764	15.2%
4-Security, Stability and Resiliency Operations(SSR)	7,037	6,743	5,755	1,282	22.3%
5-Contractual Compliance	3,399	3,525	3,155	244	7.7%
6-Core Meeting Logistics	5,255	5,404	5,190	65	1.3%
7-Constituency Support	6,216	5,931	6,041	175	2.9%
8-Policy Development Support	6,421	5,641	5,339	1,082	20.3%
9-Global Engagement and Increasing International Participation	6,792	7,850	6,619	173	2.6%
10-Community Travel Support	1,852	2,116	1,722	130	7.6%
11-Ombudsman	612	450	451	161	35.7%
12-Board Support	2,647	2,035	2,393	254	10.6%
13-Nominating Committee (NomCom) Support	820	797	760	60	7.9%
14-DNS Operations	2,185	2,458	1,199	986	82.2%
15-Organizational improvement	2,199	1,235	1,842	357	19.4%
Total Operating Expenses	59,287	57,985	54,367	4,920	9.1%

Financial changes in Draft

- gTLD readiness - for now, focus on long lead time projects, build separate budget with timeline
- Delay some external focused security initiatives
- Formalize efficient meeting; lower staff counts
- Five new staff (18 total) including Int'l, Policy, Registry
- Further travel reductions
- Cut some new initiatives
- Support for GNSO studies (\$500k)

Presentation changes in Draft

- 39 pages → 80+ pages
- EAG (ie SO/AC)
- Strategic plan focus areas
- Revenue and expense – side by side
- Supporting detailed analyses (e.g., headcount)
- Community feedback – Responses
- Highlights of what is NOT provided
- ccTLD IDN revenue separately shown
- More

Next Steps

- **Community Feedback; 17 June**

<http://www.icann.org/en/announcements/announcement-2-17may10-en.htm>

- **Synthesize**

- **Submit to Board for adoption; Brussels**

Thank You