



The Framework for the FY11 Operating Plan and Budget



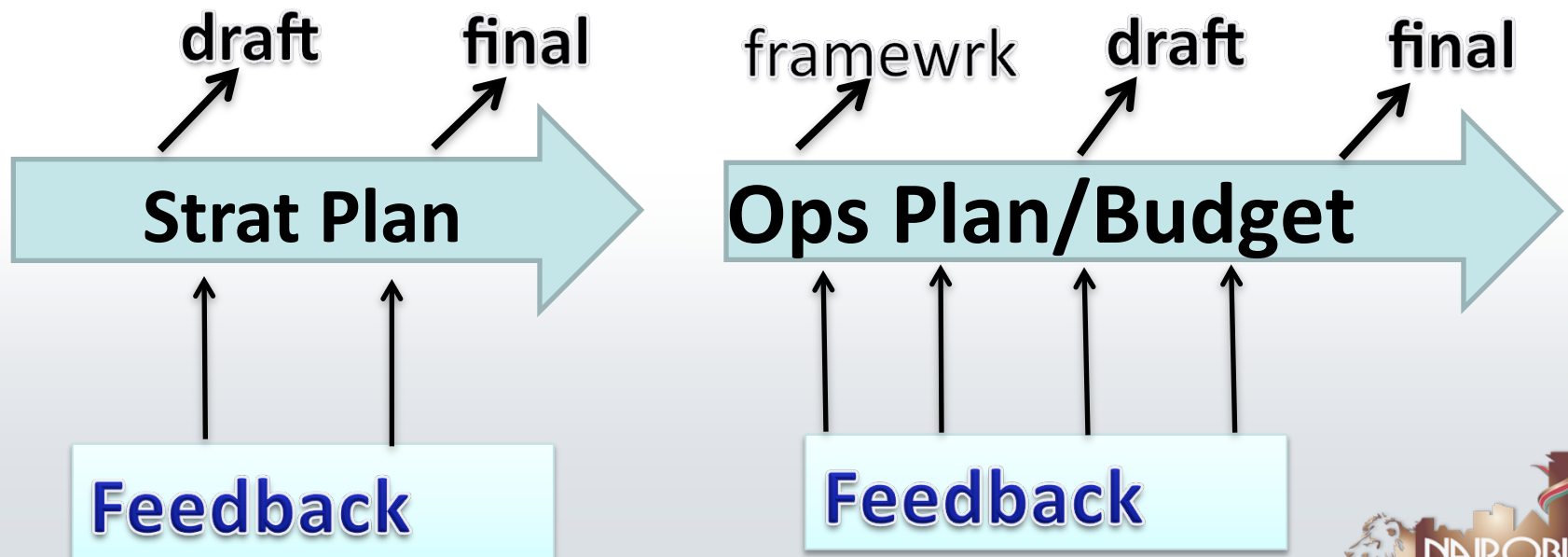
Framework for FY11 Operating Plan and Budget

Purpose of this discussion

- Kick off FY11 Operating Plan and Budget development process
- Over the next months, engage the community in FY11 operational priorities, and the budget resources required. Help ICANN make choices.
- Launch the process which culminates in final FY11 Budget submitted to Board in Brussels

Framework for FY11 -- Process

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



Highlights of the Framework

- Strat plan updated; FY11 Ops Plan follows
- Some growth: SSR, IANA, DNSSEC, policy, IT
- Resolve new gTLD and operational prep
- Little growth in revenue
- Cut and delay where possible
- Contributions of \$2 million
- Community feedback
- Post draft by 17 May
- Submit FY11 Budget to Board in Brussels

ICANN Strategic Plan 2010 to 2013 - Four Strategic Focus Areas

Supporting... One World. One Internet. Everyone Connected.



Strategic objectives

- 100% DNS uptime
- Lower DNS abuse
- More secure top level domains (TLDs)
- Improved attachment
- Everyone connected
- Increased TLD options in more languages
- Flawless Internet Assigned Numbers Authority (IANA) operations
- Open, global Internet
- Stakeholders have a voice
- Improved accountability and

Community work

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Strategic projects

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Staff work

- Contingency planning
- Training for ccTLDs
- Collaborative response
- ccTLD and risk management education in developing countries
- Compliance
- Supporting Organization (SO) and Advisory Committee (AC) support
- IANA
- Board support
- Financial operations
- Security & contingency ops
- IANA Root operations
- Thought leadership
- International forum participation
- Build capacity & strengthen partnerships across eco-system
- Strengthen regional engagement

Four Focus Areas

3 year Strategic Plan updated

Simplified with a "One Pager"

Key enablers across all

Multi-stakeholder – Collaborative – International – Transparent – Accountable

FY11 Budget Background

- Revenue increased 44.5% in 4 years; largely a result of contractual increases
 - FY11 revenue growth projected to be less than 3%
- New services and projects have caused expenses to grow at a level close to revenue
- Also during period:
 - Grew reserves to \$45MM (+80%)
 - Reduced registrar fees from \$0.25 to \$0.18 (+28%)
- Challenge for Board, Community and staff in FY11 will be to prioritize existing and new work in low/no growth environment

Goals for developing plans in FY11, BFC

- Follow strategic plan
- Integrate with community desires
- Confirm revenue
- Take balanced approach to expenses
 - Careful consideration of operating requests
 - Any new activities will require trade-off

Growth areas

- IANA excellence
- Security focus
- DNSSEC project
- Policy
- Facilities

Reduced needs

New gTLD: delay where possible and some work completed!

Others flat or cut

Organizational Activities	FY11 Framework	FY10 Forecast	FY10 Budget	FY11 Framework less FY10 Budget	
New gTLD / IDN efforts	7,910	8,700	8,861	(951)	-10.7%
IANA and Technology Operations Improvements	5,950	4,900	5,040	910	18.1%
Security, Stability and Resiliency Operations(SSR)	7,250	6,500	5,755	1,495	26.0%
Contractual Compliance	3,360	3,400	3,155	205	6.5%
Core Meeting Logistics	5,230	5,210	5,190	40	0.8%
Constituency Support	6,270	5,720	6,041	229	3.8%
Policy Development Support	6,020	5,440	5,339	681	12.8%
Global Engagement Increasing International	7,190	7,270	6,619	571	8.6%
Community Travel Support, Ombudsman, Board Support, NomCom	5,640	5,200	5,326	314	5.9%
DNS Operations	2,310	2,370	1,199	1,111	92.7%
Organizational Improvement	2,230	1,190	1,842	388	21.1%
Total	59,360	55,900	54,367	4,993	9.2%

Framework for FY11 Ops Plan and Budget

(in US dollars)	FY11 FRAMEWORK	FY10 FORECAST	FY10 BUDGET
Revenue	\$65,521,000	\$62,918,005	\$63,641,600
Operating Expenses	\$59,374,000	\$55,944,580	\$54,366,797
Non Cash Expenses	\$2,600,000	\$2,600,000	\$2,900,000
Contingency	\$1,500,000		\$1,500,000
Total Expenses	\$63,474,000	\$58,544,580	\$58,766,797
Change in Net assets	\$2,047,000	\$4,373,425	\$4,874,803

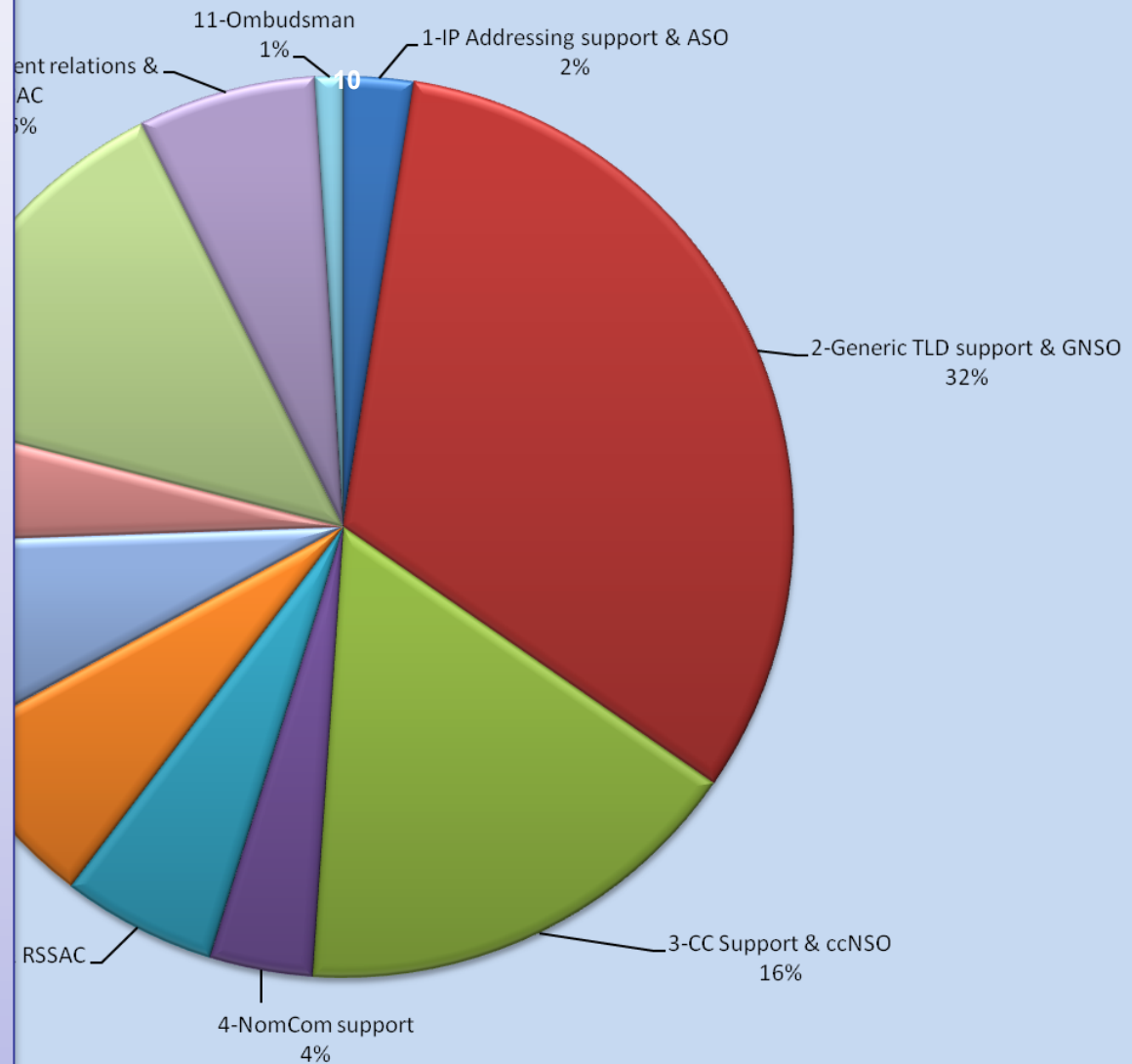




FY11 Budget Framework - Expense Area Group View

Multiple views of the Budget:

Functional and EAG Views



FY11 Ops Plan / Budget -- Schedule

- ✓ Board approves strategic plan; Feb 2010
- ✓ **Framework for FY11 Ops/Budget Posted; 15 Feb**

- Community meetings; Nairobi
- Open Forum in Nairobi
- *Wednesday 10 Mar 2010 1400 – 1500 Nairobi time*
- Community calls; as requested
- Online public fora for community feedback
- **Post Draft FY11 Ops Plan and Budget; 17 May**

- Community calls and meetings in Brussels
- Final FY11 Budget reviewed by BFC
- **Final FY11 Budget submitted to Board; Brussels**

Thank You