



# **Presentation of draft FY09 Operating Plan and Budget For Community Consultation**

Draft. For discussions purposes.



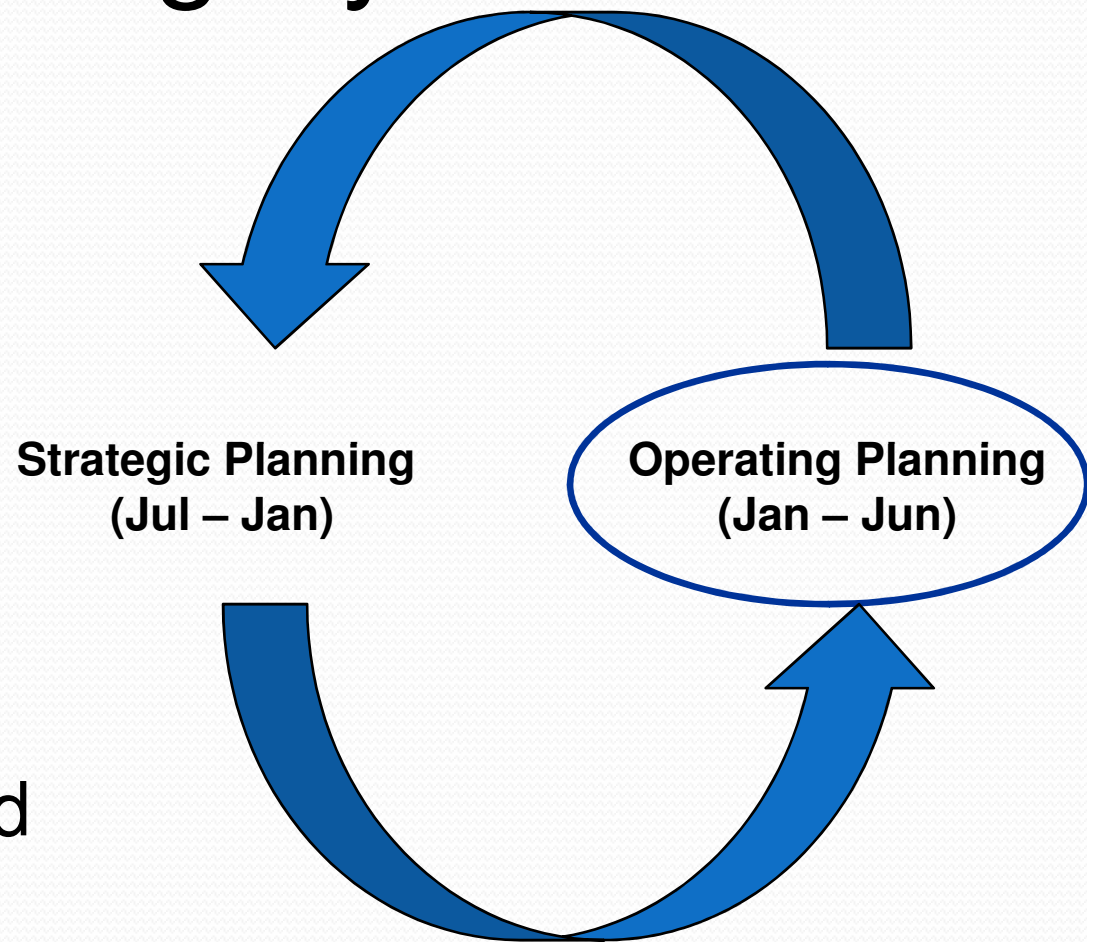
# **FY09 Operating Plan and Budget Community Consultation**

## Purpose of this presentation:

- How we arrived here
- Highlights of the FY09 Operating Plan
- Highlights of the FY09 Budget
- Community consultation
- What is next

# ICANN's Planning Cycle

- Three year Strategic Plan approved in December
- Now, operating plan and budget preparation with both to be finalized in June

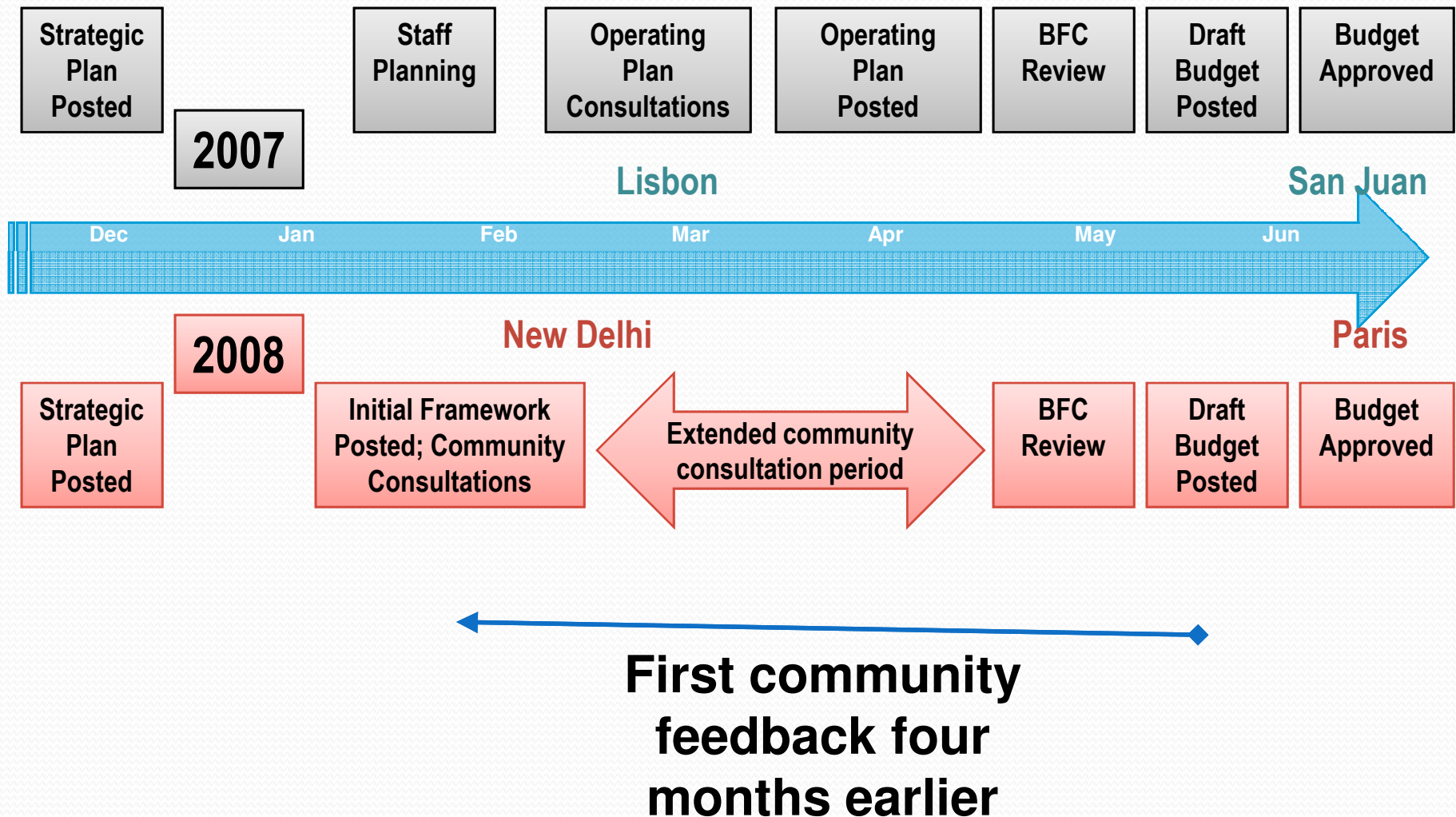




# FY09 Operating Plan and Budget Community Consultation

- How we arrived here:
  - Three Strategic Plan approved and posted December 2007. Then FY operating plan and budget.
  - Initial Framework presented in New Delhi
  - Community consultation
  - Bottom up development and draft posted (17 May)
  - *More community consultation*
  - Present final budget for Board consideration in Paris

# FY09 Operating Plan and Budget Community Consultation





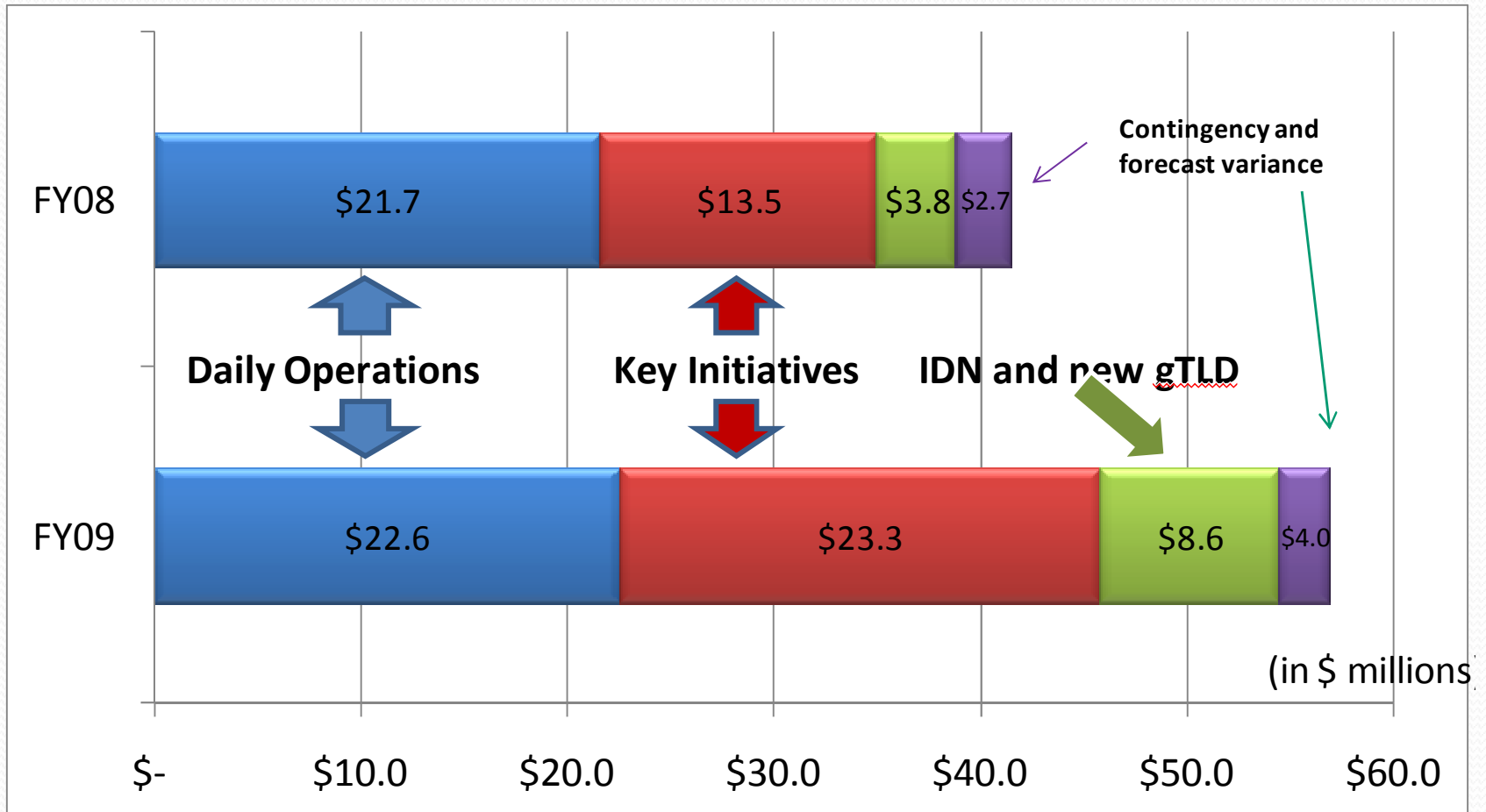
# Highlights of FY09 Operating Plan

## Highlights of the FY09 Operating Plan:

- Complete new gTLD implementation, then launch
- Progress on IDN activities
- Strengthen security and systems infrastructure
- Assist in IPv4 depletion to IPv6 adoption process
- Enhance contractual compliance on behalf of registrants
- Invest in IANA function to improve services and functions
- Strengthen the multi-stakeholder model

In short: *Accomplish one of the most ambitious plans ever*

# Key Initiatives Drive the Increased Expense Budget in FY09





# Highlights of the FY09 Budget for Community Consultation

## Highlights of the FY09 Budget:

- Revenue up to \$60.7MM (from \$50.4MM in FY08)
- Operating expenses up to \$51.8MM (from \$39.8MM in FY08)
- Total expenses w/contingency, bad debt, and depreciation up to \$58.5MM (from \$42.6MM in FY08)
- Capital expenditures up to \$3.7MM (from \$1.6MM in FY08)
- Increase in Reserve Fund \$2.2MM (versus \$6.1MM in FY08 and versus \$10MM suggested by Strategic Plan)

In short: *Accomplish one of the most ambitious plans ever*

# Key Initiatives Drive the Increased Expense Budget in FY09

Organizational Initiatives Categories (in US dollars)	FY09 Budget	FY08 Budget	Change from FY08	% Change from FY08
01 - Complete new gTLD Policy implementation	7,083,813	2,805,000	4,278,813	153%
02 - Progress on IDN Activities	1,543,060	968,000	575,060	59%
	8,626,873	3,773,000	4,853,873	129%
03 - Strengthen IANA and Infrastructure	2,488,679	781,000	1,707,679	219%
04 - Broaden Participation	5,876,193	3,647,000	2,229,193	61%
05 - Expand Contractual Compliance activities	2,000,640	795,000	1,25,640	152%
06 - Build out registry/registrar support	2,305,380	1,265,000	1,040,380	82%
07 - Further develop Policy Processes	3,283,136	1,760,000	1,523,136	87%
08 - Carry out Security Initiatives	2,897,990	1,247,000	1,650,990	132%
09 - Administrative improvement	273,000	352,000	(79,000)	-22%
10 - Meetings and events	4,150,279	3,630,000	520,279	14%
	23,275,296	13,477,000	9,798,296	73%
00 - Baseline with bad debt and depreciation	22,577,184	22,746,103	(168,919)	-1%
<b>Total</b>	<b>\$ 54,479,353</b>	<b>\$ 39,996,103</b>	<b>14,483,250</b>	<b>36%</b>
<b>Less bad debt/depreciation</b>	<b>\$ 2,665,000</b>	<b>\$ 1,076,103</b>	<b>1,588,897</b>	<b>148%</b>
<b>Operating Expenses</b>	<b>\$ 51,814,353</b>	<b>\$ 38,920,000</b>	<b>12,894,353</b>	<b>33%</b>

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	FY09 Budget	FY08 Budget	Variance	
			Amount	Percentage
Revenue	60,674,000	50,352,653	10,321,347	20.5%
Total Expenses w/ Contingency	<u>(58,479,353)</u>	<u>(42,620,820)</u>	<u>(15,858,533)</u>	<u>37.2%</u>
Increase in Reserve Fund	<u>2,194,647</u>	<u>7,731,833</u>	<u>(5,537,186)</u>	<u>-71.6%</u>
Suggested addition to Reserve Fund	(10,000,000)	(6,141,833)	(3,858,167)	62.8%
<b>Addition / (Shortfall)</b>	<b><u>\$ (7,805,353)</u></b>	<b><u>\$ 1,590,000</u></b>	<b><u>(9,395,353)</u></b>	<b><u>-590.9%</u></b>
<b>Estimated Reserve Fund Balance</b>	<b><u>\$ 34,926,480</u></b>	<b><u>\$ 32,731,833</u></b>	<b><u>2,194,647</u></b>	<b><u>6.7%</u></b>

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## Community Consultation:

- Post a comment on the public comment page:  
[http://www.icann.org/public\\_comment/public-comment-200805.html#op-budget-fy2009](http://www.icann.org/public_comment/public-comment-200805.html#op-budget-fy2009)
- Ask the leader of constituency to schedule a conference with ICANN staff. Contact Kevin Wilson, CFO.
- Comment at a public session at ICANN Paris meeting.

In short: *A FAQ will be developed and shared that covers all community questions and comments and the responses*

## FY09 Operating Plan and Budget Community Consultation

### • Comparison of Initial FY09 Framework vs draft FY09 Budget

Draft Business Initiatives Categories	FY09 Framework (New Delhi)	FY09 Budget Draft (17 May)
01 - Complete new gTLD Policy implementation	12,217,000	7,083,813
02 - Progress on IDN Activities	2,111,000	1,543,060
03 - Strengthen the IANA function and infrastructure	1,709,000	2,488,679
04 - Broaden Participation	5,979,000	5,876,193
05 - Expand Contractual Compliance activities	1,397,000	2,000,640
06 - Build out registry/registrar support	1,963,000	2,305,380
07 - Further develop Policy Processes	2,311,000	3,283,136
08 - Carry out Security Initiatives	2,015,000	2,897,990
09 - Administrative improvement	856,000	273,000
10 - Meetings and events	3,663,000	4,150,279
00 - Baseline	22,910,000	22,577,184
<b>Grand Total</b>	<b>57,131,000</b>	<b>54,479,353</b>

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# FY09 Operating Plan and Budget Community Consultation

## References:

- See the strategic plan
  - <http://www.icann.org/strategic-plan/>
- See the initial FY09 Framework presented in New Delhi:
  - <http://www.icann.org/planning/ops-budget-framework-09.pdf>
- Post a public comment:
  - [http://www.icann.org/public\\_comment/](http://www.icann.org/public_comment/)