

Briefing on the Draft FY11 Operating Plan and Budget

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Purpose for the Briefing

- Encourage community feedback
- Highlights of FY11 Operating Plan and Budget
- Highlight changes made during development process
- Next Step: Submit to Board for adoption



FY11 Operating Plan and Budget

- ✓ Board approves strategic plan; Feb
- ✓ **Post FY11 Ops/Budget Framework; 15 Feb**
- ✓ Community calls
- ✓ Community meetings; Nairobi
- ✓ Synthesize feedback
- ✓ **Post Draft FY11 Ops Plan and Budget; 17 May**
- ✓ Community calls; synthesize feedback

- Submit final FY11 Budget, BFC to recommend
- **Board adopts Final Budget – Brussels**



FY11 Operating Plan and Budget Community Feedback

Many conferences; significant feedback

- Conferences (20), online fora (70 pages)
- Board briefings twice
- GNSO resolution for specific request
- 19 page analysis of comments includes:
 - Need for more detailed information. (20)
 - Need for more resources. (7)
 - Revenue management. (2)
 - Operations suggestions. (9)
 - Cost Reduction. (3)



FY11 Operating Plan and Budget

Selected Responses to Community Feedback

- More details – 83 pages, EAG details
 - Need more fact based studies – increased resources
 - At Large support – more incremental staffing
 - Fee/cost adjustments – consider in future
 - Revenue accurate – queried all
- **All comments analyzed, response provided in Appendix C**



Budget Background

- Although, mostly a result of contracts, revenue increased 44.5% in 4 years; FY11 revenue growth to be 3%
- Over recent years, new services and projects caused expenses to grow
 - Even so, net contributions grow to \$44 million and trans fees down to \$0.18

Challenge for FY11 is to prioritize existing and new work in low/no growth climate



FY11 Ops Plan and Budget

Budget balance; changes require offset

(in Million USD)	FY11 BUDGET	FY11 FRAMEWORK	FY10 FORECAST	FY10 BUDGET
Revenue	\$65.5	\$64.5	\$65.0	\$62.6
Operating Expenses	\$60.8	\$60.9	\$57.3	\$55.9
Non-Cash Expense	\$2.6	\$1.4	\$2.4	\$2.9
Contribution to Reserve	\$2.1	\$1.0	\$5.3	\$3.9
Investment Income	\$1.0	\$1.0	\$4.9	\$1.0
Change in Net assets	\$3.1	\$2.0	\$10.3	\$4.9



FY11
Operating
Expenses Kept
To \$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%

Budget Development Process

Current Process



Alternative Process



SO/AC Involvement



New gTLD Budget

Highlights of posting for community feedback

- Defines 3 phases: Development, Deployment, and Application Processing
- Development is part of each annual budget, including FY11
- Deployment /Application Processing budget, separate requests
- Deployment covers operational readiness;
 - Will be requested once launch is more certain
 - Must be done with sufficient time to avoid delays in launching program
 - Estimated at \$2.6M
- Application Processing covers registration through pre-delegation



Thank you