

Letter from the President and CEO

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In the following pages are the details of one of the most important responsibilities the ICANN org has each year as a not-for-profit operating in the public interest - our proposed budget for Financial Year 2019.

Long-term financial planning and fiscal responsibility is important, and the ICANN org, Board, and community must work together on both. A critical part of this process is that the budget goes through public comment and that you the community have the opportunity to provide feedback and inform the budget before it is finalized.

ICANN's Mission, and the accumulation over the years of ICANN commitments from the IANA Functions, our technical work, policy and advice development support to our ICANN meetings and policies, reviews and community needs have meant an increased workload for ICANN org and for increased staff and resources to meet that workload.

Historically, the budget has been able to accommodate an increased workload, thanks to continued growth in funding.

Now, however, we cannot afford to continue this. The actual funding for what is currently FY18 is below budget, and we expect this to continue. The funding for FY19 is \$138 million, below the FY18 budget of \$143 million, by \$5m. This means ICANN needs to carefully plan and prioritize the work to support our Mission and keep expenses within its available budget. I know this is may not be an easy thing to do, but it's the right thing to do.

I know that we've all felt this increase in the volume of work. I recognize the ICANN org could have done better in its financial long-term planning, and I know many of you agree based on previous public comments such as the recent one on the Reserve Fund and previous budget public comments, and I thank you for that. Now is the time, and we need your help, feedback and input to finalize the budget.

It is for the multistakeholder community to decide not just what work gets done and when, but also to help keep expenses within ICANN's means and focused on our Mission. The ICANN org exists to support the community's work and our Mission.

To better allocate resources, the org looks to the community to provide feedback on what should be its priorities, so that the org can provide the resources and support accordingly. The draft budget includes some proposed reduction of activities, including decreased or delayed potential implementation of projects or activities, engagement and community support, and includes \$8.5m in savings within the ICANN Org, through optimized internal processes and procedures.

In addition, this year we've added new material to help you participate based on your feedback including a high-level plan for FY20, so you see what's beyond FY19, and 6 modules that provide a specific focus by topic (*Contractual Compliance and Consumer Safeguards; Direct Policy Support; DNS Marketplace and Identifier Ecosystem; Technology and DNS security; Engagement; and Reviews*).

The planned projects in FY19 continue to focus on ICANN's technical mission and accountability and transparency. In addition to supporting the ongoing community work, this includes projects such as the Information Transparency Initiative, which seeks to improve ICANN's document governance and content management, ultimately making it easier for the community to find information on our website.

Also in FY19, the community will come together to create the next strategic plan for 2021 and beyond. This will be an important moment for us all to work together on a long-term plan, in support of ICANN's mission, that fits our available resources.

I know that prioritizing ICANN's work and being fiscally responsible is something the Board, community, and ICANN org all care deeply about. This is the right time to plan for the long-term and prioritize ICANN's work to support its mission. It is for the multistakeholder community to decide. You as the Empowered Community are also entitled to reject the budget outright.

We want and need your feedback and input.

I look forward to productive discussions about this proposed budget between now and March. Please take action and share your comments during the public comment process.