

Dear SCBO and SOPC Members,

Thank you for providing the Finance and Planning functions the opportunity to attend your session. We find this type of interaction very beneficial to our organization and work. During the call, there was a question around resourcing that we provided an initial response to. Additionally, we are responding to that question in this document and will amend our Budget document to reflect this content so that the entire community can better understand this process.

## **Background**

During a joint meeting with the GNSO Standing Committee on ICANN's Budget & Operations (SCBO) and the ccNSO Strategic and Operational Planning Standing Committee (SOPC), the SOPC asked about the 37 Budgeted New Hires shown in section 4.4 "Expenses by Service Group and Functional Activity" of the FY23 Draft Budget document. The SOPC stated it is unclear how the positions are allocated across functions and unclear how the community benefits. The SOPC also wanted to understand what factors ICANN org uses to determine when additional resources are needed.

## **FY23 Headcount and Personnel Budget**

ICANN org begins budgeting for headcount and personnel with existing staff. The Full-Time Equivalent (FTEs) and personnel dollars in ICANN org's service groups and functional activities reflect only the current state of headcount. ICANN org then budgets for new positions. The 37 new hires budgeted in FY23 roughly corresponds to the open positions that ICANN org is currently recruiting for across a variety of functions. ICANN org budgets several months in advance and anticipates that throughout the fiscal year the functional teams will determine when new positions or resources are needed in light of planned work, undertaking new work as confirmed, or due to unplanned staff attrition. Because of the variables and unknowns, ICANN org leaves an amount of open positions unallocated to service groups and functional activities, and presents them at the total organizational level. As and when position requests have been submitted and approved (see further below for an overview of this process), they are accurately reported into the appropriate functional activities.

## **Why is the Budget increasing?**

ICANN Operations' workload is currently expanding in volume and complexity, creating the need to increase the number of staff and diversity of skillset. It is clear in the foreseeable future that workload of the ICANN ecosystem is going to increase, specifically for the org, which is responsible for facilitating the community's development of policies and advice as well as implementing policies, advice, and recommendations, without seeing any area where the org's activities decrease or disappear. Some examples of projects that new resources will support include but are not limited to: about 250 recommendations from reviews and ccWGs (i.e., ATRT3, SSR2, CCT, RDS, WS2, Effectiveness of MSM, and others), and the RSS governance model. In addition, there are other initiatives outside of ICANN Operations, such as the next

round of new gTLDs and a grant distribution program of the auction proceeds, which will have separate funding and require additional resources. The workload expansion driven by these projects and activities is also expected to require a strengthening of the organization's support infrastructure like support functions and systems.

### **What is ICANN org's process for adding headcount?**

When an ICANN Executive requests a new position or to replace an employee leaving a position, the request must be approved by the ICANN CEO, CFO, and SVP of Global HR. The CEO, CFO, and SVP of Global HR meet monthly to review the org's headcount level and the list of hiring requests submitted and justified by each Executive with HR's help. This systematic process allows the organization to strategically evaluate each new hire, controlling headcount levels, and ensuring proper allocation of resources. This measure and other measures ensure that ICANN org has adequate headcount to accomplish its strategic and operational goals, and has helped ICANN org maintain a stable headcount over the past five years.

In addition, ICANN org utilizes an internal volunteer program for short term needs that also provide a development opportunity for staff internally, and leverages temporary labor for some needs when available and appropriate. Adding new positions is not always the best solution for resource needs and ICANN org is therefore strategic and thoughtful about increasing headcount. ICANN org recognizes the importance of a structured and carefully considered approach to the approval of both additional hiring or back-filling existing positions that are vacated in order to be good stewards of ICANN's funding and to ensure permanent hiring decisions are long-term focused.

Thank you again for the question and collaboration. We hope you find this information helpful and we will make this information available in the staff report of Public Comments and the Budget document so that other community members can benefit from the question and response as well.

Sincerely,  
ICANN org