OpenID Foundation Board of Directors Meeting Minutes

Date: 1/17/2024

# Attendees

* Nat Sakimura (Chair)
* Dima Postnikov (Vice-Chair)
* Marie Jordan (Secretary)
* George Fletcher
* Mike Jones
* Elcio Pedro Calefi Junior
* John Bradley
* Atul Tulshibagwale
* Dirk Balfanz
* Kristina Yasuda
* Kosuke Koiwai
* Ian Glazer
* Chris Anderson
* Ben Boeser
* Mark Verstege
* Wes Dunnington
* Karl McGuinness
* Ali Adnan
* Michael Mansouri
* Osamu Oshima
* Takao Kojima

Staff:

* Gail Hodges
* Mike Leszcz
* Joseph Heenan
* Tom Smedinghoff
* Mark Haine

Absent:

* Nancy Cam-Winget (Treasurer)
* Naveen CM

Nat called the meeting to order at 4:05pm PT.

# Agenda

* Announcement of Elections
* Budget
* Update on standards development projects
* Guest presentation by Kevin White on best practices for standards implementation
* Open discussion and feedback
* Adjournment

# Summary of Key Points

2024 Board Election Results

* The 2024 Corporate Representatives were announced with Atul Tulshibagwale (SGNL) and Mark Verstege (AU Government) elected to 1-year terms.
* The Community Representatives were announced with George Fletcher re-elected and Mike Jones elected to 2-year terms.
* The recently updated Bylaws call for two Corporate Representative seats in 2024 and an additional Community Representative seat in 2024 for a total of two.
* ConnectID has upgraded their membership to a Sustaining Member so Dima Postnikov is now the primary Board representative for ConnectID.

Resolution to Approve 2024 Officers

* The current officers have agreed to continue their positions:
  + Nat Sakimura – Chairman
  + Dima Postnikov - Vice Chairman
  + Nancy Cam-Winget – Treasurer
  + Marie Jordan – Secretary
  + George Fletcher - Community Representative
* A call was made for anyone to nominate themselves for an officer representative. A final call was made during the board meeting.
* Hearing no additional nominations, Chairman Sakimura requested Mike Leszcz move the resolution to continue the current 2024 officers as he is included in the resolution:
  + Now, therefore, be it RESOLVED that the OpenID Foundation Board of Directors does hereby unanimously APPROVE AND ELECT the foregoing individuals to serve in the positions designated above until the next Annual Meeting of the Board.
* No discussion or dissention. The current officers were elected for 2024.

2023 Budget End of Year

* Mike Leszcz went through the budget slides and noted the 2023 books are in the process of being closed out so the 2024 budget is based on January-November 2023 actuals and December 2024 projections.
* The cash balance at the beginning of the year was $1.6M. The organization is well below projected expenses for 2023. Total assets today are $2.5M. In the appendix, there are full financial statements including details of the money market and CD accounts that are generating interest.
* Significant 2023 costs were averted with directed funds. On track to avert costs in Q1 due to directed funding from ConnectID and OIDF-J.

2023 Year in Review & 2024 Strategic Initiatives

* Gail went through the “wins” for 2023:
  + Memberships have increased. The net new Sustaining board members have increased.
  + Cash reserves are good.
  + Many specifications have moved through to Final.
  + Certifications and certification revenue have increased with over 2,800 certifications to date.
  + Community work, including white papers, have increased.
  + The website redesign was completed.
  + Four whitepapers published in 2023.
  + A number of requests for comments were completed with support from working groups co-chairs and contributors.
  + Formed two new working groups – Digital Credentials Protocol and AuthZEN.
  + New Bylaws were adopted to align with the Foundation’s growth.
  + Atul noted via chat the Shared Signals WG Implementer’s Draft 2 of the Shared Signals Framework in 2023.
  + Kristina commented via chat that OID4VC went to Implementer’s Draft 2 in 2023.
* Gail went through the proposed 2024 strategic initiatives, including:
  + New potential working groups and proposed community groups.
  + 2024 monitoring activities including AI and Post-Quantum Cryptography.
  + Whitepapers and thought leadership.
  + Security analyses for additional specifications.
  + Adding resource/capacity to the certification program.
  + Updates to OIDF Process Document and IPR Policy.
  + Wind down dormant working groups.

2024 Budget Review

* Mike Leszcz went through a detailed 2024 budget review:
  + Projected revenue is $1.9M.
  + Projected expenses are $2.6M.
  + Proposing and investment of $700k of cash reserves.
  + This would leave a projected end of year balance at $1.5M.
  + This is the proposed “all in” budget based upon moderate investment scenario. Based on the proposed 2024 monthly run rate, the proposed 2024 budget allows for at least 12 months run rate if OIDF were not to bring in any additional revenue.
  + Gail commented this is the conclusion we came to after couple of months of work with the task force. Gail went on to suggest we should proactively think about a growth scenario for the Foundation where we might want to invest even more and think about what we need to do to serve our mission and vision in the medium to long term. Consider full time employees and the infrastructure needed to continue to support global ecosystems. We will revisit at the April board meeting after the task force has had an opportunity to discuss and make recommendations.
  + Mike Leszcz went through a detailed analysis of how it was determined to recommend the investment of $700K in cash reserves. In summary, best practice is to have at least 6 months run rate cash on hand but the 2024 budget takes a more conservative approach in ensuring 12 months cash on hand. The $700K recommendation is based on projected 2025 revenue, expenses and year end cash balance while ensuring a 12 month cash reserve at a minimum.
    - 3 critical activities we need to invest in: conformance test development, travel, and key events where we need to be and want to host adjacent Foundation events such as board meetings and workshops.
    - Gail went through all of the proposed 2024 investment activities.
  + A very detailed discussion of the 2024 budget and investments were discussed among the participating directors.
  + It was noted that while Nancy was not present, she reviewed and supported the budget (and sent same to directors via email).
  + For the April Board meeting, the directors will review any growth revenue investment options.

Chicago Advisory Partners Update/Ask on Certification

* Mike Leszcz went through the new certification fee proposal brought forth by Chicago Advisory Partners (CAP) on behalf of Open Finance Brazil (OFBR) and the Central Bank. Mike noted that the board approved a reduced FAPI OP re-certification fee of $2K for non-members rather than the listed $5K.
* The ask is to extend the OFBR reduced FAPI recertification fees pilot for another year and reduce the non-member RP re-certification fees from $5K to $2K as part of the pilot extension. Members will continue to pay the $1K FAPI certification fee. It was confirmed the Foundation continues to cover costs and generate revenue at these price points.
* This can be a pilot for another year and re-visited later in the year to determine impact and effectiveness. The analysis is that it will not significantly impact the budget, as certifications have been growing.
* Gail mentioned that if the fees remain high, we could lose revenue as mandates by governments continue (RPs may not have the revenue to certify or re-certify). Elcio confirmed the goal is to get more participation in the OFBR ecosystem and to remove any cost constraints to do so, especially for RPs.
* Elcio provided a detailed overview of the evolution of OFBR and the roadmap ahead. Elcio presented a detailed analysis of historical OFBR certifications and the forecast for 2024 and 2025.
* Gail commented there was a dip in 2023 OFBR certification due to our success of consolidating the OFBR FAPI specification into one profile. Joseph Heenan confirmed and suggested the high volume of January 2024 OFBR certifications has likely made up for the 2023 dip. We anticipate growth in 2024 due to additional OPs & RPs joining community and adding CIBA spec but expect re-certifications to level off in 2025.
* Gail confirmed CAP’s intent to remain on the Board and continue support for OIDF in LATAM (e.g. SIDI Hub / G20 in Rio, joining Japan Gov meetings).

Resolution to Approve 2024 Strategic Initiatives & Budget

* Nat went through the resolution to approve the 2024 strategic initiatives and budget.
  + **Let it be resolved that:** 
    - * The 2024 budget proposal presented to the Board be implemented by the Executive Director and staff, effective immediately.
      * The Executive Director and staff will update the Board throughout the year on progress against the plan, with particular attention to areas of unexpected costs or revenue that might merit calibration of the budget and plan..
      * The Strategic Task Force will revert at the April Board with an update on the option(s) for higher investment and growth.
* Mike Jones moved to approve the motion and George Fletcher moved to second the motion. The resolution was approved (no dissentions or abstentions).

Resolution to Approve Open Banking Brazil Pricing Adjustment

* Mike Leszcz went through the resolution to approve the pilot pricing for Brazil to reduce the FAPI RP re-certification pricing from $5K to $2K. FAPI OP re-certification pricing will remain the same at $2K for the pilot extension through 2024. The pricing will continue to be reviewed throughout the year.
* CAP will notify the OFBR ecosystem that this is pilot pricing and subject to change. The Foundation will continue to review the pilot pricing and ecosystem support models throughout 2024.
* **Let it be resolved that:** 
  + Brazil pilot pricing for Relying Party implementation recertifications will be adjusted from $5000 to $2,000 but only for Open Finance during the pilot period.
  + CAP will inform their community that this is pilot pricing and it is subject to change as it is heavily discounted to the global pricing for RP recertification.
  + OpenID Foundation will continue to review the FAPI pricing and ecosystem support models throughout 2024/25.
* Wes Dunnington moved to approve the motion and Ian Glazer moved to second the motion. The resolution was approved (no dissentions or abstentions).

Process & IPR Document Enhancements

* Mike Jones gave an update on the Process Document and IPR Policy enhancements.
* After circulating the process document to the Board for final approval, our legal counsel found minor inconsistencies in the drafting of the IPR and policy document that would benefit from correction.
* Half of those have been conformed and the remainder will be reviewed morning of 1/22 by the SubGroup
* No other comments were received by the Board
* We will circulate the new mark-up to the Board, if there are no material objections from the Board, this updated version will be circulated for member vote, with an explanatory cover note to ensure we meet quorum.
* Mark Haine commented that Tom Smedinghoff highlighted that the IPR Policy needs to be in-sync with the IPR Policy (definitions). This will require additional work that the sub-committee will take up soon.
* Mike Jones commented the updates are intended to align our written processes with what we actually do.
* Joseph Heenan noted the need to inform the WG co-chairs of these updates before they go before member vote. He noted that most chairs are not likely to know this work is currently underway. Mark Haine recommended a draft summary of changes and the rationale to be shared with WG co-chairs as soon as possible. Kristina confirmed the need to include the WG co-chairs in the process.

AOB

* Mike Leszcz mentioned that a host for the April 15, 2-24 workshop and board meeting in Mountain View area is needed. He will be contacting board members about hosting.
* Invitations for 2H 2024 internal meeting for 2024 will be sent out from Mike Leszcz.
* Mike Leszcz will send a formal recommendation to the EC to request that Mike Jones be a non-voting member of the EC in 2024 to continue to mentor Marie Jordan as Secretary.
* Gail went through the current certification program pipeline with co-funding.
* Gail mentioned that the SIDI hub initiative is ongoing with OIDF supporting. There are five primary workstreams to use for 2024. They are not developing new standards or specifications. Metrics for success and future governance is ongoing. 17 non-profit organizations are engaged. The SIDI hub is also considering at the G20 or G7 that the topic of digital identity will be discussed. The G20 is being hosted in Rio this year and they are hiring for individuals with identity expertise. The coordination across organizations, governments, etc. are ongoing.
* Gail mentioned that Disney, Idemia, Apple, Mastercard are all considering Sustaining memberships. Apple is going through the IPR/Contribution Agreement review so that can participate in WGs.

Nat asked for any other business and closed the meeting at 6:01pm PT.