

3/23/2023

LDFA Budget Draft 1.2 for FY 2023-2024

	2022-2023		2023-2024	Difference
Direct Staffing	\$ 635,341		\$ 761,304	\$ 125,963
Direct Company Support	\$ 850,000		\$ 850,000	\$ -
Sponsorship, etc	\$ 100,000		\$ 100,000	\$ -
Major Events	\$ 335,000		\$ 400,000	\$ 65,000
Boot Camp	\$ 50,000		\$ 50,000	\$ -
Mobility Support	\$ 260,000		\$ 270,000	\$ 10,000
Interns/Talent	\$ 675,000		\$ 700,000	\$ 25,000
Software	\$ 70,500		\$ 70,500	\$ -
Central Incubator	\$ 325,000		\$ 325,000	\$ -
Incubator Improvements	\$ 25,000		\$ 25,000	\$ -
Accounting/Overhead	\$ 420,787		\$ 493,410	\$ 72,623
Marketing	\$ 250,000		\$ 250,000	\$ -
Ypsi				
East OpX	\$ 155,000		\$ 160,000	\$ 5,000
Programs	\$ 200,289		\$ 210,000	\$ 9,711
Youth Talent Program	\$ 150,000		\$ 150,000	\$ -
Totals	\$ 4,501,917		\$ 4,815,214	\$ 313,297

Direct Staffing

The items driving the increase are as follows:

- Inflation in both salary and benefit costs for existing staff allocations
- Increasing our A2Tech360 Director from 40% to 100%
- 50% of one staff member previously on MISemForward

Major Events

Inflation is having a major impact on the budget needs of all our Major Events in the form of venue, equipment rentals, food and beverage, and technology costs. We anticipate that the following will be needed:

A2Tech360 = \$300K vs \$240K

NAIAS = unchanged at \$75K

SXSW = \$25K vs \$20K

Mobility Support

Salary, travel, and registration fees for two employees are driving the \$10K increase.

Interns and Talent

For the DEC Summer Internship Clinic we need to increase the pay rate of the interns from \$17/hr to \$18/hr as well as small increases in compensating the teaching team, the student workers, marketing of the program to students, and technology costs.

Given the unknown future of the MIStemForward program we are anticipating a higher level of demand on our LDFA funded Intern program. This line could potentially absorb an additional 50 intern placements if MIStemForward is not available in 2023.

Accounting

We added one FTE to our Finance Team and are experiencing cost increases in payroll processing fees, insurance costs, 401K fees, IT support, Credit Card processing fees, facilities costs, accounting software, etc.

Ypsilanti

- SPARK East Operations are just basic inflation adjustments.
- Programs: We anticipate that demand for our programs will increase with the addition of the new MI-HQ facility in downtown Ypsi in conjunction with the steadily increasing population of Tech startups we have seen over the last several years.

New Budget Line Proposal in Ann Arbor

If budget allows, I would like to propose the addition of two incentive programs that will strengthen our SmartZone's mission in two key areas:

1. We currently provide education and training on DEI (Diversity Equity and Inclusion) with an emphasis on how it can enhance the potential growth and success of early-stage tech companies. Introducing these concepts along with implementing them early in the life cycle of a business greatly increases the probability that the principles will be institutionalized in the company culture. SPARK would like to design and implement a program that would both increase the training that we do as well as introduce a new element; an incentive program to reward eligible clients for demonstrating the implementation of the principles. By providing a positive incentive, we can increase the number of companies embracing DEI and ultimately make a positive impact on the Ann Arbor Tech and innovation workforce.
2. Ann Arbor as a City is focused on their NetZero program with the goal of making us a carbon neutral city. Similar to the above, SPARK would like to design and implement a program that both educates the companies we serve on how specifically to embrace sustainability along with providing a positive incentive for those that implement sustainability principles into their business practices.