

Micro Enterprise Funds

FY2002 Request: \$150,000
Reference No: 34043

AP/AL: Appropriation
Category: Health/Human Services
Location: Statewide
House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2001 - 06/30/2006

Project Type: Equipment
Contact: Larry Streuber
Contact Phone: (907)465-1870

Brief Summary and Statement of Need:

Provides funds to purchase start-up equipment and working capital for beneficiaries who want to be self-employed; for service providers to establish small businesses to employ beneficiaries and for private enterprises interested in expanding their businesses in exchange for hiring beneficiaries.

| Funding: | FY2002 | FY2003 | FY2004 | FY2005 | FY2006 | FY2007 | Total |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| MHTAAR | \$150,000 | | | | | | \$150,000 |
| Total: | \$150,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$150,000 |

| | | | | |
|---|--|---------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> State Match Required | <input checked="" type="checkbox"/> One-Time Project | <input type="checkbox"/> Phased - new | <input type="checkbox"/> Phased - underway | <input type="checkbox"/> On-Going |
| 0% = Minimum State Match % Required | | <input type="checkbox"/> Amendment | <input checked="" type="checkbox"/> Mental Health Bill | |

Operating & Maintenance Costs:

| | <u>Amount</u> | <u>Staff</u> |
|----------------------|---------------|--------------|
| Project Development: | 0 | 0 |
| Ongoing Operating: | 0 | 0 |
| One-Time Startup: | 0 | 0 |
| Totals: | 0 | 0 |

Additional Information / Prior Funding History:

This is the first year of the project.

Project Description/Justification:

Project Description:

Small business ownership is the direction in which Alaska's economy is moving. Self-employed people own 68 percent of all businesses in the state. However, individuals with disabilities are seldom provided with the option of owning their own businesses. As a result of the Trust funding for the Economic Development Alliance, a mechanism to train and support individuals with disabilities to own their businesses is in place. The Council is currently working with the Center for Human Development to further develop and implement a supported self-employment model for beneficiaries who require ongoing support to run their businesses.

Most of these potential businesses are extremely small with start-up costs of less than \$10,000 and are seldom eligible for most grant and loan programs. These funds would be used to grant and/or loan funds to Trust beneficiaries or service providers establishing small businesses to employ persons with disabilities. Funds will also be made available through the Job Creation Project to private enterprises interested in securing capital in exchange for hiring beneficiaries. This program has been piloted in Juneau and Kodiak and has proven very successful.

The Council will use these funds to leverage funds from State agencies such as the Department of Community and Economic Development and the Division of Vocational Rehabilitation.

Results: This recommendation supports the Council's desired result for people to get and keep employment consistent with their interests and abilities, which is compatible with those outlined in the Comprehensive Plan and with the Trust's guiding principles. The need for these services was consistently reinforced during the State Plan planning process.

Indicators: Productively Engaged and Employed.

Performance Measures:

- ◆ Number of Trust beneficiaries who become self-employed
- ◆ Percent remain self-employed at 6, 12, 24 and 36 months
- ◆ Number of providers starting small businesses to employ and support Trust beneficiaries
- ◆ Number of private business owners participating in the Job Creation Program
- ◆ Number of Trust beneficiaries employed as a result of the Job Creation Program
- ◆ Percent who are generally satisfied with their choice of employment