

MH Micro Enterprise Funds**FY2004 Request: \$75,000**
Reference No: 34043**AP/AL:** Appropriation
Category: Health/Human Services
Location: Statewide
House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2003 - 06/30/2008**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:	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>Total</u>
MHTAAR	\$75,000						\$75,000
Total:	\$75,000	\$0	\$0	\$0	\$0	\$0	\$75,000

<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:

In SLA 01, \$150.0 was appropriated for this project.

Project Description/Justification:

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 Governor's Council on Disabilities and Special Education (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. The development of individual micro-enterprises is an integral part of the movement for self determination. The concept of employment must be challenged by individuals who experience multiple and severe disabilities and for whom the idea or possibility of holding a 'regular' job is often out of reach. This should not prevent a person from earning income. Through micro-enterprise development, it is possible for people to have income that offsets costs usually borne by public funds. More importantly for the individual, earning money gives a person a sense of worth and value.

Most of these potential businesses are extremely small with start-up costs of less than \$10,000 and, as such, are seldom eligible for most grant and loan programs. These funds would be used to grant and/or loan funds to Trust beneficiaries or to 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.

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Funds were awarded in FY2002 for this project (see FY2002 Status Reports). The Department of Health and Social Services will be issuing a Request for Proposals within the next few months asking for proposals from non-profit agencies and organizations match these funds. Applicants must provide a dollar for dollar match.

In-Step Plan Area: This project meets the overarching outcomes of Economic Security and Living with Dignity.