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CERTIFICATE

STATE OF WISCONSIN) SS DEPARTMENT OF DEVELOPMENT)

I, Robert N. Trunzo, Secretary and custodian of the official records of the Department of Development, do hereby certify that the annexed rules relating to the Business Development Initiative Program were duly approved and adopted by this Department on June 10, 1993.

I further certify that said copy has been compared by me with the original on file in this Department and that the same is a true copy thereof, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand as Secretary at 123 West Washington Avenue in the City of Madison, this 15th day of June, 1993.

Robert N. Trunzo

18-007

ORDER OF THE DEPARTMENT OF DEVELOPMENT

AMENDING CHAPTER DOD 17

WISCONSIN ADMINISTRATIVE CODE

The Wisconsin Department of Development proposes an order to amend Ch. DOD 17 relating to the Business Development Initiative program.

Analysis Prepared by the Department of Development

Sections 234.965 and 560.20, Stats., create a business development initiative program and s. 560.02(4), Stats., authorizes the department to adopt rules to administer that program.

Under the program, the department offers technical assistance and technical assistance grants to individuals, non-profit organizations and small businesses for the purpose of developing and planning the start-up or expansion of for-profit businesses in Wisconsin. The proposed addition to the rule would allow the department to provide technical assistance and technical assistance grants to individuals with severe disabilities who have been referred to the program by a counselor with the division of vocational rehabilitation in the department of health and social services.

By working in cooperation with the division of vocational rehabilitation, the department will be able to offer its expertise in small business development to division clients in the context of a "Self-Employment Program." Under this program, division clients choosing small business establishment as a rehabilitation goal would have access to expert assistance in business planning and other technical aspects of business start-up.

The modified rule would provide for the use of business development initiative GPR funds to match federal Rehabilitation Services funds (Title I, Section B Rehabilitation Act of 1973 as Amended through 1992). The current match is \$1.00 state to \$3.69 federal. The rule establishes that up to \$25,000 of existing business development initiative grant funds may be used for the purposes of the self-employment program. The rule also establishes a maximum grant of \$3,500 GPR for the purposes of the self-employment program. Under the current matching formula, a \$3,500 GPR grant would match about \$13,000 in federal grant dollars and allow for a total maximum grant of about \$16,500. The proposed rule also provides for an on-going application and selection process for self-employment grants.

Text of Rule

SECTION 1. DOD 17.02 (2n) is created to read:

DOD 17.02 (2n) "Division" means the division of vocational rehabilitation in the department of health and social services.

SECTION 2. DOD 17.03 is amended to read:

DOD 17.03 <u>DISTRIBUTION OF FUNDS</u>. From the appropriation under s. 20.143 (1) (en), Stats., the department shall expend annually up to 70 percent on technical assistance and technical assistance grants, \$25,000 of which may be expended for technical assistance grants made under s. DOD 17.045. and The department shall expend the remainder on equity investment grants.

SECTION 3. DOD 17.045 is created to read:

- DOD 17.045 TECHNICAL ASSISTANCE AND TECHNICAL ASSISTANCE GRANTS TO PROMOTE SELF-EMPLOYMENT OF PERSONS WITH SEVERE DISABILITIES. (1) The department shall hold a continuous competition for technical assistance and technical assistance grants for division clients who are severely disabled, who have selected self-employment as a rehabilitation goal and who have been referred to the department by a division counselor. The department shall make an application manual available to all eligible applicants.
- (2) The department shall provide technical assistance or technical assistance grants to individuals or small businesses in accordance with the provisions of this chapter for the purpose of developing and planning the start-up or expansion of a for-profit business that is or will be located in this state and that will provide for the self-employment of a person who has severe disabilities and who has been referred to the department by a division counselor.
- (3) Applications made under this section shall be submitted on behalf of the applicant by a division counselor and shall be reviewed by the department upon receipt. Applications shall be prepared according to the procedures contained in the manual and, shall contain the following information:
- (a) Each of the items listed in s. DOD 17.04 (3) (a) to (g), (i) to (k) and (n).
- (b) An estimate of the potential of the self-employment venture to provide for the financial self-sufficiency of the owner.
- (4) In deciding whether to provide technical assistance or a technical assistance grant, the department shall compare each application to those applications previously received during the same fiscal year on each of the following:
- (a) Each of the items listed in s. DOD 17.04 (4) (a) to (d).

- (b) The likelihood that the self-employment venture will generate earnings to enable the owner to become financially self-sufficient.
- (5) The maximum grant awarded under this section is \$3,500. Any grant made under this section requires a cash match from the division in the percentage provided in the memorandum of agreement between the department and the division that is in effect on the date the grant is awarded.

EFFECTIVE DATE. The regulations set forth in this order shall be effective on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro.), Stats.

Dated: 6-16-97

Igency:

Robert N. Trunzo, Secretary

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