## **BUDGET UNIT BRIEF – FY 2025**

Fiscal Services Division July 1, 2024

Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

LEGISLATIVE

SERVICES AGENCY Serving the Iowa Legislature

# Entrepreneurs with Disabilities Program

### Purpose and History

Iowa Vocational Rehabilitation Services (IVRS) works in collaboration with the Iowa Department for the Blind to administer the Iowa Self-Employment (ISE) Program, also known as the Entrepreneurs with Disabilities (EWD) Program. The Program provides business development funds in the form of technical assistance (up to \$10,000) and financial assistance (up to \$10,000) to qualified Iowans with disabilities who start, expand, or acquire a business within the State of Iowa.

Limitations of the Program include the following:

- IVRS may limit or deny ISE assistance to an applicant who has previously received educational or training equipment from IVRS through another rehabilitation program when such equipment could be used in the applicant's proposed business.
- Any equipment purchased for the applicant under this Program that is no longer used by the applicant shall be returned to IVRS.
- An applicant must demonstrate at least 51.0% ownership in a for-profit business that is actively owned, operated, and managed in Iowa.
- Recommendation for and approval of financial assistance is based on acceptance of a business plan feasibility study and documentation of the applicant's ability to match dollar-for-dollar the amount of funds requested.
- The applicant's business plan feasibility study must result in self-sufficiency as measured by earnings that equal or exceed 80.0% of substantial gainful activity.
- IVRS does not support the purchase of real estate or improvements to real estate.
- IVRS does not provide funding to be used as a cash infusion, for personal or business loan repayments, or for personal or business credit card debt.

IVRS may deny ISE assistance to an applicant planning to start, expand, or acquire any of the following types of businesses:

- A hobby or similar activity that does not produce income at the level required for self-sufficiency.
- A business venture that is speculative in nature or considered high-risk by the Better Business Bureau or a similar organization.
- A business registered with the federal Internal Revenue Service as a Section 501(c)(3) entity or other entity set up deliberately to be not-for-profit.
- A business that is not fully compliant with all local, State, and federal zoning requirements and all other applicable local, State, and federal requirements.

The ISE Program began in FY 2009 under the Department of Education. The Program was transferred to the Iowa Department of Workforce Development (IWD) during the 2023 Legislative Session in <u>SF 514</u> (State Government Alignment Act).

#### **More Information**

Iowa Self-Employment Program: <u>ivrs.iowa.gov/agency-services/self-employment-program</u> Iowa Vocational Rehabilitation: <u>ivrs.iowa.gov</u> LSA Staff Contact: Evan Johnson (515.281.6301) <u>evan.johnson@legis.iowa.gov</u>

#### **Technical Assistance Funds**

Technical assistance funds may be used for specialized consulting services as determined necessary by the counselor, the business development specialist, and the client. Technical assistance funds may be awarded up to a maximum of \$10,000 per applicant and do not require matching funds from the client. Specialized technical assistance may include legal services, accounting, website development, and graphic design.

#### **Financial Assistance Funds**

Financial assistance funds may be awarded up to \$10,000 based on an approved business plan feasibility study and evidence of business need or evidence of business progression. A dollar-for-dollar match is required if the award exceeds \$1,500. Financial assistance may include business equipment, flyers, supplies, inventory, computers and software, advertising, insurance, and business-related rent costs for up to six months.

#### Funding

The ISE Program first received funding in FY 2009 from a \$197,000 General Fund appropriation. This was decreased to \$163,000 in FY 2010 and to \$156,000 in FY 2011. From FY 2012 to FY 2017, the appropriation was set at \$146,000. Since FY 2018, the ISE has received an annual General Fund appropriation of \$139,000. Beginning in FY 2024, funding for the ISE Program was transferred from the annual Education Appropriations Act to the annual Economic Development Appropriations Act.

#### **Related Statutes and Administrative Rules**

Iowa Code chapter <u>84G</u> Iowa Administrative Code <u>877—33</u>

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