

TRAINING AND EMPLOYMENT NOTICE	NO. 15-12
	DATE December 13, 2012

TO: STATE WORKFORCE AGENCIES
 STATE WORKFORCE ADMINISTRATORS
 STATE AND LOCAL WORKFORCE INVESTMENT BOARD CHAIRS
 AND DIRECTORS
 STATE LABOR COMMISSIONERS
 STATE UNEMPLOYMENT INSURANCE DIRECTORS
 AMERICAN JOB CENTER MANAGERS

FROM: JANE OATES /s/
 Assistant Secretary

SUBJECT: Announcement of a New Self-Employment Assistance (SEA) Technical Assistance Web site and Small Business Administration (SBA) Resource Toolkit

1. **Purpose.** In coordination with the SBA, the U.S. Department of Labor's Employment and Training Administration (ETA) is pleased to announce the availability of a new SEA technical assistance Web site featuring resources from states that currently administer successful SEA programs, small business planning and start-up tools available through SBA, and much more to support states successfully implementing and operating an SEA program. The Web site can be found here: <https://sea.workforce3one.org>.

2. **Background.** In February 2012, the President signed Public Law No. 112-96, the Middle Class Tax Relief and Job Creation Act of 2012 (the Act), which expanded access to SEA, a valuable resource available to entrepreneurs. SEA programs are voluntary state-run programs that provide unemployed individuals financial support while they access the resources, information, and training needed to start a business. Eligible individuals receive, in lieu of regular unemployment compensation (UC), extended benefits (EB), or emergency unemployment compensation (EUC), a weekly allowance in the same amount as the individual's regular UC weekly benefit amount. The Act expanded SEA eligibility, provided funding for states to implement or improve SEA programs, and directed the Department of Labor and SBA to coordinate efforts to help more Americans start and grow small businesses. Additional information on the SEA provisions of the Act and the available grants to states can be found at: http://wdr.doleta.gov/directives/attach/UIPL/UIPL_20_12.pdf. SEA is an important component of a broader workforce system strategy to promote entrepreneurship and small business development, both as a reemployment strategy and to support economic development through job creation.

Over the last 15 years, small businesses have created two out of every three jobs, and over half of all working Americans own or work in a small business.¹ As part of the ETA's mission to enhance the efficient functioning of the U.S. labor market, ETA has increased its efforts to support entrepreneurship by integrating networks of public and private organizations that provide entrepreneurial assistance into workforce development activities.

In November 2010, ETA issued Training and Employment Guidance Letter (TEGL) No. 12-10, *Supporting Entrepreneurial and Self-Employment Training through the Workforce Investment System*, to encourage states to establish methods for funding entrepreneurial training under Title I of the Workforce Investment Act of 1998, which authorizes the provision of entrepreneurial training to adult and dislocated workers, as well as entrepreneurial work experiences for youth. TEGL No. 12-10 also outlined a number of resources available to the workforce system to assist job seekers interested in starting their own businesses. TEGL No. 12-10 can be found here:

http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2957.

Last year, ETA developed a Small Business Toolkit designed to assist state workforce leaders to build strong partnerships between the workforce development system and small business-serving organizations. The toolkit can be found here:

<https://www.workforce3one.org/view/2001125757596213518/info>.

- 3. About the Web site and Toolkit.** To support implementation and expansion of SEA programs under the Act and existing law, ETA and SBA partnered to develop a new SEA technical assistance Web site. You can find it here: <https://sea.workforce3one.org>. The goal of the collaboration between SBA and ETA is to expand SEA education and outreach to states, while encouraging innovative approaches in the implementation, operation, and promotion of SEA programs. ETA and SBA hope that the new Web site and toolkit will position state unemployment insurance, workforce, and small business development leaders to partner to implement and/or improve SEA programs through the increased sharing of information and successful practices. Developing agreements or memoranda of understanding with these resource partners to determine the most effective ways to integrate services should be part of a state's comprehensive plan for serving SEA participants and supporting successful entrepreneurship.

The Web site is a compendium of legislation, templates, and highlighted practices to support state workforce agencies, unemployment insurance agencies, and small business and entrepreneurship resource partners who are implementing or enhancing SEA programs. A key component of the site is the SBA toolkit, which contains a host of free, online resources available through SBA that can be used by workforce professionals to counsel and inform SEA participants and to connect them to SBA resources. Optimal use of the many resources available through SBA is a key factor in operating a successful SEA program.

¹ Information provided by the Bureau of the Census: Statistics of U.S. Businesses, Current Population Survey.

ETA is eager to continue to improve the SEA technical assistance Web site – we are already working to grow the portfolio of best practices as additional states implement or expand SEA. We also intend for the Web site to be dynamic, and we welcome feedback and submissions of materials that will grow the existing resources.

Attached is a letter that will go out to all state Governors encouraging them to involve their state’s workforce agency and SBA’s resource partners to take advantage of the new SEA technical assistance Web site and SBA resource toolkit. These new tools will help to support budding entrepreneurs in state SEA programs.

4. **Action**. We encourage states and local areas to visit: <https://sea.workforce3one.org>. Please also share this notice with your workforce system and unemployment insurance program partners.
5. **Inquiries**. Questions about this notice should be directed to the appropriate ETA Regional Office.
6. **Attachment**. Letter to Governors from Hilda L. Solis, Secretary of Labor, and Karen G. Mills, Administrator, Small Business Administration.



DEC 12, 2012

The Honorable Robert Bentley
Governor of Alabama
600 Dexter Avenue
Montgomery, Alabama 36130-2751

Dear Governor Bentley:

Small businesses and start-ups play a vital role in our economy. Over the last two decades, these businesses have been responsible for creating two out of every three new jobs in the U.S., and today more than half of all working Americans own or work for a small business. In recognition of this, we wanted to make sure that you are aware of new resources available to support Self Employment Assistance (SEA) programs.

SEA programs are designed to provide unemployed workers with opportunities to pursue a path to entrepreneurship and small business ownership. These programs can be an important tool to address unemployment, help build on our economic recovery, and create important new businesses in our communities. Creating an environment where small businesses and start-ups can thrive is critical to our nation's competitiveness and our long-term economic growth.

As you know, America's entrepreneurial spirit is alive and well in Alabama and across the country. Today, all over Alabama, there are men and women looking to transform great ideas into viable businesses that create good jobs and economic opportunity.

SEA programs are voluntary state-run programs that provide allowances to unemployed individuals who qualify for unemployment insurance (UI), including regular UI, Extended Benefits (EB) and Emergency Unemployment Compensation (EUC). SEA allowances are paid in lieu of UI to support SEA program participants while they access the resources, information and training needed to start a business. Individuals are paid an SEA allowance that is equal to their UI weekly benefit amount. States must enact legislation to implement a state SEA program, and there are already five states that have such legislation and are operating SEA programs. We encourage your state to also explore this program.

The Middle Class Tax Relief and Job Creation Act of 2012, which was signed by the President on February 22, 2012, provides opportunities and resources to start new SEA programs or expand existing ones by:

- Extending the SEA program to the long-term unemployed, including individuals receiving EB and EUC;

- Providing for a total of \$35 million in grants to states for the period of Fiscal Year 2012 through Fiscal Year 2013 to implement or improve an SEA program and for promotion and enrollment activities, including entrepreneurial training; and
- Promoting active engagement with the U.S. Small Business Administration's (SBA's) network of resources, including Small Business Development Centers, SCORE, Women's Business Centers, and Veteran Business Outreach Centers.

Information on implementing or enhancing an SEA program and the available grants can be found at: http://wdr.doleta.gov/directives/attach/UIPL/UIPL_20_12.pdf.

To further assist you, the U.S. Department of Labor (Department) and SBA have jointly developed a web portal with information and resources to help your state implement a successful SEA program. It is located at <https://sea.workforce3one.org>. At this site, you will find an SBA toolkit featuring the many resources available to support new entrepreneurs. New resources are expected to be added in the coming months to support states' efforts to increase entrepreneurship and job creation through the SEA program and to help sustain and scale the new businesses created.

We are committed to an ongoing partnership to ensure that SBA's business advisor network and the Department's workforce system support new entrepreneurs coming through state SEA programs.

We ask that you encourage your state workforce agency and SBA's resource network partners within your state to take advantage of this significant opportunity.

Please do not hesitate to contact us if you have questions.

Sincerely,

HILDA L. SOLIS /s/
Secretary of Labor

KAREN G. MILLS /s/
Administrator, Small Business Administration