

Alabama Workforce Investment System

Alabama Department of Economic and Community Affairs
Workforce Development Division
401 Adams Avenue
Post Office Box 5690
Montgomery, Alabama 36103-5690

April 20, 2004

GOVERNOR'S WORKFORCE DEVELOPMENT DIRECTIVE NO. PY2003-06,
Change 3

SUBJECT: Training and Employment Notice (TEN)

1. **Purpose.** This transmits the following TEN:

<u>Number</u>	<u>Date</u>	<u>Subject</u>
16-03	4/05/2004	Implementation of the Department of Labor and Small Business Administration Strategic Alliance Memorandum

2. **Background.** TEN No. 16-03 is to inform the workforce investment system of the implementation of the Small Business Administration (SBA) and the Department of Labor (DOL) Strategic Alliance Memorandum.

The purpose of the Strategic Alliance Memorandum is to implement a coordinated, interagency initiative to improve opportunities for people with disabilities to be employed by small businesses or to become small business owners.

3. **Information.** Copies of TEN No. 16-03 are provided for informational and potential action purposes.

4. **Contact.** Questions regarding this information may be directed to Jonathan Simonetta at (202) 693-3911 or by e-mail at simonetta.jonathan@dol.gov.


Steve Walkley, Division Director
Workforce Development Division

Attachment

TRAINING AND EMPLOYMENT NOTICE	NO. 16-03
	DATE April 5, 2004

TO: ALL STATE WORKFORCE AGENCIES
ALL STATE WORKFORCE LIAISONS

/s/

FROM: MARIA K. FLYNN
Acting Administrator
Office of Policy
Development, Evaluation
and Research

SUBJECT: Implementation of the Department of Labor and Small
Business Administration Strategic Alliance Memorandum

1. **PURPOSE.** To inform the workforce investment system of the implementation of the Small Business Administration (SBA) and the Department of Labor (DOL) Strategic Alliance Memorandum.

2. **BACKGROUND.** On December 11, 2003, Secretary of Labor, Elaine Chao and the SBA Administrator, Hector Barreto signed the DOL-SBA Strategic Alliance Memorandum (SAM). The purpose of the SAM is to implement a coordinated, interagency initiative to improve opportunities for people with disabilities to be employed by small businesses or to become small business owners. The initiative begins a cooperative and coordinated Federal effort to inform small business owners about the value of, and incentives for, hiring qualified job applicants who have disabilities, and to support individuals with disabilities in acquiring the essential basic skills and resources needed for starting or growing a small business.

SBA and its funded resource partners (Service Corps of Retired Executives, Small Business Development Centers, Women's Business Centers, and Veteran's Business Development Centers) provide cutting edge management and technical assistance to individuals who wish to begin or grow a business, including disabled veterans. These resources enable small business owners to operate their businesses more effectively and efficiently.

The Workforce Investment Act of 1998 created a national workforce investment system consisting of One-Stop Career Centers and their partner programs. The system expands the array of coordinated and customized services that can be provided to individuals, including those

with disabilities, who need to achieve their goal of self-sufficiency through employment or entrepreneurship. This initiative will enable both the SBA and DOL to improve their respective capacities to serve the needs of people with disabilities.

In furtherance of President Bush's New Freedom Initiative, SBA and DOL will jointly develop this "**New Freedom Small Business Initiative**" to accomplish the following goals:

- Assist adult workers with disabilities in acquiring skills and resources necessary to successfully begin and operate a small business; and
- Educate small business owners about the benefits of hiring people with disabilities.

The Initiative will consist of five components:

1. Encouraging small businesses to hire people with disabilities.
2. Building capacity of the workforce investment system and the SBA to increase small business opportunities for people with disabilities.
3. Leveraging of other federal, state, and private programs for support of entrepreneurship for people with disabilities.
4. Encouraging people with disabilities to pursue small business ownership as a career choice.
5. Establishing a coordinated effort to document and disseminate best practices to potential employers of persons with disabilities and entrepreneurs with disabilities.

3. **Action Required.** States are requested to share this TEN with the One-Stop system and all officials within the state who need such information and to familiarize themselves with the subject matter discussed in the DOL-SBA SAM (attached). Continued technical assistance will be forthcoming regarding any potential program impacts as we begin to collaborate with SBA to implement this SAM.

4. **Inquiries.** Questions on this TEN may be directed to Jonathan Simonetta at (202) 693-3911 or by email at simonetta.jonathan@dol.gov.

5. **[DOL-SBA Strategic Alliance Memorandum](#).**

**EMPLOYMENT AND TRAINING ADMINISTRATION
U.S. DEPARTMENT OF LABOR
Washington, DC 20210**

STRATEGIC ALLIANCE MEMORANDUM

Between the

U. S. SMALL BUSINESS ADMINISTRATION

and the

U. S. DEPARTMENT OF LABOR

I. Introduction

This document formalizes an agreement between the Small Business Administration (SBA) and the Department of Labor (DOL) (the Parties) to implement a coordinated, interagency initiative to improve opportunities for people with disabilities to be employed by small businesses or to become small business owners. The initiative begins a cooperative and coordinated five-part Federal effort to inform small business owners about the value of, and incentives for, hiring qualified job applicants who have disabilities, and to support individuals with disabilities in acquiring the essential basic skills and resources needed for starting or growing a small business.

Accordingly, this Strategic Alliance Memorandum (SAM) sets forth the agreed-upon terms on the content and method for the administration of the initiative.

II. Background

The DOL and the SBA share interests in increasing employment opportunities in small businesses for people with disabilities and in assisting people with disabilities who want to become entrepreneurs to acquire the skills and resources necessary for starting a business. To accomplish these goals, employers need to understand how to recruit, hire and manage employees with disabilities, as well as be aware of the incentives for hiring people with disabilities. Potential entrepreneurs with disabilities need training on how to operate a small business, access financial resources and find information on issues unique to people with disabilities.

Small businesses constitute an important and often overlooked resource for increasing the employment rate for people with disabilities. Small businesses account for 99.7 percent of all

employers and employ more than half of all private sector employees. Small businesses have historically generated 60 to 80 percent of new jobs annually.

The unemployment rate for people with disabilities is unacceptably high (approximately 43 percent for all people with disabilities; about 70 percent for individuals with significant disabilities). This high unemployment rate impacts not only the lives of people with disabilities, but also the Nation's economy. Most unemployed people with disabilities receive cash and other benefits from government-funded income support and health care programs, but most would rather be working. This group of more than nine million individuals makes up a valuable but untapped pool of talent for America's small employers.

At the same time, more people with disabilities are turning to entrepreneurship as a career choice. Information from the 1990 national census, the latest available, shows that people with disabilities have a higher rate of self-employment and small business ownership than people without disabilities (12 percent of people with disabilities versus 8 percent of people without disabilities). The most significant obstacle faced by entrepreneurs with disabilities is the attitude that individuals with disabilities are incapable of operating a business. This attitude is often prevalent among the resource providers they need most, such as job training and placement agencies, the finance community, and agencies that support small business development. This attitude sometimes prevails despite substantial evidence that people with disabilities are successfully operating a wide range of businesses on a daily basis.

SBA and its funded resource partners (for example, Service Corps of Retired Executives (SCORE), Small Business Development Centers (SBDCs), Women's Business Centers and Veteran's Business Development Centers) provide cutting edge management and technical assistance to individuals who wish to begin or grow a business, including disabled veterans. These resources enable small business owners to operate their businesses more effectively and efficiently.

The Workforce Investment Act of 1998 (WIA) created a national workforce investment system consisting of One-Stop Career Centers and their partner programs, including those required by the Act and others identified by One-Stop Career Centers as useful for accomplishing their mission. The system promises to expand the array of coordinated and customized services that can be provided to individuals, including those with disabilities, who need assistance to achieve their goals for economic self-sufficiency through employment or self-employment. This initiative will enable SBA and DOL to improve their respective capacities to serve the needs of people with disabilities.

III. The Federal Participating Agencies

- A. **The Department of Labor (DOL):** DOL will provide support for the initiative through the Office of Disability Employment Policy (ODEP), the Employment and Training Administration (ETA), the Office of Small Business Programs (OSBP), and the Veterans' Employment and Training Service (VETS).
- B. **The Small Business Administration (SBA):** SBA will provide support for the initiative through the Office of the Administrator.

IV. The Initiative

On February 1, 2001, President George Bush announced his New Freedom Initiative for people with disabilities. The New Freedom Initiative will help Americans with disabilities by increasing access to assistive technologies, expanding educational opportunities, increasing the ability of Americans with disabilities to do productive work, and promoting increased access into daily community life. In furtherance of President Bush's New Freedom Initiative, the SBA and the DOL agree to jointly develop "**The New Freedom Small Business Initiative**" to accomplish the following goals:

- Assist adult workers with disabilities in acquiring the skills and resources necessary to successfully begin and operate a small business; and
- Educate small business owners about the benefits of hiring people with disabilities.

This Initiative will consist of five components:

- A. **Encouraging small businesses to hire people with disabilities.** Activities under this initiative will focus on encouraging and enhancing employment opportunities in small businesses for people with disabilities. Examples include making information available to small business owners regarding the following:
 1. Tax and other incentives available when hiring people with disabilities.
 2. Sources of qualified job applicants with disabilities.
 3. Resources for reasonable accommodation and assistive technologies.
 4. Other technical assistance and training resources on the employment of individuals with disabilities.
- B. **Building capacity of the workforce investment system and the SBA to increase small business opportunities for people with disabilities.** Activities under the initiative will encourage and facilitate the following:
 1. Collaborative approaches for providing information, training and resources to staff at SBA, SBDCs, SCORE, Veteran Business Outreach Programs and other programs to increase their capacity to serve people with disabilities.

2. Making small business information and training available to people with disabilities at One-Stop Career Centers established under the Workforce Investment Act of 1998, VETS field staff, and at Transition Assistance Program (TAP) Workshops.
3. Partnerships by state and local agencies and organizations, including State and local Workforce Investment Boards, to coordinate delivery of small business training and services to people with disabilities.

C. Leveraging of other federal, state and private programs for support of entrepreneurship for people with disabilities. Activities under the initiative will focus on the following:

1. Establishing an interagency working group, jointly chaired by the SBA and DOL, which will develop and implement a coordinated plan for implementing the New Freedom Small Business Initiative. The chairs shall invite other Federal departments and agencies to join the working group as appropriate.
2. Encouraging entrepreneurship for people with disabilities by promoting the use of existing economic development, microenterprise and other Federal programs, such as Project GATE, through collaboration with other Federal departments and agencies.

D. Encouraging people with disabilities to pursue small business ownership as a career choice. Activities under the initiative will be focused on making information available to people with disabilities about small business ownership as a career choice, including information on local programs providing training and support about procedures and resources available for starting and building a small business.

E. Establishing a coordinated effort to document and disseminate best practices to potential employers of persons with disabilities and entrepreneurs with disabilities.

V. Resources

This agreement does not itself authorize the expenditure or reimbursement of any funds. Nothing in this SAM obligates the SBA or the DOL to expend appropriations or enter into any contract or other obligations. The **New Freedom Small Business Coordinating Committee** (see VII.A.) may make recommendations to the Parties on the resources needed for this initiative but may not obligate either Party to spend appropriated funds. Should funds be committed by the Parties in the future, it will be recorded through other documents as appropriate and as required by law.

VI. Responsibilities of the Parties

A. General Responsibilities. Responsibilities, both shared and individual, of the Agencies participating in the **New Freedom Small Business Initiative** include the following:

1. All issuances, guidance, press releases, presentations, etc., related to this initiative will:
 - a. Acknowledge all Parties;
 - b. Be subject to the clearance procedures of all Parties and the Administration, as appropriate;
 - c. Be disseminated on one or both agencies' websites and by other means, as appropriate, following Agency web policies.
2. The Parties may collaborate to establish relationships with outside parties to support the New Freedom Small Business Initiative, as appropriate, per SBA and DOL policy.

B. Specific Responsibilities

1. DOL/ODEP will take responsibility for providing expert advice on the employment of people with disabilities by small businesses and issues for people with disabilities who want to become self-employed or start a business.
2. SBA will take primary responsibility for compiling information available from Federal, State and local economic development programs associated with small business opportunities for people with disabilities. SBA will also work with DOL to disseminate this information to new and existing small business owners as appropriate.
3. DOL/ETA will take primary responsibility for providing guidance to the One-Stop Career Center system to accomplish the following:
 - a. Promote collaboration between the One-Stop Career Center system and the SBA and its resource partners on small business activities for people with disabilities; and
 - d. Identify local small business models of cooperation among WIA entities, small business service providers, and disability agencies and organizations.
4. DOL/VETS will work through its network of Disabled Veteran Outreach Program (DVOP) specialists in the states to coordinate efforts for disabled veterans who are seeking employment and/or have an interest in starting their own business. VETS will also work with its partner at the Department of Veterans Affairs' Vocational Rehabilitation and Employment (VR&E) Service to assure VR&E's client group is aware of this effort.
5. DOL/OSBP will make available information on procurement opportunities within the Department of Labor and will lend support and expertise to this undertaking, in any area related to its jurisdiction, to promote success of the initiative.

VII. Initiative Governance Responsibilities

- A. Project Management.** The signing of this agreement will establish a **New Freedom Small Business Coordinating Committee** that will serve as the overall project management body. Both Parties will appoint one or more persons to serve on the committee, including the designation of one person from the DOL and one person from the SBA to serve as co-chairs.
- B. Operating Procedures.** The Parties will develop, within 30 days of the signing of this agreement, a work plan which will define the functions of the Committee, establish management procedures for implementing activities under this initiative, and delineate principles governing the interaction of the participating agencies. The work plan will be set and created by mutual agreement of the Parties.

VIII. Resolution of Conflicts

Nothing in this SAM shall take precedence over or diminish the policies, directives, and procedures of the respective Parties. Conflicts between the Parties shall be referred to the respective responsible point of contact (see Section XIII) for resolution. If a satisfactory resolution cannot be achieved at this level, the responsible points of contact shall refer the matter to the signatories of this SAM through their respective channels.

IX. Authority

This SAM is authorized by Division G, Title I of the Consolidated Appropriations Resolution, 2003 (Pub L. 108-7) (see "Office of Disability Employment Policy"); Consolidated Appropriations Act, 2001, Pub. L. 106-554, 29 U.S.C. 557b; Section 8(b)(1)(A) of the Small Business Act; Sections 167 (d) and 171 of the Workforce Investment Act; and Title 38, USC, chapter 41.

No Agency is limiting its right to act in a manner it deems advisable to carry out its programs. This agreement is an internal Government agreement and is not intended to confer any right upon any private person.

The parties acknowledge that specific joint training events, seminars, forums, or initiatives contemplated by this SAM require further specific negotiations and must be conducted under the SBA's co-sponsorship authority (Section 8(b)(1)(A) of the Small Business Act). As appropriate, the SBA will invite its participating lenders and resource partners, including SCORE, local SBDCs, WBCs and VBOCs to participate in specific training events, seminars, forums or initiatives as attendees, presenters, or cosponsors.

X. Period of Performance

This SAM will take effect at the time of execution and remain in effect for two (2) years thereafter, unless terminated by either of the Parties.

XI. Right to Terminate

Either of the Parties may terminate this SAM, in whole or in part, by written notice. The Party requesting the termination must provide to the other Party at least 60 calendar days notice.

XII. Public Information Coordination

Public disclosure of information regarding activities conducted under this SAM will be subject to the Freedom of Information Act (5 U.S.C. § 552) as well as the Privacy Act of 1974 (5 U.S.C. § 552a, as amended).

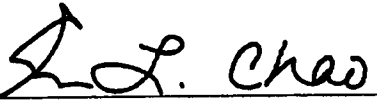
XIII. Points of Contact

Formal Points of Contact will be the SBA's Authorizing Official and the DOL's Coordinating Official. For this SAM, SBA's Authorizing Official will be SBA's Associate Administrator for the Office of Strategic Alliances, Adela M. Soriano; DOL's Coordinator will be W. Roy Grizzard, Assistant Secretary, Office of Disability Employment Policy. Informal points of contact for each Agency will be identified by the SBA Authorizing Official and the DOL Coordinator within 30 calendar days of the execution of this Agreement.

XIV. Modification of the SAM

The Parties agree to consult each other on any amendments or issues to be addressed. The Parties may modify the SAM by written mutual consent.

XV. Executed By:



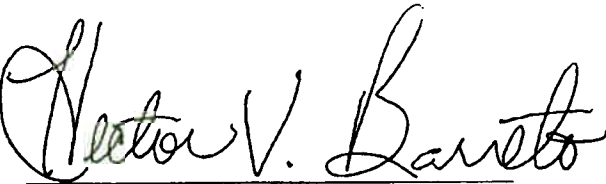
Elaine L. Chao

Secretary

U.S. Department of Labor

DEC 11 2003

Date



Hector V. Barreto

Administrator

U.S. Small Business Administration

DEC 11 2003

Date