

PA Department of Labor & Industry
Workforce Investment Center
Bureau of Workforce Development Partnership
WORKFORCE INVESTMENT INFORMATION NOTICE No. 8-02, Change 2
June 7, 2004

TO : ALL LOCAL WORKFORCE INVESTMENT AREAS

FROM : JOHN C. VOGEL
Director
Bureau of Workforce Development Partnership

SUBJECT : SEA and GATE Program Policy

INQUIRIES : If you have questions concerning this issuance, please direct inquiries by e-mail or telephone:

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1. Purpose. To provide Local Workforce Investment Area (LWIA) staff and other pertinent stakeholders with reference information specific to the development and operation of the Self-Employment Assistance (SEA) Program and Project GATE (Growing America through Entrepreneurship) in conjunction with SEA.
2. Reference. The North American Free Trade Agreement (NAFTA), Section 507; as amended by Public Law 105-306; Self Employment Assistance Act; Act 1997-54 (43 P.S. §920.1); Pennsylvania Unemployment Compensation Law (43 P.S. § 751 et seq.); Workforce Investment Act of 1998 (WIA), (29 USC §2801 et seq.). Section 134(d)(4)(D)(vi) and WIA Final Rule 20 CFR § 663.310 and 663.320.
3. Discussion.

a. Pennsylvania's Self-employment Assistance (SEA) Program Policy

(a) Preamble

The Pennsylvania Department of Labor and Industry brings together a number of tools and resources to assist and stimulate local workforce and economic development. As an initiative of the Governor's Project for Community Building, the SEA program is supported by the Department's Bureaus of Workforce Development Partnership (BWDP), Unemployment

Compensation (UC) Benefits and Allowances, the Center for Workforce Information and Analysis (CWIA), and Pennsylvania's one-stop CareerLinks.

In Pennsylvania, the SEA Program is one of the programs under an entrepreneurial enhancement umbrella at the local level and is considered a link between workforce and economic development. Unemployed individuals have the opportunity to create their own means of support through entrepreneurial training and assistance. Additionally, the SEA Program provides each participant with the opportunity to develop a self-supporting and dynamic new business, which will potentially enhance the local economy.

(2) Background

On December 8, 1993, the North American Free Trade Agreement (NAFTA) legislation was signed into law (P.L.103-182). This legislation affected the national Unemployment Insurance (UI) program by allowing States the option of permitting unemployed profiled individuals, some of which are dislocated workers, the ability to receive payments from the Commonwealth's unemployment fund for the purpose of establishing businesses and becoming self-employed. The Commonwealth of Pennsylvania, in an effort to provide a new dimension to its employment and training effort, signed into law Pennsylvania House Bill No. 1475 of 1997, which established the SEA Program.

Funding is provided to the LWIAs for the administration of the program and provision of self-employment activities, which include entrepreneurial training, business counseling, and financial and technical guidance.

The SEA Program is voluntary for individuals who are eligible for unemployment compensation, identified through the Commonwealth's profiling system as likely to exhaust their regular UC benefits, determined as having met local program requirements, and interested in becoming self-employed. Although SEA allowances are paid from the UC Fund in the same amount and interval as UC benefits, SEA participants are relieved of some of the usual eligibility requirements related to UC. SEA participants are afforded waivers from UC requirements related to disqualification for self-employment, availability for suitable work, refusal of suitable work, and deductibility of self-employment income. Business start-up funds are not provided to SEA participants from the UC Fund.

(3) Statewide SEA Program Design Strategies

The SEA Program provides a unique aspect to Pennsylvania's effort to carry out an effective workforce and economic development system. The SEA

Program presents the LWIA with the opportunity to coordinate both workforce and economic development strategies at the local level.

A major influence on the SEA Program's expansion effort in Pennsylvania is the implementation of the Workforce Investment Act (WIA). "The goal of WIA is to increase employment, retention, and earnings of participants, and in doing so, improve the quality of the workforce to sustain economic growth, enhance productivity and competitiveness, and reduce welfare dependency." Pennsylvania has developed and implemented major reforms to the State's job training system to maintain compliance with WIA. The key principles of WIA include: "streamlining services through a One-Stop service delivery system, empowering individuals through information and access to training resources through Individual Training Accounts (ITA), providing universal access to core services, increasing accountability for results, ensuring a strong role for Local Workforce Investment Boards and the private sector in the workforce investment system, and facilitating State and local flexibility. "

In the spirit of WIA, Pennsylvania's SEA Program and services are applied through the employment and training systems, which support those principles and strategies that were established in Pennsylvania's Strategic State Workforce Investment Plan for Title I of WIA. Although the SEA Program adds a new dimension to the employment and training services currently provided to unemployed individuals in Pennsylvania, the methods of service delivery will be coordinated through Pennsylvania's One-Stop CareerLink sites by the WIA Title I partner. The CareerLink Title I Partner is responsible for the procurement of a training provider, verification of eligibility, the determination that individuals meet local program requirements, and the certification of SEA applicants, many of which are eligible Dislocated Workers. The Title I Partner is also accountable for SEA participant tracking and three-year follow-up of SEA completers; however, the Title I Partner may require that tracking be a contracted responsibility of the SEA Program service provider. The SEA Program requires a tremendous amount of coordination in regard to local program development, integrated service provision, benefit eligibility and payment, mainframe/*CareerLink* automation development, and automated information linkages.

LWIAs are encouraged to design a SEA program which complements their overall entrepreneurial support scheme and conforms to their own local or regional circumstances.

(a) State-appropriated funds for the SEA Program

The following options may be considered when the local SEA Program is supported through State-appropriated funds. A LWIA may elect to enter into an agreement with another LWIA to conduct the SEA Program for more than one area or region. Local or regional

SEA agreements must indicate how the program is being coordinated.

OPTION 1 – LWIA selection of a single SEA training provider

LWIAs may elect to contract with a single SEA training provider through the competitive or sole source procurement process for:

- (A) All of the required SEA services and training; or
- (B) Only the training portion of the required SEA services.

The LWIA has the option to issue ITAs, in accordance with the locally approved system, to distribute the State-appropriated funds for the SEA Program.

The LWIA has the option to negotiate the level or amount of services offered by a SEA training provider.

If the LWIA elects to secure a provider through a sole source process, the sole source criteria must include previous experience in entrepreneurial training.

OPTION 2 – Selection of a SEA training provider by participant from the SEA Module using the CareerLink Operating System.

SEA training providers will be from various areas; therefore, LWIAs may elect to have more than one SEA provider available to their respective local SEA applicants.

OPTION 3 – Combination of Options 1 & 2

A LWIA may contract for SEA services with a single training provider and still give participants the option of selecting another provider with the approval of the LWIA.

(b) WIA Title I funds for SEA training

LWIAs may elect to utilize WIA Title I funds for SEA training subsequent to full expenditure of the State-appropriated SEA funds.

Section 134 (d)(4)(D)(vi) of the WIA allows LWIAs to provide entrepreneurial training with WIA Title I funds. However, WIA funds may only be used as the funds of last resort for the SEA Program. When using WIA Title I funds for SEA training, individuals must meet WIA eligibility requirements for Adult or Dislocated Worker.

The use of Local allocated WIA Title I funds would require compliance with WIA Regulations, including performance requirements, determination, and verification of WIA eligibility, participant tracking in the WIA Services Module to ensure that the participant information is obtained to meet federal reporting requirements, WIA certification of service providers, ITAs, etc.

If a SEA participant has received the core and intensive services required by WIA, the LWIA can issue an ITA as long as the participant selects an approved training program/provider from the single WIA Eligibility statewide Training Program/Provider list. The use of WIA Title I funds would require SEA-eligible participants to select a training provider from the WIA Eligible Training Program/Provider list, allowing LWIAs to utilize WIA funds for all SEA services including training services. The use of locally designated WIA funds requires compliance with WIA and Final Regulations in regard to certification of service provider's programs, the subsequent eligibility period, performance program measures, and all other WIA requirements.

LWIAAs may integrate the SEA program into their local entrepreneurial training/support plan. Economic development initiatives, CareerLink partners, and other Federal/State/local entrepreneurial support programs, such as GATE, provide additional resources and assistance to individuals starting or developing a business.

Due to the voucher method of funding customer choice training required by the WIA, LWIAs who elect to supplement their SEA program with WIA Title I funds must provide SEA training services by means of their locally-developed ITA procedure. LWIAs may elect alternative methods of financing when applying State training funds for SEA training.

The local SEA Program design should be explained in the SEA Program Narrative and should indicate how:

- 1) The local program ensures the provision of the required SEA activities;
- 2) The SEA Program is coordinated with other workforce and economic development initiatives; and
- 3) Funds are leveraged to support this effort.

(4) Statewide Delivery System

The CareerLink network is Pennsylvania's one-stop delivery system as required by the WIA. Each LWIA has a minimum of one comprehensive CareerLink site and many have multiple CareerLink sites. The SEA Module, an enhancement to the original CareerLink automated system, provides all

data through a secured Internet connection. The system also provides State and local partners with validated data.

The CareerLink network provides an optimal mechanism to link and coordinate services and resources available through partnering entities. Training services particular to the SEA Program may be provided through the LWIA's ITA process or a process more appropriate to local circumstances (such as local procurement process, regional agreements, etc.). Individuals interested in the SEA Program can access the internet-based CareerLink SEA Module, which enables them to access information from any personal computer with Internet access, to learn general information about the SEA Program. Instructions for accessing these systems are contained in Attachment A. The CareerLink Operating System enables the CareerLink WIA Title I Program staff and service providers the ability to verify (or change to "make a cursory verification of") an individual's eligibility, schedule events like orientation, review labor market information (LMI) through Internet and Intranet links to the Pennsylvania Labor Market Information Database System (PALMIDS), and update a SEA participant's file for Federal and State reporting requirements.

CareerLink partners and service providers should be closely coordinated with other local programs/services to maximize flexibility and opportunities for Pennsylvania's unemployed SEA-eligible individuals. LWIAs may refer SEA-eligible individuals to other LWIAs for SEA programs/services, or LWIAs may elect to utilize a regional service provider. In this case, reciprocal agreements should be established and maintained. Reciprocal agreements between LWIAs, or regional agreements which describe the services of regional service providers, referral of SEA participants between LWIAs, or the transfer of SEA funds between LWIAs, should be included in each participating local operational plan or its respective SEA Program Narratives.

CareerLink services continue when the SEA participant becomes self-employed. The Employer Services page on the CareerLink web site will then be available to assist new businesses make that connection between workforce and economic development. The CareerLink Employer Services page coordinates programs and services from the various CareerLink partners. Employer services may include local LMI, access to a source of qualified workers (Job Order Services), possible tax incentives, and other resources from various partners.

(5) Required SEA Activities and Practices

Universal access to self-service core services available at the CareerLink should be provided to all SEA-eligible individuals. A maximum of 15% of the total SEA grant award may be used by the WIA Title I Partner for staff-assisted services.

(a) Eligibility Determination:

Pennsylvania's Bureau of Unemployment Compensation Benefits and Allowances will perform initial eligibility determination. SEA participants must establish and maintain all eligibility requirements to continue receiving SEA benefits.

To be eligible for the SEA program, participants must:

1. Be eligible for unemployment compensation (UC) and meet all other UC eligibility criteria;
2. Be profiled as likely to exhaust UC benefits prior to becoming re-employed, and meet all criteria including: have not been informed by the employer of a recall to work in the future; work not obtained through a union hiring hall; separation not a result of direct involvement in a labor dispute; and not be employed part-time including the operation of a side-line business;
3. Have received at least one full week of UC benefits and applied for participation in the SEA program prior to the end of the 10th week after the initial application date on your current UC claim;
4. Not currently receiving or have recently completed similar reemployment services;
5. Be able to satisfy LWIA program requirements;
6. Be at least 18 years of age;
7. Attend an initial SEA orientation session;
8. Have a viable business concept;
9. Locate a new business in Pennsylvania;
10. Work full-time at becoming self-employed while collecting SEA allowances;
11. Have never collected SEA allowances from a prior application; and
12. Sign a SEA Participant Agreement and be certified by the CareerLink's WIA Title I Partner.

The worker profiling model calculates a UC claimant's likelihood of exhausting regular benefits prior to becoming re-employed by examining various components of claimant employment history data at the time of the individual's application. Eligibility status and profiling then occurs at the time of first payment of benefits.

Any individual enrolled in the CareerLink system can log on to the CareerLink's SEA module to verify eligibility, or contact the nearest CareerLink site for an eligibility determination. (See Attachment A)

(b) SEA Orientation:

Eligible UC claimants who are interested in the SEA Program must attend a SEA orientation. A SEA orientation must provide information to eligible UC claimants about SEA eligibility, reporting requirements, procedures related to the SEA Program, SEA certification information, LMI, training provider performance information, and the advantages and disadvantages of starting and running a business. The SEA orientation session may be the ideal time to evaluate and assess an applicant's business idea and suitability for the program using LMI or other locally developed criteria.

(c) SEA Certification:

Certification is a required activity which must occur before business counseling or training services may begin. To be certified as a SEA-eligible participant, an individual must meet all eligibility requirements listed in Section (5)(a) of this document. (Exceptions may only be granted by the UC Adjudication section in the Department of Labor and Industry on a case-by-case basis.) The SEA Participant Agreement is a requirement of the Commonwealth to ensure that participant information is obtained for federal reporting and to assess the effectiveness of the Program. (See Attachment B) The certification of an individual for the SEA Program by the CareerLink's WIA Title I partner should occur after orientation, provided the eligibility prerequisites listed in Section (5)(a) of this document are met. The LWIA may also utilize the Local Market Analyst assigned to their respective area or PALMIDS in considering whether or not to approve an individual's business concept.

(d) Individual Business Counseling:

Business counseling provides opportunities to talk over class material and assignments on a one-to-one basis during the classroom instruction phases, as well as afterward. A minimum of 15 hours of individual business counseling must be provided to each SEA participant. Business counseling requirements and the requisite documentation must be included in the agreement between the LWIA and the SEA training provider.

(e) Business Training:

Classroom training in business skills and personal development training may include lectures, class exercises on the basics of refining business ideas, marketing, finance management, and legal aspects such as taxes and licenses. A minimum of 20 hours of business training must be provided to each SEA participant. Business training requirements and the

requisite documentation must be included in the agreement between the LWIA and the SEA training provider.

(f) Technical Assistance:

Technical Assistance may include loan packaging assistance, marketing advice, contacting commercial real estate brokers or bank officers, obtaining necessary licenses, and fine-tuning the business plan.

(6) Planning

A SEA Program Narrative is required annually from each LWIA in order to receive a Notice of Obligation for SEA funds. The SEA Program Narrative must include:

1. A description of the local SEA Program design;
2. How the local program ensures the provision of the required SEA activities;
3. How the SEA Program is coordinated or linked with other Entrepreneurial support or assistance programs which contribute to local economic and workforce development;
4. How funds are leveraged; and
5. A description of the process of service provision, including agreements between LWIAs and regional agreements.

SEA Program Narratives should normally be received by BWDP no later than June 1 of each year to ensure a timely contracting process.

(7) Funding

A LWIA's entrepreneurial training/support effort may be supported from a variety of funding sources. The Commonwealth has budgeted State funds since 1997 for the operation of the SEA Program. Additional funds from various State and Federal funding sources may be leveraged to support the LWIA's entrepreneurial strategy. For example, SEA services which are considered WIA core services and are available to all customers, may be provided by WIA funds at the local level. Section 134 (d)(4)(D)(vi) of the WIA allows entrepreneurial training with WIA Title I funds; however, WIA Title I funds should be applied only as the funds of last resort for SEA training.

All State-appropriated funds designated as funds to be applied to the SEA Program will be delivered to the LWIA Fiscal Agent by means of a Notice of Obligation (NOO). The program period for State-appropriated SEA funds is one year, beginning July 1 and ending June 30. State-appropriated SEA funds have an administrative cost limit of 5%, a 15% maximum for staff-assisted services associated with the SEA Program, and a training minimum

requirement of 80%. Appropriate cost limitations must be reflected in any LWIA agreements with SEA training providers.

The Commonwealth may use a formula for the distribution of SEA funds using the same factors and percentage weights as established for WIA Dislocated Worker funds. Funds may be reallocated or additional funds may be provided based on local need, performance and availability.

(8) SEA-eligible Training Providers

LWIAs have the authority to solicit SEA training providers through a competitive or sole source process from a variety of sources, which include: Small Business Development Centers, vocational-technical schools, Community-Based Organizations (CBOs), private training companies, labor organizations, employer organizations, private individuals, and entities that have met existing local procurement criteria. LWIAs may apply locally developed criteria for selecting a SEA training provider(s). Criteria may be based on demonstrated experience, past performance, costs, local LMI, or other factors established by the LWIA. LWIAs must ensure that all SEA training providers comply with licensing or registration mandates required by the laws of the Commonwealth of Pennsylvania, for example, registering to conduct business in Pennsylvania and/or applicable licensing required for training institutions.

(9) Performance

The USDOL requires an annual report from each State operating a SEA Program. The Commonwealth also requires monthly and quarterly reports from each LWIA. The data collected by the monthly and quarterly reports is used to generate the annual report to the State legislature and USDOL. The information collected currently includes details about a SEA participant's progress in the Program, including earnings, demographics, and business start dates. Additional standards may be developed to accurately reflect the condition and economic impact of Local Area programs.

The Commonwealth will apply the Federal standard of the *Business Start Date* (BSD) as an initial benchmark for LWIA performance regardless of funding source, (e.g. State-appropriated SEA funds or WIA Title I training funds). Additionally, when WIA Title I training funds are used to fund SEA training, LWIAs and SEA training providers must also meet WIA Title I Performance standards and levels established by the WIA. The number of business starts and net business income data are some of the factors used by the State Legislature to determine future appropriation levels, so it is vital to report timely, completely, and accurately. Performance and identified need are factors that may affect the distribution of funds.

(10) SEA Reporting Guidelines

LWIAs are required to submit monthly and quarterly individual participant data reports to the CWIA. Until further notice, LWIAs will submit hard-copy reports directly to the CWIA and a copy to BWDP. In the future, the SEA module of the CareerLink Operating System enhancements will provide for automated reporting.

b. Pennsylvania's GATE Program Policy

(1) Preamble

This project will leverage existing initiatives into one easy-to-access and comprehensive program. LWIAs will be the focal point for Project GATE including:

- General and specialized business development and training programs
- Micro loans through the SBA micro loan program
- Assigned business counselors to provide individual business counseling sessions
- ITA's and needs-based payments established by WIA
- Services to assist limited English proficiency participants.

(2) Background

GATE Program participants do not have to be unemployed to be eligible to participate. However, Section 401(d)(1) of the Pennsylvania UC Law provides that all claimants be able and available for suitable work, provided that no otherwise eligible claimant shall be denied benefits for any week if enrolled in approved training. The Department, therefore, has determined that Project GATE meets the requirements of Section 401(d)(1) during the UC claimants' periods of active Project GATE participation. In addition, the Department must approve any self-employment training.

Further, Section 402(h) of the Pennsylvania UC Law requires a denial of UC benefits to individuals who are engaged in self-employment unless such claimants are actively participating in the SEA program. However, SEA is only available to claimants who are profiled as likely to exhaust UC benefits, according to federal and state law and USDOL requirements.

The Department approves Project GATE self-employment training as essentially SEA training. As a result of this approval, all UC benefits rights afforded SEA participants will be afforded to those Project GATE participants who are profiled as likely to exhaust UC benefits and who otherwise meet the SEA requirements. These rights include waivers of the able and available and self-employment UC benefit denial provisions, as well as the waiver of any self-employment income UC benefit deduction. These requirements

include a full-time effort to start a business, and signing a SEA Agreement that acknowledges that the participants understand and agree to the requirements for participation in the SEA program.

A provision of both federal and state law that cannot be waived is limiting the availability of SEA to UC eligible participants who are profiled as likely to exhaust their benefits prior to becoming reemployed. Until the USDOL addresses this issue, it will be necessary to determine UC eligibility for any Project GATE participants who are not profiled as likely to exhaust UC benefits without regard to the special eligibility criteria applicable to SEA participants.

(3) Program Design Strategy

Project GATE participants will progress through the following program stages: Community Outreach, Registration, Orientation, Application, Random Assignment, Assessment, and Service Provision. Data will be collected about the participants throughout this process, starting at Registration. Ancillary data about the services provided, loans made, and small businesses started will also be collected. Follow-up surveys will be administered to randomly assigned participants (either program group or control group) at two points: 6 months and 15 months after random assignment. The data collected, together with the data from the GATE Participant Tracking System, will be used for the evaluation.

(4) Types of Services

1. Classroom Training and Workshops. Classroom training on how to start, finance and expand a business will be presented by experienced professional organizations that provided similar training services under the Pennsylvania SEA program. Typically, a GATE training program will include 10-12 weekly sessions with each session lasting two hours.
2. Individual Counseling. An initial assessment will be provided by an experienced business counselor to determine the participant's skill level, training needs and to identify the most appropriate local services provider who can best meet the participant's needs. Additional one-on-one counseling will be provided as they proceed through their training program. Counseling will therefore be an ongoing process lasting as long as the participant is involved with GATE services.
3. Technical Assistance in Obtaining Loans. Following the completion of their formal training program, GATE participants will continue to receive 6-10 hours of technical assistance services from professional counselors in completing their business plans, developing their pro-forma budgets and cash flow projections, and in preparing their loan application package.

(5) Training Services Providers

Project GATE will select only experienced local service providers. Prospective providers must submit a proposal to include a description of the service organization, its history, the content of the training program, and the qualifications of its instructors. Service providers will be selected based on these proposals using criteria that include quality and price. Project GATE will not provide service providers with a specific curriculum for the training program; however, minimum training requirements and guidelines will be expected to be followed in providing training services.

(6) GATE Evaluation Strategy

The evaluation will address whether the program can be replicated on a larger scale, whether it works, and whether it is cost effective. Data for the evaluation will be collected via a participant tracking system, two follow-up surveys, administrative data, and periodic visits to the sites by researchers.

4. **Action Required.** LWIAs are requested to widely distribute copies of this issuance to LWIA staff, training providers, and other CareerLink partners providing services identified in this WIIN.

5. **Attachments.**

ATTACHMENT A	Public Access to SEA Program Module
ATTACHMENT B	SEA Program Commonwealth/Participant Agreement
ATTACHMENT C	Frequently Asked Questions About SEA
ATTACHMENT D	Frequently Asked Questions about GATE

6. **Expiration Date.** Ongoing.

Attachment A

Public Access to SEA Program Module

1. Customer accesses CareerLink homepage ([http:// www.pacareerlink.state.pa.us](http://www.pacareerlink.state.pa.us)) and selects Job Seeker Services.



2. Selects Self-Employment Assistance Program.

Team PA CareerLink - Microsoft Internet Explorer provided by DIT, Dept. of Labor and Industry

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Print Refresh

Address <http://www.pacareerlink.state.pa.us/homeframe.asp?nocache=2%2F23%2F2004+12%3A48%3A38+PM> Go Links >>

Pennsylvania CareerLink

Labor Market Information (PALMIDS)
Access Pennsylvania's Labor Market Information Delivery System (PALMIDS) to obtain current employment statistics and occupational wages, explore career areas based on current occupational information and more.

FAQs
Frequently asked questions.

Related Links
A variety of career-related web sites.

Self-Employment Assistance Program
Learn about the Self-Employment Assistance Program and see if you are eligible to receive benefits.

Home | About Us | Job Seeker Services | Employer Services
One-Stop Services | Events | Feedback | Site Map | Login

If you need assistance with these services, please contact your [local Team Pennsylvania CareerLink office or participating agency](#)

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[Submit questions or comments about this web site](#)

Start | Internet | 12:56 PM

3. Receives online orientation information listed below. And enters social security number.



Self-Employment Assistance (SEA) Program

PERHAPS YOU'RE CONSIDERING SELF-EMPLOYMENT

Pennsylvania's Department of Labor and Industry brings together a new arsenal of tools and resources to assist and stimulate local workforce and economic development.

Self-help initiatives like the SEA program can provide you with the opportunity to start and operate a business while collecting regular Unemployment Compensation (UC) benefits.

SEA is a voluntary program for you if you are eligible for unemployment compensation, identified through the Commonwealth's profiling system as likely to exhaust regular UC benefits, able to satisfy local requirements, and interested in becoming **self-employed**.

As a SEA participant you will be afforded waivers from some UC requirements, including disqualification for self-employment, availability for work, refusal of suitable work, and deductibility of self-employment income once you've enrolled in the program.

Services you will receive in the SEA Program include a minimum of 15 hours of individual business counseling, a minimum of 20 hours of business training, and technical assistance while receiving a SEA allowance in lieu of regular UC.

Eligibility Determination:

Pennsylvania's Bureau of Unemployment Compensation Benefits and Allowances will establish if you have met the basic eligibility criteria for SEA participation. As a SEA participant, you must establish and maintain

all subsequent eligibility requirements to continue receiving SEA benefits.

To establish and maintain eligibility for the Self-Employment Assistance Program, you must:

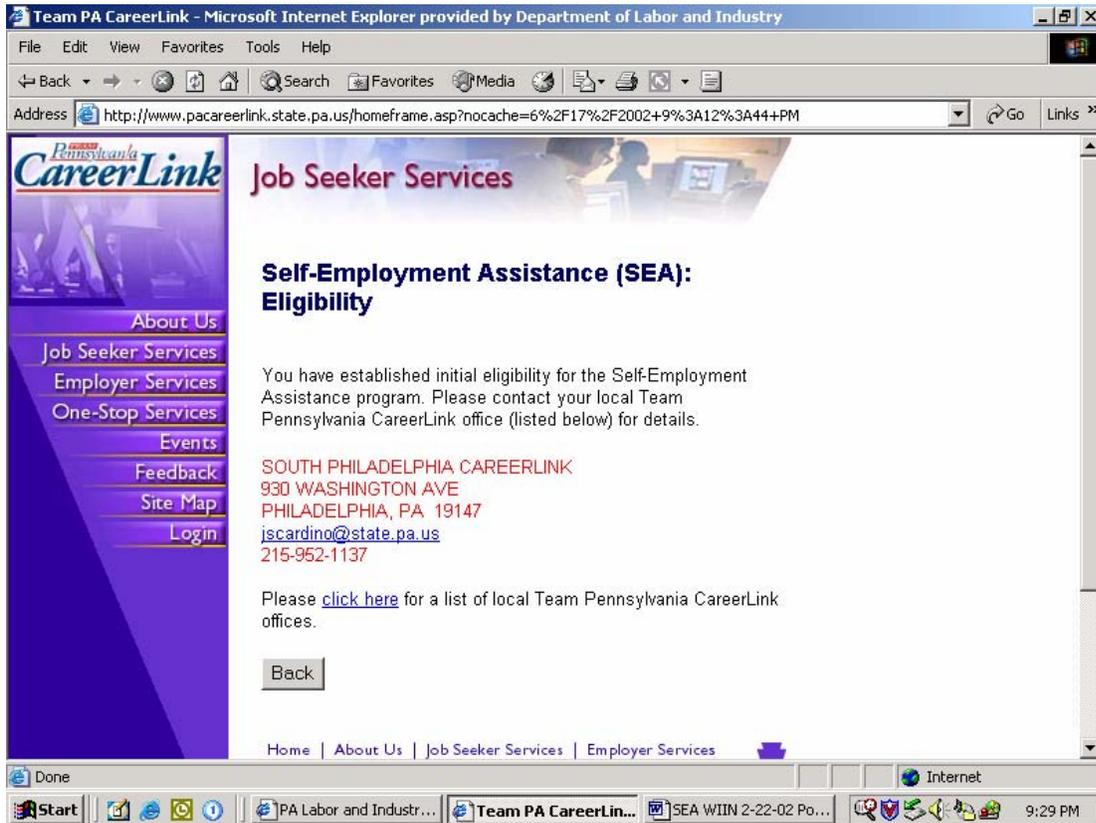
- (A) be eligible for unemployment compensation (UC), and meet all other UC eligibility criteria;
- (B) be profiled as likely to exhaust UC benefits prior to becoming re-employed, and meet all criteria including: have not been informed by your employer that you will be recalled to work in the future; work not obtained through a union hiring hall; separation not a result of direct involvement in a labor dispute; and not be employed part-time including the operation of a side-line business.
- (C) not currently receiving or have recently completed similar reemployment services;
- (D) have received at least 1 full week of UC benefits and applied for participation in the SEA program prior to the end of the 10th week after the initial application date on your current UC claim;
- (E) be able to satisfy Local Area requirements for the program;
- (F) be at least 18 years of age;
- (G) attend an initial SEA orientation session;
- (H) have a viable business concept;
- (I) locate your new business in Pennsylvania;
- (J) work full-time at becoming self-employed while collecting SEA allowances;
- (K) have never collected SEA allowances from a prior application; and
- (L) sign a SEA Participant Agreement and be certified by the Local Area CareerLink Partner.

All SEA training is contingent on the availability of funds.

See if you satisfy the initial eligibility requirements for the SEA program by entering your social security number and clicking on the "GO" button.

SSN:

4. If eligible, receives the following information and instructions.



5. If ineligible, receives the follow information and alternative options.

Self-Employment Assistance (SEA): Eligibility

You are not eligible for the Self Employment Assistance program at this time.

If you have any questions regarding your initial eligibility determination and would like to discuss the issue with a UC representative, please contact your local UC Service Center. If you are receiving UC benefits and are ineligible for the SEA Program, you may jeopardize your eligibility for UC benefits if you take any steps toward self-employment. Please contact your UC Service Center before taking any action to start a business so you do not risk losing your UC benefits. If you are not currently receiving UC benefits and would like to access additional entrepreneurial development information, click on any of the following sites:

www.inventpa.com

[Pennsylvania Open 4 Business](#)

ATTACHMENT B

Self-Employment Assistance Program Commonwealth/Participant Agreement

The SEA Commonwealth/Participant Agreement is a requirement of the Commonwealth to ensure that participant information is obtained for federal reporting and to validate additional state or federal funds.

I understand that my signature on this Self-Employment Assistance (SEA) Agreement, with the approval of the Department and the Local Area and/or service provider, is my official acceptance into the SEA Program. I understand and agree to the following while I am in the SEA Program.

I must attend and/or participate in self-employment activities as specified by the Pennsylvania Department of labor and Industry (Department) and the Local Area and/or the service provider and will submit required self-employment activity documents regarding self-employment activity within the time limits specified for continued eligibility for my SEA allowances.

I must report any income from my self-employment activity or any other employment. I understand that income from the self-employment activity is not deductible. However, income from other employment may be deductible from my SEA Allowances.

My full-time activities must be related to starting my own business.

I do not have to accept an offer of suitable employment.

SEA allowances end when I exhaust regular UC benefits. Self-employment will affect eligibility for any subsequent claim for extended or other UC benefits.

I will complete and return any questionnaires provided regarding my progress in establishing my business during, and subsequent to, the period which I am receiving my SEA Allowances in order to provide research data to the Department to ascertain the success of the SEA Program. Additionally, the information I provide on this application and future questionnaires or required documents may be used to assist the U.S. Department of Labor in evaluating the SEA Program. I agree to allow the U.S. Department of Labor to use the information from my records at the Department.

The Department may have to make modifications to the SEA Program requirements based on additional experience with the program. However, any modifications to the SEA Program will not affect my SEA Allowances.

All information obtained from me, either verbally or in writing, will be utilized only by agencies and organizations working with the Department in carrying out the SEA Program for purposes of approval, continued participation in the program, and for research purposes only.

I will submit my official Withdrawal Form at any time I believe that I must withdraw from the SEA Program, or if terminated because of non-compliance with SEA Program requirements or activities. If I withdraw from the SEA Program I will once again become eligible to collect my remaining amount of UC benefits and will be required to once again maintain all requirements for UC eligibility and any activity in self-employment would than result in loss of benefits.

I understand that if I withdraw or am terminated from the SEA Program, I will not be eligible to participate again during the remainder of this UC benefit year.

I certify by my signature that I understand and agree to the requirements for participation in the SEA Program. I also understand that misrepresentation or non-compliance with SEA Program requirements would result in immediate termination from the SEA Program.

Name (PRINT: _____

Signature: _____

Date: _____ Social Security Number: _____/_____/_____

Rev March 04

Attachment C

Frequently Asked Questions About SEA

1. Can SEA training be provided that continues past the current program year?

LWIAs are encouraged to develop a SEA Program that is continuous year round and may find that conducting their fiscal system on an accrual basis will allow their procurement procedures to be more flexible. LWIAs can procure SEA training for an individual prior to June 30 and if the individual begins training prior to June 30, that obligation would be considered to have been incurred prior to June 30, even if part of the training continues after that date.

2. What type of funds may be applied to SEA participant training?

State-appropriated funds for the SEA Program have one year of life and are to be applied first to an individual's SEA training. Other funds can be applied after State-appropriated SEA funds are exhausted. WIA Dislocated Worker funds can be used after State funds are exhausted and include WIA performance requirements. WIA Rapid Response funds can be used for SEA training for Rapid Response events only, but do not include the WIA performance requirements.

3. How are claimants profiled?

The profiling model calculates a UC claimant's likelihood of exhausting his or her regular benefits prior to becoming reemployed, by examining various components of claimant employment history data and eligibility status during the period from an individual's application through first payment of benefits.

4. Are Pennsylvania residents who file for UC benefits in another State eligible for the SEA Program in PA?

NO. PA residents that file for UC in another State may apply to that State for SEA training. For example, New York, New Jersey, Delaware, and Maryland currently have SEA Programs in various forms.

5. Are residents of bordering States who file for UC benefits in PA eligible for the SEA Program in PA?

YES. Providing the individual's SEA allowance comes from PA's UC fund, the individual has been profiled and on PA's profiling list, and the individual will be establishing the business in PA, then that individual could be eligible for SEA benefits in PA. LWIAs may consider an out of state resident for the SEA Program if all these requirements are satisfied.

6. If alternative funding is secured to operate a SEA program locally, what must the LWIA do to operate a program for qualified SEA participants?

The LWIA must still submit a narrative plan to the Bureau of Workforce Development Partnership seeking training program approval that will allow profiled UC claimant participants to receive payments from the UC fund for the purpose of working full time to establish a business and become self-employed.

7. What other potential fund sources could be considered to carry the SEA program in a Fiscal Year besides the State General Fund?

Federal: WIA Title I Dislocated Worker/Rapid Response and Wagner-Peyser Discretionary.

State: Small Business Development Center (SBDC) funding through Department of Community and Economic Development (DCED).

However, all sources may have to be negotiated at State Office level as some sources may not be open to local requests.

8. Are three- year follow up reports required?

Yes, local areas were expected to include this requirement in their vendor contracts and were paid up-front to carry out this task.

9. In the event that SEA would receive alternative refunding in a fiscal year, would it be possible to grandfather into the new funding year eligible UC claimants who could not be served this year because of a lack of funding?

Yes, but eligible UC claimants would have to have sufficient claim weeks available to carry through the SEA activity period. There is no waiver assurance.

10. In the absence of Commonwealth funds, could WIA Title I funds be used to support SEA approved activities?

Yes, but LWIAs that choose to use WIA Title I funds to pay for SEA approved activities would also have to meet the WIA performance standards.

11. After the 60-day period following counseling and training, will the SEA participants still be able to collect from their remaining weeks of benefits entitlement?

Yes, as long as they are continuing with SEA approved activities on a full-time basis toward starting a business.

- 12. If an LWIA offers to fund prescribed SEA services for UC claimants impacted by an area employer's permanent shutdown with WIA Title I or Rapid Response funds, would the profiled claimants be eligible to receive UC benefits throughout this series of activities?**

Yes, as long as they are continuing with SEA approved activities on a full-time basis toward starting a business.

- 13. When there is no Commonwealth SEA refunding, would there be continued eligibility for self-employment as a re-employment option if other fund sources are used to underwrite SEA approved activities?**

Yes, as long as they are continuing with SEA approved activities on a full-time basis toward starting a business.

- 14. If SEA participants completed most of their approved training by June 30, but will not complete the training module until the next month (July), could SEA formula funded activities continue into the new fiscal year?**

Yes, given that the fiscal system is on an accrual basis, it is proper to consider the training incurred prior to June 30 even if part of the training continues after that date.

- 15. If there is a lack of SEA refunding, does the enabling SEA legislation also end?**

The sunset provision that would have ended the SEA program December 31, 2002 has been removed from State legislation (Act No. 213, formerly Senate Bill 1370); and SEA is now a **permanent** program. This law effectively also removes the automatic termination should federal law no longer authorize the program.

- 16. If an LWIA has several SEA eligible UC claimants but has exhausted its own SEA funds to serve them, could that LWIA enter into an agreement with another LWIA to have those claimants included in their training?**

Yes, provided both LWIAs enter into an agreement with the alternative funding source to identify how this SEA approved service will be provided between the areas using available SEA funds of the other LWIA. A copy of this agreement should be provided to the Bureau of Workforce Development Partnership.

ATTACHMENT D

Frequently Asked Questions About GATE

1. What is Project GATE?

Growing America Through Entrepreneurship, or Project GATE, is a demonstration project initiated by USDOL in conjunction with the Small Business Administration (SBA). It is expected to provide \$9,000,000 in funding over five years to support selected urban and rural sites in Maine, Minnesota and Pennsylvania (Philadelphia and Pittsburgh). Project GATE will leverage existing business development and training initiatives with micro loans through the SBA.

2. How will Project GATE be accomplished?

This will be accomplished through the combining of USDOL micro-enterprise training and assistance in designated CareerLink offices with micro loans provided by the SBA. This new partnership initiative with SBA is expected to energize local business formation through the teaming of workforce investment and economic development. By creating or expanding new business, jobs are created and our economic base is expanded.

3. How long will Project GATE run?

The project will be divided into three phases over a three-year period. During the initial phase, community outreach and participant screening will begin, as well as the development of a detailed implementation plan. Phase two is the implementation phase of the project that will run for two years in the individual sites. The final phase of the project will involve evaluation and follow-up.

4. How will the \$9 million be spent?

Project funds are allocated for technical assistance and participant training, administrative costs including training of dedicated one-stop center staff, community outreach and marketing, and data collection and evaluation.

5. What other funding will be available to program participants?

Under WIA, needs-related payments and individual training accounts would be available in addition to the SBA micro loan program.

6. Who is eligible to participate in Project GATE?

The project will serve adult job seekers wanting career advancement and current small business owners who need help expanding or sustaining an already existing business.

7. How were the project sites chosen?

In an effort to test the micro-enterprise model, USDOL wished to examine how it would work in both urban and rural settings. Pennsylvania and Maine had experience with the self-employment assistance program and Minnesota has made the requisite changes to their unemployment insurance law.

8. How can people sign up for Project GATE?

Community outreach is taking place through the local CareerLinks, faith-based and community-based organizations, ethnic organizations, and local community businesses. In addition, kiosks will be set up at selected locations in each Philadelphia and Pittsburgh project site. The kiosk will display a Registration Form that can be used to indicate their interest in participation. Prospective enrollees who reside within a commutable distance of one of the sites may contact the CareerLink or call 1-866-677-GATE (4283) for more details.

9. Does someone have to be unemployed to be eligible for participation in Project Gate?

No. Program participants could be current business owners who need help expanding or sustaining an already existing business. They will have their particular micro-enterprise package customized to individual particular needs.

10. How will barriers to self-employment that often confront those starting a business be addressed?

Through community outreach (information) and local community members' participation, in addition to services offered through the workforce investment system.

11. Will people of limited English proficiency be able to participate in the program?

Yes. An important part of our community outreach plan will be to help those individuals realize the American dream of owning their own business.