

CLIMB Questions and Answers from service providers:

Updated as of December 18th 2017.

Can a participant be enrolled in CLIMB if they have exhausted their UI benefits?

Yes, they can still be enrolled in CLIMB training or consulting, as long as they meet other Dislocated Worker (DW) eligibility.

Can DW funds provide any direct support to the participant's new business?

No. CLIMB participants cannot receive direct financial support for their business. CLIMB can provide training on how to grow or start a business as this benefits the participant and not their business directly.

For example: DW may pay for a class on how to build and maintain a website, but may not pay for a 3rd party to manage the participant's business website.

Are CLIMB participants eligible for Support Services? What services can they receive?

CLIMB participants are in the Dislocated Worker Program (DW), thus they can receive the same support services benefits as other participants who are looking for unsubsidized employment. However, Support Services cannot benefit the business directly, but can only benefit the participant who is starting the company.

For example: If a CLIMB participant needs to buy a license to operate their business, DW cannot pay for the business license. However, If the participant needed help paying their rent (following their providers Support Services Policy), because they had spent \$500 on a business license, that would be allowable.

We are running a federal mass layoff project. Can we enroll a participant in CLIMB?

No. Federal money (either formula or mass layoff) may not be used for a participant in CLIMB. CLIMB is a state DW activity only. If you have a customer who wants to participate in CLIMB, they must be enrolled in State DW formula or in a state funded mass layoff allocation.

I have a Trade Adjustment Assistance (TAA)-eligible participant, can I enroll them in CLIMB?

No. TAA benefits may not be used for entrepreneurial activities. However, if a participant is found eligible for DW outside of solely being TAA eligible and is interested in using CLIMB, they may open a CLIMB activity. However, the participant must first contact state merit TAA staff at DEED to explain to the participant what TAA benefits they may forfeit by their participation in CLIMB.

Can a CLIMB participant be a consultant working on contract?

Yes, a CLIMB participant may be a consultant on contract, BUT they must be paid by IRS form 1099 and not through a W-2. Wages earned through a W-2 are considered unsubsidized employment and not small business consulting.

Can a CLIMB participant purchase a franchise business and grow their individual franchise?

Yes, a small business can be a franchise, but they must not be receiving any sort of "wages" from the parent company.

Are participants who are selling real estate eligible for CLIMB?

Yes, as long as they are not receiving "wages" or benefits from a real estate group.

When does the business plan need to be in the participant file?

A business plan must be included in the participant's file before they successfully exit to "Self-Employment" in WorkForce 1 (WF1).

If a couple is laid off together and they want to start a small business together, can they watch the required videos on the Small Business Association website together?

Yes, they can watch the videos together, but they must put both of their names on the certificate of completion and print two copies so they can place the certificates in their individual files.

When enrolling a participant in CLIMB, is the counselor is expected to refer participants to resources that help them evaluate their business idea? Many counselors don't have the training or experience to evaluate business plans.

Outside of providing them the information on the SBA website or referring them to a local small business administration person, the counselors' role is to help the person find someone who can provide the support or oversight for starting their small business. The counselor will help the participant follow all the other rules of being in the Dislocated Worker Program (live contact, request for training, etc.)

What is the "Interview Assignment"?

The "Interview Assignment" is one of the new suggested activities for CLIMB participants. It guides the participant through an exercise where they actually interview a small business owner and ask them about their business successes and challenges. The exercise can provide an excellent opportunity to the participant to see if starting a small business is the right career path, and possibly provide them with contacts or a small business mentor as they start building their own company.

How long can a participant stay in CLIMB?

There is no firm timeline for how long a participant can stay in CLIMB, just as there is no firm timeline for how long a person can stay in job search. A DW counselor should have regular contact with their participants and discuss when is the appropriate time to exit from Dislocated Worker. This exit conversation should follow the estimated completion dates in their Individual Employment Plan (IEP).

NEW:

Can a CLIMB participant start a business that will be located in another state?

Yes, so long as the participant meets the residency requirements to be eligible for and enroll in the Minnesota Dislocated Worker Program, they may open a business that is headquartered/located in another state or that operates online.