WEST VIRGINIA CODE: §9-5-13

§9-5-13. Pilot program for certain aid recipients seeking self-employment.

(a) The Legislature finds and declares that a pilot program which allows recipients of benefits of the federal aid to families with dependent children program (AFDC), Title 42 §601 et seq., United States Code, to maintain their benefits during the start-up phase of their self-supporting business, will assist these individuals in becoming independent of all public assistance. This pilot program will provide the opportunity for AFDC recipients to improve their quality of life and to apply their entrepreneurial skills in the market place. In addition, this program will help contribute to the tax base and may provide additional jobs.

(b) The department of human services shall develop and implement during the fiscal year beginning July 1, 1987, a pilot program testing the feasibility of treating, with respect to the continuation of benefits until self sufficiency is achieved and public assistance is no longer required, the efforts of AFDC recipients to become self-employed in a similar manner as efforts are treated under other existing department programs to seek other employment or training. The pilot program shall consist of up to twenty participants in no more than five counties.

(c) Eligibility for the pilot program shall consist of current AFDC recipients selected through a voluntary, informed consent process and withdrawal from the program shall not lead to automatic loss of benefits, except that eligibility may be redetermined.

(d) During the start-up period of self-employment, which shall in no instance exceed two years, the participant shall continue receiving public assistance benefits at the level at which she or he was receiving them at the time of entry into the pilot program.

(e) A participant shall be permitted to separate business assets from personal assets during start-up activity.

(f) The department shall establish guidelines by which the AFDC recipient's business assets shall be evaluated during the start-up period as an indication that the business enterprise is providing personal income sufficient to replace to public assistance benefits and other noncash benefits which may be affected by the personal income ceiling. When the assets of the business enterprise reach that level determined to be sufficient, the AFDC recipient shall have the burden of showing why the business income is not of a level sufficient to terminate the public assistance benefits subject to provision of subsection (d) of this section.

(g) Guidelines for evaluation shall be based primarily on criteria utilized by small business loan officers and others of like expertise to determine what level of assets is necessary to maintain the type of business undertaken by the recipient. The department may establish an advisory group of persons engaged in small business or other appropriate members to establish such criteria.

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(h) Individual case evaluations by these criteria shall be done in consultation with a technical assistance provider or other monitor who has had direct involvement with the participant under review.

(i) Technical assistance shall be included in the pilot program and the department may contract with existing training programs or other qualified providers with experience relevant to pilot program participants for such technical assistance. It shall include, but not be limited to, basic business planning, fiscal management and appropriate sales or other marketing skills.

(j) Upon completion of the pilot program, if it is determined that the project was effective in achieving the objective of assisting participants to establish self-employment sufficient to relinquish public assistance benefits, the department shall implement a similar statewide program for qualified applicants.

(k) Effectiveness of the pilot program shall be evaluated by the department in consultation with members of the small business advisory group, technical assistance providers and individual case monitors.

(l) If state funding is not secured for this pilot by July 1, 1987, the department shall apply for federal waivers and explore other funding sources to implement funding of the pilot program.

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