



2024 DRS Self-Employment

A view from 30,000 ft.



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Self-employment Work Group

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Main Objectives

- Revise DRS Rules
- Improve Application Process
- Streamline Procedure
- Create Guiding Documents



Why change the Self-Employment Rule?

- Comprehensive Statewide Needs Assessment (CSNA)

Individuals, their parents, and providers identified self-employment as the top priority for improvement in employment programs.

- 67.6% of individuals and/or their parents say our current program does not fit their needs.
 - 54% of providers say our current program does not fit their needs.
- Current process is cumbersome and difficult to navigate
 - multiple legislative inquiries
 - Few self-employment cases
 - Alignment with WIOA work plan



Best Practices and Program Models

- [Colorado](#)
 - Documents and Forms
 - Tiered Funding Options
 - Program Model: Overall rules and practices
- [Wyoming](#)
 - Website
 - Program Model
- [Texas](#)
 - Documents and Forms
 - Program Model
- [National Center on Self-Employment, Business Ownership, and Telecommuting](#)
 - Research Briefs



State of Illinois vision

- Follow Best Practices and Program Models
- Improved DRS Support and Infrastructure
 - Improve Application Process
 - Tiered Funding Options
 - Increased Training Opportunities
- Wide Dissemination Plan

Help
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Process Revisions

- Streamlined and simplified forms
- Specialized Self-Employment support from counselors and outside agencies
- Multiple plan and funding options
- Regional learning centers
- Statewide, Community-based, self-employment committee
- Collaboration with Workforce Partners and Small Business Associations and networks
- Continued collaboration with University of Illinois-Chicago (UIC)



Business Plans

Micro Plan

- Primary or secondary employment, to include seasonal work
- Anticipate less than \$3,000 total investment
- DRS fund up to 100% of Start-up costs
- No required financial participation
- Must pass self-employment “fit-test”



Business Plans

Simplified Plan

- Primary or secondary employment
- Anticipate less than \$10,000 total investment
- DRS fund up to 100% of Start-up costs, not to exceed the first three months of estimated expenses
- Must pass self-employment “fit-test”
- Customers contribution will not exceed the amount of financial participation as determined in 89 ILCS 562.40
- Evaluation plan to determine success, continued funding, and distribution of payments
- Plan developed and reviewed with 3rd party Business Mentor (SBA, SCORE)



Business Plans

Comprehensive Plan

- Primary or secondary employment
- Anticipate more than \$10,000 total investment
- DRS fund up to 100% of Start-up costs, not to exceed the first three months of estimated expenses
- Must pass self-employment “fit-test”
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Tiered Funding

Tier Level	Start Up Cost Range	Maximum Customer Contribution	Required Documents
Tier 1- Micro	Assist with up to 100% start-up costs not to exceed \$3,000.	0%	Micro Business Plan
Up to \$3,000		\$0	
Tier 2- Simplified	Assist with up to 100% start-up costs not to exceed first three months of expenses	Not to exceed Financial Analysis	Simplified Business Plan
\$3,001-\$10,000		TBD	
Tier 3- Comprehensive	Assist with up to 100% start-up costs not to exceed first three months of expenses	Not to exceed Financial Analysis	Comprehensive Business Plan
Over \$10,000		TBD	



Other Highlights

- Customers interested in a vending business will receive IDHS-DRS vending training at no additional cost.
- Customer contribution may include tools and assets the customer already owns necessary for the operation of the proposed business.
- IDHS-DRS assistance will follow CFR 200 “necessary, appropriate, and least possible cost”
- Must follow Bidding rules
- Business education and training
- Benefits Planning



Wide Dissemination Plan

- Step-by-Step process spelled out for counselors and customers
 - Counselor Guide
 - Consumer Handbook
- Publicly accessible web page
- Conference Presentations



Implementation Timeline

January 1- March 30

- Finalize business plan documents
- Finalize other documents
- Draft rules for JCAR
- Identify SE Specialists and Itinerate Supervisors
- Identify downstate self-employment education center

April 1- June 30

- Begin official rule change process
- Train supervisors and Counselors
- Develop guiding documents
- Begin Website build

July 1

- Pilot program for FY25

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Resources

[Self-Employment | Division of Vocational Rehabilitation \(colorado.gov\)](#)

[Home | VR Self-Employment \(vrselfemploymentguide.org\)](#)

[National Center on Self-Employment, Business Ownership, and Telecommuting \(centeronselfemployment.org\)](#)

[Self-Employment & Entrepreneurship | U.S. Department of Labor \(dol.gov\)](#)

[Small Businesses Self-Employed | Internal Revenue Service \(irs.gov\)](#)

[Small Business Administration \(sba.gov\)](#)

[Find a Mentor | SCORE](#)

[SSA - POMS: DI 10510.010 - SGA Criteria in Self-Employment - 01/06/2011](#)





Pros

- Autonomy
- Personalized based on skills, interests
- Customized to meet needs
- Personal Enrichment
- Make your own schedule
 - Control Hours
 - Control Income

Cons

- Hard-work
 - Takes time to get established
 - Requires diligence to keep going
- Financial risk
- Unpredictable
- Lack of Benefits
 - Retirement
 - Healthcare

Individuals with Disabilities and Self-Employment

- Customize their work experiences specifically to their needs
 - Control the impact on benefits, especially SSI/SSDI and Medicaid
- Design a work environment that optimizes flexibility and accommodation.
- More people with disabilities choose self-employment over their non-disabled counterparts (Bureau of Labor Statistics, 2022)
 - 9.5% workers with disabilities are self-employed
 - 6.1% workers without disabilities are self-employed



DRS Self-Employment: Current Process

SUBPART D: PROGRAM FOR SELF-EMPLOYMENT

[Section 590.310 Provision of Services](#)

[Section 590.315 Eligibility for Participation in ... Self-Employment](#)

[Section 590.320 Program for Self-Employment](#)

[Section 590.330 Services and Goods not Available](#)

[Section 590.350 Recovery of Tools, Equipment, Supplies, Initial Stock](#)

[Section 590.360 Transfer of Title](#)

Required Forms

[IL488-0283 Initial Proposal for Self-Employment](#)

[IL 488-0284 Preliminary Questionnaire for Program for Self-Employment](#)

Other Forms

[Invitation to Bid \(IL 488-0293\)](#)

[Receipt for Appliances, Merchandise and Supplies \(IL 488-1694\)](#)



DRS Program for Self-Employment (PSE)—current process

1. Pre Planning

- Review customer's ideas, wants, needs, disability, and functional limitations.
- Discuss the implications of disability and functional limitations with regard to self-employment.
- Explore options other than self-employment to determine if an equal or greater opportunity for successful employment is available in the competitive labor market.

2. Review and complete (customer and counselor jointly) the Preliminary Questionnaire for Program for Self -Employment

- Assure that the customer meets the eligibility criteria for self-employment. If the customer does not meet these specific criteria, self-employment services shall not be approved. If yes, continue to #3.

3. Develop an IPE (counseling and guidance) to further explore PSE

4. Counselor reviews PSE Administrative rules with customer.



DRS Program for Self-Employment (PSE)—current process

5. **Customer completes the Customer's Initial Proposal for Self-Employment (CIPSE)** (IL 488-0283)
 - utilize appropriate outside resources (SCORE, SBDC, BOSS, etc.), if available.
6. **Counselor must verify that customer has available assets to cover 50% of total costs of self-employment.**
 - customer can obtain a loan. The loan must be approved and documentation must be provided to DRS prior to the completion of the CIPSE.
 - Loan approval does not constitute approval of DRS financial participation. Encourage the customer to not accept the loan until the CIPSE is approved.
7. **Counselor reviews CIPSE to determine appropriateness** of the PSE and sign the form for initial approval.
8. **Regional Supervisor must review CIPSE to determine appropriateness** of the PSE and sign the form for initial approval.
9. **Fully completed CIPSE will be signed by customer, counselor, and RSS.** (If PSE sponsorship exceeds \$5000 appropriate regional supervisor sign-off is required. If sponsorship exceeds \$10,000 appropriate bureau chief sign-off is required).



Any Questions?

