**Providing Entrepreneurial Opportunities to Formerly Incarcerated Individuals in Rhode Island**

1. **Capabilities:**

This proposal is being submitted by the Rhode Island Small Business Development Center (RISBDC) and Opportunities Industrialization Center of Rhode Island (OIC). Both organizations have a long history of serving not only the state’s small business community but also the state’s various diverse communities. Because of this, they are well able to target programs to the former incarcerated.

The RISBDC has been providing services to both existing and prospective entrepreneurs across Rhode Island since 1983. Since 2014, the RISBDC has been housed at the University of Rhode Island (URI). As part of URI, the RISBDC is able to bring the resources of the University to bear as part of their programs. This expertise is invaluable in serving all types of businesses and business owners in the state.

OIC has been providing a variety of services to underserved markets in Rhode Island since 2010. The principals involved in OIC, however, have many years of experience with the underserved communities in the state. One of the programs it has developed is one dealing with the transition of formerly incarcerated individuals back into society. Entrepreneurial experience for this target market is a logical extension of these services.

The following individuals would be involved from the RISBDC:

* Ed Huttenhower is the RISBDC state director. He has almost 30 years’ experience with SBDCs in Maine, West Virginia, Pennsylvania and Rhode Island. At the SBDCs in West Virginia and Pennsylvania, he presented several small business workshops to incarcerated individuals. He holds an MBA from the University of Pittsburgh.
* Manuel Batlle is the director of diverse outreach for the RISBDC. He works extensively with the Latino communities in the state. He has been the instructor and led two cohorts of the Primer Paso curriculum for Latinos interested in starting a business. He has his MBA from the University of Virginia.
* Josh Daly is the southern center director for the RISBDC. He provides small business counseling to all types of businesses. He also has experience in the Louisiana SBDC system. He has an MBA from Loyola University-New Orleans.
* Dennis McCarthy is the northern center director for the RISBDC. The northern territory covers the larger population centers in the state, including Providence. He has strong experience in international trade and energy related businesses. He has a degree in business management from the University of Rhode Island.

The following are key individuals from OIC of Rhode Island

* Mike Van Leesten is the CEO at OIC of Rhode Island. Mike has over 40 years of community and business development experience. Under his leadership, OIC of Rhode Island provides training, employment, minority business enterprise, and urban policy development services to understand and serve urban populations through strategic planning and collaboration with Rhode Island’s public and private sectors and community based organizations.
* Stephen Celico is the Workforce Engagement Manager at the OIC. Stephen is an experienced Re-Entry Employment Specialist and Training Facilitator for formerly incarcerated individuals and other diverse populations. Stephen has worked with hundreds of formerly incarcerated individuals seeking employment. He has conducted numerous workshops designed to promote employment readiness techniques and methods for formerly incarcerated individuals.

Statistics from the Rhode Island Department of Corrections indicate the following about the size of the potential market in the state. As of June 30, 2016, there were 3,067 men and women incarcerated in Rhode Island facilities. Additionally, there were 281 men and women in community confinement. The most recent information on adults who are probation and parole is from the end of 2014. That numbers totals 24,393. As can be seen by this information, there is sufficient numbers of individuals who would benefit from this program looking at entrepreneurship as an option as they look to successfully reenter society.

1. **Entrepreneurial Education Delivery Solution**

Both OIC and the RISBDC have strong experience in outreach and managing cohorts for their various endeavors. Of particular note with the RISBDC is its Spanish language outreach. Thus far, the RISBDC has put together two cohorts of Primer Paso. This is a nationally recognized curriculum developed by Operation Jumpstart and the Kauffman Foundation to provide a strong basis in entrepreneurship and business ownership. It is a twelve session program taught in Spanish. The RISBDC, through its bilingual counselor, has had forty individuals graduate from the program. A third cohort is being planned in 2017.

The RISBDC is a statewide initiative and, as such, can easily promote the efforts under this initiative to all parts of Rhode Island. Given the small size of the state, it is not an effort for the participants to come to a central location. In addition, the OIC outreach strategic plan was created to strengthen collaborations and foster relationships amongst its Civic, Social, Political and Private community based organization partnerships. These initiatives will aid and enrich public impact, reinforce communications, improve referrals, advance aid jobs search opportunities, internship support, increase job retention, build Job Readiness. OIC is a partner organization in the Real Jobs Initiative and has an established network for outreach and recruitment for OIC Job Readiness Programs. Outreach and recruitment is conducted through email blasts, social media, program flyer distribution, phone calls, facilitating informational sessions and referrals from community and organizational partners. OIC approach to working with formerly incarcerated individuals utilizes a “holistic” approach. Many of the participants have others issues such as child care, housing, substance abuse, medical, how to talk about their records and OIC’s case management services identify these potential barriers and we are able to make referrals so the participants can address these issues.

In targeting the two cohorts that will be a result of this initiative, there will be one in English and one in Spanish. The Latino community is the largest minority group in Rhode Island so it is critical that their needs be addressed as well. The first cohort will be in English and the second in Spanish. In recruiting participants for the classes, OIC has strong connections with the Rhode Island Department of Corrections. The OIC receives direct referrals from the DOC on a weekly basis. It works closely with Probation and Parole Officers, who currently refer ex-offenders for participation in the OIC Job Readiness Program. As part of the recruitment plan OIC and SBDC will facilitate several Orientation workshop with ex-offenders who have expressed an interest in establishing their own business. Prior to the Orientation Informational Session each potential participant with be assessed. Intake/Assessment: Level of Service/Risk, Need, Responsivity Assessment (LS/RNR).

The LS/RNR tool identifies the importance of using risk/needs assessments to understand an individual’s distinct characteristics, skills and problems/barriers and then establish an appropriate service plan.

**Curriculum** – In the review of existing entrepreneurship programs there were three common elements that appeared in most successful programs:

1. Guidance through the steps of starting a business

2. Education on business, economics and finance topics

3. Mentorship

The OIC-SDBC Entrepreneurship curriculum was designed to include all three of those elements in addition to a strong emphasis on personal development to meet the special needs of our target population. It draws heavily on the National Content Standards for Entrepreneurship Education (NCSEE) developed by the Consortium for Entrepreneurship Education (CEE). The following tables explain how each of the three elements was incorporated into the curriculum.

1) Guidance through the steps of starting a business:

The program narrative describes the 5 steps of the “Entrepreneurial Process” developed by CEE with the 4 stages of the OIC-SBDC Entrepreneurship Program. It shows how participants will go through the steps of starting a business while in the program and outlines the content of each stage.

2) Education;

Each stage will have a series of workshops covering specific topics related to the participant’s progress on the path to entrepreneurship. With specific content and lesson plans different “partner” business and entrepreneurship promotion organizations, as well as some colleges and university or individual professionals will be utilized. The last stage will have few workshops, but instead open hours for technical assistance from the RISBDC and select other organizations.

The curriculum content for the program concentrates on five “skill pillars.” The following outlines the distribution of focus on each skill pillar throughout the first four stages. The beginning of the course focuses more on the individual, and then moves to focus more on the business as the course progresses. Finance and Economics and Computer Skills are fairly focused throughout. The “strategic planning” pillar most explicitly focuses on concept development.

The Entrepreneurship Process

1. Discovery: Envision your business (1 week)

* Brainstorming, business foundations, economic foundations, basic personal skills, concept development

1. Concept Development: Business Planning, Business Etiquette & Communication (6 weeks)

* Professional & personal development, marketing, networking, business plan, business functions, accounting, credit and loans, risk assessments

1. Resourcing: Hiring and acquiring capital (2-3 weeks)

* Business start-up activities, capital acquiring, hiring

1. Actualization: Graduation and start business operations

* Incorporation or other form of business organization.

1. Harvesting: Growth of business operations (1-2 years)

* Long-term mentor relationship and additional support workshops with the RISBDC.

One of the primary strengths of the RISBDC is the mentoring it does with both existing and prospective business owners. It provides unbiased advise, education and assistance to the entrepreneur. Because of this, the service is provides is of very high quality and helps improve the chances for success of the business owner. The RISBDC is available for them on an as needed basis as they start and grow their businesses. In conjunction with the curriculum, the mentoring will provide the participant with a strong understanding of their business, its potential, possible pitfalls and areas of strength. This will assist them not only with business planning but in areas such as marketing, promotion and other areas as the business grows.

The participants in the OIC-SBDC Entrepreneurship Program will work closely with a team of mentors primarily from the RISBDC. For specific expertise, other entrepreneurship and business promotion organizations may be used. The mentors will provide feedback on a set of deliverables produced by the participants at the end of each of the first four stages, and continue to provide support to the participant

The education and mentorship elements of the curriculum are blended together in a process of four steps within each stage. The four steps are:

1. Educate: Participants will be taught the material in hands-on workshops
2. Create: Participants will apply the material learned to create major deliverables at the end of each stage
3. Evaluate: Participants’ creations will be evaluated and critiqued by a team of mentors
4. Reiterate: Participants will revise their creations and reiterate the process until satisfied with their product

Community connections. OIC has developed a strong relationship with The Rhode Island Department of Corrections and receives direct referrals from the DOC on a weekly basis. We work closely with Probation and Parole Officers, who refer ex-offenders for participation in the OIC Job Readiness Program. OIC has established community relationships with nonprofits, community-based organizations, public/private entities, local Colleges and Universities, State and Federal agencies to provide outreach to its target markets including formerly incarcerated individuals.

1. **Access to Capital**

One of the significant advantages to this collaborative effort between the RISBDC and OIC is the connections in the community to lending sources of all types. A significant part of the work done by the RISBDC is in assisting small business clients in accessing capital. Included in this are microloans. Rhode Island has a several organizations involved in microlending. They include the following. The Community Investment Corporation (CIC) provides microlending and other types of financing in Connecticut and Rhode Island. The South Eastern Economic Development Corporation (SEED) provides microlending and a variety of other financing programs in Massachusetts and Rhode Island. Accion is a national organization that provides microloans. The Center for Women and Enterprise (CWE) has received funding to provide microloans as has the Social Enterprise Greenhouse in Providence. Some of these are SBA funded microlenders while others have received funding from the state of Rhode Island and other sources.

As a result of this, there is a reasonably robust climate for microlending in the state. The RISBDC is well placed to refer individuals and companies to these programs, as appropriate. Each of the lenders has slightly different focuses and items they are looking for from a potential borrower. The counselors at the RISBDC has a good understanding of what the specific requirements and guidelines are for each of these programs. As such, they can match the entrepreneur with the program/s best suited for their needs. With a strong knowledge of all lenders and loan programs, the RISBDC can provide unbiased guidance to the business owner.

The RISBDC works closely with the entrepreneur to understand their business ideas, their background, creditworthiness and needs. This includes evaluation of their business ideas, assistance with business planning, what is involved in obtaining financing and preparing their financial package. An important distinction is that the RISBDC will not do the work for the individual but will guide them through the process and educate them so that they understand what their plan says. The entrepreneur is the one who will be operating the business on a day to day basis and it is critical that they understand everything. Because of this, they will be better able to run their business and have a greater chance of success.

Being realistic and logical in presenting options for the business owner is critical for the viability of the operation in both the short and long term. Additionally, the RISBDC is available to work with the business owner on an on-going basis as they start and grow their business. This on-going technical assistance would be a valuable component in assuring the formerly incarcerated individual has the best possible chance of succeeding with their entrepreneurial venture.

In order to assist the individual become aware of the possible financing options available to them, OIC and RISBDC would work jointly to provide opportunities for the lenders to provide information on their programs and how to access them. At the conclusion of the entrepreneurial training sessions, match making events would be held in order for the participants to learn more about the various lenders, their requirements and conditions of their different programs. Each lender would have time to present their programs and then to have brief initial meetings with interested individuals.

This holistic approach utilizing the expertise of OIC, the RISBDC and the lenders would greatly benefit the entrepreneur. First of all, it shows that there are organizations who are interest in, and committed to, their success. With the various organizations working together, it would provide a wider range of options to the individual and have them matched up with the options that are the best fit for their business ideas. They would have on-going support to better enable them to succeed with their business. The result would be a win-win for everyone involved. For the entrepreneur, having the support of OIC and the RISBDC is a major asset in that it shows those organizations’ commitment to their success. The business has a greater chance of success. The result would be a meaningful business for the owner to support them as well as their families. As a result, the rate of recidivism would be greatly reduced. The economy of the state would benefit because of increased tax revenue and employment.