



# HOUSE of REPRESENTATIVES

## STATE OF MICHIGAN

### Appropriations Requests for Legislatively Directed Spending Items

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1. The sponsoring representative's first name:  
Jasper
2. The sponsoring representative's last name:  
Martus
3. The cosponsoring representatives' names. All cosponsors must be listed. If none, please type 'n/a.' A signed letter from the sponsor approving the co-sponsorship and a signed letter from the member wishing to co-sponsor are required. Attach letters at question #9 below.  
n/a
4. Name of the entity that the spending item is intended for:  
Small Business Association of Michigan Foundation
5. Physical address of the entity that the spending item is intended for:  
101 S. Washington Square Suite 900 Lansing MI 48933
6. If there is not a specific recipient, the intended location of the project or activity:  
n/a
7. Name of the representative and the district number where the legislatively directed spending item is located:  
n/a
8. Purpose of the legislatively directed spending item. Please include how it provides a public benefit and why it is an appropriate use of taxpayer funding. Please also demonstrate that the item does not violate Article IV, S 30 of the Michigan Constitution. The public purpose of this project is to support the establishment and sustainable growth of social enterprises to provide marginalized Michigan residents employment opportunities, with an emphasis on people with disabilities. This will be done by creating innovative pathways to entrepreneurship and workforce integration.

The current labor force participation rate among those with disabilities is 23.9%, compared to 68.1% for the general population. People with disabilities are ready, willing,

and able to seek independence, jobs, and careers. Current employment practices and publicly funded employment services have not substantively changed outcomes and employment prospects for our most disenfranchised (potential) workers on any significant scale.

Social enterprises serve as pivotal agents of change, adeptly addressing pressing societal challenges while simultaneously fostering job creation, spurring economic advancement, and fortifying community resilience.

Though they take many forms across many industries, they ultimately exist to serve the common good.

- Social enterprises focus on generating revenue from goods and services - not just grants, donations, or exclusive reliance on publicly funded services.
- They incorporate nonprofit and for-profit business structures.
- Employment related models offer jobs and job training for individuals who might otherwise have limited opportunities and support.

The advancement of the Center for Social Enterprise Development, convened collaboratively between the Small Business Association of Michigan (SBAM) and Incompass Michigan, through the SBAM Foundation, focuses on employment-related social enterprises as a means to drive sustainable change in the employment landscape for people underrepresented in the workforce.

The Center will

- 1) provide grants for technical assistance and professional development to launch and grow social enterprises
- 2) connect social enterprises with available resources and relevant networks
- 3) research and disseminate best-practices for social enterprise establishment and growth in Michigan

Investing in the Center for Social Enterprise Development will yield significant benefits for Michigan's economy and society. By fostering the development and scaling of employment-related social enterprises, this initiative will catalyze job creation, spur economic growth, and reduce reliance on philanthropy or publicly funded services. Moreover, it will empower marginalized populations, including individuals with disabilities, returning citizens, and others facing significant barriers to employment, by providing them with innovative pathways to workforce integration and economic self-sufficiency.

The execution of this work will create a community of social enterprise businesses that will feature peer to peer learning and connections, advancing the further development of Social Enterprises across the state of Michigan. The project is not for local or private purposes and does not violate Article IV, S 30 of the Michigan Constitution.

9. Attach documents here if needed:

Attachments added to the end of this file.

10. The amount of state funding requested for the legislatively directed spending item.

1000000

11. Has the legislatively directed spending item previously received any of the following types of funding? Check all that apply.

["State"]

12. Please select one of the following groups that describes the entity requesting the legislatively directed spending item:

Non-profit organization

13. For a non-profit organization, has the organization been operating within Michigan for the preceding 36 months?

Yes

14. For a non-profit organization, has the entity had a physical office within Michigan for the preceding 12 months?

Yes

15. For a non-profit organization, does the organization have a board of directors?

Yes

16. For a non-profit organization, list all the active members on the organization's board of directors and any other officers. If this question is not applicable, please type 'n/a.'

Bonnie Alfonso, President & Chief Embellishment Officer, Alfie Logo Gear for Work & Play; Brian Calley, President & CEO, Small Business Association of Michigan; Derek Dickow, Founder, Power Connections; Milan Gandhi, Vice President, Med-Share Inc.; Cynthia Kay, Founder, Cynthia Kay and Company; Tom Mathison, Co-Founding Principal, Mathison Architects; Lorri Rishar, Chief Executive Officer, Edge Partnerships

17. "I certify that neither the sponsoring representative nor the sponsoring representative's staff or immediate family has a direct or indirect pecuniary interest in the legislatively directed spending item."

Yes, this is correct

18. Anticipated start and end dates for the legislatively directed spending item:

Start: 10/1/2025 End: 9/30/2026

19. "I hereby certify that all information provided in this request is true and accurate."

Yes



# THE CENTER FOR SOCIAL ENTERPRISE DEVELOPMENT

**Proposal for State Investment in Employment-Related  
Social Enterprises to Drive Economic Development  
and Inclusion in Michigan.**

# EXECUTIVE SUMMARY

At a time of consistently low unemployment and high worker shortages, the labor force participation rate among those with disabilities is unacceptably low at 24.5%, compared to 67.6% for the general population. People with disabilities are ready, willing, and able to seek independence, jobs, and careers. Current employment practices and publicly funded employment services have not substantively changed outcomes and employment prospects for our most disenfranchised (potential) workers on any significant scale.

We seek to develop and activate new, sustainable business models, leveraging the creativity of entrepreneurs and the private sector, together with a statewide network of human service providers, to create opportunities for more people. Both non-profit and for-profit organizations have a role to play as we seek to catalyze job creation, promote economic development, and reduce reliance on philanthropy or fee-for-service reimbursements in favor of more sustainable, self-reliant employment models. This will require significant retooling of hiring practices, training, workplace supports, transportation services and more. To be successful, new practices must be developed, tested, and scaled – which is unlikely to spontaneously occur without an intentional, focused, and well-funded effort.

Incompass Michigan, in collaboration with the Small Business Association of Michigan (SBAM), propose a state investment to foster the development of employment-related social enterprises across Michigan.\* Our initiative aims to empower previously disenfranchised residents, including people with disabilities, returning citizens, and individuals facing other significant barriers to employment, by creating innovative pathways to workforce integration.

## THE GOAL AND THE TEAM

Incompass Michigan is a statewide network of mission driven organizations promoting community access and inclusion for people with disabilities and other barriers.

The Small Business Association of Michigan is a statewide and state-based association of more than 32,000 members that serves the needs of Michigan's small business community. Established in 1969, it serves entrepreneurs in all 83 counties of Michigan.

Our first-of-its-kind proposal leverages the extensive experience and capabilities of both organizations to meet a pressing need. The Center for Social Enterprise Development will research and disseminate best-practices for social enterprise establishment and growth, creating a community of social enterprise businesses and support employment-related social enterprises as a means to drive sustainable change in the employment landscape for people underrepresented in the workforce.

## PROBLEM STATEMENT

In Michigan, the landscape of workforce integration presents a formidable challenge, particularly for marginalized populations such as individuals with disabilities and returning citizens. The conventional channels of employment often prove inadequate in meeting their unique needs, leading to the perpetuation of economic disparities and impeding their full inclusion in society.

The COVID-19 pandemic exasperated the status quo, inflicting unprecedented strain on this population and negatively impacted many organizations focused on inclusive employment. This compounding effect underscores the urgent imperative for strategic interventions aimed at not only sustaining but also expanding sustainable social enterprises. By addressing these multifaceted obstacles head-on, we not only aim to uplift and empower these underserved communities but also foster a more equitable and resilient economic landscape for all Michiganders.

# SOLUTION

The goal of a more inclusive employment landscape is ambitious and requires intentional, focused effort. Our dynamic proposal requests the allocation of \$2,000,000 by the State of Michigan to establish the Center for Social Enterprise Development with a focus on expansion of employment-centric social enterprises. Social enterprises serve as pivotal agents of change, adeptly addressing pressing societal challenges while simultaneously fostering job creation, spurring economic advancement, and fortifying community resilience. The Center would serve at least 50 employment-centric social enterprises with direct grants, technical assistance, and programming.

The Center will establish an advisory board of experienced social enterprises who will oversee the development of best practices in sustainable business models. It will also assist entrepreneurs, for-profits, and non-profits in business modeling, strategic formulation, market analysis, and implementation, in the social enterprise space. Our initiative is poised to arm these organizations with the requisite tools and support systems to not only survive but also flourish, thereby amplifying their capacity to effectuate tangible and sustainable social change.

Our vision is for the Center for Social Enterprise Development to stand as a beacon of innovation and empowerment, leveraging the private sector (both for and non-profits) to revolutionize Michigan's socio-economic landscape. By cultivating a dynamic ecosystem of collaboration, mentorship, and resource-sharing, our initiative seeks to unleash the latent potential hidden within our workforce, propelling them toward independence, growth, and impact. Through strategic partnerships with industry leaders, academic institutions, government agencies, and community stakeholders, we aspire to foster an environment conducive to experimentation, learning, and adaptation, enabling these enterprises to transcend traditional constraints and emerge as trailblazers in the pursuit of social and economic justice.

At its core, our proposal embodies a bold vision for a more equitable and inclusive future, one where the transformative power of social enterprise serves as a catalyst for meaningful societal change in employment. By harnessing the collective ingenuity, passion, and resilience of Michigan's diverse communities, we aspire to cultivate a thriving ecosystem of innovation and opportunity, where every individual, regardless of background or circumstance, can realize their full potential.



## DIRECT GRANTS

To bolster implementation of social enterprise advancement, this proposal would dedicate \$1,800,000 of the funding to go toward the establishment of a competitive grant program, wherein eligible organizations will receive funding of up to \$40,000 to implement, transition, or grow their social enterprise initiatives. Emphasizing collaboration, innovation, and measurable outcomes, we will prioritize projects that demonstrate a clear commitment to workforce development, community empowerment, and sustainability.

To be eligible for these direct grants, applicants must participate in programs offered by the Center for Social Enterprise Development. Technical assistance and mentorship opportunities will enhance the capacity of grantees to achieve their objectives and navigate operational challenges. Grant proceeds would cover the cost of services such as:

- a. Business modeling for new social enterprise
- b. Strategic and business plan development for a new social enterprise or transitioning existing business into an employment related social enterprise
- c. Market research and feasibility assessment for a new social enterprise or transitioning an existing business into an employment related social enterprise
- d. Implementation, including marketing and impact evaluation for a new social enterprise or transitioning business into an employment related social enterprise

## BENEFITS

Investing in the Center for Social Enterprise Development will yield significant benefits for Michigan's economy and society. By fostering the development and scaling of employment-related social enterprises, this initiative will catalyze job creation, spur economic growth, and reduce reliance on philanthropy or publicly funded services. Moreover, it will empower marginalized populations, including individuals with disabilities, returning citizens, and others facing significant barriers to employment, by providing them with innovative pathways to workforce integration and economic self-sufficiency. Through strategic public-private partnerships and collaborations, the Center will cultivate a culture of innovation and entrepreneurship, positioning Michigan as a national leader in the field of social enterprise development.



## CONCLUSION

The establishment of the Center for Social Enterprise Development represents a pivotal opportunity to address the pressing challenges facing Michigan's workforce and communities across the state. By harnessing the power of social enterprise and collaboration, we can create a more inclusive and resilient economy where all individuals have the opportunity to thrive. Through strategic investments, innovative programming, and a commitment to equity and empowerment, we can pave the way for a brighter future for Michigan and its residents. Together, let us seize this moment to drive meaningful change and build a more prosperous and inclusive Michigan for generations to come.

# REFERENCES

- US Department of Labor. "Disability Employment Statistics." Retrieved from: [Disability Employment Statistics | U.S. Department of Labor \(dol.gov\)](#)
- Annie E. Casey Foundation. "What is a Social Enterprise." Retrieved from: [\[https://www.aecf.org/blog/what-is-a-social-enterprise\]](https://www.aecf.org/blog/what-is-a-social-enterprise)  
(<https://www.aecf.org/blog/what-is-a-social-enterprise>)
- U.S. Department of Health and Human Services. "Healthy People 2030: Economic Stability." Retrieved from: [\[https://health.gov/healthypeople/objectives-and-data/browse-objectives/economic-stability\]](https://health.gov/healthypeople/objectives-and-data/browse-objectives/economic-stability)  
(<https://health.gov/healthypeople/objectives-and-data/browse-objectives/economic-stability>)
- U.S. Department of Health and Human Services. "Healthy People 2030: Employment." Retrieved from: [\[https://health.gov/healthypeople/objectives-and-data/social-determinants-health/literature-summaries/employment\]](https://health.gov/healthypeople/objectives-and-data/social-determinants-health/literature-summaries/employment)  
(<https://health.gov/healthypeople/objectives-and-data/social-determinants-health/literature-summaries/employment>)

\*Social enterprises are revenue-generating businesses with a mission. Whether it's providing access to healthy food, expanding health care services, or helping individuals entering or returning to the workforce, social enterprises use their profits and business practices to address a societal need. Though these enterprises can take many forms across many industries, they ultimately exist to serve the common good.

Social enterprises focus on generating revenue from goods and services, not just grants, donations, or exclusive reliance on publicly funded services. They encompass a diverse range of forms, including non-profits, cooperatives, and for-profit businesses, that integrate social or community goals into their core mission. They adopt business models and practices to tackle societal issues, empower marginalized communities, and promote sustainable development. Social enterprises often collaborate with stakeholders and leverage market forces to drive positive change at local, national, and global levels.

While social enterprises can take many forms, employment related models offer jobs and job training for individuals who might otherwise have limited opportunities and support. These enterprises help individuals who traditionally haven't had a strong career pathway by offering supportive work and skill-building opportunities, and providing a source of income promoting independence. As importantly, social enterprises help connect individuals to supportive services, such as childcare, and provide opportunities for leadership development and community engagement.



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MICHIGAN HOUSE OF REPRESENTATIVES

**JASPER R. MARTUS**

STATE REPRESENTATIVE

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4/15/2025

To the House Business Office,

We the undersigned express our full support, to co-sponsor Representative Martus's appropriations request for \$1,000,000 for Small Business Association of Michigan Foundation's Center for Social Enterprise Development.

The public purpose of this project is to support the establishment and sustainable growth of social enterprises to provide marginalized Michigan residents employment opportunities, with an emphasis on people with disabilities. This will be done by creating innovative pathways to entrepreneurship and workforce integration.

The advancement of the Center for Social Enterprise Development, convened collaboratively between the Small Business Association of Michigan (SBAM) and Incompass Michigan, through the SBAM Foundation, focuses on employment-related social enterprises as a means to drive sustainable change in the employment landscape for people underrepresented in the workforce.

The Center will

- 1) provide grants for technical assistance and professional development
- 2) connect social enterprises with available resources and relevant networks
- 3) research and disseminate best-practices for social enterprise establishment and growth

The execution of this work will create a community of social enterprise businesses that will feature peer to peer learning and connections, advancing the further development of Social Enterprises in Michigan.

As the Fiscal year 2025-2026 state budget, I would like to be included as a co-sponsor for Representative Jasper Martus's appropriations request for the Small Business Association of Michigan Foundation and respectfully request that you include \$1,000,000 for their program.

Thank you for your consideration.

Sincerely,

Representative Jasper Martus  
69<sup>th</sup> District  
Budget Request Sponsor