**Dislocated Worker (WIOA & State)**

Converting Layoffs into Minnesota Businesses (CLIMB)

**Summary**
Converting Layoffs Into Minnesota Businesses (CLIMB) is a set of allowable activities within the State Dislocated Worker (DW) program. This policy lays out requirements to be enrolled in CLIMB and procedures for successfully supporting entrepreneurs.

**Relevant Laws, Rules, or Policies**
[Minnesota State Statute 116L.17](https://www.revisor.mn.gov/statutes/?id=116L.17)

**Effective Date**
6/27/2017

**Last Updated**
6/5/2025

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**Eligibility and Enrollment**

**Note:** Terms that are *Italicized* are also defined within the “Dislocated Worker and Federal Adult Programs (DWFAP) Terms and Definitions” document in the “Related Links” at the bottom of this policy.

All participants interested in the CLIMB activity must be eligible for and enroll in the Minnesota Dislocated Worker (DW) program. The Individual Employment Plan (IEP) must articulate the participant's goal of launching or growing a business. Prior to entering a CLIMB activity on the participant's record in Workforce One (WF1), the participant must complete each of the following three steps:

1. Complete the "How Ready Am I to Start a New Business?" Assessment, and,
2. Complete the ”Lean Business Plan” Summary, and,
3. Complete the “Business Assistance Registration” Form and register with a business development center.

**Note:** See the “Related Links” section at the bottom of this policy for the various forms related to this policy. Proof of registration could include emails, meeting notes, case notes and, as a last resort, self-attestation.

After completing the three steps above, a CLIMB participant must then have one or both of the following activities on their WF1 record before beginning work on the business full-time:

* CLIMB Training: This is for training activities that pertain to that participant’s business needs and goal.
* CLIMB Consulting: Offered by organizations that help to develop a business plan, market, find funding sources for their business capital, etc. (e.g., Small Business Development Centers (SBDC), certified Community Development Financial Institutions (CDFI), business development organizations, etc.).

Once enrolled, each CLIMB participant must receive and retain a copy of (or the web link to) the “Converting Layoffs into Minnesota Businesses (CLIMB) Checklist” (See the “Related Links” section at the bottom of this policy for “CLIMB Checklist”) This checklist provides resources for creating and sustaining a small business and serves as a document to track the participant’s progress towards their goal of business ownership. The completed documents ("How Ready Am I to Start a New Business?," ”Lean Business Plan” Summary” and “Business Assistance Registration” Form) must be placed in the participant’s file, along with any other relevant documents, and the counselor must case note the dates of completion.

A business plan is not necessary to enroll in CLIMB but must be included in the participant's file prior to successfully exiting the CLIMB activity and the DW program. The participant must then be exited from Workforce One (WF1) with the exit reason "Started Business/Self-employed."

**Funding Limitations:**

Funding to support participation in CLIMB activities is limited to State DW program funds. Participants may be co-enrolled in the state and federal DW programs, but CLIMB activities are limited to the state-funded DW program. DW program funding cannot be used to provide CLIMB participants with direct grant or loans, or directly benefit the participant's business in any way.

**Impact of CLIMB on Participant’s Unemployment Insurance Benefits (UI):**

Involvement in CLIMB allows a participant to start his or her own business, earn wages from that business and collect UI benefits at the same time.  This impacts the participant’s UI benefits in the following ways:

1. The participant’s requirement to search for *Unsubsidized Employment* is waived. This allows the participant to focus on creating a business.
2. The cap on the number of hours the participant may work per week is waived. Many participants spend more than the average work week on their business.
3. Any income earned from the participant’s business does not impact their UI benefits. The participant may retain money earned from the business as well as their weekly UI benefits.
4. Any income the participant makes outside of their small business (i.e. working retail part-time) does need to be reported and their weekly benefit will be adjusted accordingly.

Opening a CLIMB activity in WF1 triggers a different UI benefits request process for the DW participant. Participants in CLIMB answer a different set of eligibility questions for their weekly UI benefits based on their entrepreneurial activities and not a search for unsubsidized employment. Due to this requirement, counselors or case managers must open the CLIMB activity in WF1 by the close of business of the Friday of the week the counselor and participant agree on this activity. UI will contact the individual to discuss how to fill out the required weekly paperwork.  If a participant calls UI and they are not entered into WF1, they will not be able to fill out the CLIMB UI weekly benefits form.

The participant must apply for UI, even if they are receiving severance benefits. However, if they are enrolled in CLIMB, UI will not contact them about their CLIMB UI reporting until their severance benefits have run out.

**Performance and Data Validation:**

Performance measures for CLIMB participants are measured at the state level. If the participant has concluded their CLIMB training and the counselor determines they are making a livable wage in self-employment, all CLIMB activities need to be closed in WF1 with a status of “Successful.” The counselor must then exit the participant from the DW program with the exit reason of “Started Business/Self-employed.” A person may stay enrolled in DW after their UI benefits end if they are still working on building a sustainable business.

If CLIMB activities are closed with a status of “unsuccessful” and a new job search activity is opened, the performance measures revert to the local level.

**CLIMB Exit:**

Counselors and participants in all DW activities must maintain live contact every 30 days. Failure to maintain live contact for more than 90-days will result in an immediate exit from the DW program.

A participant may choose to leave CLIMB and look for unsubsidized employment at any time. The counselor must close all CLIMB activities and update the IEP to reflect the participant’s change in employment goals. The counselor should close the CLIMB activities with a status of “unsuccessful” and open a new job search activity.

If a CLIMB participant finds unsubsidized employment and chooses to pursue that employment, the counselor should exit the participant from CLIMB activities as “unsuccessful” and exit the participant from DW as “Entered Unsubsidized Employment.” The counselor would not need to open a new job search activity in this case.

**Employment Verification After Exit: Supplemental Wage Collection Procedure:**

After exiting the participant from the DW program, the counselor must verify the participant’s self-employment by documenting one or more of the following in the participant’s case file for each of the four quarters after the exiting quarter:

* IRS Form 1040-ES
* 1099 Tax form (for proof of contracted wages)
* A list of individuals with whom the participant does business (names, addresses, phone numbers)
* A list of companies or individuals from whom they purchase supplies or services (names, addresses, phone numbers)
* Advertising materials the participant used to market their products or services.

The state reserves the right to call customers and vendors to substantiate that the participant was working during each of the three quarters.

**Related Links:**

* CLIMB “[How Ready Am I to Start a New Business?](https://mn-careerforce-prod-files.s3.us-gov-west-1.amazonaws.com/files/2022-12/start-new-business.pdf)" Assessment
* CLIMB “[Lean Business Plan](https://mn.gov/deed/assets/lean-business-plan-summary_tcm1045-672809.doc)” Summary
* CLIMB “[Business Assistance Registration](https://mn.gov/deed/assets/climb-contact-sign-up_tcm1045-672800.pdf)” Form
* [CLIMB Desk Reference](https://mn.gov/deed/assets/climb-desk-reference_tcm1045-672802.pdf)
* [CLIMB Checklist](https://mn-careerforce-prod-files.s3.us-gov-west-1.amazonaws.com/files/2025-05/climb-checklist.pdf)
* [CLIMB Sample Individual Employment](https://mn.gov/deed/assets/climb-sample-iep-participant_tcm1045-684189.pdf)
* [CLIMB Sample Lean Business Plan](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.sba.gov%2Fsites%2Fdefault%2Ffiles%2F2023-08%2FSample%2520Lean%2520Business%2520Plan%2520-%2520Wooden%2520Grain%2520Toy%2520Company%2520%25281%2529.doc&wdOrigin=BROWSELINK)
* [DWFAP Terms and Definitions](https://mn.gov/deed/assets/dwfap-terms-definitions_tcm1045-648050.docx)