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August 6, 1997.

City Council of the
City of Sacramento
Sacramento, California

Honorable Members in Session



SUBJECT APPROVAL OF THE SACRAMENTO YOUTH ENTREPRENEURSHIP INITIATIVE (SYEI) AND MEMORANDUM OF UNDERSTANDING BETWEEN THE AGENCY, SACRAMENTO CITY UNIFIED SCHOOL DISTRICT AND THE NATIONAL FOUNDATION FOR TEACHING ENTREPRENEURSHIP - PUBLIC HEARING

LOCATION AND COUNCIL DISTRICT City

STAFF RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution which:

1. Reprograms \$200,000 of City Community Development Block Grant (CDBG) funds for a pilot entrepreneurship training and microenterprise development program for low-income at-risk youth. The program will have two components:
 - a. An in-school component to be delivered within the business curriculum of local high schools.
 - b. An alumni component offering continued business support and life-skills training to program graduates.
2. Authorizes the Executive Director to execute a tri-party Memorandum of Understanding between the Sacramento Housing and Redevelopment Agency (Agency), the Sacramento City Unified School District (District) and the National Foundation for Teaching Entrepreneurship (NFTE) to begin implementation of the in-school program component in September, 1997.

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3. Authorizes the Executive Director to execute a CDBG subrecipient agreement to compensate NFTE for providing teacher training, curriculum materials, ongoing technical assistance to the District for the in-school component and for organizing and directly delivering the alumni component.
4. Amends the 1994, 1995, 1996, and 1997 CDBG Action Plans and the Agency budget by transferring \$43,000 from the 1994 City CDBG Oak Park Y.E.S. project, \$69,000 from the 1995 City CDBG Youth Entrepreneurial Startup project and \$88,000 from the 1996 City CDBG Economic Development Technical Assistance project to the Sacramento Youth Entrepreneurship Initiative.

CONTACT PERSONS: Anne M. Moore, Acting Executive Director, 440-1333

FOR COUNCIL MEETING OF: August 19, 1997

SUMMARY

This report recommends funding a pilot entrepreneurial training and microenterprise development program for "at risk" youth. The program would provide curriculum materials, teacher training and ongoing technical support for entrepreneurship and microenterprise development within Sacramento City Unified School District high schools. A second program component would support continued business development by students who successfully complete the in-school component or who are graduates of the Youth Entrepreneurial Start-ups (YES) demonstration program. This report also summarizes findings from the implementation of the YES Program, a two-year demonstration program funded with a grant from the U. S. Department of Housing and Urban Development (HUD).

COMMISSION ACTION

At its meeting of August 6, 1997, the Sacramento Housing and Redevelopment Commission recommended approval of the attached resolutions. The votes were as follows:

AYES: Amundson, Castello, Cespedes, Dobbins, Hoag, Holloway, Newsome, Rotz, Simon, Taylor, Harland

NOES: None

ABSENT: None

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BACKGROUND

On November 16, 1992, the U.S. Department of Housing and Urban Development (HUD) awarded \$75,000 to the Agency on behalf of the City of Sacramento. The Agency had applied for these funds in order to implement an economic literacy and entrepreneurship training program for "at risk" youth. The \$75,000 HUD grant was leveraged by \$87,000 in CDBG funds and private foundation grants of \$20,000 and \$7,500, respectively, from Pacific Telesis and General Telephone and Electric (GTE). This funding was used to provide the training and to establish a small loan fund to capitalize youth businesses.

In early 1994, the Agency implemented the YES Program which provided 10 hours of life skills training and 42 hours of entrepreneurial training to 85 low-income youth between the ages of 14 and 21 from the neighborhoods of Meadowview, Avondale/Glen Elder, Del Paso Heights, and Oak Park. Training was delivered after school hours by local consultants based on the program model developed nationally by the National Foundation for Teaching Entrepreneurship (NFTE). Later, in 1995, YES was recognized by the League of California Cities, Pacific Telesis, and GTE Corporation for outstanding achievement and contribution to the youth in the City of Sacramento.

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YES Program Evaluation

After the last training module was completed in Oak Park in 1996, staff undertook an evaluation of the YES Program. Follow-up data was difficult to obtain, as many participants had moved or could not be reached by telephone. Although not a scientific sampling, the data from the 20 students who were reached suggests that those students who completed the YES Program were more likely to stay in school, continue their business, or obtain employment than those who did not complete the Program. Graduates often reported that the NFTE curriculum had helped them develop greater self-esteem and a stronger sense of motivation in pursuit of their life goals.

Although these results are promising, staff believes that this type of program would be more effective if delivered during regular school hours, as a curriculum alternative to standard instruction in economics or business. An in-school program would be better able to address basic skill deficiencies in reading and math. It would also reduce problems associated with the after-school program, such as availability of transportation, which affected attendance. Finally, the "academy" classroom format found in most of the high schools mentioned in this report would create a more supportive environment, and would blend well with the interactive and participative style of the NFTE curriculum.

A full summary of the YES Program evaluation is included as Attachment I to the report.

Working with NFTE

In November 1996, the Agency awarded NFTE a planning grant to develop recommendations for a second-phase of youth entrepreneurial training in Sacramento. NFTE is a national leader in the field of youth entrepreneurship training; its program seeks to accomplish following goals:

- ▶ To offer entrepreneurship education as a means of fostering basic skill development in math, reading and writing, self-esteem and self-reliance;
- ▶ To enable youth to experience the satisfaction of starting their own micro-business ventures;
- ▶ To train teachers and youth workers to use a model of experiential entrepreneurship education;
- ▶ To provide a pathway for youth to access the economic development support resources and higher education opportunities available in the community and beyond.

To date, NFTE has trained over 10,000 youth in ten states. Its Northern California Division has trained over 950 teens in the Bay Area since it began in 1992. A profile of NFTE is included as Attachment II to the report.

In April 1997, NFTE reported the results of their research and outlined a new program to be

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named the Sacramento Youth Entrepreneurship Initiative (SYEI). NFTE's findings are summarized below:

- √ Four area high schools, all within the Sacramento City Unified School District, have a high degree of interest in incorporating the NFTE curriculum within their existing business-oriented classes or "academies." Each of these schools would commit teachers, classroom time and other resources to an experiential entrepreneurial curriculum in the 1997-98 school year. The District itself, through its Regional Occupation Program, would also commit financial resources in support of the program. The four high schools who submitted applications to be considered for the NFTE program during the 1997-98 school year were Hiram Johnson, Luther Burbank, John F. Kennedy, and Thurgood Marshall.
- √ An in-school component could enroll up to 240 students at the four school sites during the 1997-98 school year. NFTE would train teachers, provide curriculum materials and deliver ongoing technical assistance in support of the program. Based on NFTE's national experience, it is expected that participating students will achieve at least a 40 percent gain in workplace readiness skills and competencies, as measured by standard evaluation tests. It is also reasonable to expect that a minimum of 30 percent of SYEI graduates will enhance their readiness for and desire to attend college as a result of program participation.
- √ An alumni component is feasible and should be developed based on an assessment of YES Program graduates. The Alumni program would be designed to provide business continuation support and continued life-skills development for YES and SYEI graduates. It would be organized by an Alumni coordinator hired by NFTE and delivered in both on- and off-campus settings.
- √ An after-school component is feasible in conjunction with local community-based organizations (CBO). One local CBO, Meadowview Community Action (MCA), currently operates an after-school Youth Entrepreneurial Program, but does not use the NFTE curriculum. Local CBO capacity and willingness to adopt the NFTE curriculum will be further assessed prior to funding an after-school component.
- √ A professional youth entrepreneurship technical assistance organization should be retained to coordinate and implement the proposed program components. As part of its report, NFTE submitted a one-year budget to provide program administration and technical assistance for implementation of the SYEI program during the 1997-8 school year. Under its proposal NFTE will employ two full-time staff in Sacramento to provide teacher training, curriculum materials, and ongoing technical assistance for the in-school

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component and to organize, staff and operate the alumni program.

- √ Two community advisory councils should be formed to support the SYEI initiative. The first, the SYEI Education Advisory Council would be comprised of educators and community-based administrators who provide direction on implementation issues. The second, the SYEI Business Advisory Council would be comprised of business people and program sponsors who would evaluate program outcomes and seek private-sector support for the SYEI program. The private sector would be called upon for various forms of support, including mentoring, financial contributions, and internships.

Based on findings of the NFTE report, Agency staff recommends funding the in-school and alumni program components during the 1997-98 school year. An after-school component, funded in conjunction with neighborhood-based CBO's, may be feasible in a future funding round but is not part of these recommendations.

This report therefore recommends one-year funding of \$200,000 to pilot the in-school and alumni components of the SYEI. A CDBG subrecipient agreement in that amount will be executed with NFTE to administer the program. The scope of services requires NFTE to open and staff a Sacramento office; to provide teacher training, curriculum materials, and ongoing technical assistance for the in-school component; to organize and deliver the alumni component; and to form two community advisory councils to support the SYEI.

Program Planning for Future Years

The CDBG subrecipient agreement also requires NFTE to outreach to other area high schools to develop a strategy for delivery of the NFTE curriculum in the 1998-99 school year. It is anticipated that other schools will want to participate after school administrators see the results of the pilot program. Any staff recommendation for future years' CDBG support of the SYEI program will be based on program outcomes, NFTE's success in attracting corporate sponsors, and the school district's willingness to provide funding and staff to support the program. NFTE itself has committed to a corporate and foundation fundraising goal of \$100,000 to deliver SYEI in the 1998-99 school year.

The CDBG subrecipient agreement requires NFTE to submit an interim report describing the outcomes of the SYEI program by April 30, 1998 and a final report by June 30, 1998. The full subrecipient agreement scope of services is included as Attachment I to the resolution.

This report also recommends execution of a Memorandum of Understanding (MOU) between the Agency, NFTE and the Sacramento City Unified School District. The MOU provides a

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framework for cooperation and collaboration between the three parties and is included as Attachment II to the Resolution.

FINANCIAL CONSIDERATIONS

The budget for program implementation is \$200,000 and will be provided from City CDBG allocations previously approved to provide economic opportunities to low-income persons. The Agency budget will be amended by transferring \$43,000 from the 1994 City CDBG Oak Park Y.E.S. project, \$69,000 from the 1995 City CDBG Youth Entrepreneurial Startup project and \$88,000 from the 1996 city CDBG Economic Development Technical Assistance project to the Sacramento Youth Entrepreneurship Initiative.

As compared with the YES Program, the recommended SYEI Program delivers entrepreneurial education and microenterprise development training at significantly lower cost. The YES Program was delivered to approximately 100 students at a cost of \$1,500 per student. The SYEI will be delivered to approximately 240 students at a cost of \$833 per student.

POLICY CONSIDERATIONS

The recommended actions in this report are consistent with previously approved policies to address the issues of economic literacy and microenterprise development. These actions comport with the City of Sacramento's support for an improved educational system and related youth policies. Finally, these actions begin to fulfill the Agency's commitment to fund a youth entrepreneurship program for two additional years after receiving a HUD grant for this purpose.

ENVIRONMENTAL REVIEW

The proposed action does not constitute a project under CEQA per Guidelines Section 15378(b)(3), and is exempt from NEPA per 24CFR Part 58.34(a)(4).

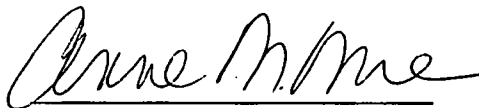
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M/WBE

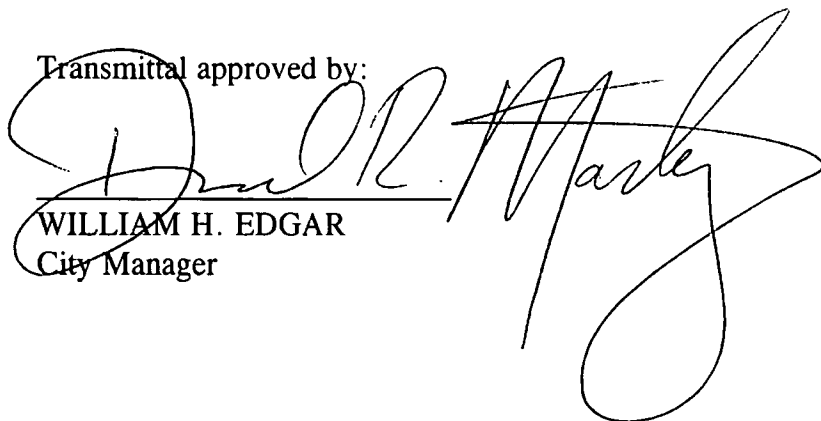
The actions outlined in this report include a sole-source agreement with NFTE. NFTE was selected to administer the Sacramento Youth Entrepreneurship Initiative because of their national experience with similar youth entrepreneurship programs. No additional M/WBE considerations apply to the actions included in this report.

Respectfully submitted by,



ANNE M. MOORE
Acting Executive Director

Transmittal approved by:



WILLIAM H. EDGAR
City Manager

for:

APPROVED
BY THE CITY COUNCIL

AUG 19 1997

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 97-474

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

SACRAMENTO YOUTH ENTREPRENEURSHIP INITIATIVE (SYEI)

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
SACRAMENTO:

Section 1. The total amount of \$200,000 in City Community Development Block Grant funding is allocated to implement Sacramento Youth Entrepreneurship Initiative (SYEI), an entrepreneurial education and microenterprise development program for low-income at-risk youth.

Section 2. Sacramento Housing and Redevelopment Agency (Agency) is authorized to execute:

a. A CDBG subrecipient agreement with the National Foundation for Teaching Entrepreneurship (NFTE) in an amount not to exceed \$200,000. The Scope of Services for said agreement is Attachment I to this resolution. The full agreement is on file with the Agency Clerk.

b. A Memorandum of Understanding (MOU) with NFTE and the Sacramento City Unified School District outlining the intent of the parties regarding part one of the program which take place within the schools. The MOU shall be in substantially the form presented in Attachment II to this resolution.

Section 3. The Executive Director is authorized to amend the 1994, 1995, 1996 and 1997 CDBG Consolidated Plans and the Sacramento Housing and Redevelopment Agency (SHRA) budgets to transfer \$43,000 from the 1994 City CDBG Oak Park Y.E.S.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

program, \$69,000 from the 1995 City CDBG Youth Entrepreneurial startup project and \$88,000 from the 1996 City CDBG Economic Development Technical Assistance to the Sacramento Youth Entrepreneurship Initiative.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

(9a.)

ATTACHMENT I TO THE RESOLUTION

SUBRECIPIENT AGREEMENT SCOPE OF SERVICES

NFTE will provide the following services in support of the Sacramento Youth Entrepreneurship Initiative:

1. NFTE will launch the Sacramento Youth Entrepreneurship Initiative (SYEI), a microenterprise education and development program targeted to at-risk teenagers. The SYEI program will offer entrepreneurship education as means to foster basic skill development in math, reading and writing, and encourage self-reliance and self-esteem. The program will enhance students' knowledge of the fundamentals of marketing and business economics, and will enable all participants to start their own microenterprise venture.
2. NFTE will open and staff an office in the City or County of Sacramento. NFTE will provide a minimum of two full-time staff people to direct, deliver and support the SYEI, of which one full-time technical assistance director will handle the in-school program component and one full-time alumni/business development coordinator will handle the alumni component.
3. NFTE will provide teacher training, curriculum materials, and ongoing technical assistance in support of the in-school component of SYEI. NFTE will provide services sufficient to assure that the in-school component will be made available to at least 240 students at a minimum of four high schools within the Sacramento City Unified School District in the 1997-98 school year. NFTE will, at a minimum, train four high school teachers to teach the NFTE curriculum, and will assure that at least eight "How to Start and Operate a Small Business" classes will be conducted under the SEYI program during the school year. NFTE will provide ongoing technical assistance to said instructors during the year.
4. During the term of this Agreement, NFTE will solicit interest from other area high schools in teaching the NFTE curriculum in the 1998-99 school year.
5. NFTE will prepare and organize the SYEI curriculum for the alumni component and provide such component to graduates of the in-school component and graduates of the Youth Entrepreneurial Start-ups program. Such alumni component will provide business continuation support and life-skills training, including, without limitation, the services of a full-time Alumni component coordinator, training materials, field trips, and longitudinal tracking and program evaluation services. Prior to preparing the

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alumni component and for development of such alumni component, NFTE will undertake follow-up and assessment of the graduates of the Youth Entrepreneurial Start-ups (YES) program.

6. NFTE will expand its corporate contacts and encourage maximum adult volunteer participation in the courses.
7. NFTE will form two community advisory councils, reasonably acceptable to the Agency, to support the SYEI initiative. The Education Advisory Council will be comprised of educators and administrators of appropriate community-based organizations who will provide recommendations on implementation issues. The Business Advisory Council will be comprised of business people and program sponsors who will evaluate program results and seek private-sector support for the SYEI program.
8. During the term of this Agreement, NFTE will undertake fundraising activities, including proposal writing, meetings with potential funders, and events to attract donations, with the goal of raising \$100,000 in private donations for continuance of the NFTE program during the 1998-99 school year.
9. NFTE will submit an interim written report no later than April 30, 1998 evaluating the success of SYEI and describing its results, with supporting data; and submit a final written report with all program data no later than June 30, 1998.

ATTACHMENT II TO THE RESOLUTION

MEMORANDUM OF UNDERSTANDING

Sacramento Youth Entrepreneurship Initiative (SYEI)

This Memorandum of Understanding ("MOU") is made and entered into by and between the Sacramento Housing and Redevelopment Agency (SHRA), Sacramento City Unified School District (SCUSD) and the National Foundation for Teaching Entrepreneurship (NFTE).

I. Purpose:

The purpose of this MOU is to provide a framework for cooperation and collaboration between SHRA, SCUSD and NFTE in their effort to implement experiential entrepreneurship education and business development support for at-risk teenagers.

II. Goals of the Sacramento Youth Entrepreneurship Initiative (SYEI)

The SYEI seeks to help at-risk teenagers gain needed skills to increase their economic literacy and ultimately increase their probability to become successful participants in our society, particularly in the economic sector, through intensive experiential training in starting and operating a small business. As part of this endeavor, SHRA, SCUSD and NFTE have established the following goals for the SYEI:

1. To offer entrepreneurship education as a means of fostering economic knowledge and basic skill development in math, reading and writing, empowerment and self-reliance;
2. To enable all students to experience the satisfaction of starting their own micro-business ventures;
3. To train teachers and youth workers to use a model of experiential entrepreneurship education;
4. To provide a pathway for students to access the economic development support resources and higher education opportunities available in the Sacramento region and beyond.
5. To work together to provide efficient and expeditious assistance to the teenagers we serve.

III. Time of Performance

The parties intend to carry out their respective activities prior to August 31, 1998.

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IV. Services to be provided

A. SHRA intends to:

1. Provide financial support for the costs associated with implementing the SYEI. Said costs are detailed in Attachment I to this MOU: SYEI Budget.

B. SCUSD intends to:

1. Provide classroom facilities and instructors to conduct 8 entrepreneurship training courses at Burbank(110 students), Johnson (30 students), Kennedy(60 students), Marshall (40 students) High Schools within Sacramento City Unified School District High Schools during the 1997-98 Academic Year for a total of 240 low-income teenagers;
2. Utilize the NFTE Youth Entrepreneurship Education Course entitled " How to Start and Operate a Small Business" including all associated experiential activities;
3. Provide transportation for two field trips per course;
4. Allow the entrepreneurship instructors scheduling freedom to attend monthly NFTE Teacher Training sessions;
5. Solicit adult volunteer participation in the entrepreneurship courses;
6. Verify that each student participating is a member of a low-income household; or is a resident of a predominantly low-income census track.

C. NFTE intends to:

1. Provide teacher training for four SCUSD instructors and instructor materials for the classroom including: Teacher Transparencies, Lesson Plans, Classroom posters, Classroom Wall chart, Wizbag, Bizbag, Teacher Resource Guide;
2. Provide student curriculum for 240 students in the entrepreneurship courses including: Bizbags, student business cards, Wall Street Journals, Student Inventory, Business Plan Templates, and other materials;
3. Provide support services to instructors for student inventory needs and classroom feedback;
4. Provide business continuation and life skill development services to graduates of the "How to Start and Operate a Small Business" course conducting a NFTE Alumni/Business Development Program that will serve the 75 YES Alumni as well as those who will later participate after completing the "How to Start and Operate a Small Business" classes. This will foster business development and enhance these students' life skills;
5. Extend its corporate contact network to encourage adult volunteer participation in the courses.
6. Undertake fundraising activities, including proposal writing, meetings with potential funders, and events to attract donations, with the goal of raising \$100,000 to continue the program in the 1998-99 school year.
7. Submit an interim written report to the other parties to this MOU no later than April

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30, 1998 evaluating the success of SYEI & describing its outcome; and a final written report no later than June 30, 1998.

8. Coordinate with community-based organizations which provide similar services.

V. Press Releases and Communications

Parties shall include all other parties when communicating with the press, television, radio or any other form of media regarding its duties or performance under this MOU. Participation of each party in press/media presentations will be determined by each party's public relations policies. Unless otherwise directed by the other parties, in all communications, each party shall make specific reference to all other parties.

VI. Understanding

It is mutually understood by and among the parties that:

- A. This document is not intended to be a binding agreement upon the parties or to create any legal relationship among the parties. SHRA and NFTE intend to enter an agreement regarding their respective activities. There is no intent to create third-party beneficiary rights in any of the parties.
- B. This Memorandum of Understanding is neither a fiscal nor a funds obligation document. Specific studies, activities, programs or projects which involve the transfer or expenditure by any party of any money, services or property will require authorization and execution of separate agreements. Each subsequent agreement or arrangement involving the transfer of money, services or property between the parties to this Memorandum of Understanding must comply with all applicable statutes and regulations.
- C. Nothing herein shall be construed as obligating the parties to expend funds or be construed as involving the parties in any contract or other obligation for the future payment of money.
- D. This MOU in no way restricts any of the parties from participating in similar activities or arrangements with other public or private agencies, organizations, or individuals.

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IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding as of the last date written below.

NATIONAL FOUNDATION FOR TEACHING ENTREPRENEURSHIP

By: _____

DUANE MOYER
Divisional Director
1730 S. Amplett Blvd.
San Mateo, CA 94402

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

APPROVED AS TO FORM:

By: _____

By: _____

JIM SWEENEY
Superintendent
P.O. Box 2271
Sacramento, CA 95812

SCUSD Counsel

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

APPROVED AS TO FORM:

By: _____

By: _____

ANNE MOORE
Acting Executive Director
630 I Street, 3rd Floor
Sacramento, CA 95814

Agency Counsel

Date

Sacramento Youth Entrepreneurship Initiative

	Afterschool	In-School	Alumni	Administration	Total
Accounting/Auditing				8,000	8,000
Alumni-Business Development Resource Center Coordinator			36,400		36,400
Alumni-Business Development Resource Center Student Materials			2,000		2,000
Alumni-Business Development Field Trip Expenses			2,000		2,000
Staff Transportation		3,500	1,500		5,000
Office Equipment (Computer, Printer, Fax, Phone, Furniture, etc)			3,000		3,000
Office Supplies		1,500	500		2,000
Organizational Support Services/Indirect Costs				25,000	25,000
Phone, Copying, Postage		4,000	1,000		5,000
Program Evaluation Services		5,000	2,000		7,000
Technical Assistance Director		41,600			41,600
Alumni Program Center Rent			6,000		6,000
Student Inventory Mgmt/Admin Support Services		2,800			2,800
Teacher Implementation Meeting Expenses		2,000			2,000
Teacher Training (Travel, Tuition, Lodging)		1,000			1,000
In-school "How to Start & Operate a Small Business" Course Materials		26,200			26,200
Program Development Services				25,000	25,000
Total Funds Needed		87,600	54,400	58,000	200,000

ATTACHMENT I TO THE REPORT

YOUTH ENTREPRENEURIAL START-UPS PROGRAM SUMMARY

The YES Program was designed to provide entrepreneurial training over a two-year period to youth in distressed City neighborhoods. Its programmatic features are summarized below.

- 10 hours of "life skills" training

The Sacramento Urban League provided the "life skills" training, which was designed to build an understanding of the types of day-to-day influences prevalent in distressed neighborhoods that would affect a student's ability to become self-sufficient and self-reliant. The training provided positive alternative approaches to overcoming the temptation and peer pressure to engage in fatalistic attitudes and self-destructive activities.

- 42 hours of classroom training

Cosmos Computing, a private consultant, provided the entrepreneurial training, which consisted of a three-month classroom curriculum purchased from the National Foundation for Teaching Entrepreneurship. The subjects covered by the curriculum included entrepreneurial principles, cost benefit analysis, investment vehicles, production and distribution of goods and services, contracts, financing strategies, marketing, taxes, insurance, and the development of a business plan.

- Access to small loans for business start-up

YES graduates who completed business plans were provided an opportunity to borrow start-up capital from the Program's microloan pool. The loans were unsecured and did not obligate anyone other than the YES graduate.

YES students were recruited on the basis of their "at-risk" status. Youth who possessed one or more of the following characteristics were considered "at-risk":

- | | |
|----------------------------------|--------------------------------------|
| ✓ Tests as basic skill deficient | ✓ School drop-out |
| ✓ Pregnant or parenting | ✓ Homeless or runaway |
| ✓ Youth offender | ✓ Family receiving public assistance |

Program Outcomes

Of the 115 applications received, 85 students were enrolled in the program. The typical YES student was:

- ✓ A minority male, 15.5 years of age
- ✓ A member of a household of four headed by a single female receiving some form of public assistance
- ✓ In high school but with demonstrated deficiency in reading and mathematics
- ✓ Afraid that the influence of gangs and neighborhood violence might not be overcome
- ✓ Concerned about the quality of education offered by public schools
- ✓ Often isolated from and antagonistic towards students of other races and ethnicities

Sixty-nine percent of the students completed the training course, which compares favorably to the 35 percent completion rate for programs of this nature (Federal Census Bureau, 1994). Fifteen business plans were completed, eight of which were capitalized by unsecured promissory notes ranging from \$400 to \$5,000. Youth businesses that were started included a lawnmowing service, African art sales, keychain manufacturing, T-shirt retailing, toy retailing, and automotive repair.

ATTACHMENT II TO THE REPORT

PROFILE OF NATIONAL FOUNDATION FOR TEACHING ENTREPRENEURSHIP

The National Foundation for Teaching Entrepreneurship (NFTE) was founded in 1988, offering entrepreneurship education as a means of fostering empowerment and self-reliance to low-income and at-risk youth. NFTE has trained more than 10,000 inner-city youth in 10 states and has operational divisions located in New York City, Pittsburgh, Washington D.C., Chicago, Minneapolis/St. Paul, and San Francisco. The NFTE training program has proven to be a catalyst for change, breaking the cycle of despair and hopelessness so prevalent within inner-city communities. Entrepreneurship can be taught and provides youth with positive activities to build their futures.

NFTE began delivering its training courses in the Bay Area in 1992 and has trained more than 950 teens from high schools and community-based sites in San Francisco, San Lorenzo, Berkeley, Belmont, San Leandro, and Woodside. A report prepared by Professor Andrew Hahn of Brandeis University in 1996 evaluated NFTE operations in Northern California and made the following findings:

- ✓ NFTE training dramatically enhanced students' conceptual and practical understanding of economic self-sufficiency and the life skills required for success.
- ✓ Students skills in reading and mathematics significantly improved in post-training examinations.
- ✓ Results were consistent regardless of gender, ethnicity, and cultural orientation.

5.1

**PUBLIC NOTICE
PROPOSED AMENDMENT TO CDBG PROGRAM**

The Sacramento Housing and Redevelopment Agency will hold a public meeting before the Sacramento Housing and Redevelopment Agency Commission and the City Council of the City of Sacramento to amend the 1994, 1995, 1996 City Community Development Block Grant (CDBG) Program as follows:

The Sacramento Housing and Redevelopment Agency is requesting authority to reprogram \$43,000 from 1994 CDBG funds previously allocated for the Oak Park Youth Entrepreneurial Start-ups program; \$69,000 from 1995 CDBG funds previously allocated for a City-wide Youth Entrepreneurial Startups program; and \$88,000 from 1996 CDBG funds previously allocated for technical assistance activities to create economic opportunities for low income persons. These funds will be assembled in one fund to deliver an entrepreneurial education and micro enterprise development program for low-income at-risk youth. The new program, to be named the Sacramento Youth Entrepreneurship Program, will have an in-school component to be delivered within the business curriculum of local high schools and an alumni component offering business continuation support to program graduates.

The meeting will be held on the following date and time at the following location:

- Sacramento Housing & Redevelopment Commission
Wednesday, August 6, at 6:00 p.m.
Commission Hearing Room
600 I Street
Sacramento, California

- Sacramento City Council
Tuesday, August 19th at 2:00 p.m.
City Council Chambers, City Hall
915 I Street
Sacramento, California

Citizens have an opportunity to comment on the proposed amendment at the above meetings. Written comments may be addressed to:
Jim Hare, Senior Planner, Economic Development, P.O. Box 1834, Sacramento, CA 95812-1834.
All comments received will be considered prior to review by the City Council.

Proposed program amendments are available at the Economic Development Assistance office, 630 I Street, First Floor, Sacramento, CA 95814 (phone: 440-1318).

If for any reason these items are postponed, new hearing dates may be obtained from the above office.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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- 3. Authorizes the Executive Director to execute a CDBG subrecipient agreement to compensate NFTE for providing teacher training, curriculum materials, ongoing technical assistance to the District for the in-school component and for organizing and directly delivering the alumni component.
- 4. Amends the 1994, 1995, 1996, and 1997 CDBG Action Plans and the Agency budget by transferring \$43,000 from the 1994 City CDBG Oak Park Y.E.S. project, \$69,000 from the 1995 City CDBG Youth Entrepreneurial Startup project and \$88,000 from the 1996 City CDBG Economic Development Technical Assistance project to the Sacramento Youth Entrepreneurship Initiative.

CONTACT PERSONS:

Cassandra Jennings, Director, Economic Development Department, 440-1357
Kim King, Program Manager, Economic Development Assistance Programs, 440-1399, ext. 1400

FOR COUNCIL MEETING OF: August 19, 1997

SUMMARY

This report recommends funding a pilot entrepreneurial training and microenterprise development program for "at risk" youth. The program would provide curriculum materials, teacher training and ongoing technical support for entrepreneurship and microenterprise development within Sacramento City Unified School District high schools. A second program component would support continued business development by students who successfully complete the in-school component or who are graduates of the Youth Entrepreneurial Start-ups (YES) demonstration program. This report also summarizes findings from the implementation of the YES Program, a two-year demonstration program funded with a grant from the U. S. Department of Housing and Urban Development (HUD).

COMMISSION ACTION

At its meeting of August 6, 1997, the Sacramento Housing and Redevelopment Commission recommended approval of the attached resolutions. The votes were as follows:

AYES: Amundson, Castello, Cespedes, Dobbins, Hoag, Holloway,
Newsome, Rotz, Simon, Taylor, Harland

NOES: None

ABSENT: None