

Approved: 4-25-96
Date

MINUTES OF THE SENATE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Barbara Lawrence at 1:30 p.m. on February 13, 1996 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Ben Barrett, Legislative Research Department
Avis Swartzman, Revisor of Statutes
Jennifer Bishop, Committee Secretary

Conferees appearing before the committee: Elizabeth Koch, Koch Industries
Cynthia Kelley, Director - Youth Entrepreneurs of Kansas
Youth Entrepreneurs of Kansas

Others attending: See attached list

Senator Lawrence appointed a subcommittee for **SB 481**.

Elizabeth Koch and Cynthia Kelley, along with the Youth Entrepreneurs of Kansas, gave a presentation regarding the NFTE program (National Foundation for Teaching Entrepreneurship). The NFTE program was founded by Steve Mariotti, President of the program and was established by the Charles G. Koch Charitable Foundation. Since the program started in April 1992, NFTE has graduated 1200 students and is currently responsible for 2500 students. The program sites are located at Heights High School, North High School, South High School, Southeast High School, West High School, Riddel Boys Ranch and YMCA-Central Branch. School counselors and teachers try to guide students into the class who would benefit most from the program. Enrollment is open to all students, but the program is specifically targeted at youths who are considered at risk. The program which originally consists of 70 to 80 hours of comprehensive classroom instruction, now has a curriculum that spans a full school year. Students write business plans and go through classroom competitions, with finalists giving presentation at Koch Industries. A panel of local business and community leaders judge the plans based on such criteria as viability, competitive advantage and goal-setting rationale. At an awards dinner and ceremony, winners receive venture capital grants that range from \$150 to \$1,000. Students can use their awards for business start-up, or to further their education. They are encouraged to maintain ties with the program by joining its follow-up group, The Ambassador's Club. Also during the 10-18 weeks, students participate in hands-on activities such as reading the Wall Street Journal, calculating return of investment (ROI), keeping good records, selecting a viable business, calculating start-up and operating costs, preparing a marketing plan, visiting a local wholesaler and writing a business plan. With this program, students also benefit. For example, it reinforces a lot of the technical skills as well as many other skills needed to operate a business. It also builds self-respect and provides discipline and structure (Attachment 1).

Elizabeth Koch introduced three students who are part of the Youth Entrepreneurs of Kansas. Cesario Rodriguez, Lakesha Dailey and Tram Kim Huynh. Each of them explained to the committee how the program benefitted them, what they learned and what type of business they would be starting. The one thing they liked best about the program was its hand-on experience. Cesario Rodriguez is currently attending Wichita State University. Lakesha Dailey graduated from the program in Spring 1995 and was also a national winner of the NFTE program. Tram Kim Huynh graduated in Fall 1995.

Senator Harrington asked if there were more students applying than they had space for. Cynthia Kelley answered yes.

Senator Kerr asked how the tracking program was going. Elizabeth Koch answered that there is room for improvement but it is getting better.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION, Room 123-S Statehouse, at 1:30 p.m. on February 13, 1996.

Senator Downey asked if the program was indeed open to everyone. Elizabeth Koch answered yes.

The meeting adjourned at 2:32 p.m.

The next meeting is scheduled for February 14, 1996.

SENATE EDUCATION COMMITTEE GUEST LIST

DATE: February 13, 1996

NAME	REPRESENTING
Jacque Dakes	SOE
Robin Lehman	Olathe USD 233
Lakesha Dailey	Youth Entrepreneurs of Kansas
Tram Kim Huynh	Youth Entrepreneurs of Ks.
Cesario Rodriguez	YEC
Cynthia Kelley	Youth Entrepreneurs of Ks.
Beth Park	Youth Entrepreneurs of Ks.
Liz Koch	Youth Entrepreneurs of Ks.
R. IFF YEAGER	Koch Industries
MIKE MORGAN	KOCH INDUSTRIES
Gael Fletcher	KOCH INDUSTRIES
Jim Edwards	KOCT
Craig Grant	KNEA
Jim Youally	USD #572
Susan Porter	KU inter
Ed De	
Merley Tree	KACC
Karen Power	KFB
Gee Chase	KNEA

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Fact Sheet

Mission Statement

To provide young people with business and entrepreneurial training that helps them prosper and become contributing members of society.

Contacts:

Youth Entrepreneurs of Kansas

1115 S. Glendale, Ste. 106

Wichita, KS 67218

Phone: (316) 684-8206 Fax: (316) 684-8464

Cynthia Kelley, Director

Beth Park, Assistant Director

Advisory Board Executive Committee:

Elizabeth Koch, Chairman

Janet Lloyd, President

Connie Neeley, Gossen Livingston

Paul Attwater III, Smith Barney

Anita Oberwortmann, Wilson Building Maintenance

National Foundation for Teaching Entrepreneurship:

Steve Mariotti, President

Established by:

Charles G. Koch Charitable Foundation

Program Sites:

Heights High School

North High School

South High School

Southeast High School

Riddel Boys Ranch

YMCA - Central Branch

Cities In School, West High

SENATE EDUCATION
2-13-96
ATTACHMENT 1



An Overview

Charles and Elizabeth Koch watched with interest when Steve Mariotti, a New York businessman-turned-teacher, founded the National Foundation for Teaching Entrepreneurship. The more they learned about his innovative program and its successes, the more convinced they were that it was an effective way to confront such growing problems as poverty, crime, drugs, gangs and violence. They realized the program wasn't applicable only to New York City; Wichita needed it, too.

In 1991, the Kochs began laying the groundwork for a local NFTE division: Youth Entrepreneurs of Kansas. The Charles G. Koch Charitable Foundation committed more than \$150,000 to launch the program. By April 1992, the program was being taught in four Wichita high schools and at Big Brothers/Big Sisters of Sedgwick County and Boys and Girls Club. Today, the Charles Koch Foundation contributes more than \$500,000 yearly, and the program is offered at Heights, West, North, South and Southeast High Schools, Riddel Boys Ranch, and the YMCA.

School counselors and teachers try to guide students into the class who would benefit most from it. Enrollment is open to all students, but the program is specifically targeted at youths who are considered at-risk. Indeed, the program's premise is that students who have experienced adversity often possess street smarts that — through education — can be parlayed into entrepreneurial skills.

Youth Entrepreneurs helps young people learn business skills that can help them be self-sufficient, productive citizens, either as students seeking to advance their education, knowledgeable employees capable of keeping pace with the rapidly changing work environment, or small-business owners.

The program which originally consists of 70 to 80 hours of comprehensive classroom instruction, now has curriculum that spans a full school year. Students write business plans and go through classroom competitions, with finalists giving presentation at Koch Industries. A panel of local business and community leaders judge the plans based on such criteria as viability, competitive advantage and goal-setting rationale. At an awards dinner and ceremony, winners receive venture capital grants that range from \$150 to \$1,000. Students can use their awards for business start-up, or to further their education. They are encouraged to maintain ties with the program by joining its follow-up group, The Ambassador's Club.



People Who Make it Work

Charles Koch

As chairman and chief executive officer of the second-largest privately owned firm in the United States, Charles Koch knows something of entrepreneurship. Under his leadership, Koch Industries grew from sales of \$250 million in 1968 to more than \$20 billion in 1993. The Wichita-based company is involved in virtually all phases of the oil and gas industry, as well as in chemicals, chemical technology products, agriculture, hard minerals, real estate, and financial investments.

Charles Koch continues his family's legacy of community involvement through his support of Youth Entrepreneurus of Kansas, Big Brothers/Big Sisters, Boys Clubs and Girls Clubs, Salvation Army, Goodwill, Special Olympics, National Conference of Christians and Jews, and the Midwest Cancer Foundation. Mr. Koch also serves, or has served, on a number of local boards, including the Coleman Company, INTRUST Bank, Kansas Health Foundation, the Charles G. Koch Charitable Foundation and the Claude R. Lambe Charitable Foundation.

Elizabeth Koch

Like her husband, Liz Koch believes that one of the best ways to help young people is to teach them entrepreneurial skills. To this end, she provides leadership and assistance to the National Foundation for Teaching Entrepreneurship. Mrs. Koch serves as a member of its national board of directors and as chairman of Youth Entrepreneurs of Kansas advisory board. Mrs. Koch works directly with Youth Entrepreneurs by participating in classroom sessions, accompanying students to presentations, and judging students' business plans.

Mrs. Koch's other philanthropic and community involvement includes serving as president of the Fred C. and Mary R. Koch Foundation, chairman of the board of the Kansas Cultural Trust, chairman of the advisory board of the Wichita division of the Salvation Army, and as a member on boards for the Wichita Area Chamber of Commerce, HCA Wesley Medical Center, Wichita Independent Center for Research, and the Wichita Center for the Arts.

Cynthia Kelley

Cynthia Kelley brings enthusiasm, commitment — and an extensive business background — to her position as director of Youth Entrepreneurs of Kansas. Prior to joining the Youth Entrepreneurs' program in 1993, Ms. Kelley worked in a full range of sales, advertising, and marketing positions. Most recently, she was director of marketing for Coopers & Lybrand in San Jose, Calif. Ms. Kelley holds a bachelor's degree in education and a master's in administration.



Program

Experiential Learning

During the 10-18 weeks, students participate in hands-on activities such as:

- *Reading the Wall Street Journal*
- *Calculating return on investment (ROI)*
- *Keeping good records*
- *Selecting a viable business*
- *Calculating start-up and operating costs*
- *Preparing a marketing plan*
- *Visiting a local wholesaler*
- *Writing a business plan*

Benefits

- *Reinforces math, reading and writing skills*
- *Builds self-respect*
- *Hones decision-making and problem-solving skills*
- *Encourages goal setting and an optimistic attitude*
- *Teaches free enterprise fundamentals through hands-on experience*
- *De-mystifies business formation and operation*
- *Fosters initiative, mental toughness and salesmanship*
- *Develops independence and personal responsibility*
- *Teaches courtesy and interpersonal skills*
- *Provides discipline and structure*



Advisory Board Members

Elizabeth Koch
Chairman

Paul Attwater, III
Financial Consultant
Smith Barney, Inc.

Judge James Burgess
District Court Juvenile Department

Johnnie Cartledge
Plant Manager
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Reverend Tyrone Gordon
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Standard Beverage Corporation

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Anita Oberwortmann
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Giselle Roy
Personnel Director
Wilson Building Maintenance

Gina-Lynne Scharoun
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