

National School-to-Work Office Dialogue

**Cathy E. Minehan, President
Federal Reserve Bank of Boston**

July 12, 2000

- I would like to thank Stephanie Powers for inviting me to speak today.

And I would like to thank all of you for coming to Boston from around New England to join in the effort to summarize the impact of the School-to-Work Opportunities Act of 1994 – and to look to the future of school-to-career.

- There is talk of the impending sunset of the federal legislation and the federal office, which I am told could be a matter for some distress for many. However, I prefer to see the sunset of this federal program as the necessary transition to the sunrise of a national network of local school-to-career systems. It is time to move on to the next phase.
- In Boston and in Massachusetts, we have been anticipating this moment for some time. Almost from the first moment that we received Boston's first school-to-career federal funding, we have believed that school-to-career should not be federally funded much past its start up and demonstration phase. That is, if school-to-career was as successful as we believed it could be as a transforming model, then it should be part of the way schools work and are funded through normal local and state sources. To make that happen, we had to prove that school-to-career is

effective; that students in full blown school-to-career programs do better than would be expected otherwise and better than their peers in programs without school-to-career. And prove it we did, using an intensive effort to gather data both from schools and employers. School-to-career in its full implementation does produce students who stay in school, who get better grades, and who go on to 2 and 4 year post-secondary programs at much better rates than their peers. School-to-career if done well is a real success.

- Reflecting this, the governor and state legislature have assumed the cost of the “connecting activities” component of the work, using a fund that supplies \$1 for every \$2 in private sector wages paid to working students. This fund now totals \$5 million annually and produces tens of thousands of student placements with thousands of Massachusetts’s employers. Work based learning is alive and well in Massachusetts. It is complementing and, in many cases, motivating the dramatic changes that are happening in our high schools.
- Just as importantly, our Boston school superintendent, Tom Payzant, is investing over \$3 million in the school-to-career approach to restructuring high schools and improving classroom instruction. The Boston Public

Schools have chosen school-to-career as a primary strategy to reform the practices of teaching and learning, particularly at the high school level.

Brighton High School and East Boston High School, two of our district high schools, have made extraordinary strides towards success by developing career pathways that engage all students and teachers.

Superintendent Payzant recently accelerated this strategy by intervening in three underperforming high schools, effectively requiring that each break down into small learning communities, academies or career pathways.

- And finally, Massachusetts's employers have stepped up in a big way.

We are making the workplace a learning place by using the "work based learning plan" developed here for internships and after school jobs. In many parts of the Commonwealth, the workplace is an extension of the classroom – and employers fully expect this to continue. This joint commitment in the public and private sector to Boston alone generated more than \$19 million in student wages and untold hours of learning time for more than five thousand students last year.

- We believe that this response from the Commonwealth of Massachusetts, the Public Schools and private sector employers is a

model for the nation. The federal government made a good investment by providing the “venture capital” that formed school-to-career partnerships across the country. In my view state governments and local school districts now have the responsibility to pick up the education and student preparation costs of expanding our local school-to-career systems.

- Does this mean that the federal government should disappear completely? Is there any appropriate role for federal funding in the emerging national network of local school-to-career systems? I believe there may be two such roles. First, best practices need to be documented and disseminated. What works well in Boston should work well elsewhere and as we go more to scale in our high school reorganization, we in Boston need to learn from others and they can learn from us. This task of spreading best practices should continue even as the formal school-to-career office winds down. Second, there may be room for some form of federal funding to aid communities which have been successful in securing school-to-career funds from local school districts and state governments, and who have made substantial local investments in effective and functioning school-to-career systems. Such funding could help to cover aspects of maintaining a local school-

to-career system directly related to labor markets—for example, costs associated with organizing employers, brokering their relationships with schools, and most importantly, measuring results in terms important to employers.

- We recently developed and signed a new Boston Compact. In many respects, the Compact reflects the commitment business and community leaders have to keep pushing forward to realize the potential of school-to-career in Boston through explicit goals, commitments and measurements. One goal cites “increased college and career opportunities” as the measure of success. This will not happen without a structured school-to-career collaboration.

Most importantly , Goal Number One of the Compact sets the objective of “meeting the high standards challenge.” This will require the kind of instructional approaches and outside activities that define school-to-career -- if we are to succeed with all students, not just with those who are predisposed to traditional academic approaches. In Massachusetts, our new graduation exam – MCAS – will test our resolve to discover ways to succeed. I believe that what we are doing – all of us gathered here today – represents the best chance of meeting this objective.

- Finally, let me put all of this in a larger context. We are now in the midst of the longest period of economic expansion this nation has ever seen. Labor markets are extremely tight, and almost everyone who wants a job can find one. But this is not nirvana. Our world has become ever more competitive. Employers more than ever need skilled employees, and workers need jobs that hold the potential for good wages and advancement. School-to-career is a valuable tool for employers in reaching out to find those new employees, and to students in letting them see the potential education that work-related skill building has for life. In my view, then, school-to-career has a major role to play in helping our country to continue to grow and in helping our society evolve into a better one.