

Panel 24

**Federal Reserve Board Public Hearing on Nations Bank/ Bank of America
Merger
Federal Reserve Bank of New York
July 10, 1998**

**San Francisco Unified School District's School-to-Career Programs Support
of Nations Bank/Bank of America Merger
Written Submission of Testimony of Joseph Baker**

Description of School-to-Careers and the Academy of Business and Finance

The San Francisco School-to-Career Partnership (STC) is an effort by the San Francisco Unified School District, San Francisco Chamber of Commerce and City College of San Francisco to combine the knowledge and experience of education, business, and government leaders to better prepare public school students for their futures: as college students, members of the American workforce, and beyond. Key aspects of the STC partnership include:

Raising Educational Standards: Identifying the skills needed for success in further education and in the workplace; ensuring high aspirations among all students.

Integrating School and Work: Linking students' classroom learning with experiences in the workplace and in the community; ensuring students are exposed to a full range of career opportunities.

- Career Experiences: Working with the private and public sectors to provide the following structured learning opportunities in the workplace for students and teachers:
- Student internships: paid, time-limited structured work experiences
- Job Shadowing: opportunity for students to observe an employee in the workplace
- Teacher Externships: short or extended teacher visits to the workplace
- Site Tours: group visits to various workplaces

Evaluating Progress and Success: Setting goals and creating measurement tools to track and assess the STC Partnership system.

System Building: Connecting and expanding upon existing school, community, government, and corporate programs which serve to educate and prepare San Francisco youth for career success.

The Academy of Business and Finance is a San Francisco School District career pathway which is a component of the San Francisco STC Partnership. The Academy of Business and Finance currently offers over 1200 students at 7 public high schools the opportunity to explore careers in business and the financial services industry while developing the skills necessary for success in any career. Students take rigorous academic courses, participate in tours of businesses, work on improving academic skills with a business mentor, work as an intern and take a college course in the senior year.

Key to the success of the Academy of Business and Finance Program is a quality community partnership. An active advisory board consisting of business executives, college partners, community representatives and high school teachers and students support and guide the program. Training for teachers, mentors, internships, financial support and assessment of progress are provided by this partnership. The Academy of Business and Finance is a member program of the National Academy Foundation, based in New York, which has developed a national network of over 500 model school-to-career programs.

The Academy of Business and Finance is today at the forefront of the school-to-work movement. It is a focus of and model for education reform efforts in this community. In San Francisco, of the 18,962 high school students, 42% are identified as educationally disadvantaged, 27% receive free or reduced cost lunch, 24% are limited or non English speaking and over 80% are identified as members of minority populations. While the students participating in the Academy of Business and Finance program reflect the same diversity, over 94% continue on to a two or four year college.

Bank of America Support of School-to-Careers and the Academy of Business and Finance

Bank of America and Bank America Foundation have served as key factors in the support of school-to-career programs nationally and in San Francisco.

On a national level, Bank of America's participation on the National Employer Leadership Council and in the development of National Skills Standards in Banking has set a standard of corporate leadership in developing tools to assist educators. Bank of America has supported the development of model school-to-career programs in many communities to promote educational reform and economic development.

In San Francisco, Bank of America has a long history of supporting public education. Bank of America currently sponsors paid internships, scholarships, grants to support program development and other services that directly impact the education and improve the lives of the young people involved in San Francisco STC Programs and the Academy of Business and Finance. Bank of America provides business Advisory Board leadership for the Academy of Business and Finance. Employees from throughout the bank have served as mentors and donated vast amounts of time to help students with such things as resume writing and interviewing skills. Other employees have volunteered as speakers, provided tours or worked with teachers to improve curriculum.

Conclusion

Bank of America's support for the San Francisco School-to-Career Program and the Academy of Business and Finance has a great and positive impact on thousands of high school students. The School-to-Career office of the San Francisco Unified School District sincerely believes that the merger between Nations Bank and Bank of America will greatly increase the STC partnerships ability to provide quality educational opportunities to San Francisco's young people and will create a more diverse workforce for the financial services industry of the 21st century. It is for these reasons that the School-to-Career office of the San Francisco Unified School District wholeheartedly supports the merger between Nations Bank and Bank of America. We thank the Federal Reserve Board for the opportunity to express that support.

Community Services Agency and Development Corporation

**Bank of America / Nations Bank Merger
Testimony before the Federal Reserve Bank**

July 10, 1998

Thank you for this opportunity to testify. I am Michele McKee, Planner with Community Services Agency Development Corporation (CSADC). CSADC is a private nonprofit human services corporation which has been operating in the State of Nevada for 33 years.

During the past seven years, CSADC has focused a major portion of its energy in developing affordable housing opportunities for the low income and working poor populations in Nevada. Our housing efforts actually originated with a \$10,000 predevelopment grant received from Bank of America in 1991. Since that time, CSADC has constructed eleven projects consisting of 801 units of affordable housing and is currently developing an additional 200 units within State.

While our primary focus is on increasing the availability of affordable housing, our secondary focus has been to maintain and/or improve the quality of life in communities and neighborhoods in Nevada. Our high quality construction projects are located in desirable areas of town and blend with existing architecture and amenities making them indistinguishable from market rate apartment complexes in the same neighborhoods. The Builders Association of Northern Nevada recognized our most recent development with

their High Standards Award for 1997.

While CSADC has developed formal relationships with a number of Nevada financial institutions, the relationship formed with Bank of America has been by far the most successful. The Bank of America Community Development Bank provided construction financing on nine of our eleven projects for a total of \$ 26.8 million and provided permanent financing on one project for a total of \$ 1.2 million. CSADC utilizes the Bank of America Community Development Bank financing primarily because of its favorable loan terms and the responsiveness of its knowledgeable and committed staff.

Another CSADC project supported by Bank of America has been our First Time Homebuyer Program. In the last four years, CSADC has provided down payment and closing cost assistance to 203 low income families purchasing their first home through this program.

Bank of America Mortgage has been the most active lending participant in the program, generating 60 of the 203 loans or 30% of all loans combined. Again, this is due largely to the high level of support and knowledge of our program demonstrated by Bank of America staff, as well as the favorable lending criteria which Bank of America has developed for its affordable loan programs.

Bank of America staff were actively involved in the development of our pre-purchase counseling program and donated approximately eight hours per month of staff time to

assist CSADC in the actual provision of the counseling. The Bank of America Foundation has also provided administrative support in the amount of \$5,000 on an annual basis for this program.

One of the most recent important initiatives on which CSADC and Bank of America are working is the Bank of America Rural 2000 Initiative. Three of CSADC's affordable housing projects mentioned before, were developed in rural Nevada utilizing Bank of America Community Development financing. As you may be aware, due to the small populations and cyclical mining economic base of rural Nevada, financing is hard to come by for any type of housing development. In fact even now, approximately 40% of all housing in rural Nevada consists of mobile homes.

The Bank of America Rural 2000 Initiative is designed to expand on the current financing products available in rural areas to include community facilities such as childcare centers, capacity building support for nonprofit organizations, development of a community development loan fund servicing rural areas, and support of uses of technology designed to meet rural needs. In order to develop these initiatives, Bank of America Rural 2000 included on its Advisory Board community leaders from all service areas, including CSADC's Executive Director, Mr. Cloyd Phillips. Bank of America's dedication to the rural areas of Nevada is to be commended.

CSADC supports the Bank of America and Nations Bank merger. Our main concern in fact, the reason for being here to today is to assure that the positive programs, products

and services which Bank of America has in place in Nevada are not lost in the process.

As a relatively small state in terms of population we in Nevada have often found ourselves excluded from initiatives presented by both private and public funding sources on a national basis. We would encourage that the Bank of America Community Development Bank, Bank of America Foundation and staffing support of local initiatives, and the Bank of America Rural 2000 Initiative be maintained or expanded through this merger. Thank you.



Panel 24

Institute for Social and Economic Development

1901 Broadway, Suite 313 • Iowa City, Iowa 52240 (USA) • (319) 338-2331 • Fax (319) 338-5824

**Testimony to the
Federal Reserve Bank of San Francisco
on the Proposed Merger Between NationsBank and Bank of America
July 9, 1998
by
Jason J. Friedman, Vice-President
Institute for Social and Economic Development
Iowa City, Iowa**

My name is Jason Friedman and I am the Vice-President and Director of Economic Development for the Institute for Social and Economic Development in Iowa City, Iowa. ISED is a statewide non-profit agency that helps low-income, unemployed and underemployed individuals to start small businesses to become economically self-sufficient. ISED also works in economically distressed urban and rural areas partnering with communities seeking to revitalize their local economies and create new businesses and jobs.

The proposed merger between NationsBank and Bank of America has profound significance for my organization and I am here today to explain why.

ISED is a microenterprise development agency. We provide training in self-employment for Iowans that see small business development as a way to become self-sufficient, provide for their families and enter the mainstream economy. Over 65% of the nearly 1,000 Iowans we serve each year are on public assistance or have incomes under 150% of the federal poverty level.

A critical element of ISED's success stems from its relationships with the financial community. As we are not a direct lender, ISED relies on financial institutions as one important source of capital to help our clients start small businesses. However, many of our clients fall outside traditional credit guidelines. Over the past ten years, we have been successful in encouraging some banks to look at low to moderate income people as a profitable market for new customers and new business opportunities.

However, Iowa, unlike California, North Carolina, New York, Maine and many other states, does not have a history of community development corporations, community development financial institutions and other public-private models for revitalizing distressed neighborhoods and creating jobs and businesses in low-income communities. This is not to say that financial institutions are not committed to community development. Rather, we have not yet fully explored the newer approaches to bank-driven public-private investments in low-income communities.

In 1997, NationsBank bought Boatmen's Bank, based in St. Louis and which had a presence in Iowa. In many ways, that will be remembered as the beginning of a new era of banking in Iowa. For the first time, a bank came to us and said, "we know what you do and we embrace it. What can we do together to increase business activity, jobs, and savings and investment in the communities we work in together?"

Needless to say, it was a breath of fresh air for us. We didn't need to convince NationsBank that serving the LMI market made good business sense – they are already doing it.

Last summer, NationsBank Iowa made a major investment in ISED to help subsidize the cost of our business training programs in both urban and rural areas. Today, Al Gross, the bank's Vice-President for community investment serves on our advisory council in Des Moines, our capital city. Al and I are now exploring ways to strengthen and grow our business relationship in ways that achieve our mutual goals.

Honestly, the attention we are getting from NationsBank is great and the investment is very much appreciated. But the bottom line is that Iowa now has a major financial institution that views the health and growth of inner-city markets as a major focus and opportunity. And we are proud to be a partner with NationsBank in fulfilling those objectives.

The proposed merger between NationsBank and the Bank of America will only serve to strengthen and expand that commitment. The new bank will provide a remarkable depth and breadth of products and services to rebuilding neighborhoods and increasing economic opportunity. We look forward to welcoming the new bank and the new opportunities it will provide to widen the circle of economic opportunity for all Iowans. Thank you.