

2021 HOUSE INDUSTRY, BUSINESS AND LABOR

HCR 3039

2021 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HCR 3039
3/3/2021

Legislative Management to consider studying student internships & compensation for student interns.
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(2:08) Chairman Lefor called the hearing to order.

Representatives	Attendance	Representatives	Attendance
Chairman Lefor	P	Rep Ostlie	P
Vice Chairman Keiser	P	Rep D Ruby	P
Rep Hagert	P	Rep Schauer	P
Rep Kasper	A	Rep Stemen	P
Rep Louser	P	Rep Thomas	P
Rep Nehring	P	Rep Adams	P
Rep O'Brien	P	Rep P Anderson	P

Discussion Topics:

- Minimum wage for required internships.

Rep Skroch~District 26. Attachments #7315, 7306 & 7316.

Chairman Lefor closes the hearing.

Rep O'Brien moved a Do Pass.

Rep Schauer second.

Representatives	Vote
Chairman Lefor	N
Vice Chairman Keiser	N
Rep Hagert	N
Rep Jim Kasper	A
Rep Scott Louser	Y
Rep Nehring	N
Rep O'Brien	Y
Rep Ostlie	N
Rep Ruby	N
Rep Schauer	Y
Rep Stemen	N
Rep Thomas	N
Rep Adams	N
Rep P Anderson	N

Vote roll call taken Motion failed 3-10-1.

Rep Stemen moved a Do Not Pass.

Rep Adams second.

Representatives	Vote
Chairman Lefor	Y
Vice Chairman Keiser	Y
Rep Hagert	Y
Rep Jim Kasper	A
Rep Scott Louser	N
Rep Nehring	Y
Rep O'Brien	N
Rep Ostlie	Y
Rep Ruby	Y
Rep Schauer	N
Rep Stemen	Y
Rep Thomas	Y
Rep Adams	Y
Rep P Anderson	Y

Vote roll call taken Motion carried 10-3-1 & Rep Adams is the carrier.

(2:29) End time.

Ellen LeTang, Committee Clerk

REPORT OF STANDING COMMITTEE

HCR 3039: Industry, Business and Labor Committee (Rep. Lefor, Chairman)
recommends **DO NOT PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING).
HCR 3039 was placed on the Eleventh order on the calendar.

ND HOUSE INDUSTRY BUSINESS AND LABOR COMMITTEE

Chairman Mike Lefor

Testimony in support of HCR 3039, 67th Legislative Session

Good afternoon Chairman Lefor and members of the House Industry Business and Labor Committee. For the record, I am Representative Kathy Skroch, District 26, Lidgerwood, ND.

Thank you Chairman Lefor and committee members for allowing me to appear before your committee today in consideration of a study on student internships in the state of North Dakota.

(Story) Student had to give up a day job and only source of income to complete internship hours which caused severe financial hardship. The question raised was why do some interns receive compensation for their work while others are not? This journey began by introducing a bill to address this issue. That bill became this study resolution.

It seemed a simple solution to simply pass a law that required interns be paid at least minimum wage. The more I researched, the more complex I discovered this issue to be. Further research indicated that some interns are paid very well while others receive no monetary compensation. I have provided some of the materials provided from that search in handouts.

TOO MANY QUESTIONS

1. Which occupations would be affected? Don't know.
2. Of those compensated financially, what pay do they receive? Don't know.
3. How would those providers who offer internship hours be affected? Don't know.
4. If compensation was required, would there be a loss of providers in the state?
5. How many providers do we have in the state? Don't know.
6. Do student interns receive benefits that are equal to a form of compensation equal to a wage?
7. Do providers receive a benefit from internship hours provided to them by interns? How would this be measured?
8. What businesses, for profit and non-profit, government agencies and college programs provide these opportunities to student interns? Not sure.
9. How are students connected to providers and what would the impact be if a student was unable to find a provider to meet internship hours needed?
10. How are students in ND able to complete internship hours when the study courses are on-line college courses from an out of state source?
11. How are accrediting boards and licensing boards involved in the process including number of hours requirements?
12. Could an adjusted wage be offered taking into consideration of benefits to both student and provider such as a percentile of minimum wage?
13. What will the impact be upon internship programs if Congress approves a raise of minimum wage to \$15 per hour?
14. What programs are currently available in ND to incentivize career studies is labor shortage areas? Do these include grants that cover tuition and internship costs?
15. What apprenticeship opportunities for training programs are available in ND, for which occupations? What are apprentices paid?

16. How are colleges, the Department of Labor, and High school education programs involved?
17. Would state paid internships be an incentive to bring more students to ND college studies?

In conclusion, it was clear that a study is necessary to take a deeper look into all the aspects of student internships in the state of ND.

HCR 3039 was introduced to call for that study. I ask the committee to give this resolution a Do Pass recommendation.

Questions?

Representative Kathy Skroch

On Friday January 8, 2021, Representatives Kathy Skroch and Mark Sanford of North Dakota contacted Midwestern Higher Education Compact and requested preliminary research pertaining to postsecondary student internships. The resulting research note contains the following:

1. A summary of the research request including questions and stated goals.
2. A summary and analysis of the research findings.

This research note is a first draft and represents an initial effort to respond to the research questions. If after a review of this response more information is required, please reach out and let us know how we can provide additional assistance.

With kind regards,

Leah Reinert, Policy Unit Manager, leahr@mhec.org

Shaun Williams-Wyche, Assoc. Director of Research and Data Analysis, shaunw@mhec.org

RESEARCH REQUEST

Email request summary from January 8th

There may be some funding provided by the state currently that will pay internships and in some career areas, college courses paid in full based on critical shortage areas. The bill being considered would not propose additional funding provided by the state. College students, both 2 yr. and 4 yr. would be the target however, I am trying to discover the breadth of this. For example, if private on-line courses would be included, are there private businesses that use internship instruction that do not have a college course application? (We need more information to be able to respond to this question). At this point, I don't know just how much I don't know, as to how broad or how narrow the bill needs to be worded....

Research Questions

- 1) In part, do you have any data indicating how many courses across all careers require internship hours as part of licensure?
- 2) What is the difference between internships for which the student receives credits and those hours for which no credit is received, in other words the student receives no benefit?
- 3) Do you have any lists of those internships where students are paid for services verses those who receive no pay for work they provide?

Research Goals

- 1) Create enough interest for the ND Legislature to study student internship requirements, compensation, and grants available to specific courses but not to others and do a deep

dive into all the intricate details of these requirements being met and any data available.

- 2) Create an interest in students attending courses in ND with the incentive of paid internships.
- 3) Students required to complete credit hours for providers who benefit for the work provided and receive compensation at the rate of minimum wage.

RESEARCH RESPONSE

There are benefits to internships ranging from skills and experience gained by the intern to income earned by the intern to credits earned by the student. In addition, both the intern/potential employee and employer are able to try each other on for size to see how well they fit. Such benefits of internships are consistently indicated by research on individual internship programs.¹ Large scale quantitative data on the prevalence of internships, for example, in fields of study or for course and degree credit is often difficult to obtain. Such data are a challenge to collect and analyze due to several factors, including the fact that institutions:

- 1) rarely have the same requirements for courses, programs, and degree granting when it comes to internships and other experiential learning activities;
- 2) usually do not track internships and experiential learning activities at the institutional level (these data usually reside at the program level);
- 3) are beholden to licensure and internship requirements of the differing states in which they are located.

However, the following sections of this research note will highlight and summarize the findings from an initial search for high level data and other relevant information pertaining to post-secondary internships and the questions posed for this inquiry.

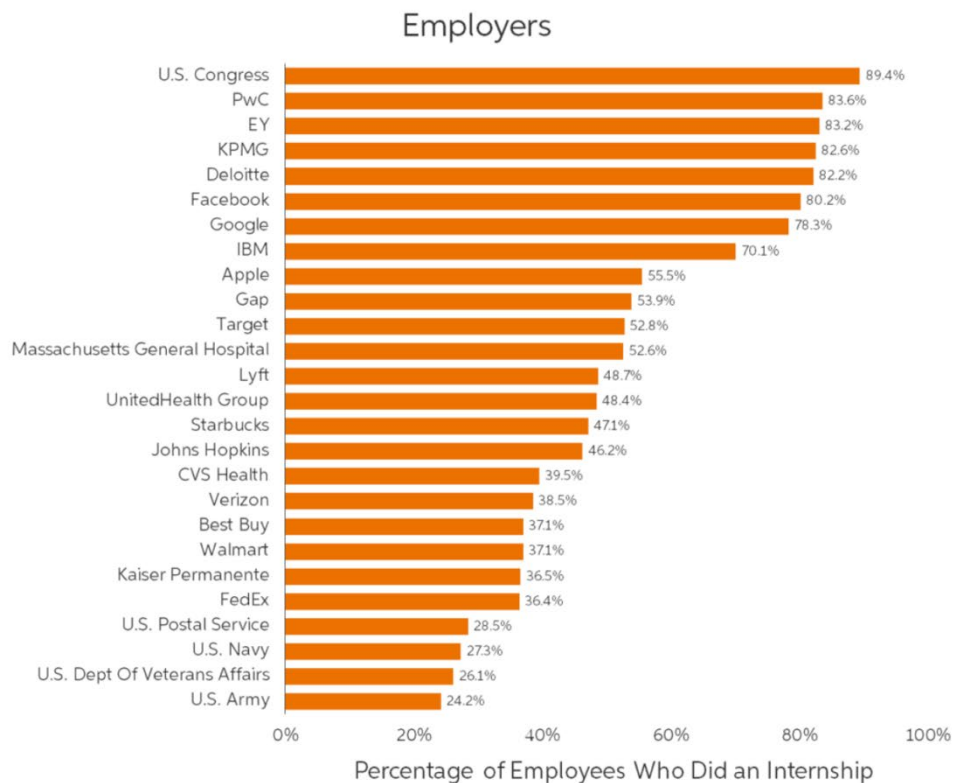
Question 1 - Internship Requirements by field, degree, etc.

As mentioned, data specific to internship requirements by field, degree, institution, and other categories is data that does not exist in one place and is not collected by IPEDS (Integrated Postsecondary Data System). What is available is data collected in the private sector about companies that require internships as part of their hiring process and as a pipeline for employee recruitment.

Some companies require a formal internship or apprenticeship, paid and unpaid, as a pipeline to employment with those same companies. This connection can be made when an individual is a student or post-graduation. For instance, [Chegg Internships](#), a company that connects

¹ Binder, J.F., Baguley, T., Crook, C., & Miller, F. (2015). The academic value of internships: Benefits across disciplines and student backgrounds. *Contemporary Educational Psychology* 41(2015), 73-82. [.doi.org/10.1016/j.cedpsych.2014.12.001](https://doi.org/10.1016/j.cedpsych.2014.12.001)

individuals with employers for internships, presented the following information about the companies and organizations with which they work and which they know require internships.



Question 2 - Credit vs. Non-Credit Internships

The [National Association of Colleges and Employers \(NACE\)](https://www.nacweb.org/about-us/advocacy/position-statements/position-statement-us-internships/) defines an internship as “a form of experiential learning that integrates knowledge and theory learned in the classroom with practical application and skills development in a professional setting. Internships give students the opportunity to gain valuable applied experience and make connections in professional fields they are considering for career paths; and give employers the opportunity to guide and evaluate talent.”² The value of an internship is arguably greatest when it confers both occupational experience and academic credit, though most internships do not in fact carry academic credit. In a national survey, 82% of employers reported that they do not require internships to carry academic credit.³ Nonetheless, students who conduct an internship without receiving academic credit can still benefit significantly e.g. monetary compensation, skill development, resume building, and improved job prospects after college graduation.

² NACE. U.S. Internships. Retrieved from <https://www.nacweb.org/about-us/advocacy/position-statements/position-statement-us-internships/>

³ NACE. (2021). Correspondence.

Quantitative Data on Internships

Differences by Institution Type

The [National Survey of Student Engagement](#) collects data on student participation in internships, field experiences, student teaching, or clinical placements. As shown in Table 1, 48 percent of seniors at four-year institutions participated in an internship or field experience in 2019. Baccalaureate institutions have the highest internship participation rate among four-year institutions. Institution size matters, as smaller campuses have a higher percentage of their students participating in internships. Seniors at public four-year institutions are only slightly more likely to participate in an internship than those at private four-year institutions.

Differences by Student Demographics

Table 1 also shows differences in participation by student demographics. Whites are more likely to participate in internships than students of color. Most traditional-age students participated in an internship while most older students did not. Multi-generation students were also more likely to participate in internships than first-generation students.

Differences by Academic Factors

Full-time students were more likely to participate in internships than part-time students. Most seniors who lived on campus took part in an internship compared to less than half of seniors who lived off campus. Seniors who started as freshmen on-campus were also much more likely to participate in an internship than those who had transferred into an institution. Seniors majoring in education, journalism/communications/media/public relations, or engineering were most likely to have participated in an internship. Seniors majoring in the social sciences, business, or arts and humanities were the least likely to have participated in an internship or field experience.

Table 1. Percentage of Seniors at Four-Year Institutions Who Participated in an Internship or Field Experience

		Percentage Participating in Internship or Field Experience
Institution Characteristics	Carnegie Classification	
	Doctoral Universities (Very high research activity)	52
	Doctoral Universities (High research activity)	51
	Doctoral/Professional Universities	39
	Master's Colleges and Universities (Larger programs)	42

	Master's Colleges and Universities (Medium programs)	53
	Master's Colleges and Universities (Smaller programs)	52
	Baccalaureate Colleges—Arts & Sciences Focus	68
	Baccalaureate Colleges—Diverse Fields	54
	Institutional Control	
	Public	49
	Private	46
	Undergraduate Enrollment	
	Fewer than 1,000	61
	1,000–2,499	59
	2,500–4,999	53
	5,000–9,999	48
	10,000–19,999	46
	20,000 or more	43
Student Demographics	Race/Ethnicity	
	American Indian or Alaska Native	39
	Asian	45
	Black or African American	40
	Hispanic or Latino	41
	Native Hawaiian/Other Pacific Islander	43
	White	51
	Other	51
	Foreign or nonresident	38
	Two or more races/ethnicities	49
	Age	
	Traditional (First-year < 21, Senior < 25)	59
	Nontraditional (First-year 21+, Senior 25+)	30
	First-generation	
	Not first-generation	55
	First-generation	40
Student Academic Background	Enrollment	
	Less than full-time	31
	Full-time	52
	Residence	
	Living off campus	46
	Living on campus	62
	Transfer	
	Started here	59
	Started elsewhere	36
	Major	
	Arts & humanities	41

	Biological sciences, agriculture, natural resources	50
	Physical sciences, math, computer science	47
	Social sciences	44
	Business	41
	Communications, media, public relations	60
	Education	68
	Engineering	57
	Health professions	50
	Social service professions	46
	Undecided/undeclared	21
Overall		48

Source. Center for Postsecondary Research, Indiana University School of Education. National Survey of Student Engagement, 2019.

Question 3 - Paid versus Unpaid Internships

Student Outcomes

The National Association of Colleges and Employers (NACE) collects data on internships each year and publishes an *Internship & Co-op Survey Report* and a *Guide to Compensation for Interns & Co-ops*. Their [2019 executive summary](#) included the following data points:

- The average hourly wage for paid interns in 2018-19 was \$19.05.
- If a student had an internship with a company, the offer rate with that same company was 70.4%, with an acceptance rate of 79.6%, an increase from the previous year.
- For interns hired with internal experience, their five-year retention rate was 43.9%; external experience interns had a five-year retention rate of 37.3%.
- Additional compensation employers offered as part of internship packages included: paid holidays, relocation assistance, and signing bonuses.

NACE also found, in their 2019 research, entitled [The Impact of Unpaid Internships on Career Development](#), that nearly 61% of internships were paid and that unpaid internships occurred mostly in the social services. Of the employers who completed their survey, 92% had a formal internship program, 70% of which focused on helping students move from being students to becoming full-time employees. Findings from this study indicated 56% of students who had completed an internship received at least one job offer upon program completion while only 37% of students who did not complete internships received a similar offer.

In our communication⁴ with NACE Research, they explained that their 2019 survey on student internship experiences at four-year institutions showed 32.2% of respondents participated in unpaid internships, 35.9% participated in paid internships, and 31.9% did not participate in an

⁴ January 14, 2021

internship. Debate on the quality and legality of unpaid internships has grown in recent years. NACE holds firm that whether paid or unpaid, students benefit. Specifically, in response to our inquiry, they commented:

Benefits can go to the student in terms of an actual salary during the internship or the training (skill development) that takes place as part of the internship. Most internships do not carry academic credit. They are valuable to the student because of the monetary rewards and/or the training. Our studies indicate that they generally provide students with greater chances of landing a job quickly after college and getting a higher starting salary as well.

The NACE [website](#) provides a range of data and analyses of the differential outcomes of paid versus unpaid postsecondary internships, all validating the trend that students who engage in paid internships are more likely to find a job after graduation more quickly and for a higher salary than those who participated in unpaid internships or no internships at all.

Educational Equity and Legal Considerations

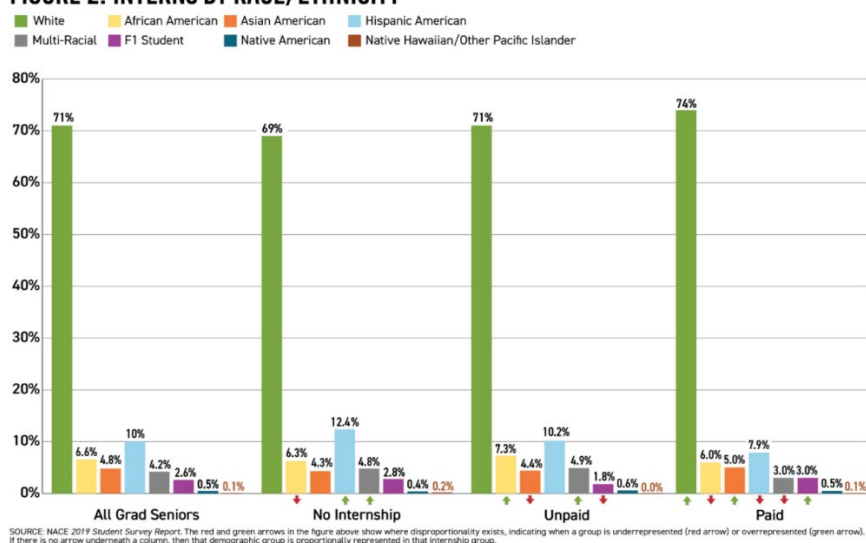
There are significant educational equity issues regarding equitable access to paid internships.⁵ First-generation students, racial and ethnic minorities, and women are underrepresented in the population of students who engage in paid internships (see figure below for statistics). See Figure 2.⁶ Notably, internship programs in recent years have also received scrutiny from the courts and National Labor Relations Board.⁷ A review of their findings can help inform policymakers interested in postsecondary internship legislation and policy.

⁵ Hora, M., Chen, Z., Parrott, E., & Her, P. (2020). Problematizing college internships: Exploring issues with access, program design and developmental outcomes. *International Journal of Work-Integrated Learning*, 21(3), 235-252.

⁶ Collins, M. (2020). Open the Door: Disparities in Paid Internships. November 1, 2020. <https://www.naceweb.org/diversity-equity-and-inclusion/trends-and-predictions/open-the-door-disparities-in-paid-internships/>

⁷ <https://www.dol.gov/agencies/whd/fact-sheets/71-flsa-internships>

FIGURE 2: INTERNS BY RACE/ETHNICITY



State Legislation, Policies and Funding Related to Internships

Many states have passed laws to protect unpaid interns from various types of abuse. Some states have begun incorporating field experience indicators into their performance funding formulas. For example, in New York, additional bonus funding during 2016 was available for the community college system based on “the number of students engaged in career and employment opportunities including apprenticeships, cooperative education programs or other paid work experience that is an integral part of their academic program.”⁸

Conclusion

Internships are shown to be beneficial experiences for students, employers, and communities.⁹ There is much research on the efficacy of internships and about how to maximize positive outcomes from internship programs,¹⁰ if not the precise data and information originally requested. Please let us know if this information is helpful to you and if it sparks additional questions we might be able to help up you answer.

⁸ <https://legiscan.com/NY/bill/A03003/2015>

⁹ Garcia-Casarejos, N., & Saez-Perez, L.A. (2020). Internships for Higher Education Students to Promote the Local Sustainability of Rural Places. *Sustainability*, 2020(4) 4926. doi:10.3390/su12124926

¹⁰ Maertz, C.P., Stoeberl, P.A., & Marks, J. (2014). Building successful internships: lessons from the research for interns, schools, and employers. *Career Development International*, 19(1), 123-142. DOI 10.1108/CDI-03-2013-0025

LegisBrief

A QUICK LOOK INTO IMPORTANT ISSUES OF THE DAY

JAN. 2021 | VOL. 29, NO. 1



Apprenticeships: A Path to Working in a Licensed Occupation

BY IRIS HENTZE AND ZACH HERMAN

What do occupational licensing and apprenticeship programs have in common? Apart from being major labor-market institutions, each represents a distinct yet often intertwined pathway to highly skilled jobs. Occupational licensing is a regulatory method that requires workers to meet certain conditions set in statute in order to work in a given profession. Licensed occupations represent about 1 in 4 jobs in the U.S. Apprenticeships are work-based learning programs that allow apprentices to earn a paycheck while simultaneously learning the hands-on skills they need to work in that profession. In 2018, there were about 585,000 active apprentices in more than 23,000 registered apprenticeship programs nationwide.

Apprenticeship programs serve as a critical pipeline to get more workers into licensed occupations. Apprenticeships are often structured to help workers earn the education and experience necessary to ultimately qualify for a license. Many sectors and industries experiencing worker shortages have some sort of occupational licensing or apprenticeship requirement. Occupational licensing and apprenticeships both often represent industries and sectors that are in high demand and are experiencing worker shortages in states. Traditionally, these included jobs like electricians, plumbers, and heating, ventilation and air conditioning technicians, but states have expanded their support to encourage apprenticeships in such diverse sectors as information technology, financial services and advanced manufacturing. Licensing requirements and apprenticeship programs work together to pro-

Did You Know?

- More than 100 bills related to licensure and apprenticeships have been introduced in state legislatures since 2017, 55 of which have been enacted.
- Registered apprenticeships have increased by 128% since 2009.
- Licensed occupations account for 20% of the total workforce.

vide critical pathways to highly skilled, high-paying jobs without the need for a traditional four-year college degree.

The specific background experiences of a worker can present other pathways to licensure, too. The skills and education gained while serving in the military, for example, are increasingly recognized by states as transferable to civilian jobs requiring an occupational license. Training earned through an apprenticeship program while incarcerated is another pathway under consideration in states to ensure rehabilitated workers can get jobs in the occupations for which they have received training.

State Action

In the face of budgetary and economic uncertainty, states enacted 494 bills related to apprentices and apprenticeship programs in 2020, underscoring the importance of this career pathway for state economies. As seen in previous years, states continue to consider legislation to align their systems and structures to meet market demands and federal requirements. For example, the Indiana General Assembly passed legislation requiring the Governor's Workforce Cabinet to create a comprehensive plan to ensure the state's early childhood, primary, secondary and postsecondary education systems are aligned with workforce training programs and state employer needs.

Legislation intended to expand apprenticeship pathways as a workforce tool also continued to be popular in 2020. In Maryland, the legislature passed HB 1029, which expanded the scope of apprenticeship programs able to receive support from the Clean Energy Workforce Account in the state. Now, pre-apprenticeships and youth apprenticeships (similar to apprenticeships but generally unpaid) are also eligible. The bill also expanded eligible industries for pre-apprenticeships to include renewable energy, energy efficiency, energy storage, resource conservation and advanced transportation.

New Jersey passed legislation requiring the state's commissioner of Labor and Workforce Development to establish a mentoring program focused on increasing participation in apprenticeship programs by underrepresented groups. The program will provide women, minorities and people with disabilities the opportunity to receive mentoring from their peers and additional support services as they move through their apprenticeship.

Recently, states have started to create pathways that enable apprentices to gain all the skills necessary during their training, increasing their ability to earn a license in their field. The bulk of these pathways have been focused on plumbers, electricians and

cosmetologists. Arkansas, North Carolina and Tennessee have created apprenticeship pathways for all three of these professions. Washington has created an apprenticeship for electricians and Wisconsin has done so for plumbers. Alabama, Connecticut and Idaho have joined others in creating apprenticeship pathways for barbers and cosmetologists.

In 2019, several states amended licensing requirements to allow for apprenticeships as a pathway toward an occupational license. Alabama HB 570 allows the state to grant individuals licensure in a trade in which they apprenticed, as long as other requirements like passing exams and paying all applicable fees are fulfilled. The bill also prohibits higher testing standards from being imposed on someone seeking licensure through apprenticeship compared to other license applicants. North Carolina enacted legislation requiring licensing boards to recognize certain apprenticeship and training experiences as a part of the licensure process. Finally, Vermont enacted HB 104, which created apprenticeship pathways to licensure for radiologic technology and real estate. It also created bridge programs for apprenticeship programs in Canada.

Federal Action

At the federal level, the Workforce Innovation and Opportunity Act (WIOA) works as an umbrella over state workforce and apprenticeship policy. WIOA requires states to create and oversee state workforce boards that encourage apprenticeships by bringing together the diverse stakeholders involved in these programs, including business, education and government. They are tasked with developing career pathways that help more workers get into high-skilled, high-paying jobs. WIOA requires that states align their workforce systems and programming to provide comprehensive workforce services and reduce duplicative functions.

The U.S. Department of Labor (DOL) complements this effort with its Registered Apprenticeship Programs (RAPs). To be eligible for state and federal funding and incentives, RAPs must meet core requirements and be officially recognized by DOL. Once an apprenticeship program is registered, states are then able to allocate WIOA funding to cover a variety of program-related expenses. These include supporting the on-the-job training component of apprenticeship programs for businesses and classroom-related expenses for apprentices, like tuition, books, supplies and other fees. In Congress, the National Apprenticeship Act of 2020 (H.R. 8294) is currently under consideration. The bill would amend the National Apprenticeship Act to expand RAPs to include youth apprenticeships and pre-apprenticeships.

Additional Resources

- [NCSL Occupational Licensing Legislative Tracking Database](#)
- [NCSL Occupational Licensing Project](#)
- [NCSL Workforce Development Resources](#)

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