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Internship Initiatives Discussion Paper

Background

On November 20, 2024, the Texas Workforce Commission's (TWC) three-member Commission conducted a work session to discuss statewide initiatives funded through Fiscal Year 2025 reserve balances. During the work session, the Commission discussed the expansion of internships and directed staff to develop a discussion paper with recommendations for funding internship initiatives.

Issue

The Texas Internship Initiative (TII) currently provides funding to support opportunities for high school and college students to receive education credit and on-the-job experience and make progress towards an industry-based certification. Launched in 2019, TII is funded by Temporary Assistance for Needy Families (TANF) funds. Since its inception, TWC has executed 21 awards totaling \$1,743,317 and served 468 participants, with an additional 53 participants planned for Fiscal Year 2025.

Research shows that internships are beneficial to both interns and employers. Interns are 25 percent more likely to start a full-time job within 6 months of graduation than individuals who do not participate in internships. They are also more likely to retain those jobs long-term than non-interns, with up to 44 percent staying with the company they interned with and were hired by for five years or more. With more and more entry-level positions requiring experience in the current job market, internships both improve the odds a recent graduate will be hired, and in turn, increases the odds that the employer finds and retains entry-level employees with the skills needed to perform their job.

To benefit and support the hiring needs of Texas employers, staff proposes creating a robust internship system in Texas that provides valuable learning experiences for students, connects them with employers, and transitions them into careers. To achieve this, initiatives focused on expanding the scope, quality, and reach of internship programs could include:

- **Career Exploration Internship RFA:** Create an RFA for high schools, colleges, and universities to encourage students to explore different career paths within specific industries and identify their interests through various initiatives, including:
 - *Rotational Internships:* Offering internships with a rotational component to expose students to different departments or roles within an organization.
 - *Industry Visits:* Organizing visits to relevant companies or organizations within the industry of the core internship(s) program to provide students with firsthand experience in various industries and workplaces.
 - *Mentorship Opportunities:* Establishing mentorship programs that connect interns with experienced professionals who can provide guidance and career development advice.
 - *Workforce Readiness Components:* Incorporating work readiness and soft skills components into internships.

- 1 • **Expand the Texas Internship Initiative (TII) RFA:** The existing TII RFA would be
2 expanded to include:
 - 3 ○ *Post-Graduation Internship Opportunities:* Expand the program to allow post-
4 graduation internships for both high school and university students for up to one
5 year after graduation.
 - 6 ○ *Expand eligible applicants:* Include Educational Service Centers as eligible
7 applicants to the TII program.
 - 8 ○ *Incorporation of Workforce Readiness Components:* Integrate work readiness and
9 soft skills components into the TII program.
 - 10 ○ *Inclusion of Target Occupations:* Expand TII to encompass all statewide target
11 occupations. This expansion would provide diverse internship opportunities
12 across industries.
 - 13 ○ *Opportunities for Veteran Internships:* Include specific opportunities for veterans
14 transitioning into civilian careers, focusing on transitioning service members and
15 members of the National Guard and Reserve component, and leveraging military
16 specialty codes.
 - 17 ○ *Supplement Hourly Wage for Internships:* Include funding to provide hourly wage
18 supplements for internships to share costs with employers associated with
19 internship opportunities.
- 20
- 21 • **Create a Dedicated Foster Youth Internship Initiative:** Foster youth internship
22 programs would provide a bridge for foster youth to gain self-sustaining employment as
23 they age out of foster care. TWC would solicit applications from educational service
24 centers, Local Workforce Development Boards, Community Based Care Organizations,
25 and other non-profits who serve foster youth to collaborate with workforce, education,
26 state college, and employer partners to plan, develop, and implement internship models
27 that demonstrate effective work-based learning experiences and prepare Texas foster
28 youth students for employment in high-demand occupations. Participating current and
29 former foster youth students will receive on-the-job experience and may receive
30 educational credit and make progress toward an industry-based certification in a field
31 related to their education, training course, program, or any combination of the three.
32 Grantees will partner with Foster Youth Transition Centers, provide support services
33 (including transportation assistance), provide supplemental wages for interns, and assist
34 foster youth in gaining required documents needed to secure employment, such as a
35 driver’s license, social security card, or birth certificate. This grant would also require
36 grantees to develop a half-day training that would educate foster youth on the
37 Educational Training Voucher Program and College and Tuition Fee Waiver programs in
38 Texas and assist with enrolling participants in these programs as needed.
- 39
- 40 • **Enhance Texas Internship Challenge website:** Maximize the potential of the Texas
41 Internship Challenge website to promote internship opportunities and facilitate the
42 matching of employer internship opportunities with students who want or need the skills
43 and experience these internships offer.
 - 44 ➤ Update the website user interface for increased ease of use.
 - 45 ➤ Add other services to the site, such as interview coaching, by adding technology
46 solutions to the Texas Internship Challenge Site.

- 1 ➤ Simplify Texas Internship Challenge registration requirements and processes for
2 students.
3

4 **Decision Points**

5 Staff recommends the following:

- 6 • \$250,000 in WIOA statewide funds to fund the Career Exploration Internship RFA with a
7 focus on rotational internships.
8 • \$250,000 in WIOA statewide funds to fund a Foster Youth Internship RFA.
9 • Dedicate \$2,000,000 in WIOA statewide funds to support a larger group of grantees and
10 incorporate the enhancements described above into the program.
11 • \$160,000 to support enhancements to the Texas Internship Challenge website.