

College Interns: Risk and Reward

Joe Risser

CPCU, ARM-P

Risk Management Design

joerisser@gmail.com

parma

public agency risk managers association

35th Annual Conference

February 1 - 4, 2009

Rancho Mirage, California

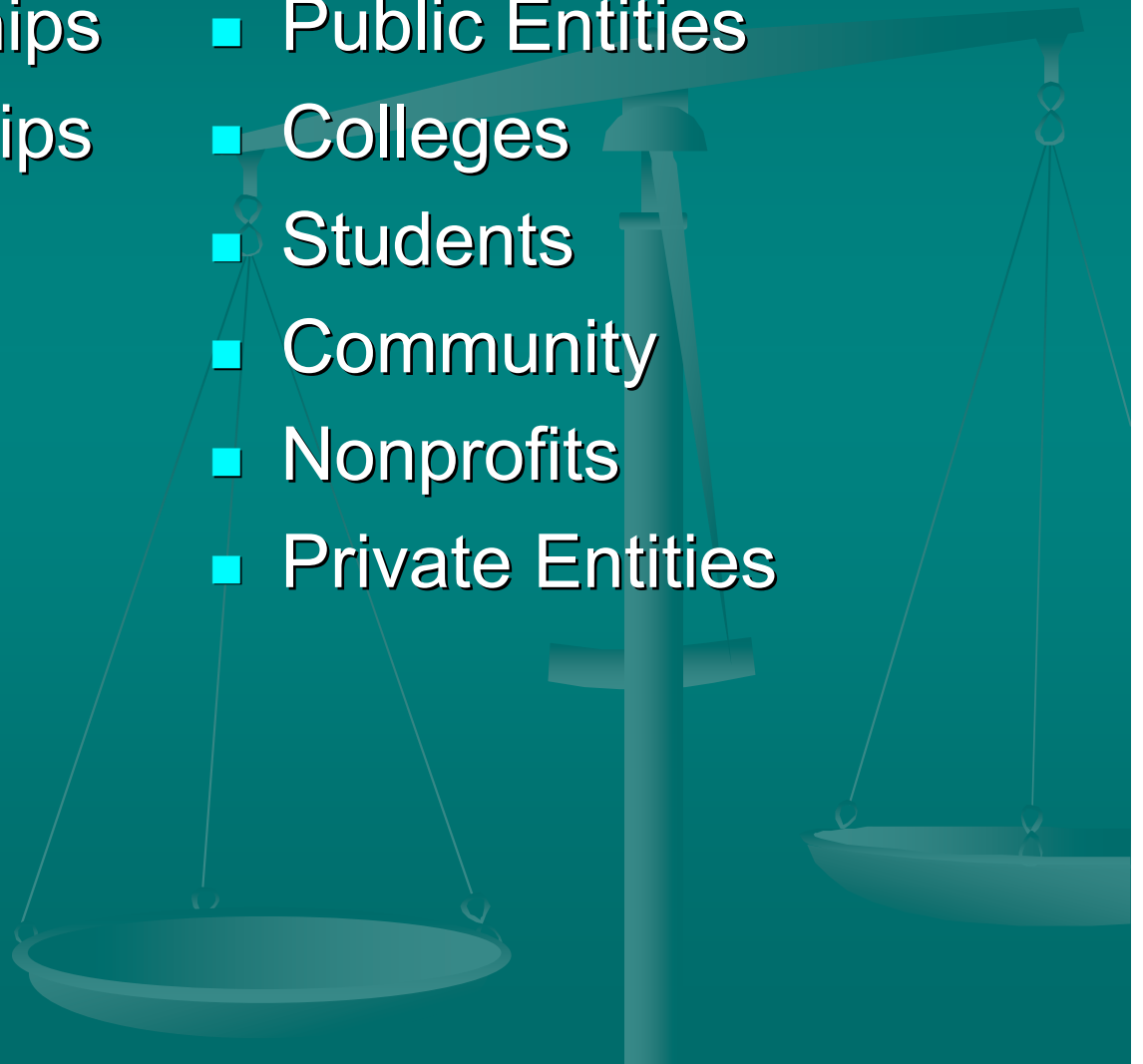
Joe Risser

- Chartered Property Casualty Underwriter (CPCU)
 - Associate in Risk Management for Public Entities (ARM-P)
 - Education, Nonprofit, & Public Entities
 - **Risk Management Design**

 - Retired - California Polytechnic State University
 - Director, Risk Management
 - Environmental Health and Occupational Safety
 - Workers' Compensation
 - Executive Committee and Board Member (CSURMA)
California State University Risk Management Authority
- 

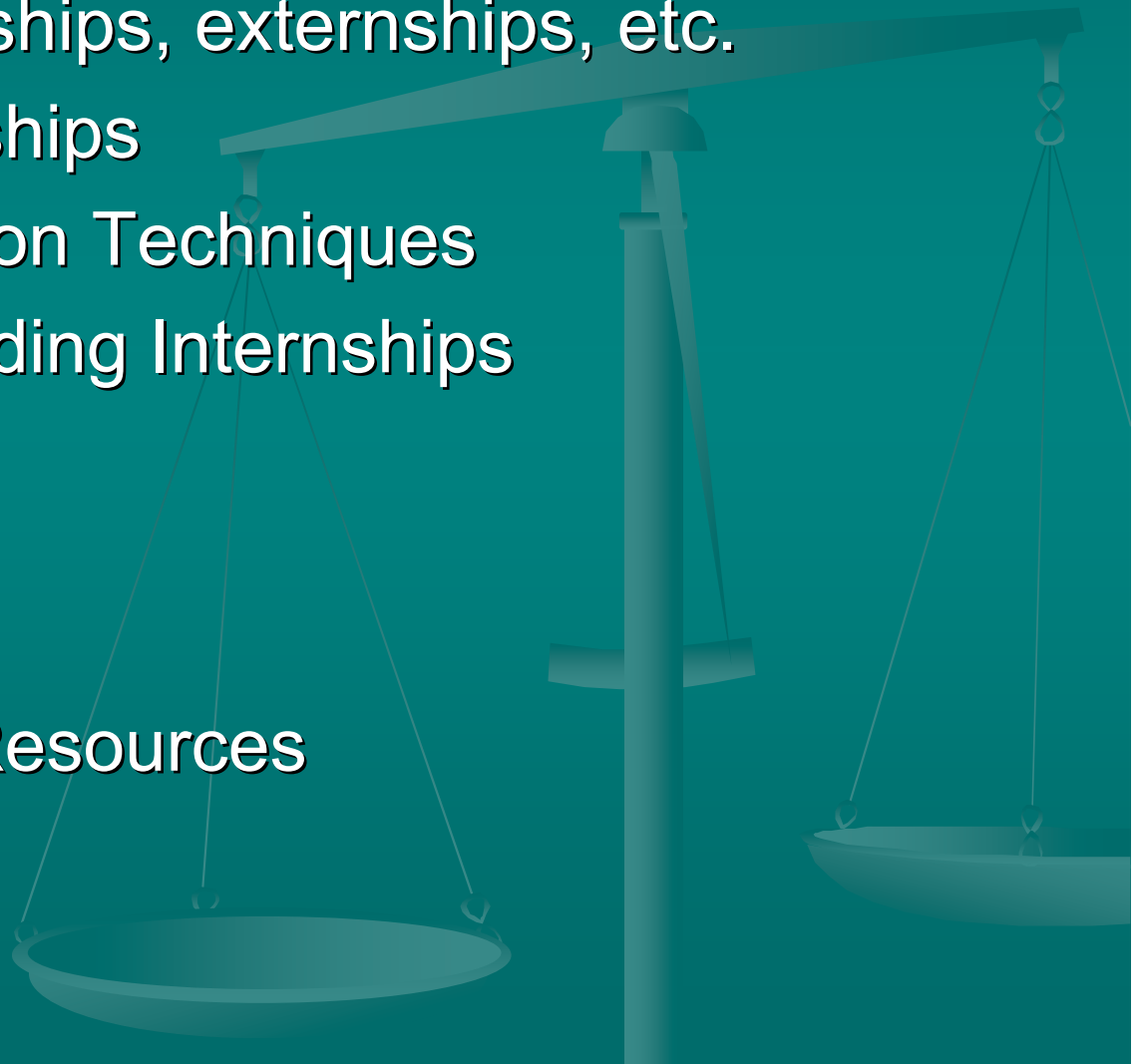
Session Objectives

1. Value of Internships
 2. Risks of Internships
 3. Techniques for managing risks
 4. Models for internships
- Public Entities
 - Colleges
 - Students
 - Community
 - Nonprofits
 - Private Entities



Agenda

- Definitions: internships, externships, etc.
- Benefits of Internships
- Risks and Mitigation Techniques
- Models for Rewarding Internships
 - Two Party
 - Three Party
- Review - Q&A
- References and Resources

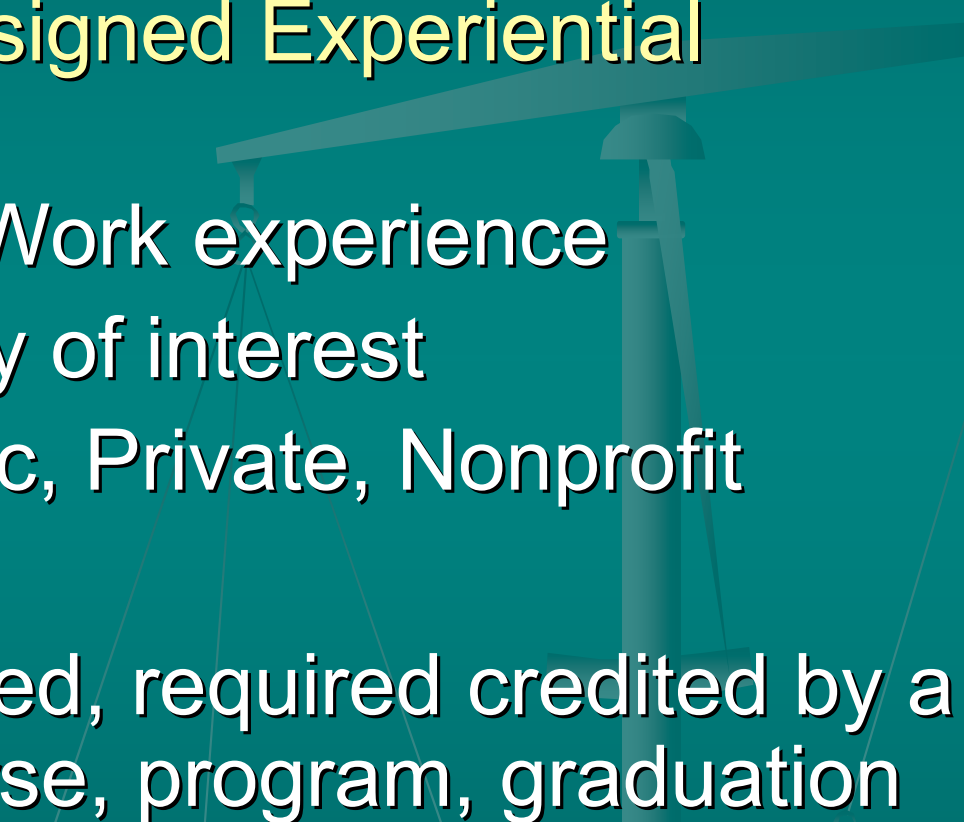


Internships



- Who has been an Intern?
 - Educational Program or
 - Entity Program or
 - Self Directed
- Who has had Interns?
 - High school, College, Entity, Self Directed
 - Field of activity
 - Term

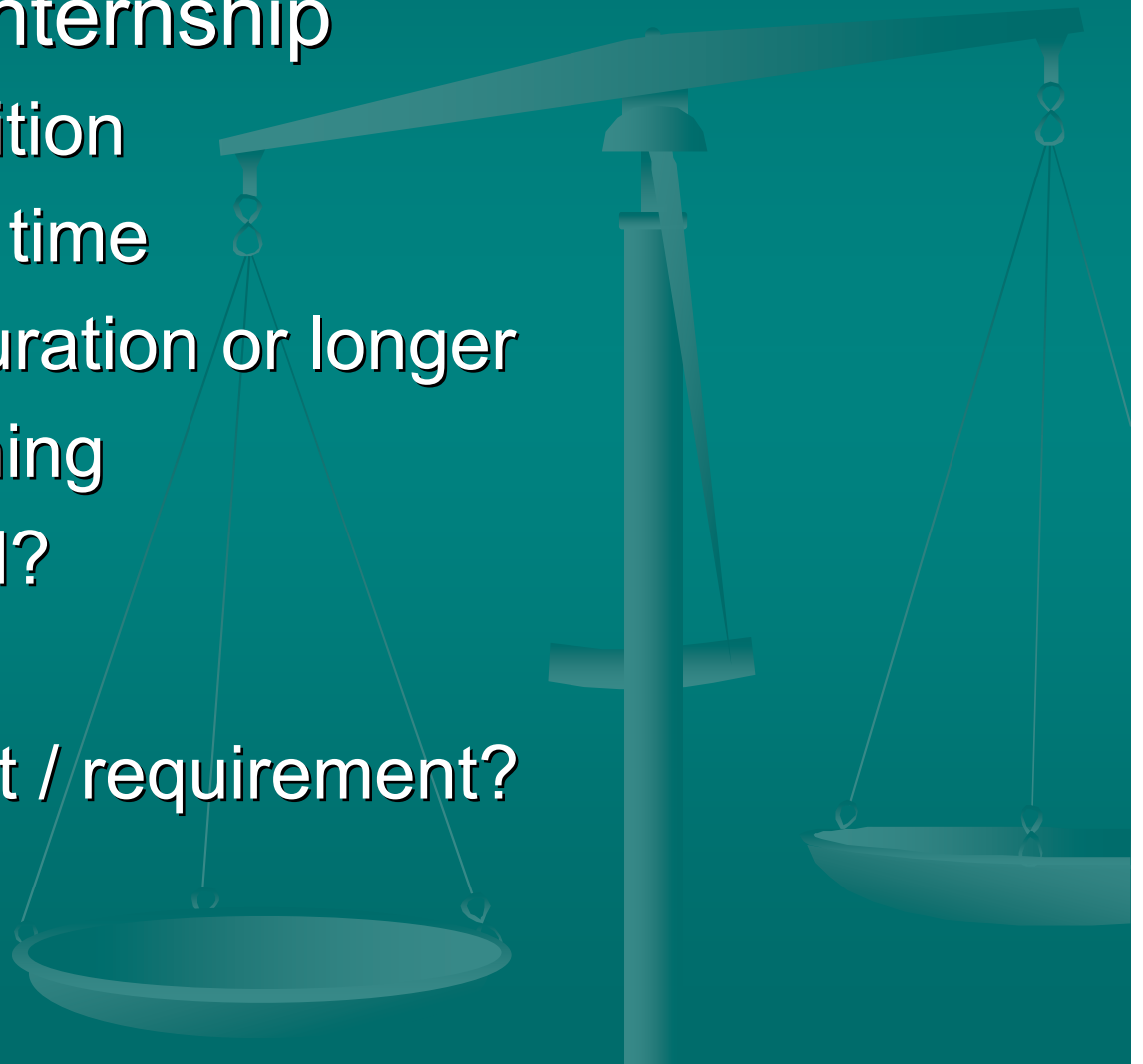
What is an Internship?

- Intentionally Designed Experiential Education
 - Service and/or Work experience
 - Career / industry of interest
 - Hosted by Public, Private, Nonprofit
 - Assigned, allowed, required credited by a College for course, program, graduation
- 

Definition

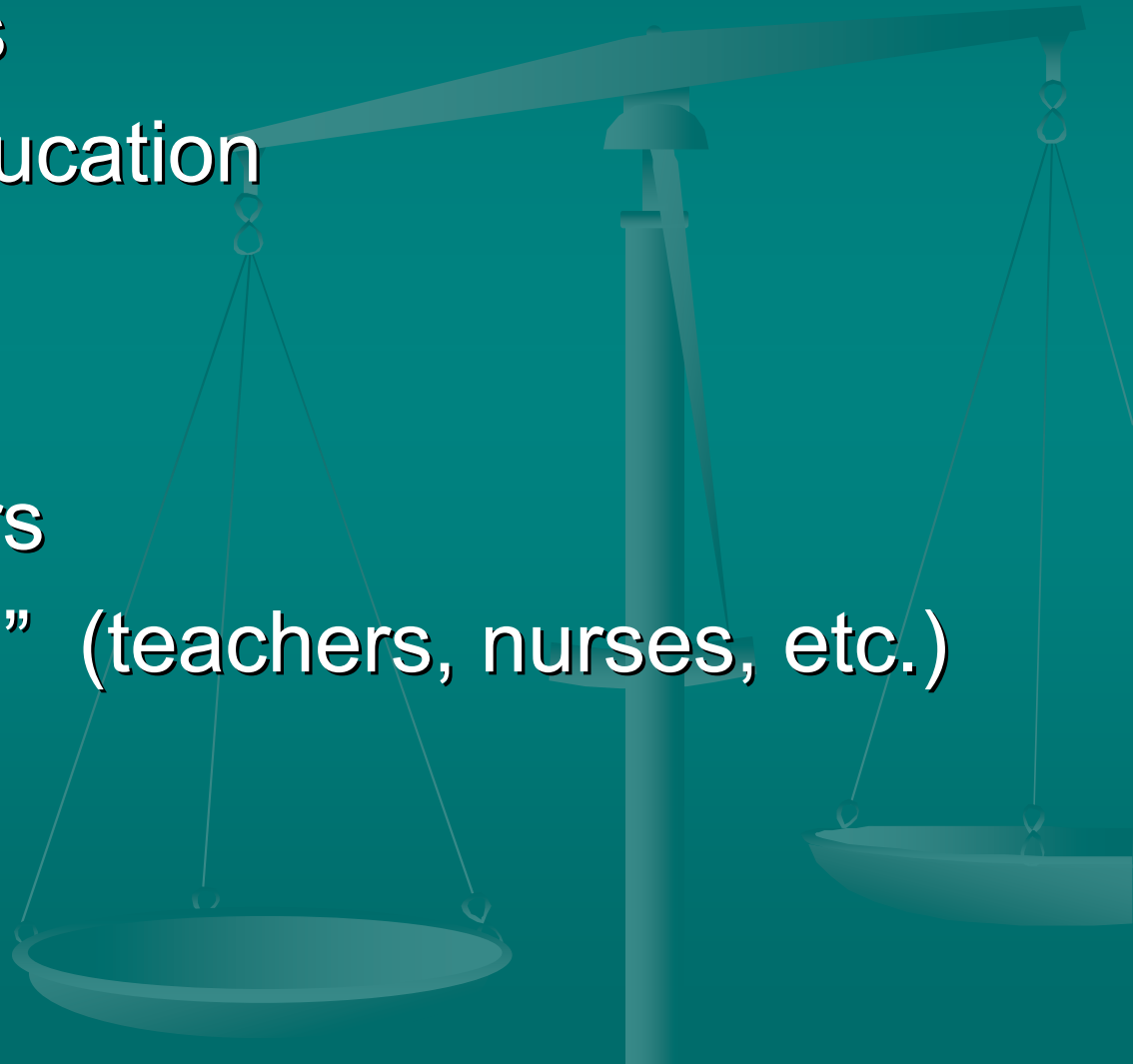
College Student Internship

- Temporary position
- Part time or full time
- 6 - 12 weeks duration or longer
- On-the-job training
- Paid or not paid?
- Certification
- Academic credit / requirement?



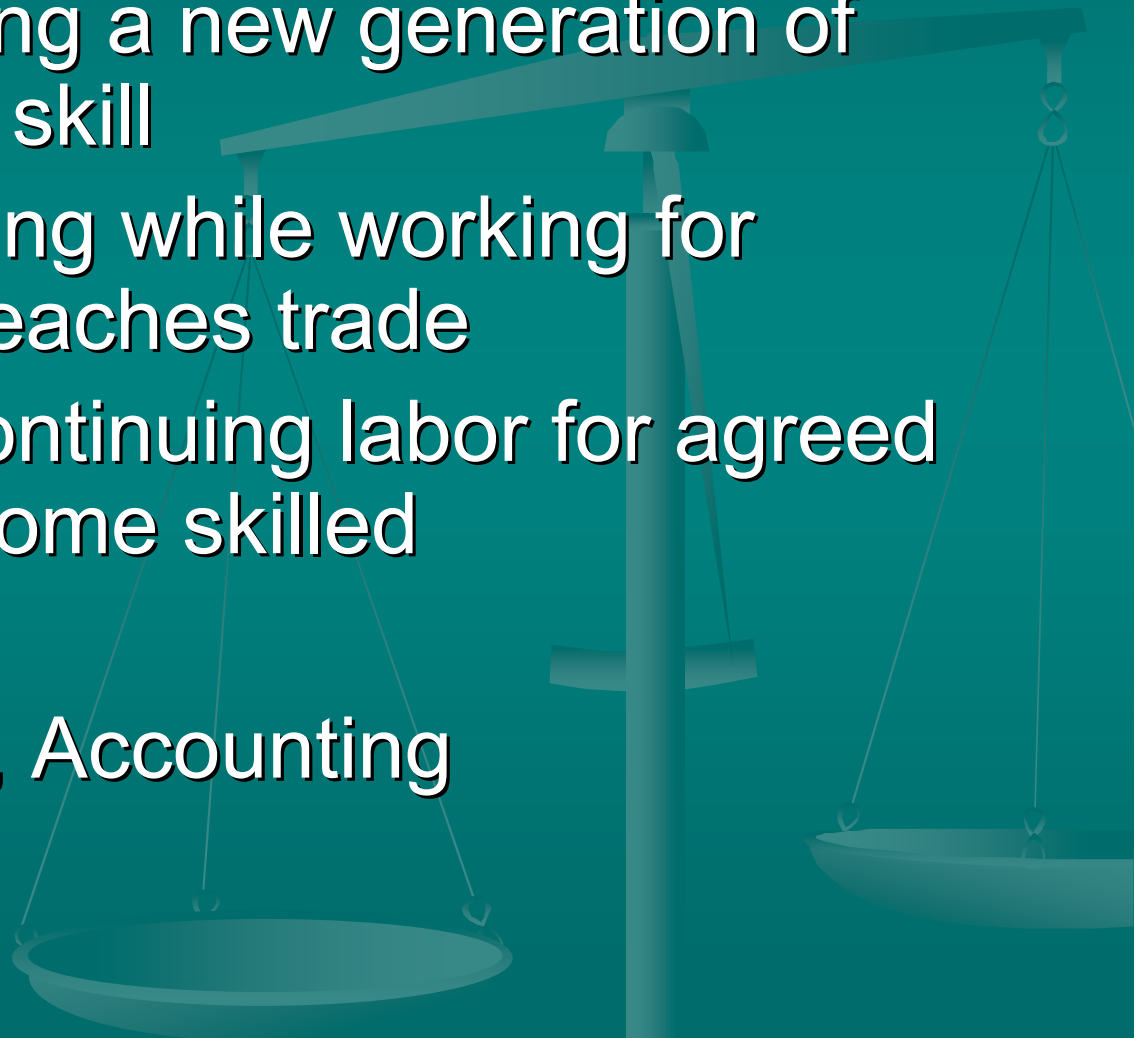
What are?

- Apprenticeships
- Cooperative Education
- Externs
- Practicum
- Service Learners
- Student “.....” (teachers, nurses, etc.)

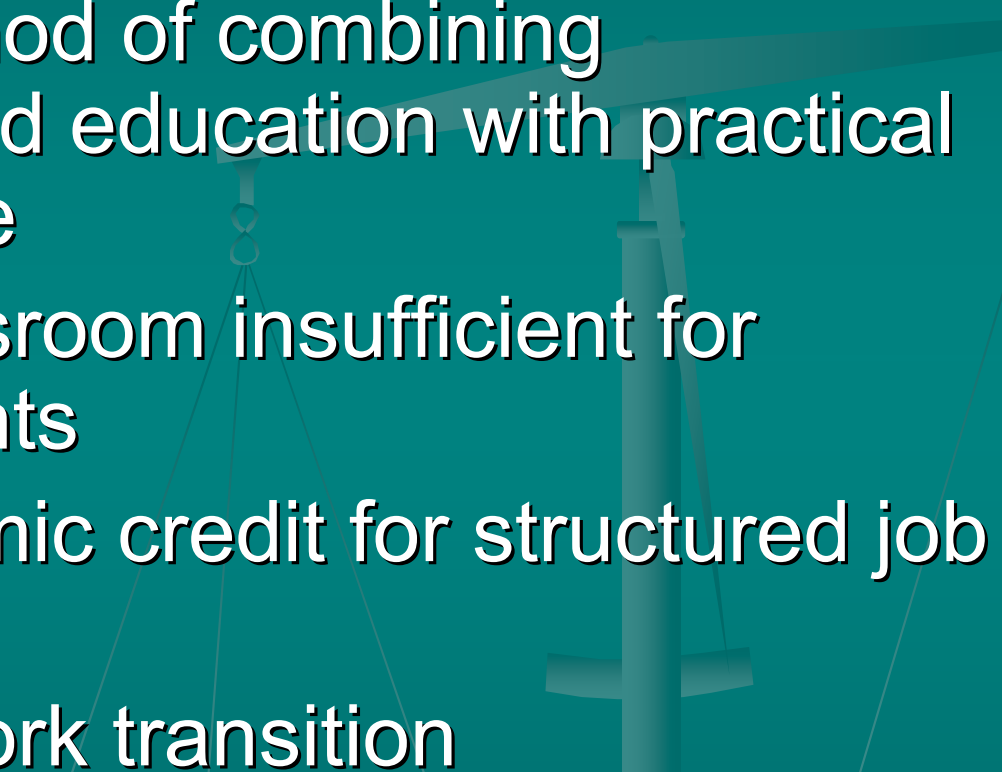


Apprenticeship

- System of training a new generation of practitioners of a skill
- On the job training while working for employer who teaches trade
- Exchange for continuing labor for agreed period after become skilled
- Craft Guilds
- Education, Law, Accounting

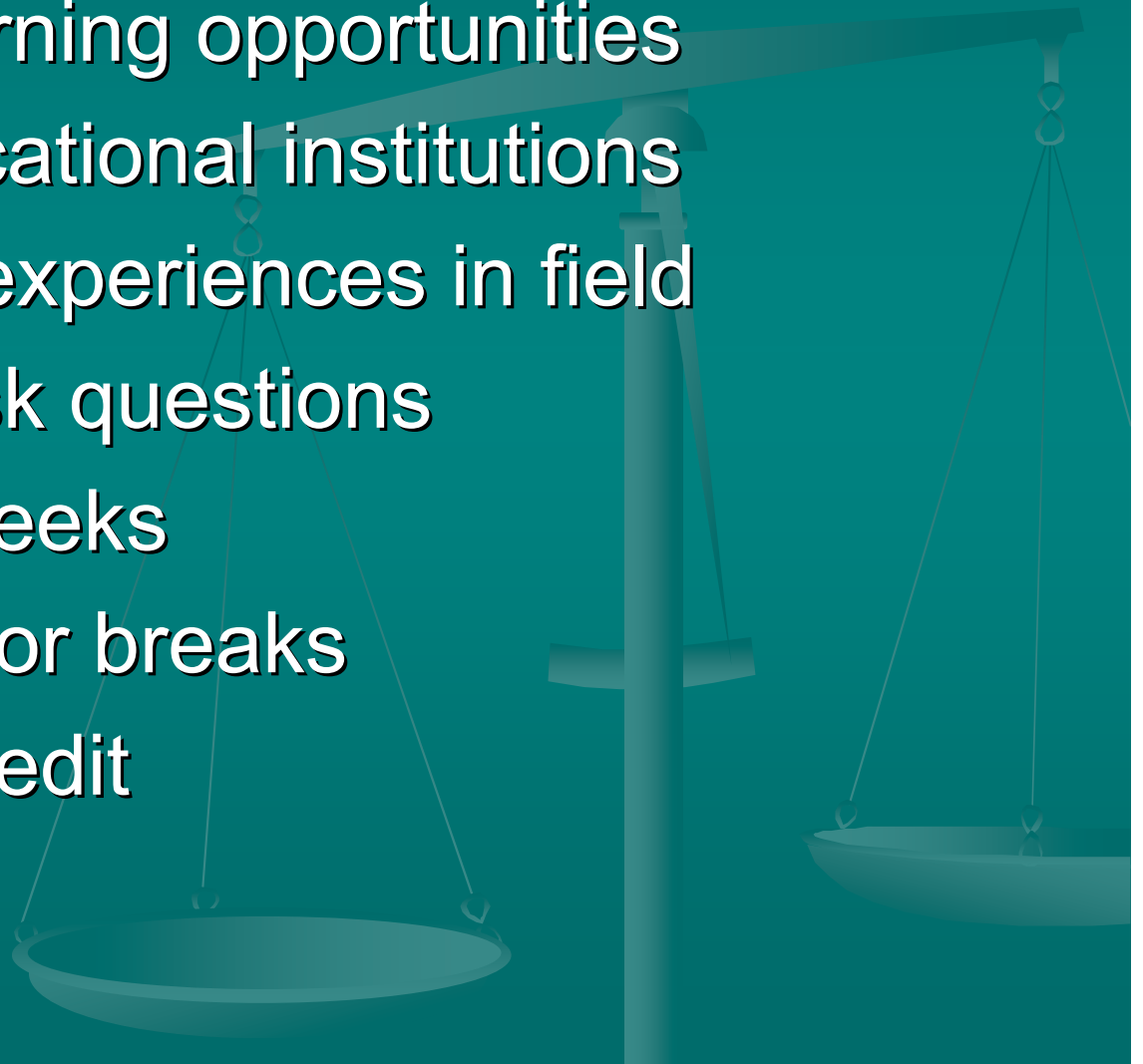


Cooperative Education

- Structured method of combining classroom-based education with practical work experience
 - Traditional classroom insufficient for technical students
 - “Co-Op” academic credit for structured job experience
 - Aid school to work transition
- 

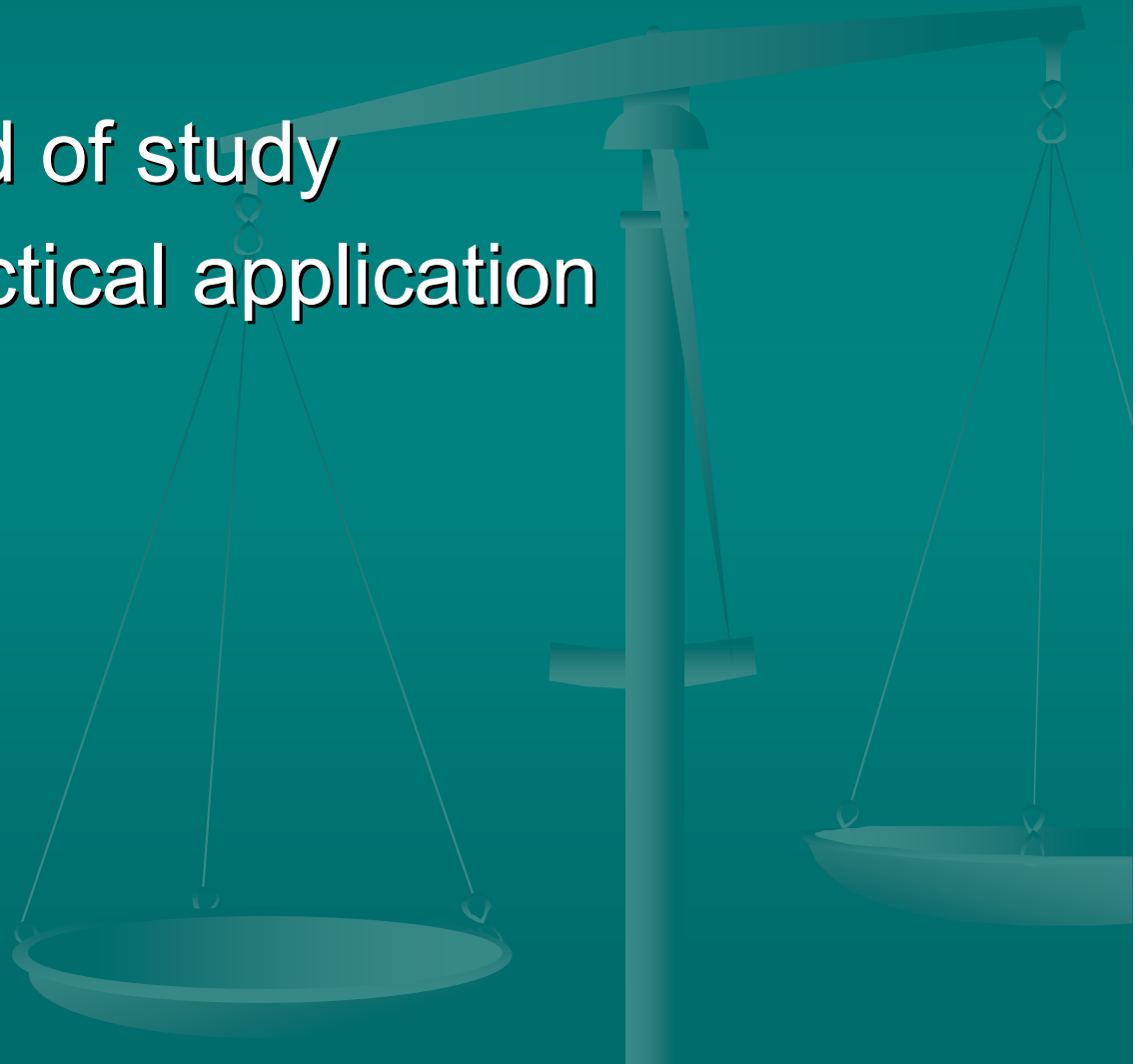
Externship

- Experiential learning opportunities
- Offered by educational institutions
- Short practical experiences in field
- Observe and ask questions
- 2 days to few weeks
- Between terms or breaks
- No academic credit



Practicum

- College course
- Specialized field of study
- Supervised practical application
- Education field

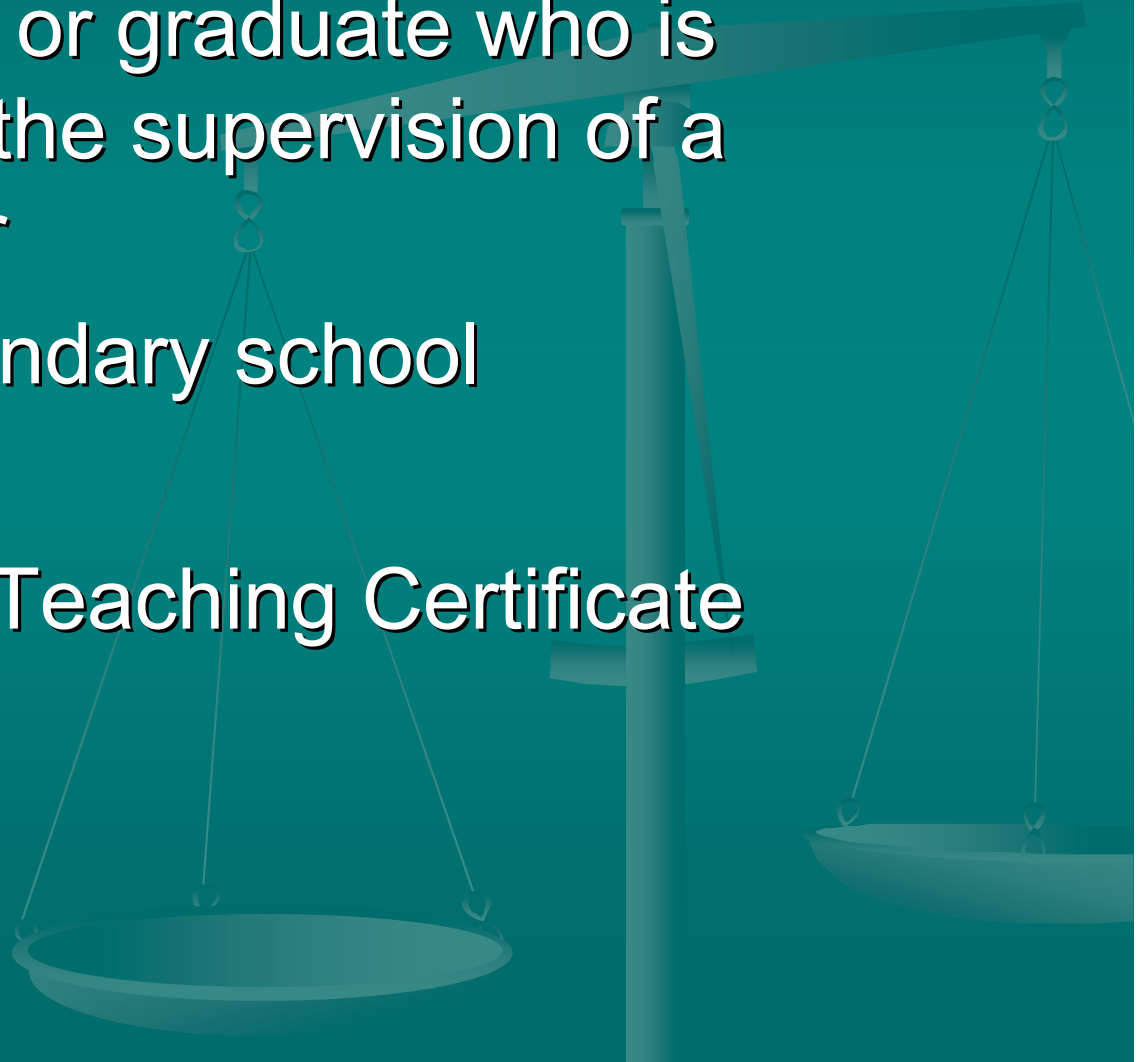


Service Learning

- Teaching methodology that promotes student learning through active participation in meaningful and planned service experiences in the community directly related to course content.
- Governor - community service requirements for all students of California's public higher education institutions

Student Teachers, Nurse....

- College student or graduate who is teaching under the supervision of a certified teacher
- Primary or secondary school
- Defined term
- Obtain degree, Teaching Certificate



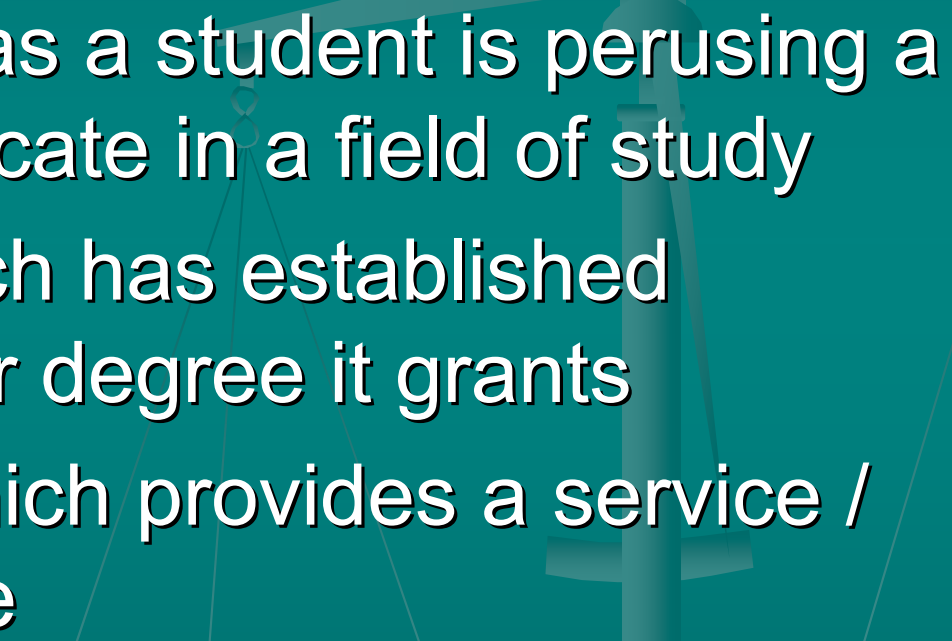
Where are they?

- Public Entities
 - Municipalities
 - Schools
 - Service Districts
- Government
- Nonprofits
- Private Business



Common Elements

College Internship - Academic Placement

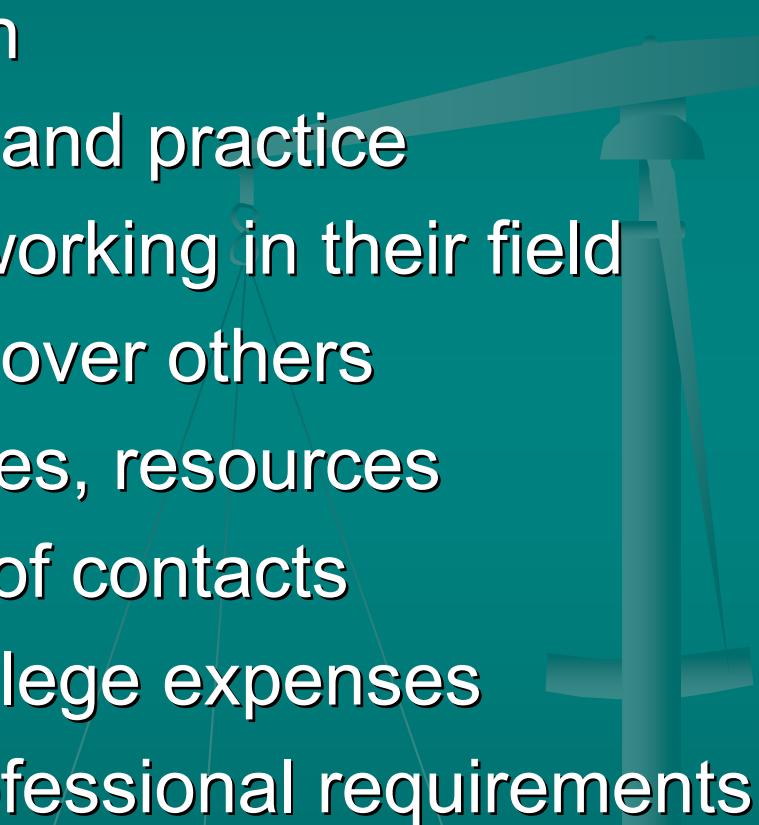
- **“Person”**, who as a student is perusing a degree or certificate in a field of study
 - **“College”**, which has established requirements for degree it grants
 - **“Host”** entity which provides a service / work experience
- 

Who Benefits

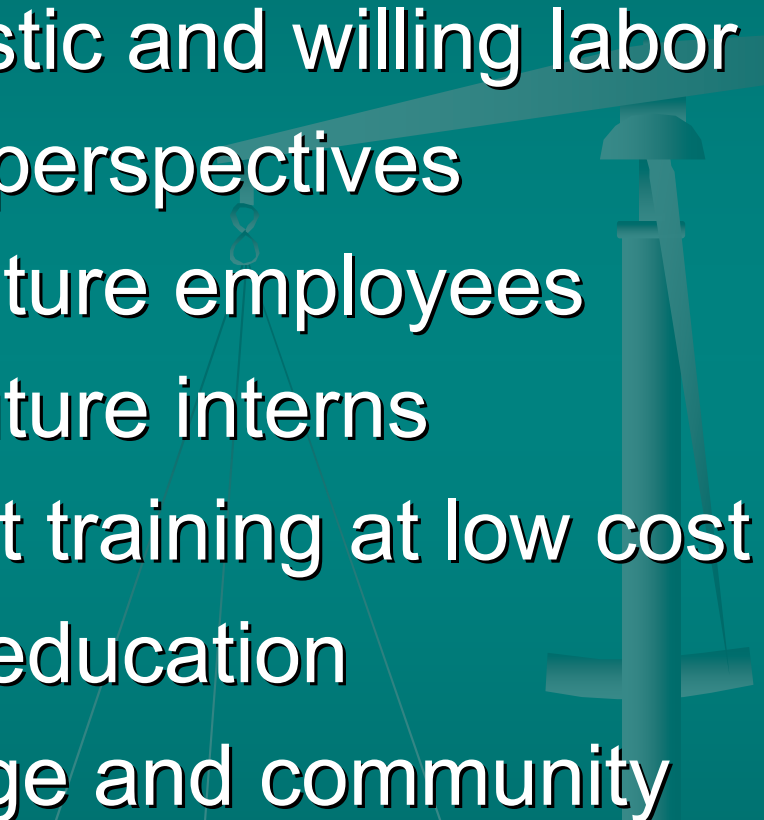
- Intern
- Host
- College
- Profession
- Public
- Community



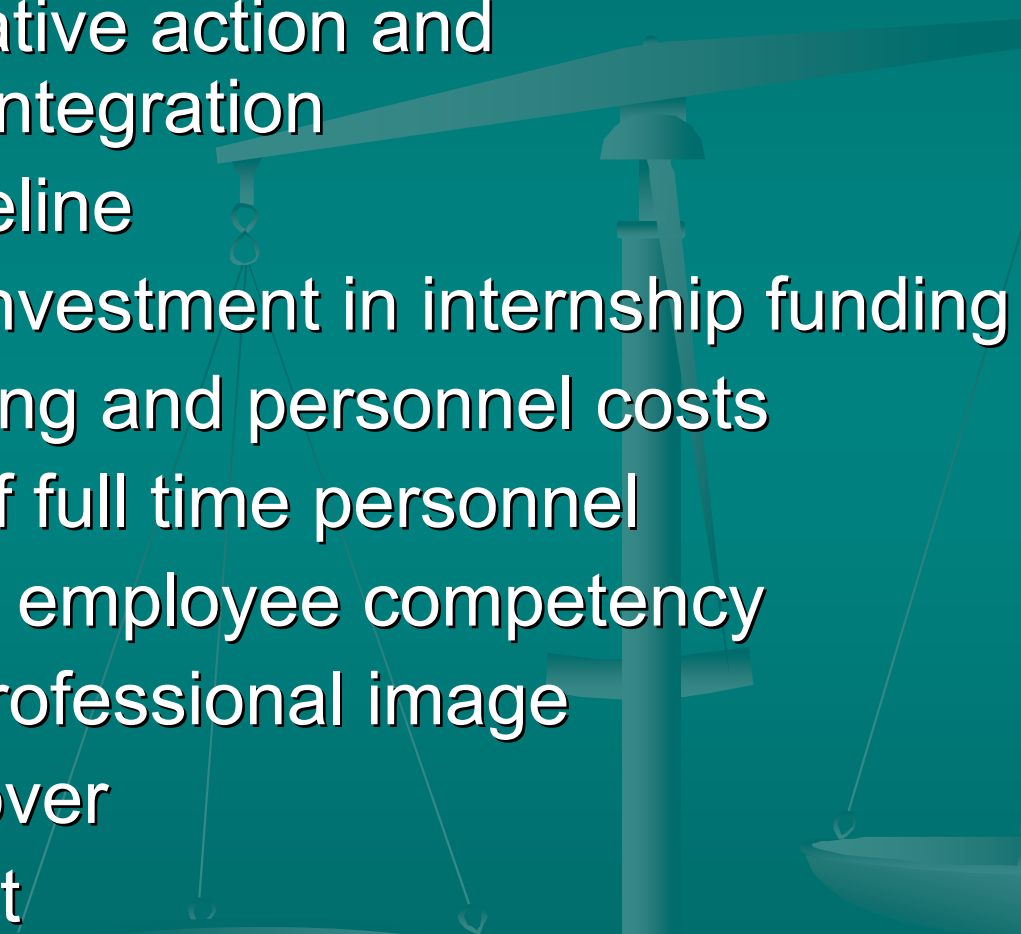
Intern

- Career Exploration
 - Integrating theory and practice
 - Gain experience working in their field
 - Competitive edge over others
 - Resume, references, resources
 - Create a network of contacts
 - If paid, finance college expenses
 - Fulfill college / professional requirements
- 

Host Entity

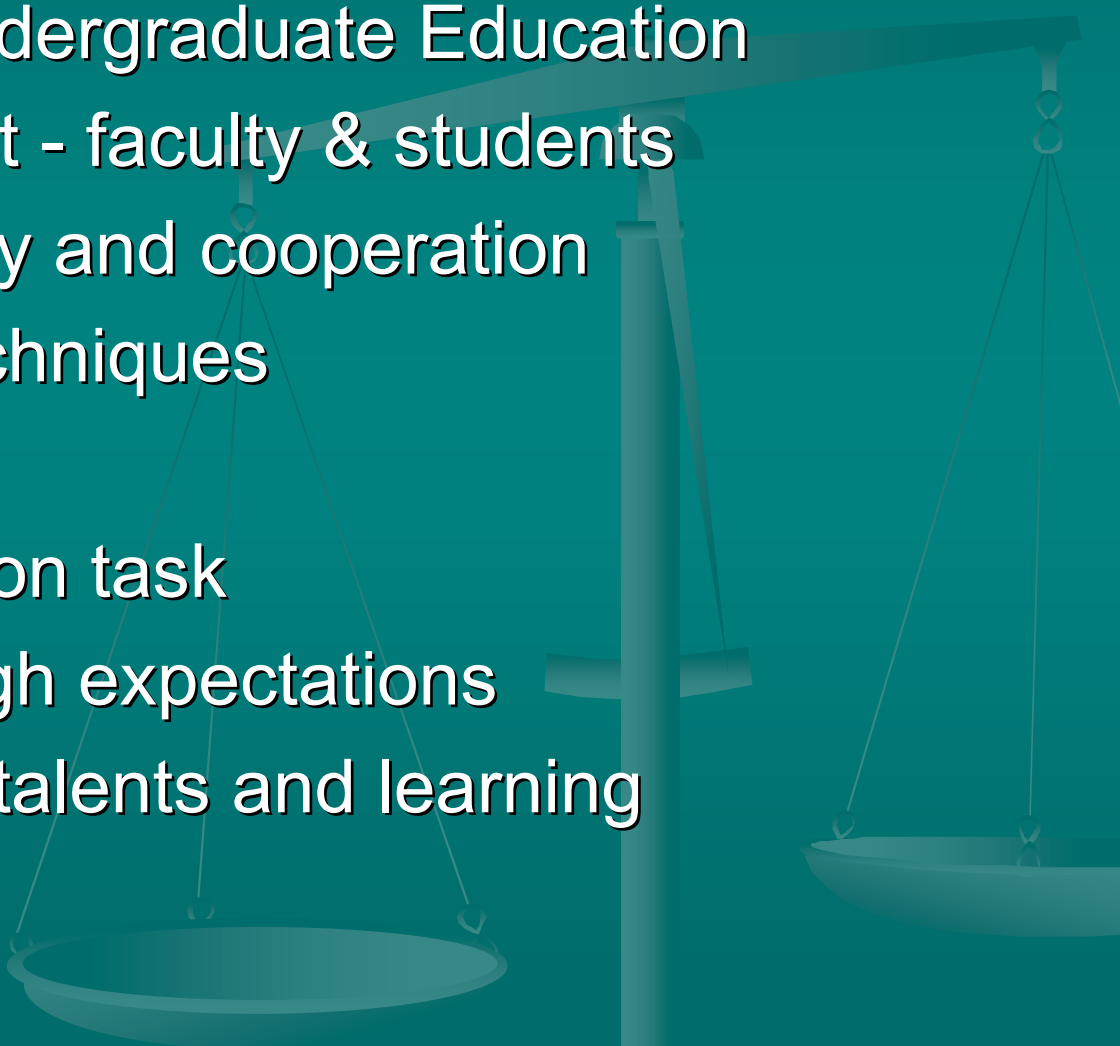
- “Free” enthusiastic and willing labor
 - New ideas and perspectives
 - Recruitment - future employees
 - Recruitment - future interns
 - Pre-employment training at low cost
 - Participation in education
 - Service to college and community
- 

Host Entity - More!

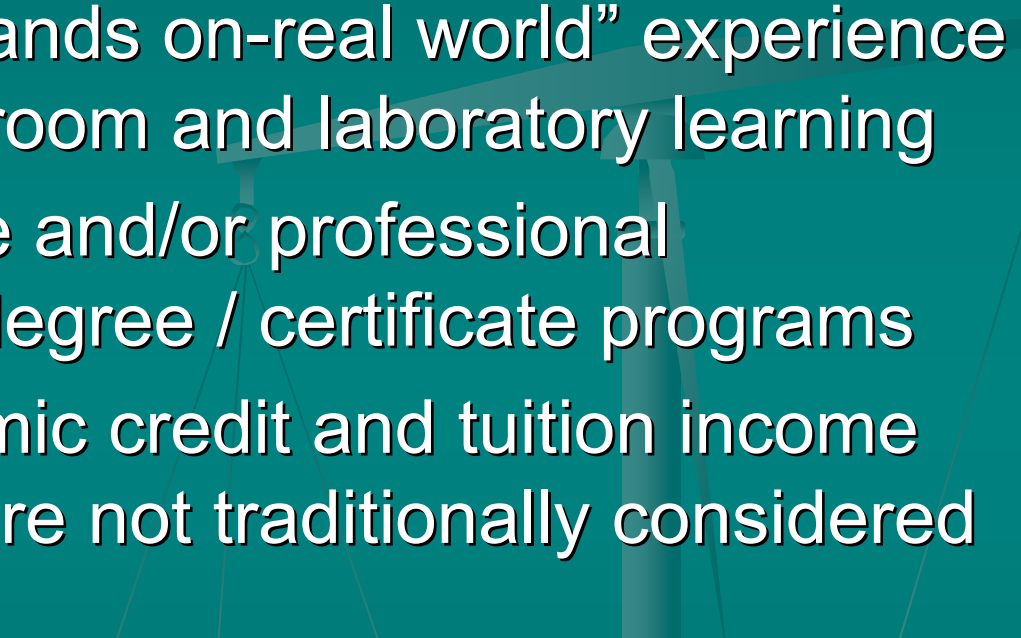
- Spearhead affirmative action and intergenerational integration
 - Tap the talent pipeline
 - Higher return on investment in internship funding
 - Reduction in training and personnel costs
 - Better utilization of full time personnel
 - Increasing current employee competency
 - Community and professional image
 - Reduction in turnover
 - Quick replacement
- 

College

Good Practice in Undergraduate Education

- Encourage contact - faculty & students
 - Develop reciprocity and cooperation
 - Active learning techniques
 - Prompt feed back
 - Emphasizes time on task
 - Communicates high expectations
 - Respects diverse talents and learning
- 

And the College

- Gives students “hands on-real world” experience augmenting classroom and laboratory learning
 - Completes college and/or professional requirements for degree / certificate programs
 - Generates academic credit and tuition income for activities that are not traditionally considered academic
- 

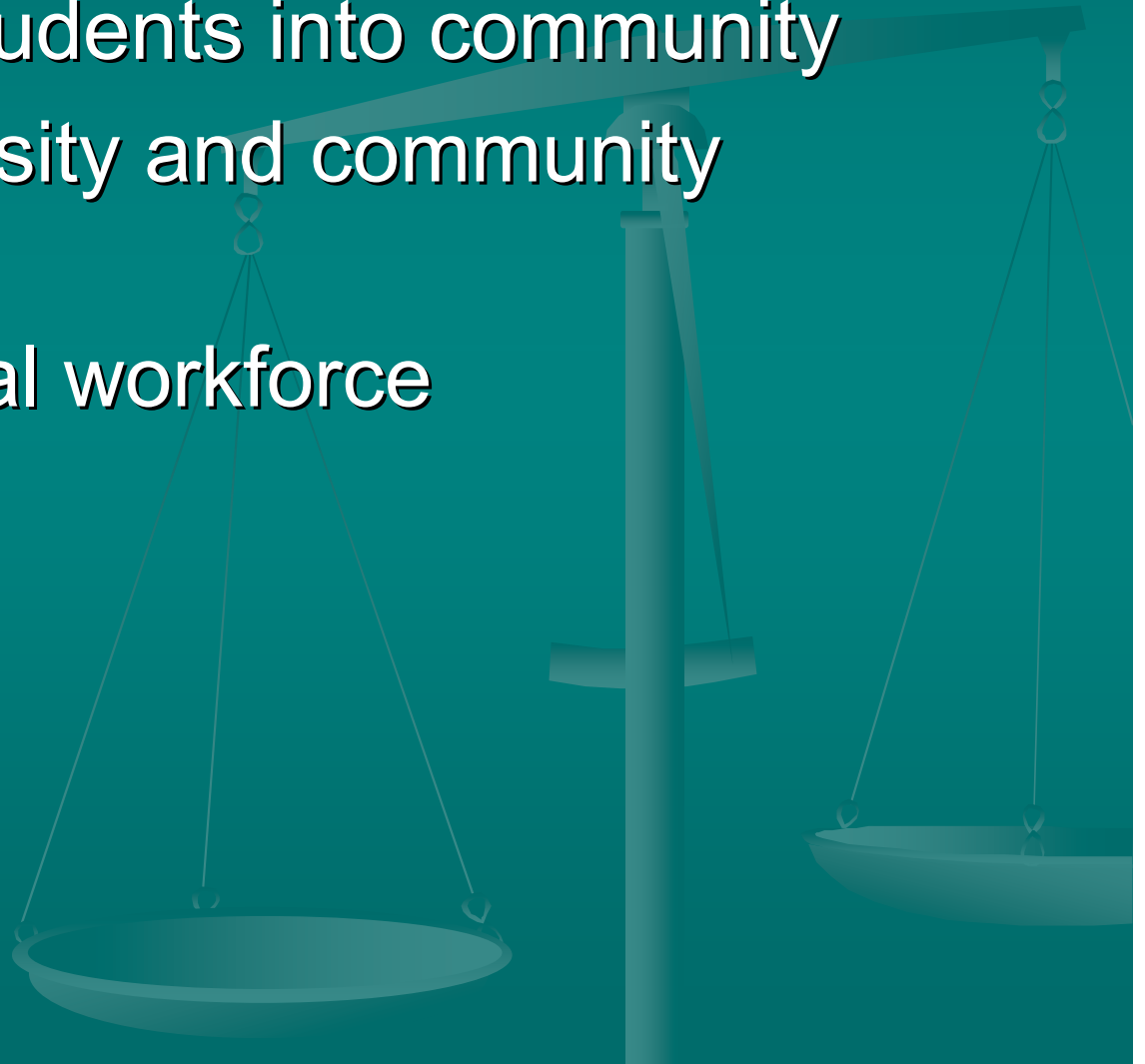
Profession

- Integration of new professionals
- New theories and applications
- Expand professional contacts
- New members for professional organizations



Public and Community

- Integration of students into community
- Enhance university and community relations
- Intergenerational workforce



What is at Risk?

- Human Resources
- Property
- Liability
- Finances
- Continuity
- Reputation



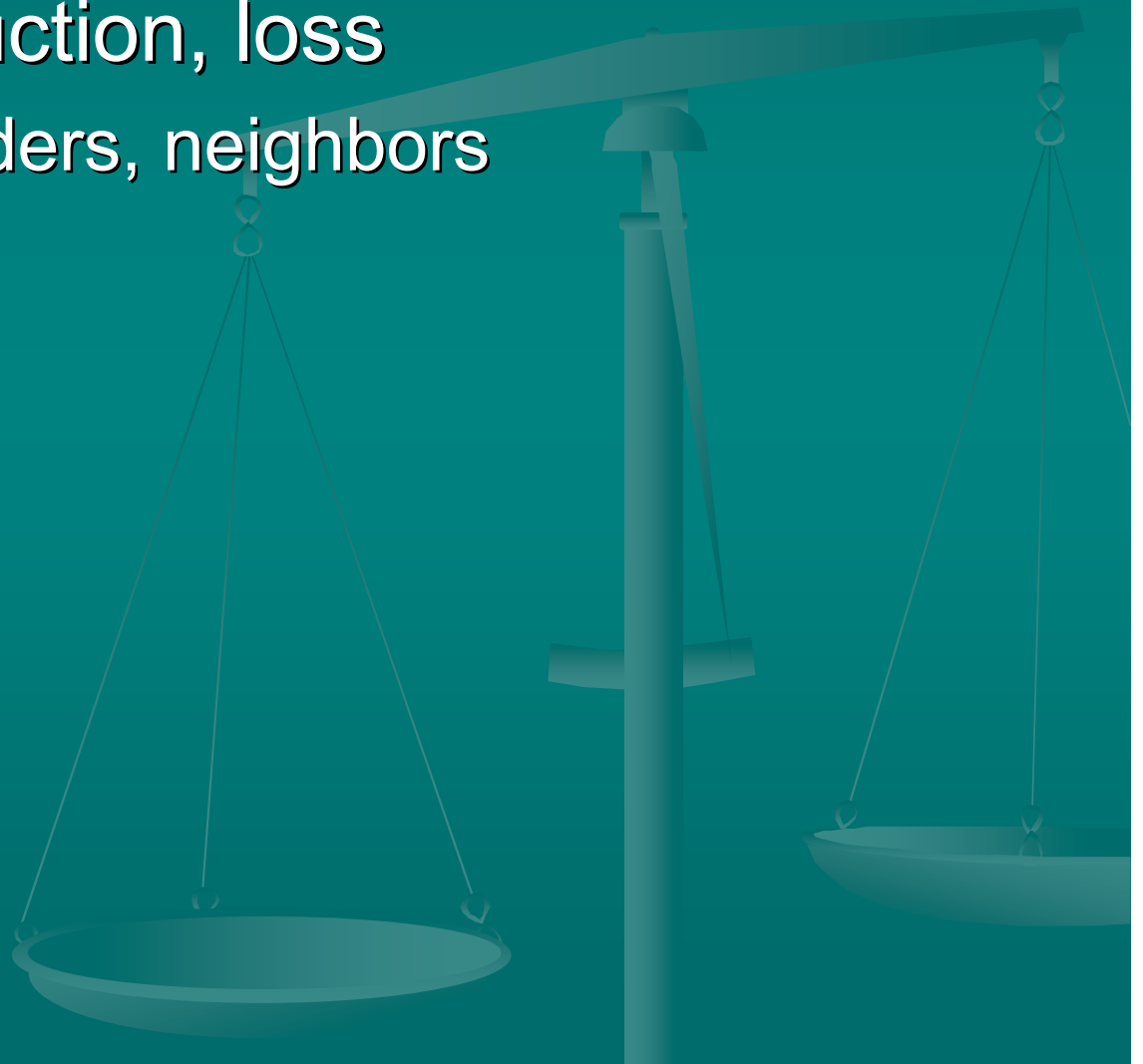
Human Resources

- Injury, disability, death
 - Public: bystanders, neighbors
 - Customers
 - Employees
 - Intern



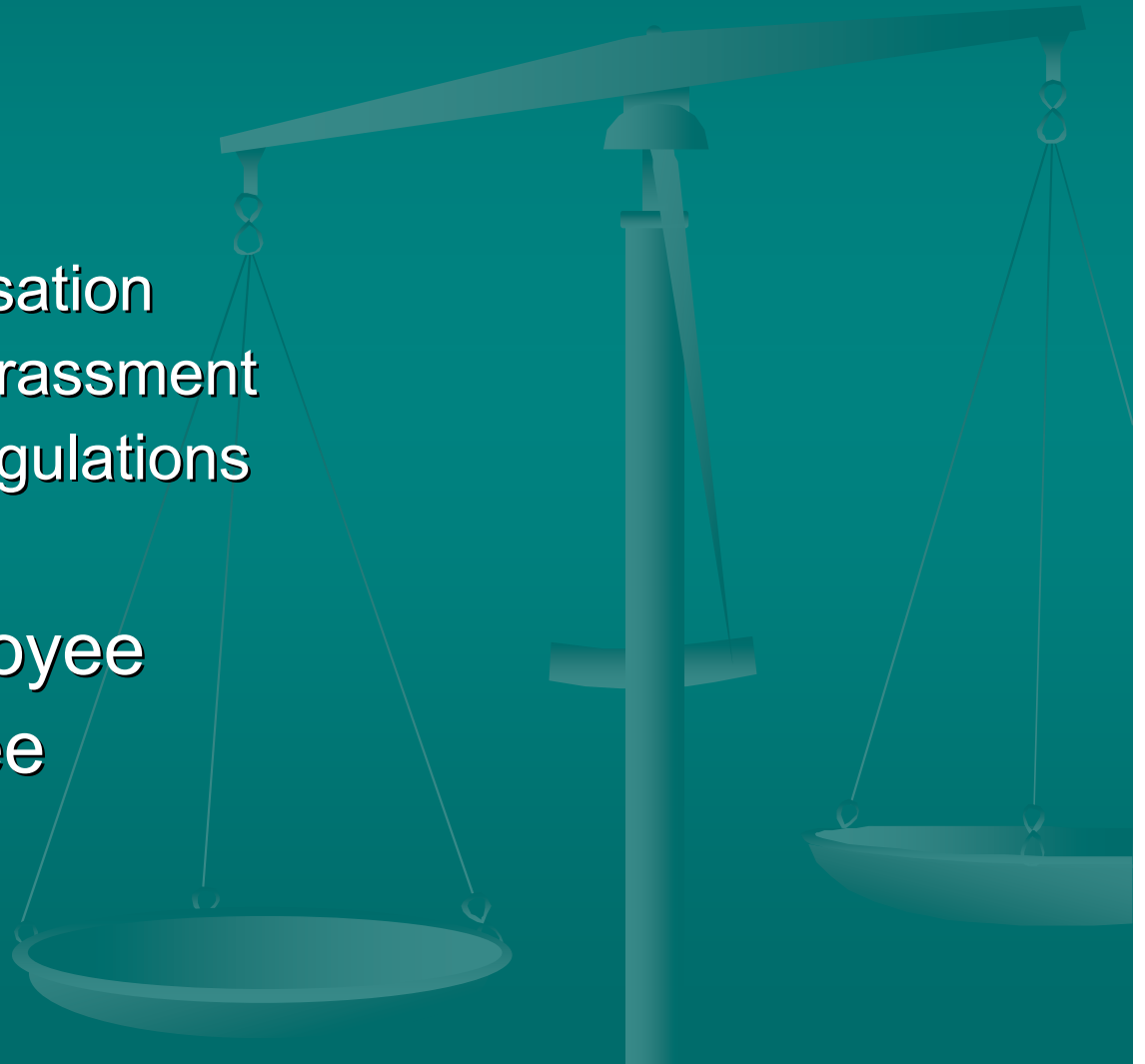
Property

- Damage, destruction, loss
 - Public - bystanders, neighbors
 - Customers
 - Host entity
 - Employees
 - Interns



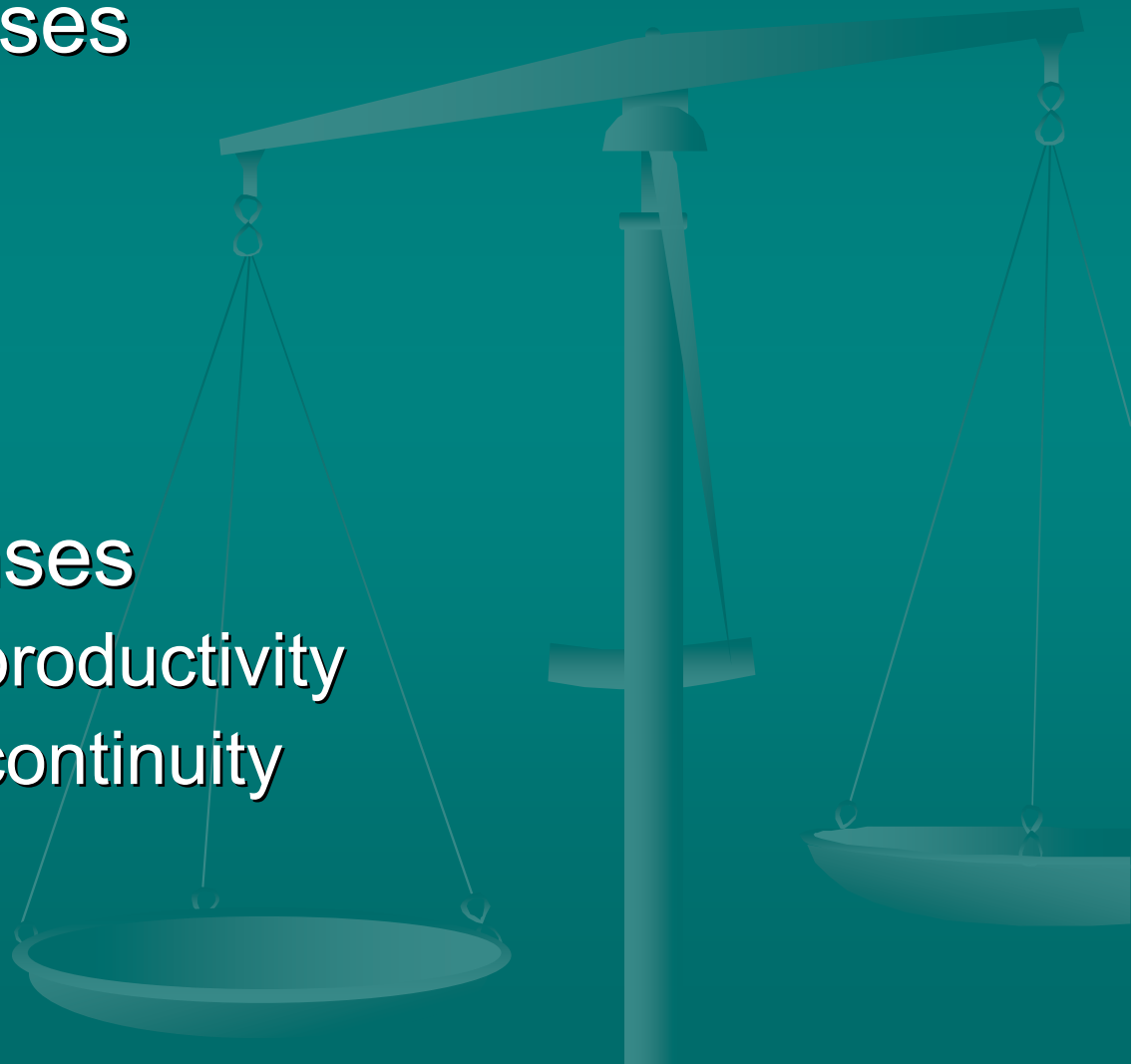
Liability

- Tort
- Statutory
 - Federal Wage
 - Workers Compensation
 - Discrimination, harassment
 - Environmental Regulations
- Criminal
- Host entity - employee
- College - employee
- Intern



Finances

- Litigation expenses
 - Defense
 - Investigation
- Settlements
- Judgments
- Business expenses
 - Interruption of productivity
 - Interruption of continuity



Reputation

- Host entity
- College
- Employees
- Intern
- Internship
- Students



Who is Responsible?

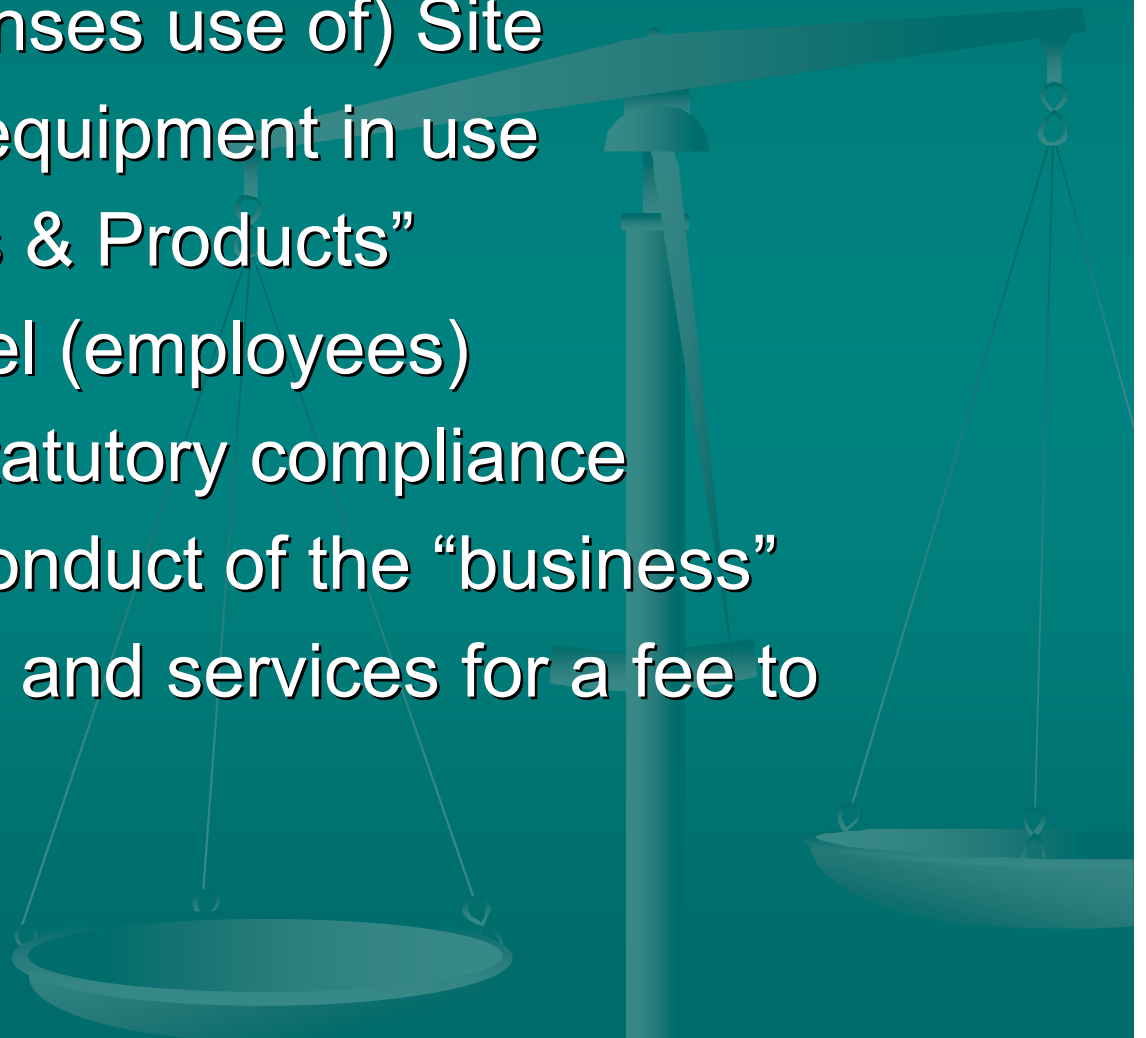
College - Creates an academic program requiring an internship and/or offering academic credit for internship performance

Host Entity - Creates an internship opportunity in their operations

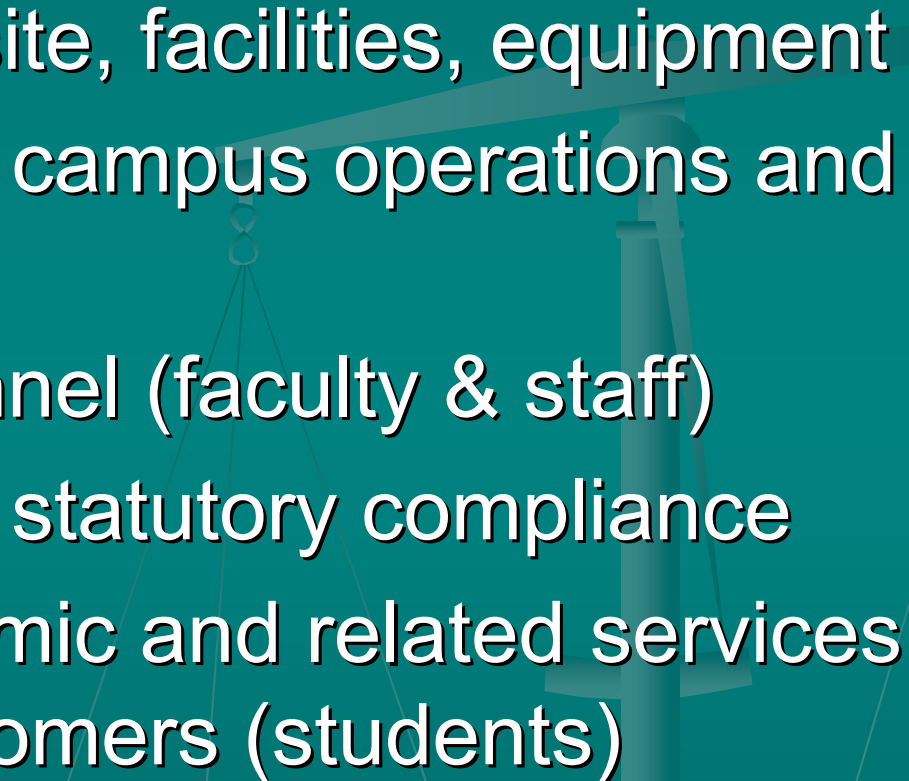
Intern - Requests an internship or credit for an internship experience or signs up for an internship to complete requirements

Host Entity

- Owns (leases/licenses use of) Site
- Owns facilities & equipment in use
- Owns “Operations & Products”
- Employs personnel (employees)
- Responsible for statutory compliance
- Responsible for conduct of the “business”
- Provides products and services for a fee to customers



College

- Owns campus site, facilities, equipment
 - Responsible for campus operations and products
 - Employs personnel (faculty & staff)
 - Responsible for statutory compliance
 - Provides academic and related services for a fee to customers (students)
- 

Student

- Request internship opportunity of Host
 - Request academic credit for internship experience from College
 - Enroll in program/course requiring internship experience offered by College
 - Assigned by College to Host
 - Directed by College to resources of hosts
- 

Internship Models

- Two Party
 - Host entity
 - Person (Student)
- Three Party
 - Host Entity
 - College
 - Student



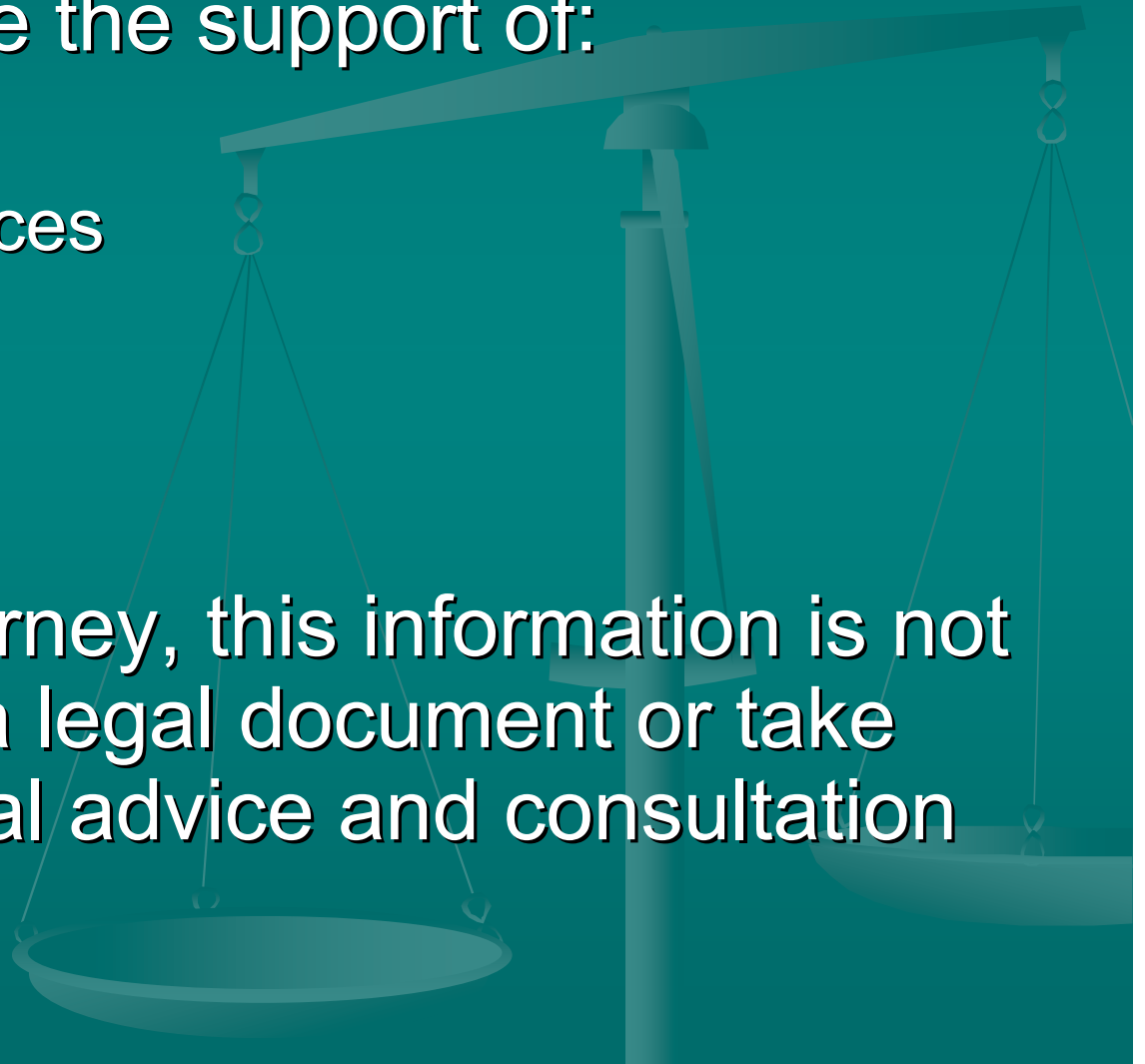
Two Party Internship

- Host Entity
 - Public
 - Nonprofit
 - Private Company
- Person (student)
 - Career Exploration
 - Course or program requirement



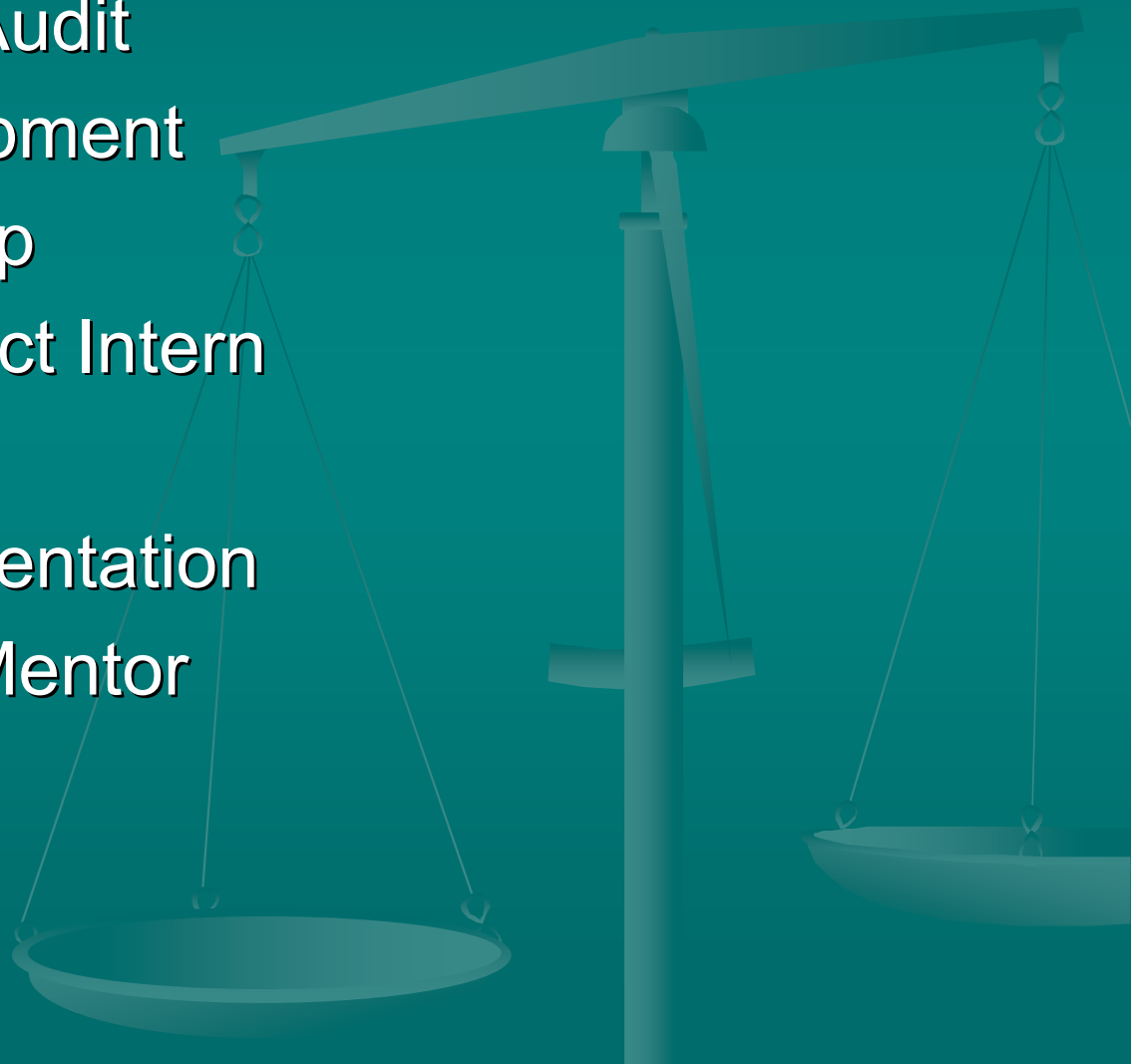
Don't Try This At The Office

- Unless you have the support of:
 - Management
 - Human Resources
 - Legal Counsel
 - Risk Manager
- I am not an attorney, this information is not intended to be a legal document or take the place of legal advice and consultation



Internship Setup Basics

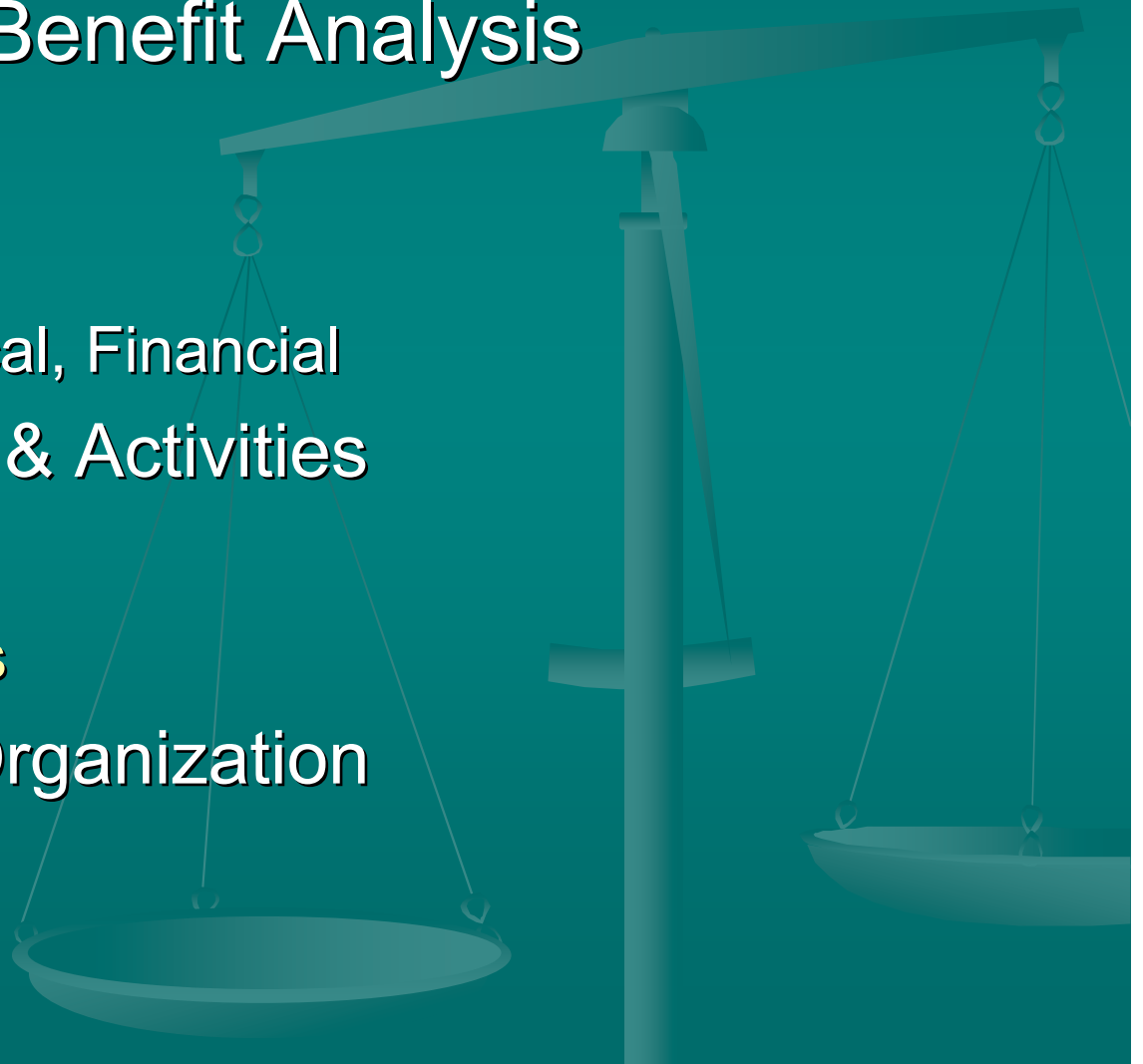
1. Organizational Audit
2. Position Development
3. Market Internship
4. Interview & Select Intern
5. Learning Plan*
6. Training and Orientation
7. Supervise and Mentor
8. Evaluate




1. Organization Audit

Internship - Cost Benefit Analysis

- Mission
- Resources
 - Human, Physical, Financial
- Essential Skills & Activities
- Risks
 - Control & Loss
- Benefit to the Organization



Control & Loss

- Employment Status
 - Employee
 - Volunteer
 - Intern, trainee
 - Work Programs
 - Safety
 - Workplace Behavior
 - Workers Compensation
 - Liability Coverage
 - General
 - Professional ?
 - Automobile ?
 - Background
 - Health & Ability
 - Confidentiality
 - Proprietary
- 

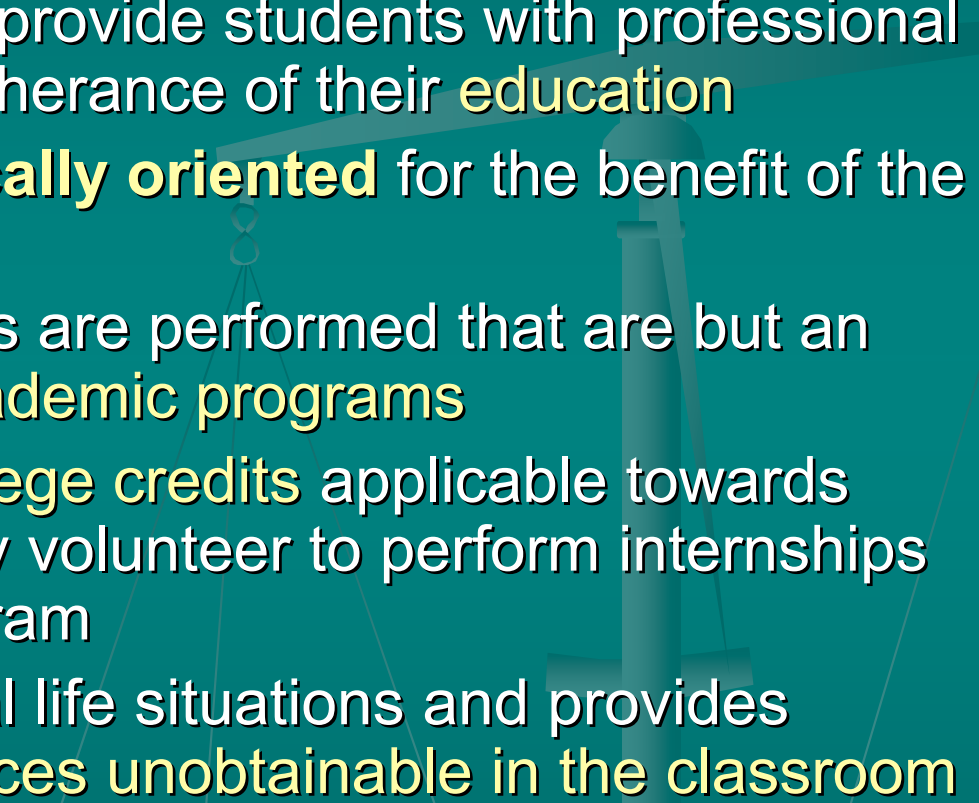
Fair Labor Standards Act

The Letter of the Law

1. Training is similar to that which would be given in a vocational school.
2. Training is for the benefit of the trainee.
3. Trainees do not displace regular employees, but work under close supervision.
4. Employer derives no immediate advantage from trainee activities.
5. Trainees not necessarily entitled to a job at conclusion.
6. Employer and trainee understand that trainee is not entitled to wages for time in training.

Fair Labor Standards Act

The Spirit of the Law

- Training designed to provide students with professional experience in the furtherance of their education
 - Training is **academically oriented** for the benefit of the student
 - Certain work activities are performed that are but an extension of their **academic programs**
 - Students receive **college credits** applicable towards graduation when they volunteer to perform internships under a college program
 - Program involves real life situations and provides **educational experiences unobtainable in the classroom**
- 

Options - FLSA

- Employee
 - Temporary
 - Minimum Wage
- Non Employee
 - Stipend
 - No Pay - Experience
- Indemnification



Work Programs

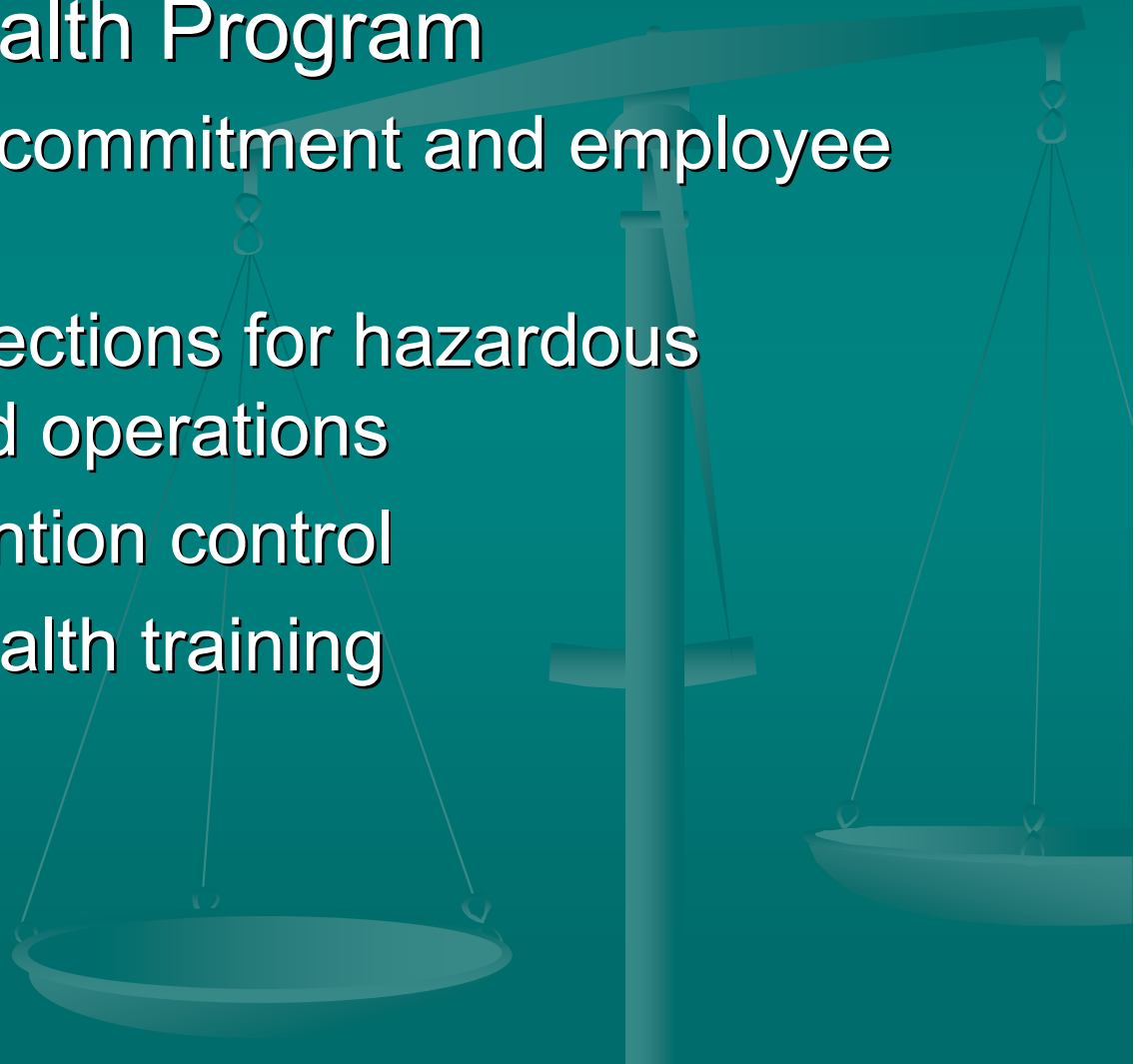


- Safety
 - Injury and Illness Prevention Programs
 - Cal-OSHA
- Workplace Behavior
 - Civil Rights
 - Sexual Harassment
 - Violence in the Work Place
 - Conflict of Interest
 - Access and Accommodation

Safety

- Safety and Health Program

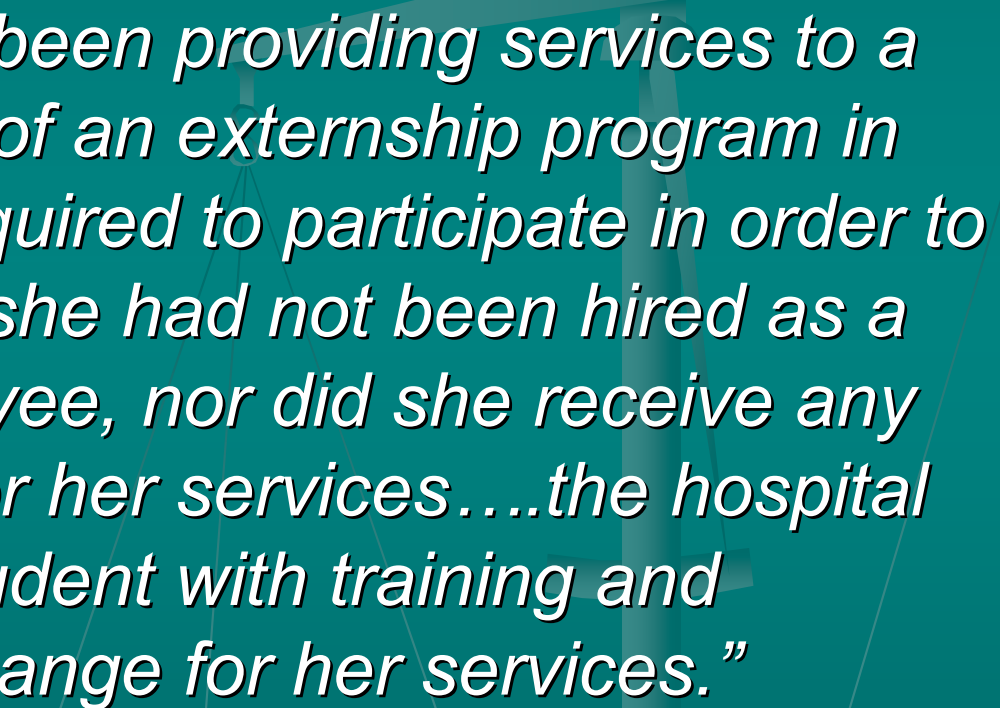
1. Management commitment and employee involvement
2. Worksite inspections for hazardous conditions and operations
3. Hazard prevention control
4. Safety and health training



Workers' Compensation

- Barragan v. W.C. A. B. Cal. App.5.Dist.

“...The student had been providing services to a hospital as a part of an externship program in which she was required to participate in order to get her degree....she had not been hired as a permanent employee, nor did she receive any money in return for her services....the hospital did provide the student with training and instruction in exchange for her services.”



Barragan v. W.C.A.B.

- Student was injured while performing services and filed for WC Benefits.
- WCAB ruled:
 - No mutual intent to contract
 - Failure of consideration for the services
 - Not entitled to benefits
- Court of Appeal annulled the order
 - Parties did intend to create contract
 - Training sufficient remuneration

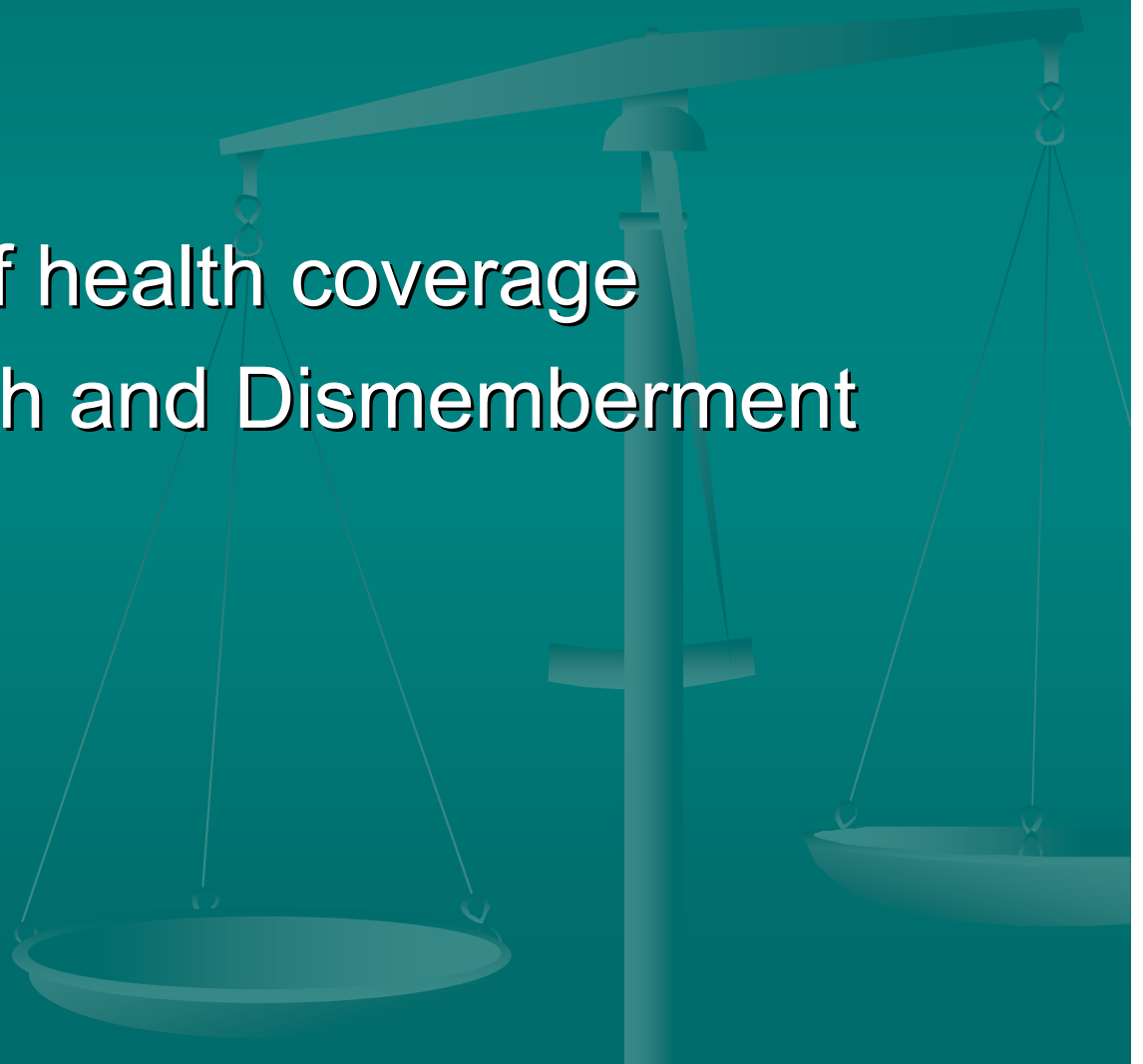
Workers' Compensation



- Policy or Coverage Program
 - Employees, volunteers, interns
- WCIRB 2009 Rates (pure premium)
 - Per Capita
 - Volunteer Firefighters \$234.27
 - Volunteer Police & Sheriffs \$188.69
 - Per \$100 of Payroll
 - Office workers \$ 0.39
 - Technician \$ 1.54
 - Administration, etc. + 10 - 30%

Options - Workers' Comp

- Hold Harmless
- Indemnification
- Require proof of health coverage
- Accidental Death and Dismemberment



Liability

- General
 - Services & Products
 - Equipment, Location
- Professional
 - Specific activities
 - Certifications
- Automobile
 - Position Related



Options - Liability Coverage

- Require proof of liability coverage
 - General
 - Professional
 - Auto
- Indemnification



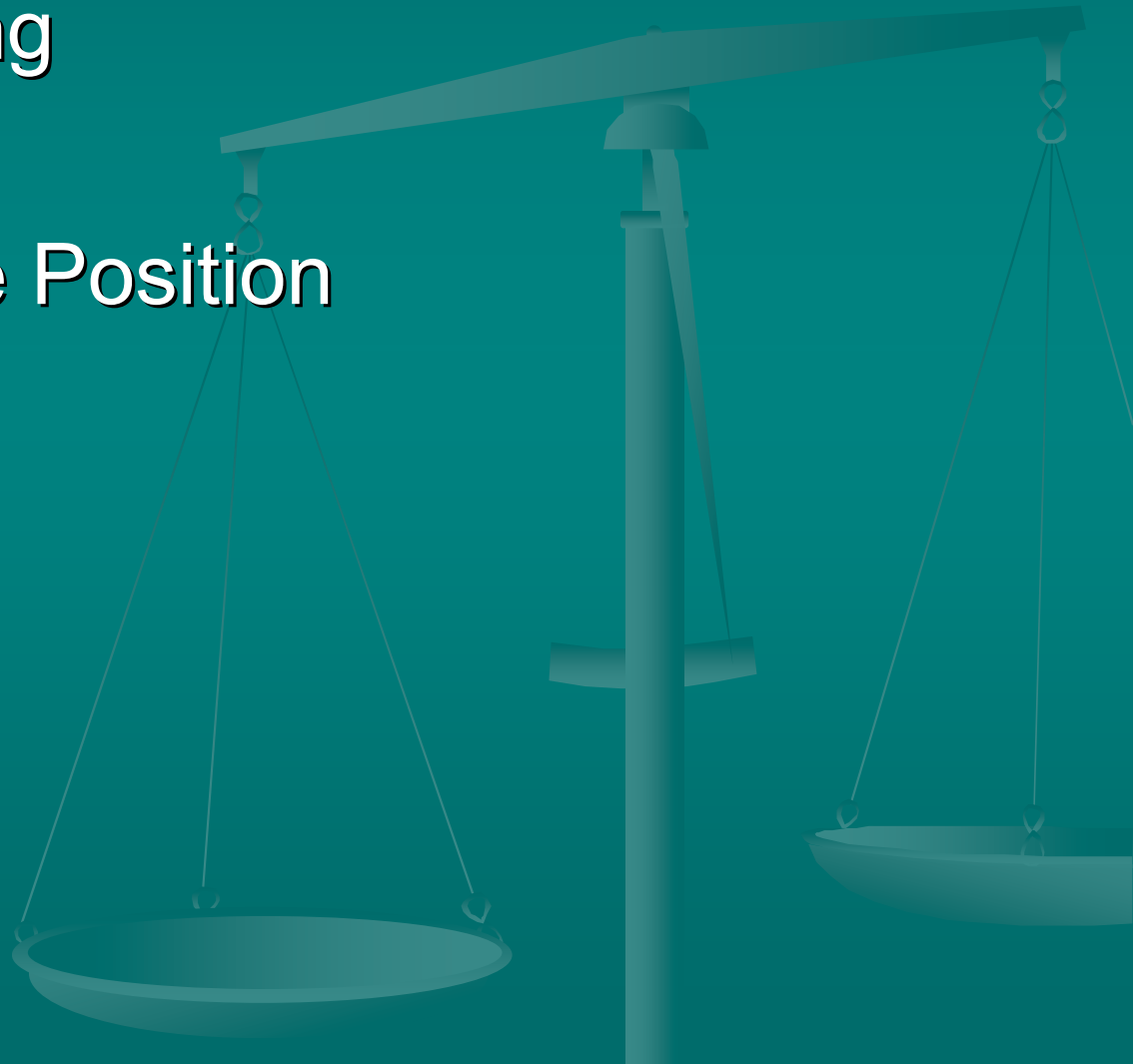
Background

- Fingerprinting
- Criminal History
- Financial History
- Background Investigations



Health & Ability

- Health Screening
- Inoculations
- Functions of the Position
- Access



Confidentiality



- Data and information
 - Individuals and entities
 - Identity
 - Finances
 - Claims
 - Litigation
- Limitations in access
- Confidentiality Agreement

Proprietary

- Equipment
- Information
- Processes
- Software
- New products, processes and services which are developed
- Proprietary Agreement



1. Organization Audit

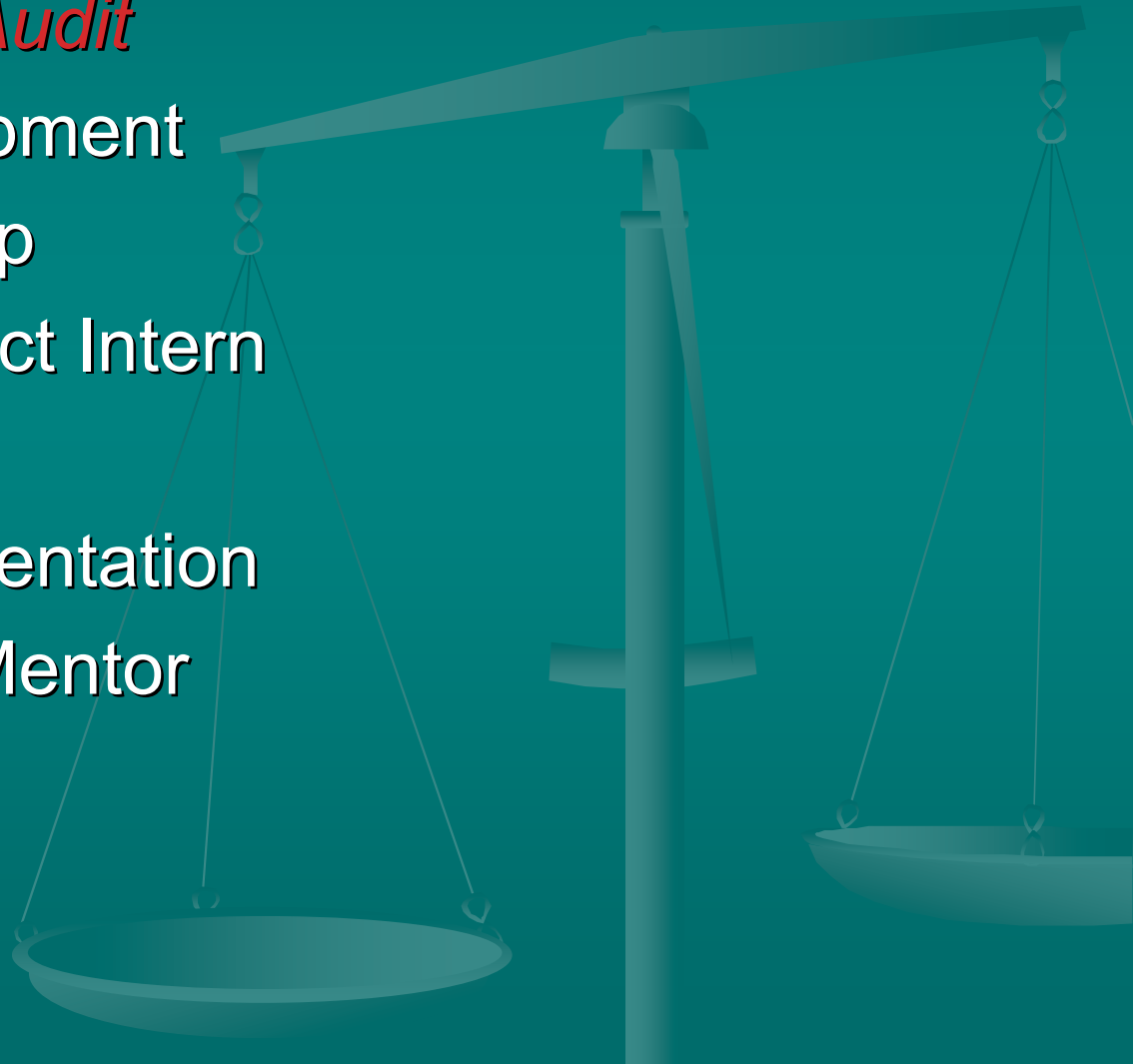
Internship - Cost Benefit Analysis

- ✓ Mission
- ✓ Resources
 - ✓ Human, Physical, Financial
- ✓ Essential Skills & Activities
- ✓ Risks
 - ✓ Control & Loss
- Benefit to the Organization - Rewards?



Internship Setup Basics

1. *Organizational Audit*
2. Position Development
3. Market Internship
4. Interview & Select Intern
5. Learning Plan
6. Training and Orientation
7. Supervise and Mentor
8. Evaluate



2. Position Development

- Title
 - Department
 - Supervisor
 - Time & term
 - Responsibilities
 - Tasks
 - Required knowledge & skills
 - Outcomes
 - Compensation & benefits
 - Contact
 - Application Process
 - Organization
 - Customers
 - Training
 - Opportunities
- 

3. Market Internship



- Governing Body, Employees, Customers
- Professional Organizations
- Internship Directories
- Former Interns
- Colleges and Schools
 - Career Centers
 - Related Academic Departments
 - Student Affairs/Student Government Programs

4. Interview and Selection

Equal Employment Opportunity (EEO) Guidelines

- Application
 - Resume
 - Examples of work
- Interview
 - Demonstrated
 - Knowledges, skills qualities
 - Expectations
- Selection
- **WRITTEN AGREEMENT**

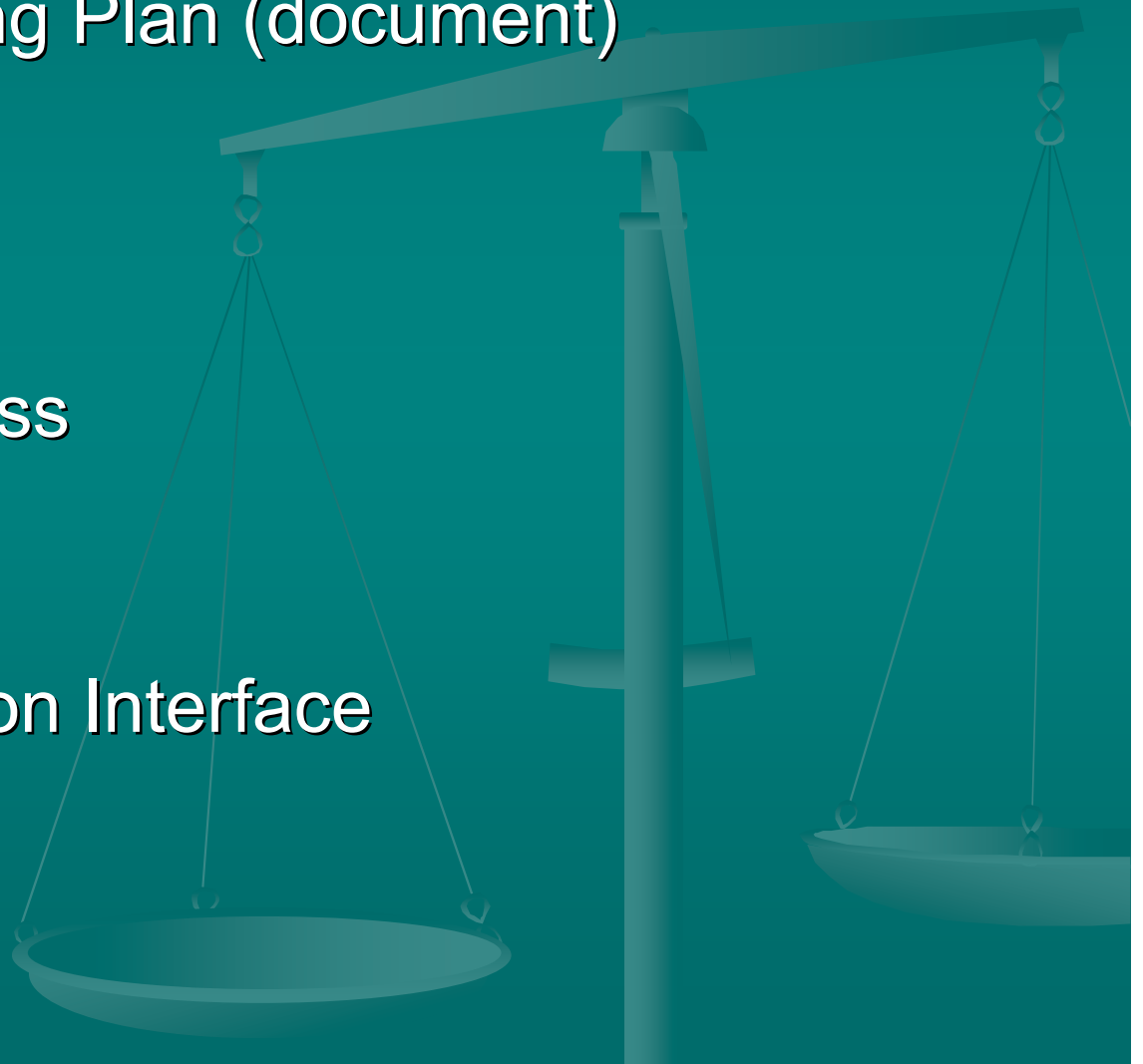


WRITTEN AGREEMENT 1

- 
- Purpose
 - Parties
 - Program
 - Learning Plan
 - Term
 - Process
 - Responsibilities
 - Tasks
 - Relationship
 - Rules
 - Special Conditions
 - Indemnification
 - Insurance
 - Fees & Compensation

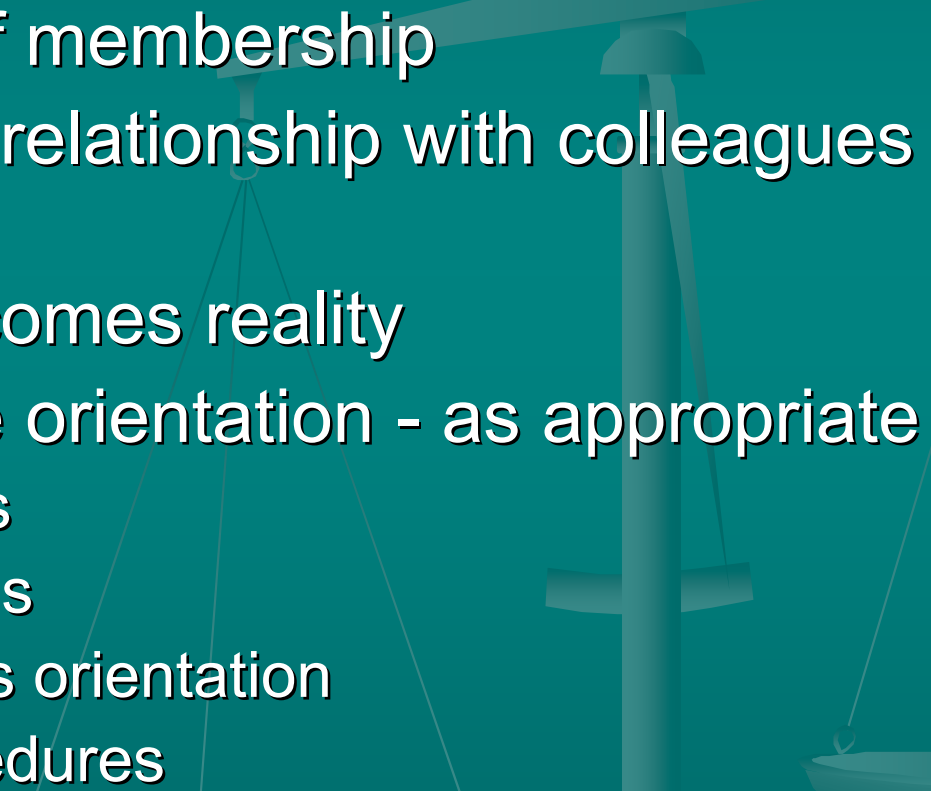
5. Learning Plan

- Develop a Learning Plan (document)
- Learning Goals
- Achieving Actions
- Resources
- Evaluating Progress
- Responsibilities
- Expectations
- Position Description Interface

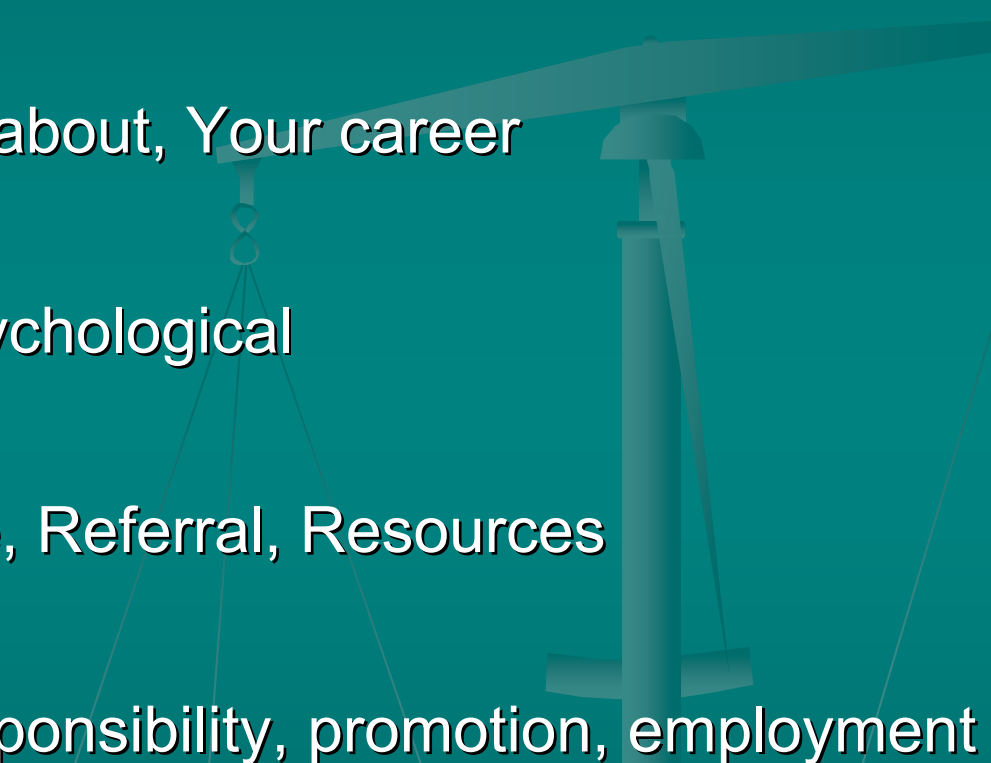


6. Training and Orientation

Position, Organization, Resources

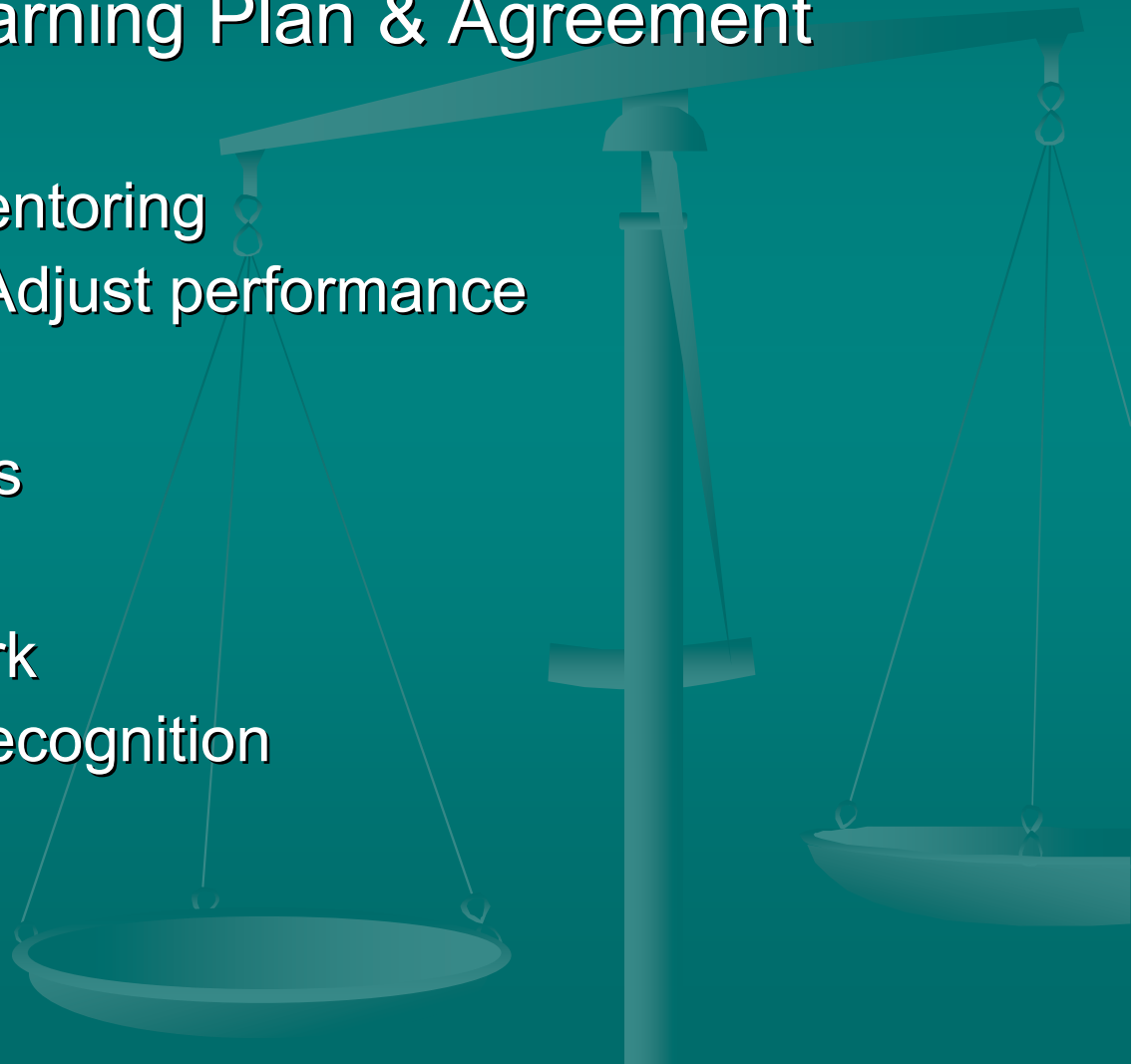
- Establish sense of membership
 - Establish working relationship with colleagues and supervisors
 - Learning Plan becomes reality
 - Regular employee orientation - as appropriate
 - Human Resources
 - Company materials
 - Tours and facilities orientation
 - Policies and procedures
- 

7. Mentor and Supervise

- Teaching
 - How to do, We're about, Your career
 - Support
 - Sociological & Psychological
 - Intervention
 - Facilitate, Mediate, Referral, Resources
 - Sponsor
 - Recommend - responsibility, promotion, employment
- 

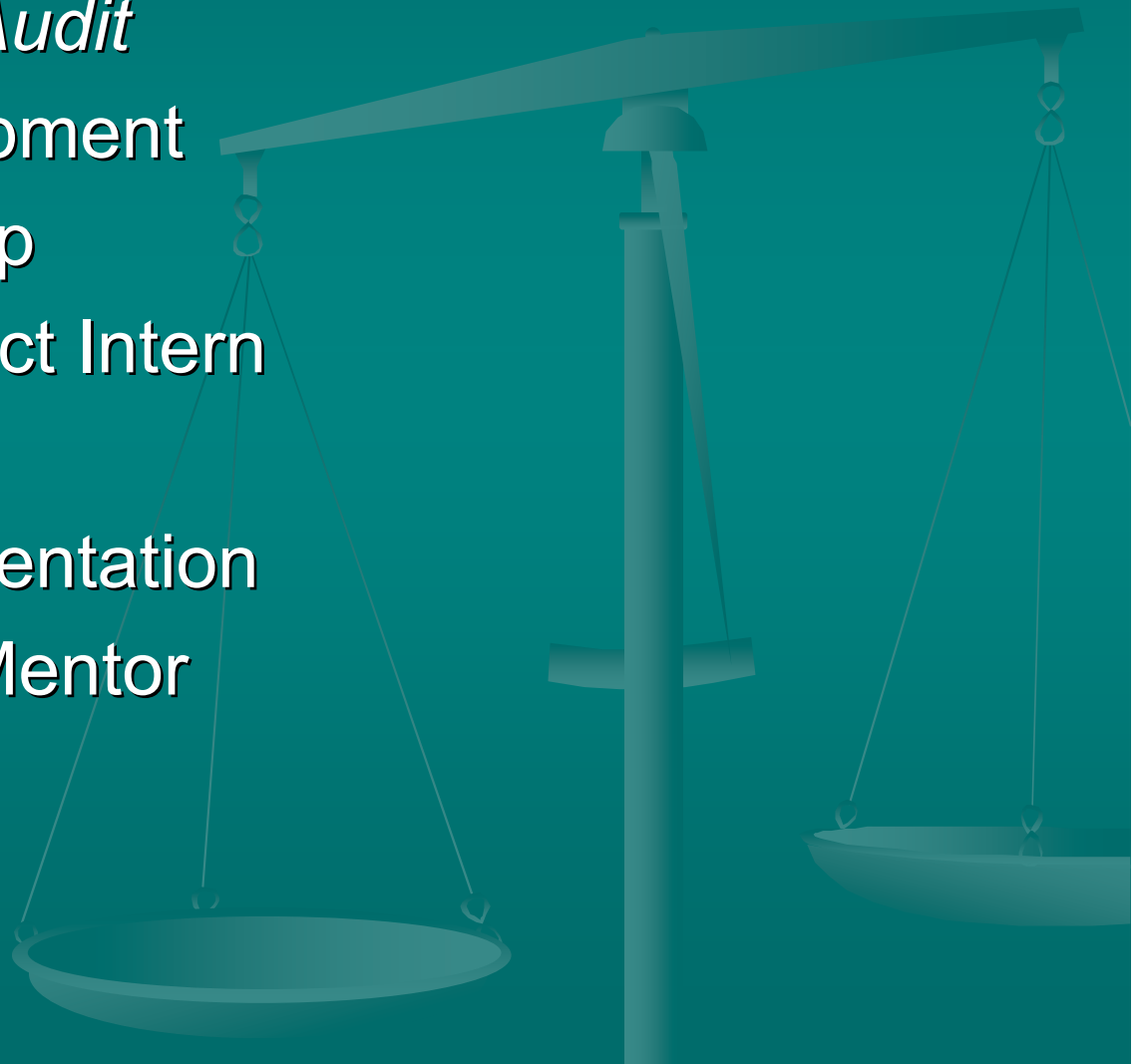
8. Evaluate

- Expectations - Learning Plan & Agreement
- Communication
 - Early & Often - Mentoring
 - Renegotiate and Adjust performance
- Document
 - Input of colleagues
- Portfolio
 - Accomplished work
 - Evaluations and recognition



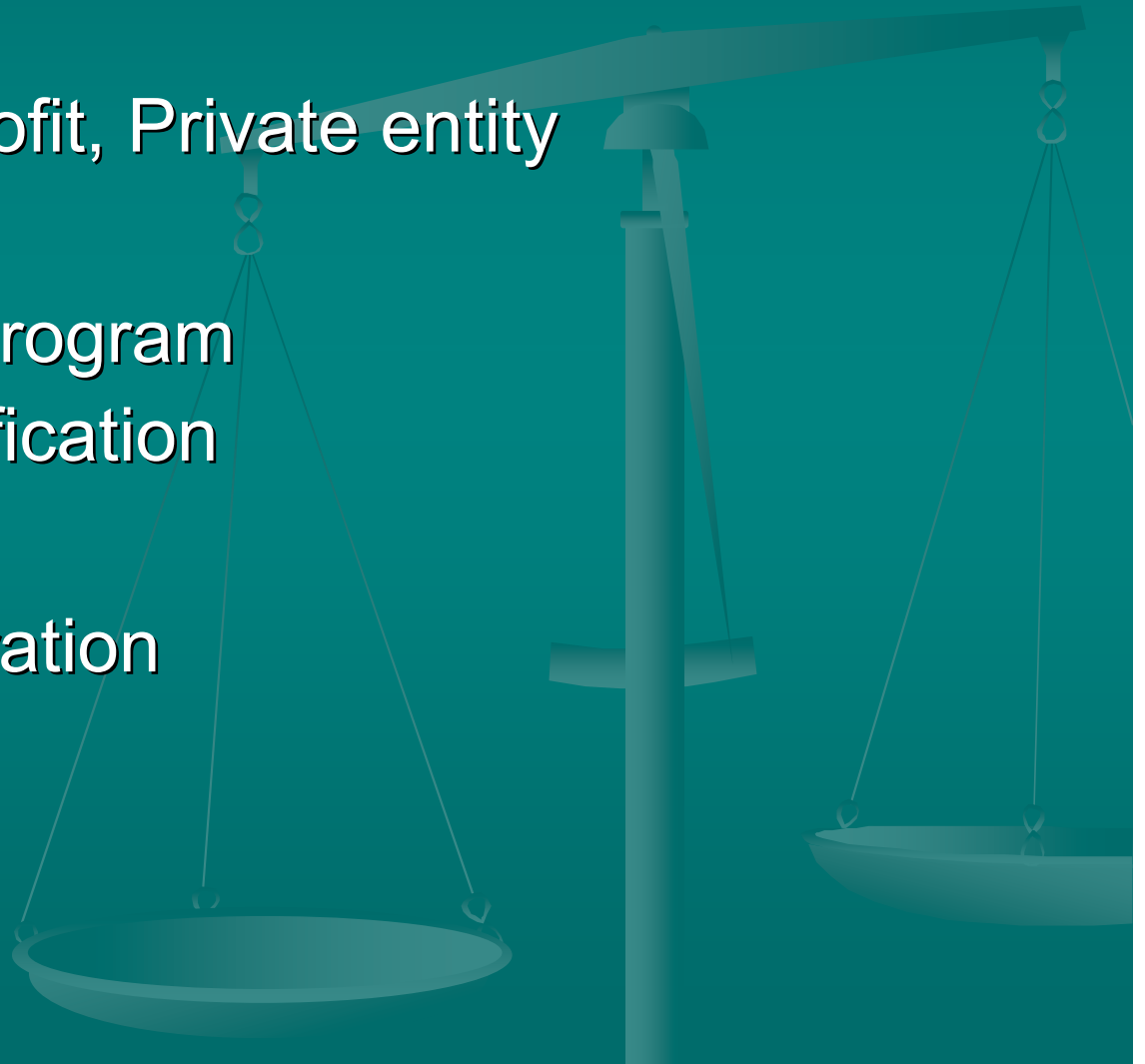
Internship Setup Basics

- ✓ *Organizational Audit*
- ✓ Position Development
- ✓ Market Internship
- ✓ Interview & Select Intern
- ✓ Learning Plan
- ✓ Training and Orientation
- ✓ Supervise and Mentor
- ✓ Evaluate



Three Party Internship

- Host Entity
 - Public, Nonprofit, Private entity
- College
 - Educational Program
 - Degree, Certification
- Student
 - Career Exploration
 - Graduation



Internship Setup Basics 2

- A. College Organizational Structure
 - B. College Internship Program
 - C. “Host” Organization Internship
 - D. Develop Collaboration
 - E. **WRITTEN AGREEMENT**
- 

College Organizational Structure

- Career Services
- Department or Program
- Faculty or Staff
- Coordinator
- Faculty Advisor

- Authority to Contract & Negotiate



College Internship Program



- “Internship”
 - Option, Requirement, Certification
 - Learning Plan*
 - Academic Program
- Academic Supervision
 - Involvement, Communication, Assignment
- “Host” Participation
 - Design, Conditions, Scheduling, Evaluation

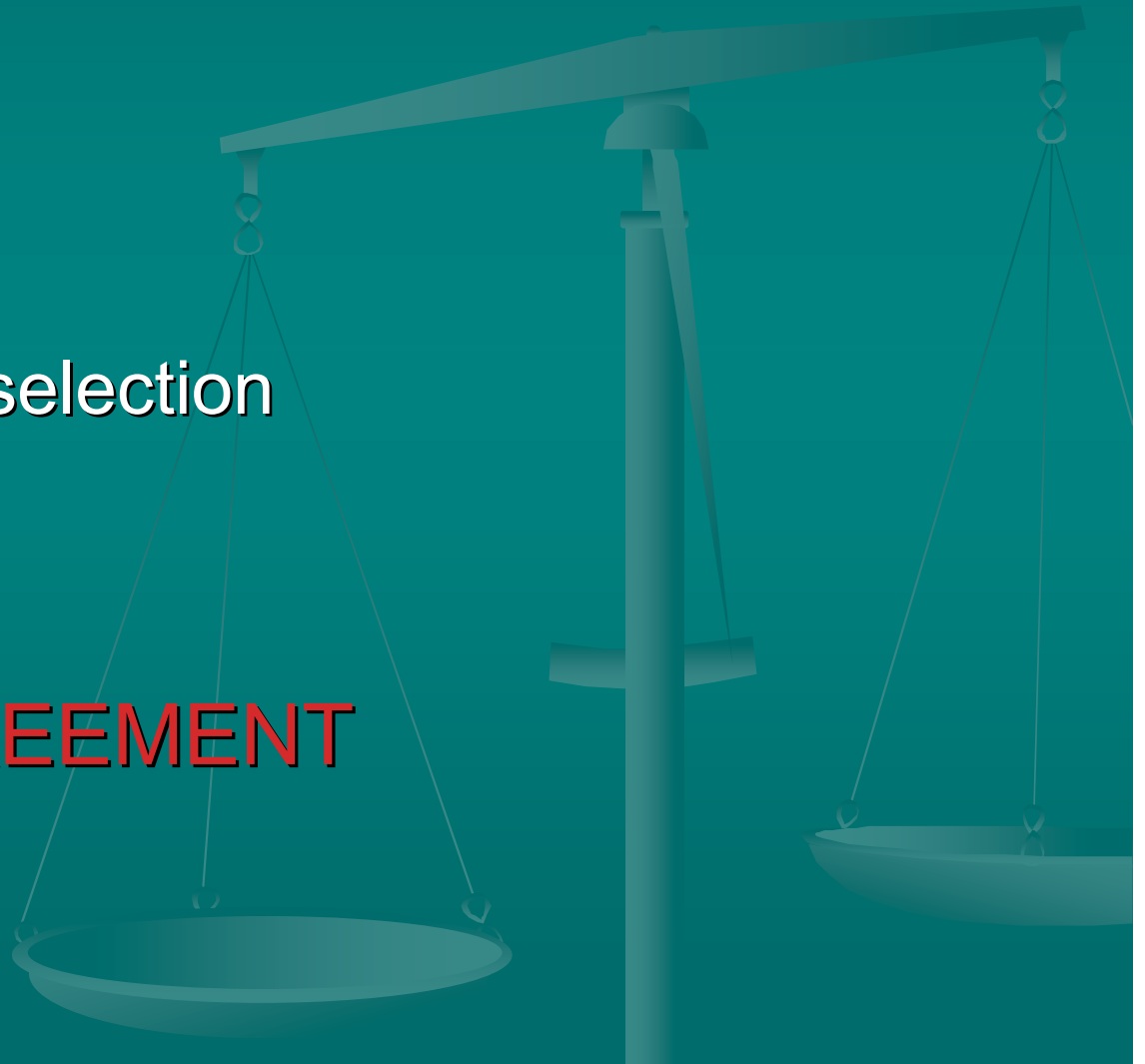
“Host” Internship Program

- Mission
- Position
- Marketing
- Selection
- Learning Plan*
- Training
- Supervision
- Evaluation



Develop Collaboration

- Program
- Schedule
- Processes
 - Recruitment & selection
 - Assignment
- Responsibilities
- **WRITTEN AGREEMENT**



WRITTEN AGREEMENT 2

- Purpose
 - Parties
 - Program
 - Learning Plan
 - Processes
 - Roles
 - Responsibilities
 - Relationships
 - Rules
 - Special conditions
 - Indemnification
 - Insurance
 - Fees and compensation
- 

Compensation

- College requesting Internship services from Host?
- “Would you set up an Internship program for our _____ students?”
- Host requesting financial support for Internship program to maintain # of spaces or to off set costs

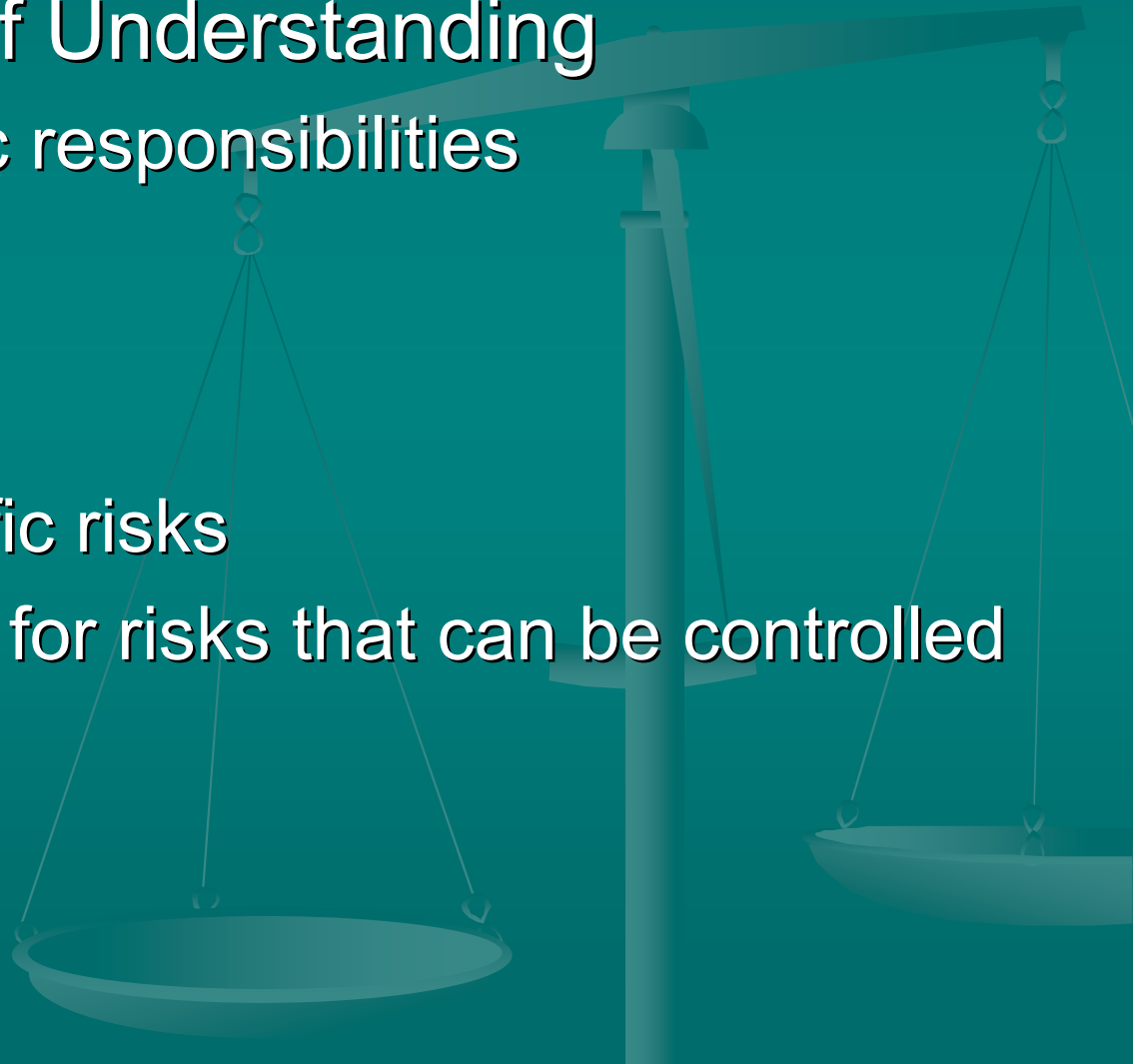
Indemnification



- Host Concern
 - Hold Harmless & Indemnity
- Host Responsibility
 - Environment, direction, control, supervision
- College Ability to Indemnify
 - Financial Resources
 - Authority to contract
 - Legal authority - indemnify acts of others

Options - Indemnification

- Memorandum of Understanding
 - Defines specific responsibilities
 - Host
 - College
 - Student
 - Identifies specific risks
 - Indemnification for risks that can be controlled



Internship Models

■ Two Party

- Host
- Person (student)

■ Process

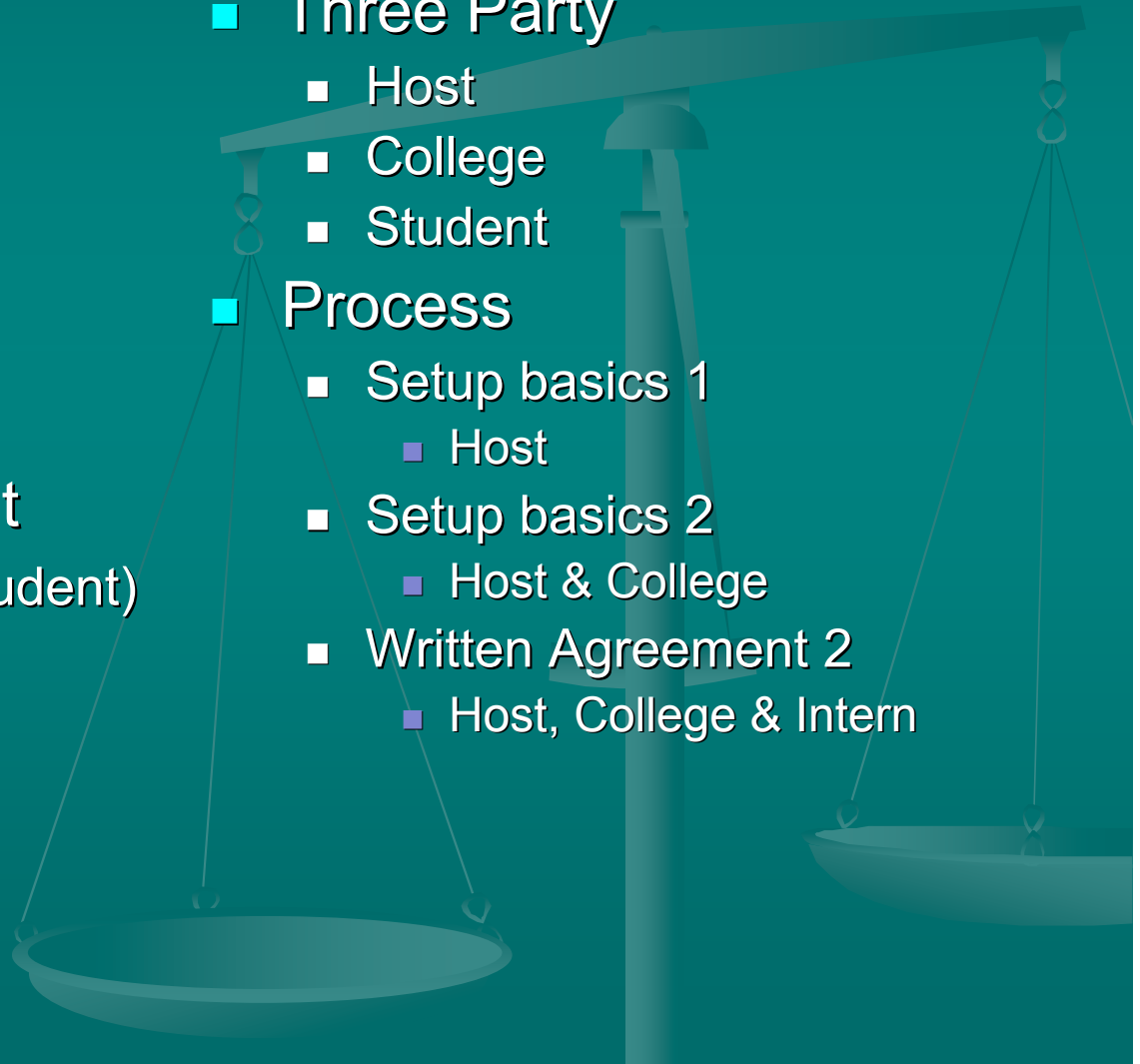
- Setup basics
- Written Agreement
 - Host & Person (student)

■ Three Party

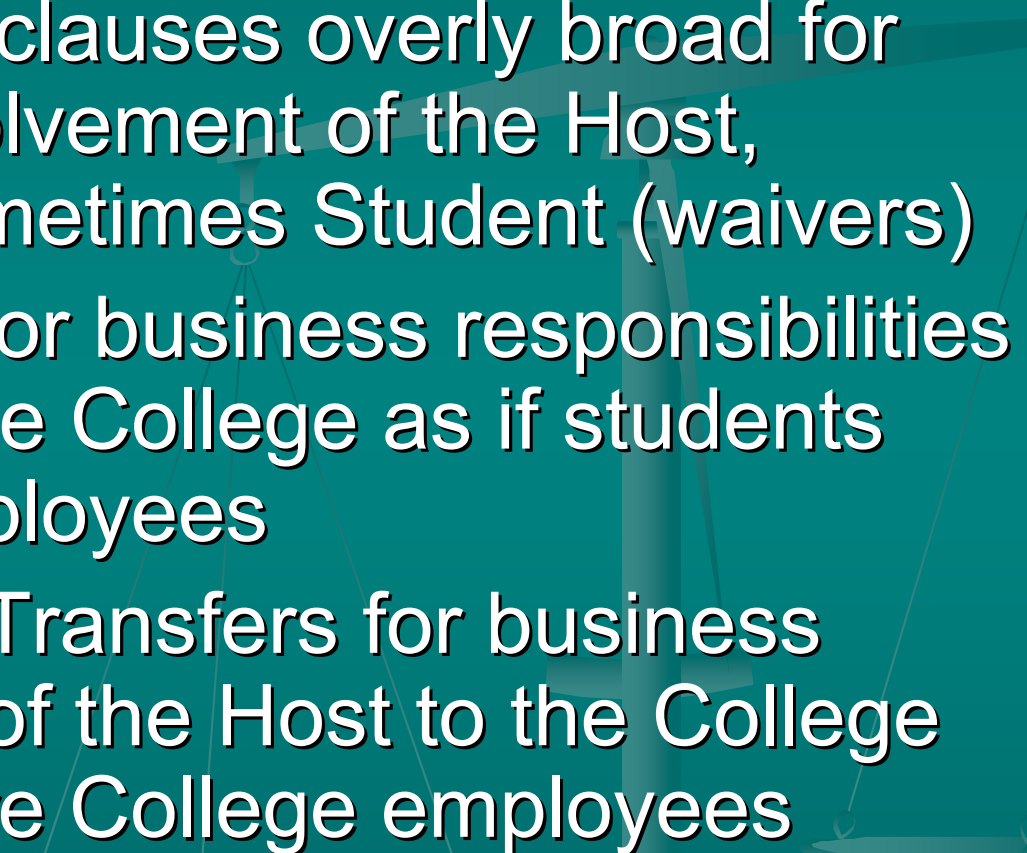
- Host
- College
- Student

■ Process

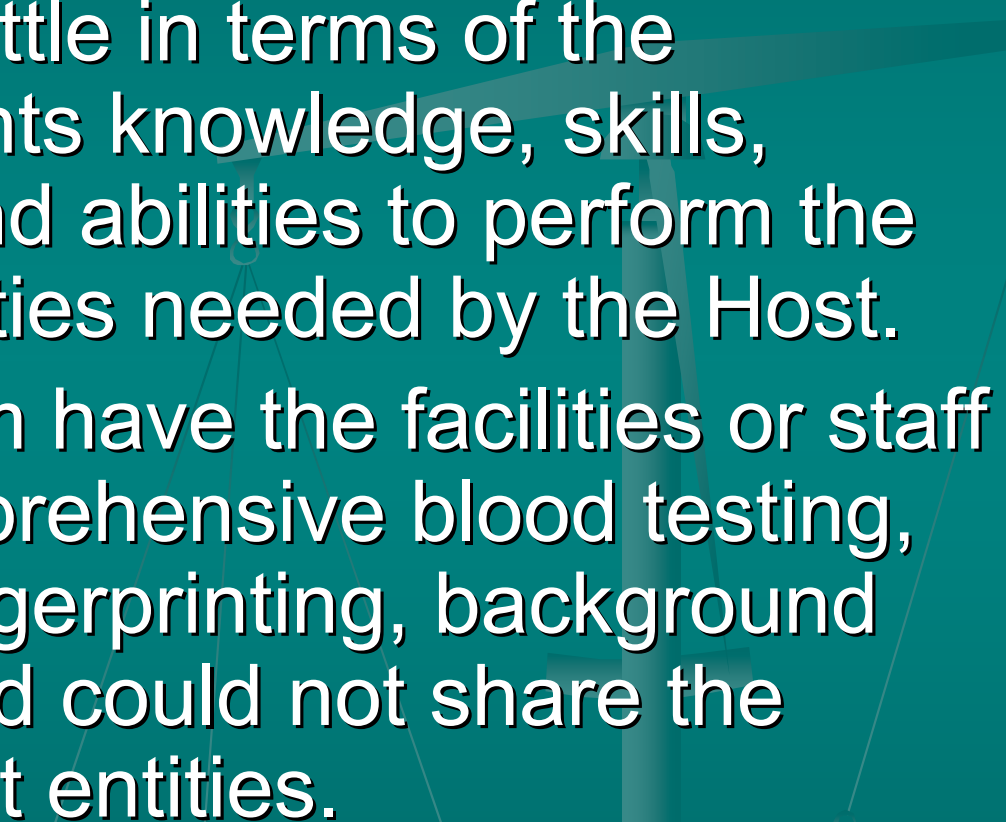
- Setup basics 1
 - Host
- Setup basics 2
 - Host & College
- Written Agreement 2
 - Host, College & Intern



Traditional Internship Agreements

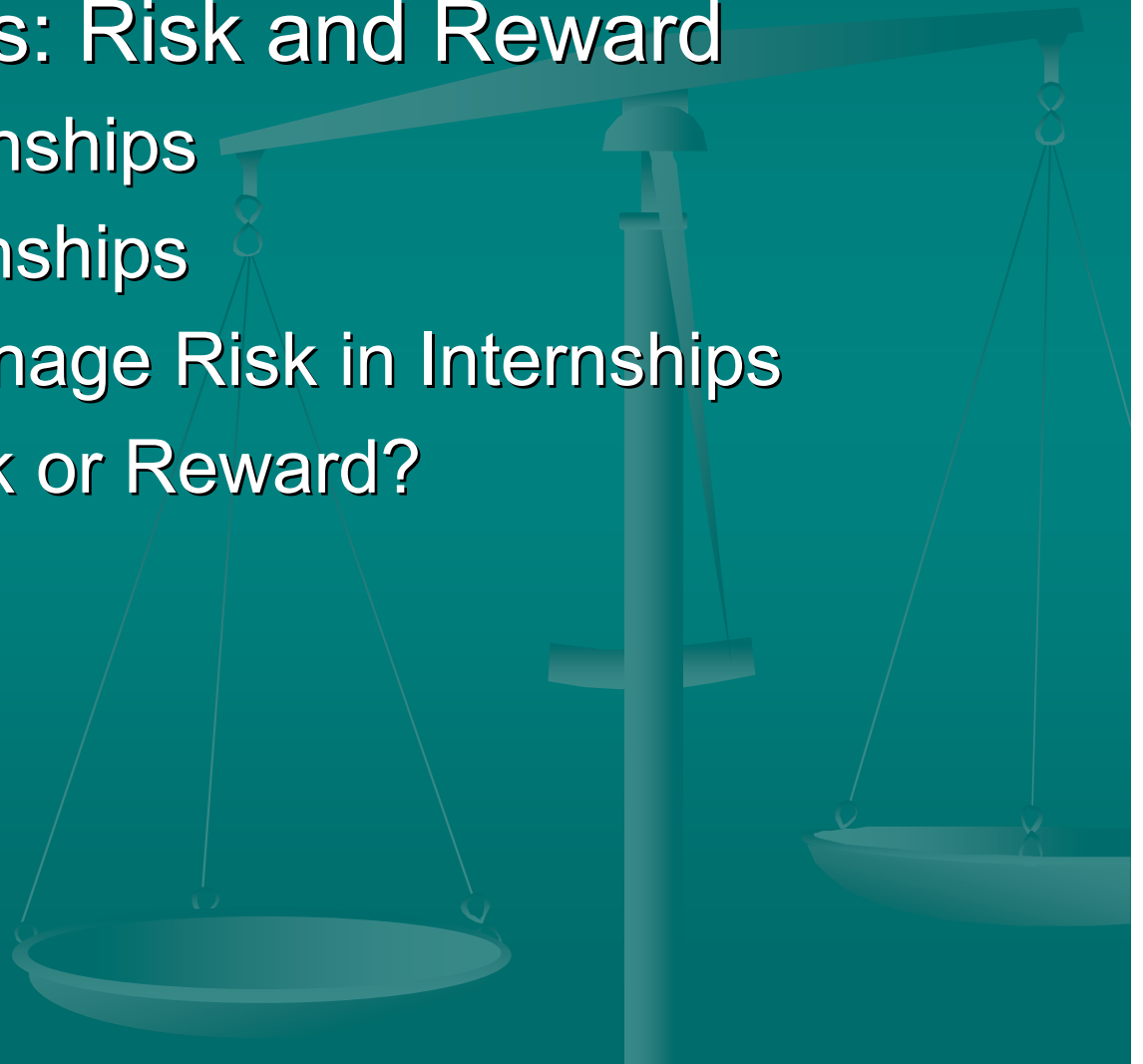
- Indemnification clauses overly broad for the specific involvement of the Host, College and sometimes Student (waivers)
 - Risk Transfers for business responsibilities of the Host to the College as if students are College employees
 - Risk Financing Transfers for business responsibilities of the Host to the College as if students are College employees
- 

Traditional Internship Arrangements

- May offer very little in terms of the assigned students knowledge, skills, qualifications and abilities to perform the internship activities needed by the Host.
 - Colleges seldom have the facilities or staff to perform comprehensive blood testing, inoculations, fingerprinting, background checks etc., and could not share the results with Host entities.
- 


Review, Q&A

- College Interns: Risk and Reward
 1. Value of Internships
 2. Risks of Internships
 3. Models to Manage Risk in Internships
 4. Residual: Risk or Reward?



Readers' Digest Version

Create and Manage
Internships for Your
Public Entity; Partner
With a College for
Additional Benefits.



References

- Best Practices for Managing Risk in Service Learning, 2003, California State University, http://www.calstate.edu/cce/resource_center/servlearn_risk.shtml#practices
- Starting and Maintaining A Quality Internship Program 5th edition. Michael True, Messiah College. <http://www.messiah.edu/internship>
- The Internship as Partnership, A Handbook for Businesses, Nonprofits, and Government Agencies. National Society for Experiential Education. 1998, ISBN 0-536-01139-7.

Web Resources

- *Cooperative Education and Internship Association (CEIA)* <http://www.ceiainc.org>
- *Intern Bridge* <http://www.internbridge.com>
- *National Association of Colleges and Employers (NACE)* <http://jobweb.org>
- *The National Society for Experiential Education (NSEE)* <http://www.nsee.org>
- *National Service-Learning Clearinghouse* <http://www.servicelearning.org>

The words "THANK YOU" are rendered in a large, 3D, light blue font with a white outline and a slight shadow. They are positioned on a black, rectangular banner that is tilted slightly upwards from left to right. The background of the slide is a dark teal color with a faint, stylized image of a scale of justice on the right side.

THANK
YOU

To Follow Up on This Presentation Contact:

Joe Risser

Risk Management Design

joerisser@gmail.com