

A person in a pink shirt and tie is holding a red sign that says "HELP WANTED" in white capital letters. They are also holding a black computer keyboard and a white folder. The background is a blurred office setting with a window.

**HELP
WANTED**

Leaving Talent
ON THE TABLE

The Need to Capitalize on High Performing Student Interns

APRIL 2009



PARTNERSHIP FOR PUBLIC SERVICE

About the Partnership for Public Service

The Partnership for Public Service is a nonpartisan, nonprofit that works to revitalize our federal government by inspiring a new generation to serve and by transforming the way government works. The Partnership:

- Raises awareness and helps improve public attitudes about government service.
- Promotes government service through outreach to college campuses and job seekers.
- Provides hands-on assistance to federal agencies to improve their operations.
- Advocates for needed legislative and regulatory reforms to strengthen the civil service.
- Generates thought-provoking resources and strategies for workforce challenges facing our federal government.

Visit the Partnership at ourpublicservice.org.

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EXECUTIVE SUMMARY

At a time when our national government needs to fill about 100,000 mission-critical jobs a year, student internships provide the best means of assessing and bringing top young talent into public service. Unfortunately, this opportunity is being squandered.

In 2007, federal agencies employed 59,510 interns through two main paid programs, the Student Career Experience Program (SCEP) and the Student Temporary Experience Program (STEP). Our study found that only 3,939—6.6 percent—of those student interns were hired (converted) into permanent jobs.

The government's lackluster performance contrasts sharply with private sector employers who in 2007 converted 50.5 percent of their interns to permanent, full-time positions, according to a survey by the National Association of Colleges and Employers.

The dramatic difference between the two sectors in the percentage of interns hired into permanent jobs does not appear to be related to either the quality of the interns or the percentage of permanent jobs that need to be filled. Rather, it appears to be a function of how both sectors view and use student internships.

Private businesses, such as financial institutions, technology companies, communications firms, service industries and industrial corporations, routinely make strategic use of student internships because they know they offer a low-cost way to recruit entry-level talent, predict future performance and build a more diverse workforce.

Few federal agencies demonstrate a similar strategic view of student internships, losing out on highly capable college graduates just as the issues confronting government are becoming more complex and as the demands on our federal service are growing.

The federal government clearly has dropped the internship ball and is needlessly leaving talent on the table. There are many reasons for the poor showing.

The large majority of the 59,510 student interns in 2007—about 45,000—were enrolled in the STEP, which is not designed for student conversion to permanent government employment. Only the SCEP offers a built-in mechanism that makes it relatively easy for federal agencies to offer permanent employment to interns with desirable skills and aptitudes.

Just six agencies—the Department of Agriculture, the Air Force, the Army, the Department of the Interior, NASA and the Navy—accounted for more than three-quarters of all students taking part in the SCEP, which offers the most direct path to a full-time, federal job. In other words, many federal agencies appear to make little use of the internship program that provides the best chance for a student to convert to full-time civil service employment.

Additionally, thousands of other student interns who work in the federal government each year as unpaid volunteers, or who work in federal agencies but are paid by third-party organizations, are ineligible for the same conversion to permanent employment available to interns under the SCEP.

Our examination found a decentralized, fractured and hard-to-navigate system that detracts from the long-term, strategic use of highly qualified, motivated student interns as a talent pool for future job openings. Moreover, no one in government is comprehensively evaluating the use and effectiveness of student employment programs.

To correct these flaws, the federal government should:

- **Prioritize student internships as key talent sources for entry-level jobs and then recruit accordingly and resource these programs adequately.**
- **Make greater use of SCEP instead of STEP, since SCEP internships are designed to enable agencies to convert the most promising students into permanent employees.**
- **Use the internship programs to attract targeted populations—Hispanic-Americans, who are underrepresented in the federal workforce, and students who have skill sets in mission-critical occupations such as engineering, the sciences, business, public health, accounting and information technology.**
- **Give agencies and managers greater flexibility to hire students from all internship programs who have demonstrated their capabilities.**
- **Collect data enabling a clear evaluation of all intern programs and ensure agencies are making the best use of their authority to build their critical workforce pipelines.**

The time has come for our federal government to end its benign neglect of student internship programs, and use this valuable resource to hire talented young professionals, improve government performance and better serve the American people.

When students do find their way to the government and obtain paid internships through two primary federal programs, the overwhelming majority end up without permanent jobs.

INTRODUCTION

Our nation is at a watershed moment.

President Barack Obama's call to public service has generated excitement not seen since the days of John F. Kennedy almost a half century ago.

At the same time, our country faces the worst economic crisis since the Great Depression, two foreign wars and a growing public demand for the government to address an array of pressing issues from energy to health care.

Meeting the challenges will not only require smart policies, but a commitment to revitalize and strengthen the federal civil service that will have to execute those policies. That also means capitalizing on the enthusiasm by bringing a younger generation of dedicated professionals into government.

Federal student internships could easily be a primary access point for young talent, and help create a solid foundation for future leadership. Student internships also provide federal agencies an excellent opportunity to assess the skills and aptitude of the participants and to select the most capable and productive for permanent employment.

Unfortunately, the number of individuals hired for permanent jobs from the ranks of federal internships is intolerably low and pales in comparison to the private sector.

Even before the 2008 presidential election, surveys of college students revealed this new generation is favorably inclined to public service.

Yet the surveys show that students often don't know how to access federal opportunities or navigate the complex and time-consuming government hiring system. And when students do find their way to the government and obtain paid internships through two primary federal programs, the overwhelming majority end up without permanent jobs.

In short, federal agencies that frequently decry the difficulty of recruiting, assessing and hiring talented employees are woefully underutilizing one of the key tools already in their arsenal.

To make matters worse, our government's most experienced workers are retiring in large numbers, and the need for young talent to fill the talent pipeline at the entry level is accelerating. By 2012, federal agencies are expected to lose nearly 500,000 employees, and most of the jobs they vacate will need to be filled, along with new federal positions created to respond to the nation's challenges.

The main federal government-wide, agency-administered student internships are the paid Student Temporary Employment Program (STEP), the paid Student Career Experience Program (SCEP) and unpaid student volunteer opportunities.

The SCEP is the primary vehicle to convert student interns into full-time federal employees, since it provides agencies with the discretionary authority to offer successful interns noncompetitive conversion to permanent employment, but it is only sparingly used by most government agencies. The STEP offers no direct route to a future government job.

With assistance from Congress and the Office of Personnel Management (OPM), agencies must make far better use of these programs, particularly the SCEP internships, to find and hire young talent. Similarly, universities must work to help their students navigate a highly decentralized and imperfect internship system.

The Partnership for Public Service first examined this issue in "Tapping America's Potential: Expanding Student Employment and Internship Opportunities," a preliminary report issued in 2002 that documented the underutilized federal internship programs as a recruitment pipeline for permanent positions.

In that initial report, the Partnership made a series of recommendations, but progress has been limited aside from minor modifications to the OPM regulations and a marginal increase in the conversion rate on interns.

Federal agencies need to treat student hiring as an important aspect of their overall human capital strategy—and stop leaving tested talent on the table.

KEY FINDINGS

THE VAST MAJORITY OF FEDERAL INTERNS ARE HIRED UNDER PROGRAMS NOT DESIGNED TO LEAD TO PERMANENT EMPLOYMENT

Federal agencies hired 59,510 interns in fiscal 2007 through the two main paid student programs, SCEP and STEP. That may seem like a large and respectable number,¹ but in the context of a workforce of 1.9 million, it is not. And when you realize that just 6.6 percent of all of the 2007 paid interns were actually able to convert noncompetitively to full-time government employment after graduation, it becomes even clearer that federal agencies are failing to use student programs to test and recruit young talent into the civil service.

The primary reason for this poor showing rests with the decision by government agencies to rely primarily on STEP, a program that is not designed to connect to career or academic goals, and that offers no direct route to students for full-time federal employment. In 2007, 44,795 of the 59,510 interns were employed through STEP in jobs that ranged from clerical and unskilled labor to substantive projects.²

The SCEP, on the other hand, is the only paid student internship that enables direct conversion to a permanent, federal civil service job, allowing students to bypass some of the cumbersome and time-consuming parts of the government’s hiring process. SCEP internships require a written agreement between the student’s school and agency, and participants must work in substantive areas related to their studies. These internships are usually more rigorous and focused than the STEP positions, and are less utilized. The authority for federal agencies to convert selected SCEP interns to permanent employment is premised on the understanding that an internship affords an excellent opportunity to assess an intern’s potential for future job success.

In 2007, there were just 14,715 SCEP interns throughout the federal government, and of those, only 3,939 participants were converted into permanent employees. This represents a 26.7 percent conversion rate for the SCEP, results that lag far behind the private sector.³

1 www.fedscope.opm.gov

2 Data furnished by the Office of Personnel Management

3 Data from the Office of Personnel Management (OPM) Central Personnel Data File. Run by OPM on November 17, 2008

FIGURE 1
STUDENT CAREER EXPERIENCE PROGRAM (SCEP) AND STUDENT TEMPORARY EMPLOYMENT PROGRAM (STEP)
PARTICIPANTS ACROSS FEDERAL GOVERNMENT, FY 2002-2007
SCEP ■ STEP ■ TOTAL SCEP AND STEP ■

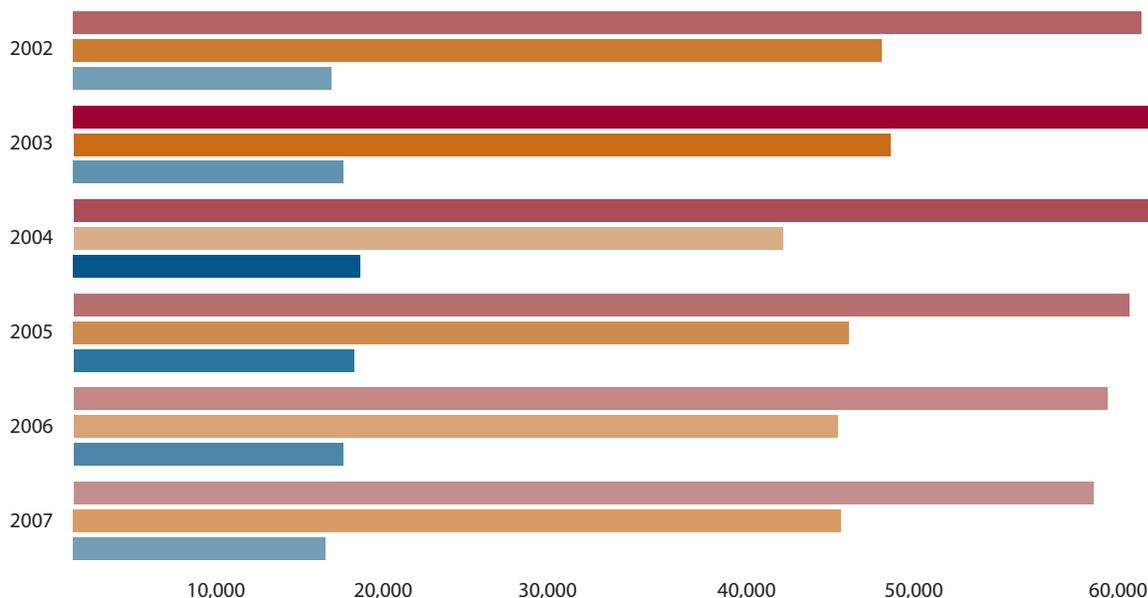
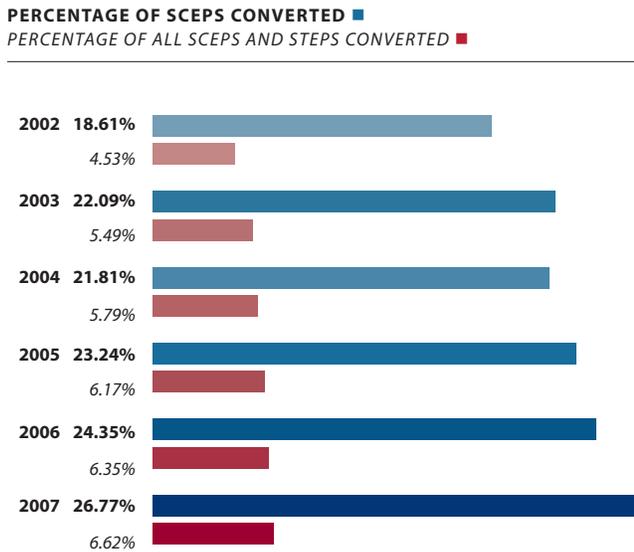


FIGURE 2
CONVERSION TO FULL-TIME EMPLOYMENT AMONG
SCEP AND STEP PARTICIPANTS, FY 2002-2007



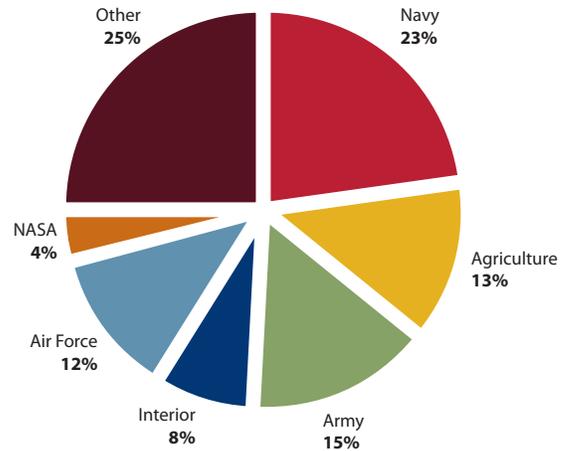
According to a 2008 National Association of Colleges and Employers (NACE) survey, private-sector employers hired 50.5 percent of all their interns. That private-sector number jumps to 59 percent when you look at internships commonly known as cooperative education or co-op programs that incorporate academic or career goals. These private-sector co-op internships in many ways mirror the intent of the government’s SCEP, making the 26.7 conversion rate even more disappointing.

GOVERNMENT-ADMINISTERED STUDENT HIRING PROGRAMS

The government’s student employment programs are authorized by the Student Education Employment Program (SEEP).⁴ Established in 1994 as part of “Reinventing Government,” SEEP consolidated the Cooperative Education Program, the Federal Junior Fellowship Program, the Stay-in-School Program and the Harry Truman Scholarship Program. SEEP has two major components: Student Career Experience Program (SCEP) and the Student Temporary Employment Program (STEP).

The SCEP is highly structured. Students appointed under this authority must do work specifically related to their academic majors or career goals. The program requires a written agreement between the student, school and employing agency detailing the nature of work assignments, schedule of work and classes, evaluation procedures and requirements for success. In contrast, job duties for STEP interns do not have to relate to a student’s academic curriculum and/or career goals. This provides more flexibility, though the intern’s work can also be less focused.

FIGURE 3
STUDENT CAREER EXPERIENCE PROGRAM (SCEP)
PARTICIPANTS BY EMPLOYING AGENCY, FY 2007



SIX AGENCIES ACCOUNT FOR THREE-QUARTERS OF HIRES INTO THE CONVERSION-ELIGIBLE SCEP

In examining exactly how the two paid federal student internship programs are being used, and by which agencies, it becomes readily apparent that only a small number of agencies are actually taking advantage of the SCEP to any significant degree.

As Figure 3 shows, just six agencies—The Department of Agriculture, the Air Force, the Army, the Department of the Interior, NASA and the Navy—account for more than 75 percent of all students hired as SCEP interns despite making up only 40 percent of the overall federal workforce.

This lopsided distribution of SCEP interns is due to many factors, including a possible bias against using a program perceived to involve too much paperwork, time and effort. It may also reflect a basic fact that agency leaders do not see or appreciate the value of using internships to recruit top talent. Based on the numbers above, too few agencies devote the financial and staff investment needed to make strategic use of their student programs, and most simply do not treat student hires as seriously as is necessary. As a result, thousands of talented interns are not being converted, and both they and the government are the losers.

⁴ Student Education Employment Program, 5 U.S.C. § 213.3202

NASA

MAKING GOOD USE OF INTERNSHIPS IS NOT ROCKET SCIENCE

Identified by undergraduate students in technical majors as a top employer in a Unversum USA survey, NASA has for a long time run a wide variety of student engagement activities at the K-12 and higher education levels to increase awareness and interest in the sciences and aerospace-related fields.

The efforts include scholarships and internships that provide students a glimpse into what it is like to work at the space agency. For example, the Marshall Space Flight Center in Huntsville, Ala., hired about 15 SCEP interns and 150 non-SCEP interns last year. The non-SCEP interns are hired via a contract and not through the civil service, but fill critical skill needs and are primary candidates for future SCEP positions at Marshall.

As Chrissa Hall of the Marshall Space Flight Center's human capital office indicated, "The co-op (SCEP) is one of our primary feeder programs into the center." In fact, for fiscal 2009, Marshall has a 100 percent conversion rate for SCEP participants graduating in December, May or August—14 out of 14 offers have been accepted.

NONCOMPETITIVE CONVERSION

SIMPLIFYING THE FEDERAL HIRING PROCESS

A major benefit of SCEP—for both participants and agencies—is the ability to "convert" interns into permanent employees. Most applicants who apply for permanent federal positions go through a competitive process strictly regulated by federal law. This process is often cumbersome and lengthy.

Noncompetitive conversion, on the other hand, allows employers to convert SCEP interns to permanent (i.e., term, career or career-conditional) appointments. These conversions are not guaranteed, and the new appointment must be used to fill an open position. The conversion authority recognizes that allowing supervisors to keep proven interns makes sense and helps the government compete with private-sector hiring practices.

SCEP interns may be noncompetitively converted within 120 days upon completion of their degree coursework if they:

- Are recommended by the employing agency where they performed their career-related work;
- Meet the qualifications for the targeted position to which they are appointed;
- Are entering an occupation related to their academic training and career work; and
- Completed a minimum of 640 hours of career-related work, 320 hours of which can be waived for superior performance.

Although the STEP does not allow for noncompetitive conversion, STEP interns can be transferred into the SCEP if they meet the latter program's requirements, and up to 320 hours can be credited.

THE PRIVATE SECTOR RELIES ON INTERNSHIPS AND CO-OPS TO ASSESS AND HIRE ENTRY-LEVEL TALENT

Internships offer students an intuitive, efficient and attractive way to explore possible careers. They provide employers a low-risk means to assess potential employees on the job. It is not surprising that so many entry-level hires in the private sector start out as interns.

The private sector has long realized that well-run internship programs can create high-quality student experiences and excellent grassroots branding. The 2008 NACE survey found that employers consistently name internship programs as one of the most effective tools they have for hiring new college graduates, and that when interns become full-time hires, they are more likely to stick with the organization than their co-workers who didn't go through the program.

As we noted earlier, private employers converted about half of their internships into permanent jobs compared to just 6.6 percent for the federal government.

The NACE survey also found that responding organizations (about 98 percent of whom are private sector firms) used internships to fill 40 percent of all their permanent entry-level vacancies. Again, the federal government lags far behind—with only 8.6 percent of all new hires for permanent entry-level vacancies at federal agencies filled by former student interns in 2007.

In short, private-sector employers reap dividends when they invest in internships, make these programs positive experiences and a path to a job after graduation. Employers are not only able to get a first-hand look at young talent and better recruit employees that meet their needs, but they also can gain the benefits of interns who return to campus and share positive experiences with peers.

On the other hand, a poorly executed internship program can be worse than not having an internship program at all. Students who feel they were not valued, who are offered little chance of future employment or who, in general, do not have a positive experience, are more likely to warn off their peers when they return to campus.

A number of government agencies clearly have missed these lessons and are losing a golden opportunity to hire high performing young talent.

STUDENTS VIEW INTERNSHIPS AS A PRIMARY AVENUE TO FULL-TIME EMPLOYMENT

For the student perspective, a 2008 survey by Universum USA examined the views of undergraduates toward potential employers in both the private and public sector.⁵

The survey, which included nearly 32,000 college students, revealed that 59 percent of undergraduates who completed an internship reported that they either had received or expected to receive a full-time offer from their employer.

When asked by Universum how they would prefer to gather information about potential employers, one-third of the students pointed to internships.

In the same survey, 40 percent of students reported that the opportunity for full-time employment was among the most important features employers can offer in internships, whereas just 23 percent specified competitive compensation.

As one respondent explained, “It gives chances for college students who are soon to enter the real world to learn what they need to do to be considered for employment.”

Students in the Universum survey identified employers they associated with the best reputations for their internships. The top five were Goldman Sachs, Google, Pricewaterhouse Coopers, Walt Disney and Deloitte. NASA was the top-rated federal agency in 11th place, followed by the CIA and FBI, tied at 26th.

INTERNSHIPS WITH THIRD-PARTY PROVIDERS MAY MEAN THE SAME WORK BUT UNEQUAL CONVERSION POTENTIAL

In addition to the government-administered STEP, SCEP and unpaid volunteer opportunities, thousands of students are hired each year through contracts or grants with a variety of third-party organizations.

Many times agencies use the third-party groups to reach hard-to-recruit talent, such as those from minority backgrounds or those with specific academic backgrounds. Essentially, these organizations act as temp agencies to fill vacant positions with qualified students.

Many agencies prefer to hire students via contracts because they perceive this as easier than hiring through the

STEP or SCEP authorities. By using contracted interns, agencies don't have to worry about exceeding full-time equivalent ceilings, and contracts also tend to be easier to budget.

Unfortunately, the flexibility that comes with these different internships has resulted in a significant unintended consequence—a fractured system that detracts from long-term and strategic use of interns as a talent pool for future job openings. Interns recruited by outside groups are not eligible for noncompetitive conversion to full-time government jobs. In other words, no matter how well these interns perform, agencies cannot make them job offers without first bringing them into SCEP or requiring them to go through the normal hiring process.

EXAMPLES OF THIRD-PARTY PROVIDER PROGRAMS

After recruiting students and recent graduates with particular skills or backgrounds, third-party organizations place students in educational internships that match their interests, help students relocate to the Washington area and often provide students with stipends to support them during their stints in the federal government. Essentially, these organizations act as placement services to fill vacant positions with qualified students who are often referred to as interns but are actually temporary or contract employees. Unfortunately, unlike SCEP participants, these interns are not eligible for noncompetitive conversion.

OPM modifications in 2006 to the regulations governing student employment now make it possible for interns to apply up to 320 hours of experience from their third-party internships toward the 640 hours required for SCEP participants to be eligible for noncompetitive conversion. However, inequities remain because these students must then be accepted into SCEP, and those already in SCEP can have 320 hours waived for superior performance.

The Washington Center for Internships and Academic Affairs
The Washington Center places students in internships “representing major professional fields in the private, public and non-profit sector,” including federal agencies. Each year, hundreds of students complete internships in government agencies ranging from the IRS to the State Department. The Washington Center also provides free housing for students who participate in its Diversity Leaders Internship Program.

The Hispanic Association of Colleges and Universities (HACU) and Other Targeted Groups
Since its inception in 1992, HACU's National Internship Program (HNIP) has placed nearly 7,000 undergraduate and graduate students in federal internships across the country. In 2006, 616 students served in 23 federal agencies. Eighty-four percent of these students were Hispanic, but Asian Americans, African Americans and American Indians also participated. Other smaller programs are run by organizations with similar minority outreach missions, including the Washington Internship Program for Native Students (WINS), National Association for Equal Opportunity in Higher Education (NAFEO) and the Asian Pacific American Institute for Congressional Studies (APAICS).

⁵ “Great Expectations: What Students Want in an Employer and How Federal Agencies Can Deliver It,” Partnership for Public Service and Universum USA, 2009

Considering that agencies turn to third-party providers precisely to address recruitment shortfalls, it is important to overcome the cruel irony that these sought after populations are getting left behind when it comes to permanent jobs.

MISSING A CHANCE TO CAPTURE NEEDED TALENT

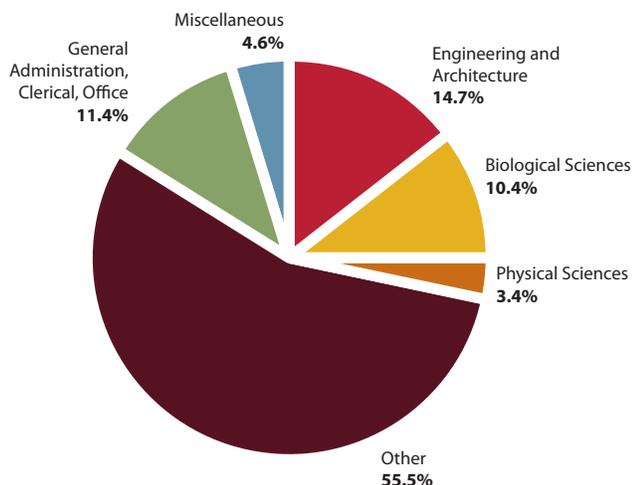
JoAnne Key is an MBA candidate at the Howard University School of Business specializing in supply chain management. Key interned at the Federal Aviation Administration (FAA) during the summer of 2008 after first hearing about the agency from a faculty member. She applied through the Minority Serving Institutions (MSI) Intern Program, which the FAA contracts out to a firm called ADNET.

Key felt that she “hit the ground running on the second day” of her internship and gained valuable hands-on experience.

“They gave me more opportunities. A lot of my friends at corporations had one big project they presented on at the end of their internship. I had three major projects, and I was really busy,” she said.

While her FAA experience strengthened her interest in government, the lack of an easy way to convert her internship to a post-graduation job represents a lost opportunity for the FAA and for Key. She said she reaches out to keep in contact with the intern coordinator and program manager, as opposed to the other way around. With no job offer in hand, Key is interviewing with corporations, going through the Presidential Management Fellowship selection process and planning to take the Foreign Service Exam. The latter two will require her to go through two separate hiring processes, starting from scratch in each case.

FIGURE 4
STUDENT CAREER EXPERIENCE PROGRAM (SCEP)
PARTICIPANTS BY ACADEMIC MAJOR, FY 2007



DECENTRALIZED LANDSCAPE HAMPERS COORDINATION AND UNDERSTANDING

Students applying for federal internships must find opportunities on an adhoc basis because there is no centralized registry or government requirement to post internships on StudentJobs.gov or USAJOBS.gov. Even within a single agency, there are often several internship programs that are marketed and managed separately.

Most applicants are not even aware that there are different student hiring authorities. More importantly, they do not realize that they may do the same kind of work through different internship programs, but only the SCEP offers possible conversion to permanent federal jobs.

This decentralization is compounded by uneven knowledge and use of key student hiring authorities in the federal human resource community. For example, lack of familiarity with how to implement or reluctance to use the SCEP authority can keep an agency from effectively and uniformly employing it as a strategic recruitment tool.

Agencies do not work together, or with OPM, to improve coordination or to share best practices in student outreach and employment. An important but overlooked fact is that agencies can noncompetitively convert SCEP interns from *other* agencies, which underscores the need for agencies to share their student hiring information.

NOT USING SCEP MEANS AGENCIES MISS MISSION-CRITICAL TALENT

The failure of federal agencies to strategically target interns, particularly SCEP interns, as a major talent pool for permanent staff is especially wasteful because many of these interns can fill jobs that have been identified as high-need, or “mission-critical.”

Many private-sector companies in the scientific and technical fields use cooperative education internships to cultivate future employees over the duration of a student’s academic career. It is perhaps not a coincidence that a sizable portion of SCEP positions in federal agencies are in the sciences and engineering—but the gap in conversion means that the federal government will continue to lose these critical skills to the private sector.

As Figure 4 shows, in FY 2007, 28.5 percent of SCEP participants were studying engineering and architecture, biological sciences or the physical sciences. This reinforces the need for agencies to ensure that SCEP is integrated into their long-term workforce planning.

INTERNSHIPS PAY OFF FOR NASA

Amy McDow first learned about NASA through a high school robotics club that was sponsored in part by the space agency. She applied for and completed an internship between her junior and senior years, which she described as “amazing and so much fun.” McDow has continued her relationship with NASA throughout her college career at Tennessee Technological University, completing two internships at the Goddard Space Flight Center during the summers of 2005 and 2006, and then beginning as a cooperative education intern during the fall of 2006.

By alternating semesters as a SCEP intern at NASA with semesters of coursework at Tennessee Tech, McDow has built a tremendous foundation—a total of three internships and four SCEP rotations. “I’ve had a lot of experience and have seen a wide variety of things,” she said. This includes trips to the Jet Propulsion Lab in Pasadena, Calif., and the robotics programs at the Massachusetts Institute of Technology and Carnegie Mellon University. Ultimately, McDow knew she wanted to work for NASA because she “really liked the reputation and the people.”

“They seemed really excited about their work and I felt I could fit in and be happy,” said McDow. She will join NASA as an engineer at the Marshall Space Flight Center after she graduates.

INTERNSHIP BUILDS CONTRACTOR’S WORKFORCE, NOT GOVERNMENT’S

Joe Verruni, a former volunteer intern at the Department of Energy (DOE), is a prime example of how federal agencies fail to give serious consideration to hiring interns for permanent jobs.

In Verruni’s case, the easiest route to employment was not with the agency that gave him his experience and valued his work, but with a DOE contracting firm that could make a quicker hire and better meet his needs.

Verruni was a student at American University in Washington, D.C. when he began Googling ways to get into the field of renewable energy. Based on his Internet research, he reached out to the Department of Energy’s Office of Energy Efficiency and Renewable Energy (EERE) and was hired as a student volunteer during the final semester of his senior year.

“I had substantial work, which surprised me, since normally interns stuff envelopes and put on stamps,” he said.

Toward the end of his internship, EERE didn’t look for a way to bring him into government service. Instead, it helped connect him to his current employer, Sentech, a DOE contractor. In fact, Sentech and EERE employees work side-by-side. According to Verruni, most of the younger people are contractors.

Verruni said he considered applying directly to the department, but opted to pursue what was a more streamlined process to do similar work. “The biggest issue (with applying for a federal job) was how long it takes. I couldn’t sit around for six months waiting for the red tape to break and pay for an apartment if I didn’t have a job,” he said.

Although his three-day-a-week internship experience was not paid, he did receive academic credit, and he said he has more than made up for working for free because Sentech credited his experience toward his salary.

MOST AGENCIES DO NOT INCORPORATE INTERN PROGRAMS INTO THEIR STRATEGIC WORKFORCE NEEDS

Based on SCEP usage and conversion rates, many government agencies are not using student interns as a resource to meet future workforce needs. It is not uncommon for the recruitment and hiring of internships to be highly decentralized. One result is that these agencies hire only a small percentage of interns into full-time positions.

Of the agencies that responded to a February 2008 Partnership survey, 33 percent cited a lack of actual open positions when students graduate as a primary barrier to hiring SCEP employees into permanent positions.

Forty-seven percent cited “other” as the primary reason, suggesting that many agencies do not track SCEP interns after they complete their internships and therefore do not collect the data they need to analyze why conversion rates are low. Another 11 percent cited complications with the hiring process.

The fact that 75 percent of SCEP participants complete their internships in just six agencies also demonstrates that most agencies are not fully using this pipeline program—specifically designed to attract and hire talented students—as a meaningful aspect of their workforce planning.

THE USE OF INTERN PROGRAMS IS NOT BEING EFFECTIVELY EVALUATED

OPM collects data from agencies on the number of STEP and SCEP participants, and the number of SCEP students converted to permanent employment. Beyond this, there is no systematic evaluation of the use and effectiveness of student employment programs.

For instance, though the SCEP is specifically designed to allow conversion to permanent employment, there has not been a comprehensive analysis within government of why the conversion rate is so low compared to the private sector.

Moreover, there is no requirement for agencies to collect or report data on student volunteers or those fulfilling temporary assignments via third-party contractors or grantees.

BUREAU OF LAND MANAGEMENT

USING A COORDINATOR TO DO IT RIGHT

Anznette Randall is the coordinator for the Bureau of Land Management's (BLM) National Student Employment Programs, Presidential Management Fellows Program and Federal Career Intern Program (the latter two are post-graduate employment programs). This is a fairly unique position that provides tremendous coherence to the way BLM uses and tracks student hiring programs. Though she doesn't have selection and placement authority, Randall develops standardized procedures and expectations across the agency and maintains a résumé databank that hiring managers can tap. (See sample BLM conversion checklist in Appendix B).

Randall conducts monthly conference calls with the student employment program coordinators in all 16 states in which BLM operates. A good deal of best-practice sharing occurs on these calls, as well as flagging possible issues, such as students that aren't converting or who need placements upon conversion. BLM also developed an entire online training program with modules applicable for student program coordinators, hiring managers and supervisors as well as students. Randall maintains a list of SCEP alumni who are sent out to campuses by BLM to assist with their recruiting ambassadors.

These efforts pay off. There are roughly 200 SCEP interns with the BLM each year. About one-third receive special incentives from the Washington, D.C. office in the form of tuition support plus travel to and from job duty stations. These incentives are geared toward enhancing the retention of underrepresented populations, such as women and racial minorities, in the BLM's locations in the western states and lead to conversion rates of about 80 percent among those receiving the incentives.

PARTNERSHIP FOR PUBLIC SERVICE FEDERAL INTERNSHIP RESOURCES AND PROGRAMS

The Partnership for Public Service's *Center for Federal Internships and Fellowships* is a new hub to connect students with meaningful federal opportunities. Resources include:

- *Making the Difference Federal Internship Program*: Unique in its exclusive focus on paid summer internships in the executive branch, its focus is on building long-term relationships between campuses and agencies, and use of internships as pathways into permanent employment. The inaugural cohort will include 30 students in the summer of 2009 whose studies align with mission-critical occupations (e.g., acquisition and engineering).
- *Federal Service Student Ambassadors Program*: This is designed to increase interest in federal service on college campuses by developing a corps of passionate student advocates who will actively promote public service following their completion of a federal summer internship. The 15 members of the first group are serving as public service advocates during the 2008-2009 academic year, and the Partnership will solicit student applications for the second cohort of 30 *Federal Service Student Ambassadors* in the spring of 2009.
- The Partnership is working with agencies to populate a searchable internship database which students can use to receive alerts and to link these alerts to their Facebook pages.

Additional information on each of these initiatives can be found on makingthedifference.org/studentopportunities.

RECOMMENDATIONS

Student interns should be one of the primary sources, perhaps the primary source, of entry-level talent in the federal government.

More attention must be paid by agency leadership, OPM and Congress on using student intern programs to ensure that government attracts and screens qualified federal candidates, especially in mission-critical areas and underrepresented demographic groups. Increased attention also must be given by colleges and universities to federal internship opportunities as pathways to public service.

The Partnership urges federal agencies, OPM, Congress and colleges and universities to take the following steps:

FEDERAL AGENCIES

Prioritize student employment programs as a key talent source ... and then invest adequate resources in these programs.

Agency leaders should target internships as a primary talent source for entry-level positions. This means setting the right tone for hiring managers and human capital staff, establishing and executing strategic internship programs, setting goals and creating accountability. Specifically, agency leadership should:

- Direct chief human capital officers and human resources directors to integrate student interns into their broader workforce planning efforts.
- Designate a student programs coordinator who is accountable for integrating interns into agency-wide planning efforts.
- Ensure that the human capital staff has sufficient resources and knowledge to train managers on the various student internship programs and that adequate staffing is devoted to designing, promoting and running these programs.
- Hold managers accountable for providing a positive work experience for interns and for encouraging the most talented and motivated interns to consider permanent federal employment.
- Set specific conversion goals, create accountability and measure performance.

Make greater use of SCEP authority, especially for summer hires.

Three out of every four federal interns are hired through STEP, even though this program seldom leads to permanent employment. Many STEP interns are summer hires who usually do not engage in professional-level work. Agencies hiring for positions that involve professional or technical-level work should use SCEP as the preferred program. This will enable agencies to efficiently hire permanent employees, and it is therefore a better marketing tool to attract and retain strong candidates. The key benefit is that summer hires that perform well could accumulate sufficient hours (320) during the summer or could return during subsequent breaks in school to continue the relationship until formal conversion upon graduation.

Collect and use information on student experiences.

Agencies should create a systematic method of collecting permanent contact information such as e-mail, cell phone and mailing addresses for all interns. A database with this information could be very powerful for future outreach about new programs and hiring opportunities even if the students are not immediately converted. In addition, a brief exit interview or exit survey would provide agencies with valuable information for continuous improvement of their student programs.

Build intern conversions into mission-critical hiring plans.

Agencies should adapt their hiring plans to ensure that they can hire as many proven student interns into permanent positions as possible. In particular, agencies should focus on mission-critical positions and identify categories of positions where they expect to make multiple entry-level hires. When SCEP interns who have proven their value graduate, they should be converted into positions in these classifications, which could include positions where agencies recruit on a continuously open basis. Planning for these conversions could be handled in the same way agencies already set aside slots for possible Presidential Management Fellowship finalists.

Make better use of student programs as a tool to build a diverse workforce.

Hispanics are the one underrepresented minority group in federal government, and student employment programs offer an opportunity to reach out to this population. Yet, Hispanics as a combined percentage of STEP and SCEP participants declined from 10.4 percent in fiscal 1996 to 8.5 percent in fiscal 2005 (the most recent data available).⁶ This is a missed opportunity for federal agencies.

It may be that agencies are reaching Hispanic Americans and other targeted populations through third-party internship providers like the Hispanic Association of Colleges and Universities, the National Association for Equal Opportunity in Higher Education and the Washington Internships for Native Students. Given the additional hurdle presented by current regulations to converting participants in these programs into permanent employees, it is crucial that agencies educate the participants about SCEP positions and make a point of selecting the best interns to return through SCEP.

Market student opportunities aggressively.

Agencies should develop marketing materials for their internship programs that can be used both internally (i.e., to sell managers on the value of internships) and externally to attract highly qualified students. In addition to highlighting profiles of actual interns and what they do, the materials should explain the possible pathways to permanent jobs with the agency. Agencies should also identify interns who can promote student opportunities and related career paths, and use them as campus ambassadors. The Department of Defense's Student Training and Academic Recruitment (STAR) program and the Partnership for Public Service's *Federal Service Student Ambassador* program are models that can be adapted to train students hired through internships to spread the word back on campus. Part of this role would be to educate students about the value and finer points of SCEP, including conversion potential. Agencies should also look for additional opportunities to reach different audiences, such as through third-party internship providers like the Washington Center, the Hispanic Association of Colleges and Universities Washington Semester, or the Partnership for Public Service's new *Making the Difference Federal Internship Program*.

⁶ United States Office of Personnel Management. *Federal Civilian Workforce Statistics: The Fact Book*, 2006 edition

Institute a mid-course review process for STEP interns.

Agency leaders should encourage supervisors to assess STEP participants halfway through their 10-week internship, and if warranted, move them into SCEP. That would allow them to accrue up to half of the necessary SCEP hours required for noncompetitive conversion. Supervisors could then arrange for the students to work the remaining hours during the winter and spring breaks or other times during the academic year.

Build long-term relationships.

Agencies should consider building a core set of relationships with target college campuses as part of their long-term workforce planning. Another way to develop or expand such relationships could be through the Partnership for Public Service's *Center for Federal Internships and Fellows*, which will be launched in the spring of 2009 and will serve as a one-stop shop for technical assistance and talent (see box on page 8).

OPM

Revisit broader regulatory changes.

In 2006, OPM modified its regulations governing student employment programs to expand agencies' ability to attract and retain top-performing interns. Now, managers have the authority to waive or credit up to half of the 640 hours required of SCEP interns to qualify for noncompetitive conversion. While the percentage of SCEP conversions has increased slightly since our 2002 report, more needs to be done. Therefore, OPM should consider additional ways to give managers greater flexibility to hire students who have demonstrated their capabilities. One example would be to allow all hours completed by volunteer or contract interns to be counted the same as SCEP hours, provided that the work was equivalent. OPM could also create a list of "certified" third-party internship programs whose participants would be eligible for conversion. If additional modifications to the regulations would require action by Congress to amend the underlying statutory authority, OPM should submit proposed legislation to that effect.

Provide agencies with the capability to increase SCEP and STEP conversion rates.

OPM should work with agencies to make sure they have all the tools needed to convert or hire promising interns. For instance, OPM could host workshops on how to develop and manage SCEP agreements. A sample SCEP conversion checklist from the Bureau of Land Management (Appendix B) demonstrates that such templates can be useful in helping managers think about converting interns from day one. OPM can also work with agencies to provide more direct hiring authority in hard-to-fill fields such as science and engineering. Agencies could then use this authority to hire proven STEP interns in these fields after the students graduate.

Facilitate collaboration and information sharing.

OPM and agency leadership should promote greater collaboration across agencies to share best practices in student internship recruitment, hiring, programming and conversion across government. The 70+ agencies in the *Call to Serve* network (cosponsored by OPM and the Partnership) are a natural starting point and provide infrastructure to collect and disseminate recruitment best practices. Additionally, OPM could house a central repository of individuals who have completed their SCEP requirements and are looking for placements within their 120-day eligibility period. This would be a highly desirable pool of talent that agencies could tap as needs arise.

Focus on the basics on campus.

OPM, working in conjunction with the Partnership for Public Service, should leverage the 650+ colleges and university members of the *Call to Serve* network to ensure that career counseling professionals, faculty and students know about federal internship opportunities and understand the distinctions between the various student hiring programs.

Focus the federal agencies.

It is up to each agency to ensure that its entire human resources staff is well-versed in student hiring programs and understands how to maximize those experiences for the students as well as the agency. OPM can provide leadership to make sure good materials and models are available. In particular, OPM should set standards to

ensure that HR professionals are trained on the government-wide benefit of internships as well as the specific programs their respective agencies offer. OPM could also provide guidance to agency hiring managers on how to ensure that every intern is given a good experience and how to identify the most promising interns who should be actively wooed as future permanent employees.

CONGRESS

Provide oversight.

Congress should require an annual report on the use of student hiring authorities, modeled after the statutory requirement for OPM to submit an annual report to Congress on agencies' use of the student loan repayment authority. In addition to highlighting numeric trends in student employment, the report should examine the reasons why agencies are—or are not—successfully converting students to permanent positions. Additionally, Congress should hold oversight hearings to better understand and document the use and value (including the comparative cost advantage) of using SCEP and STEP to identify and recruit entry-level hires, versus traditional recruitment and hiring methods.

Require data collection and evaluation.

Congress should require a common set of metrics, including total numbers hired and demographic breakdowns, on student volunteer and third-party interns, in addition to the data currently collected on STEP and SCEP participation. This would be the first step in getting a clear picture of what kind of opportunities agencies truly have to use interns as a pool for future hires. Congress should charge OPM with this data collection as well as with creating a longitudinal survey mechanism to track the success of converted interns relative to other entry-level hires. Including an evaluation of cost-to-hire from student internship programs could be revealing. Evaluations of student hiring programs, including conversion rates and student evaluations of these programs, are important to ensure that agencies are making the best use of these authorities to build their critical workforce pipelines.

Pass legislation that funds student hires via STEP or SCEP in mission-critical areas.

Congress should look for opportunities to develop and support efforts that promote federal service among students studying the disciplines federal agencies need most. The *Roosevelt Scholars Act*, for example, would fund students pursuing graduate degrees in fields deemed mission-critical by agencies, in exchange for a federal service commitment. Moreover, agencies could capitalize on those who are not selected as Scholars by offering them SCEP internships. Congress should also examine how existing student programs are funded to make sure that it is equally easy for agencies to hire and pay interns directly as it is for them to outsource internship placement to third-party entities.

COLLEGES AND UNIVERSITIES

Educate students about the intricacies of federal internships.

Much of the work to make federal internships a more strategic avenue into permanent jobs rests on federal government, but colleges and universities would be remiss to just sit back and wait. College and university career services offices can help bridge the informational gap about federal internship opportunities by hosting workshops for students and faculty and through networking events with students and alumni who have previously worked in government internships or jobs.

Identify strategic agencies for possible long-term SCEP relationships.

Most career services offices have long-standing relationships with companies that are reliable employers of their graduates year after year. Expanding this approach to include federal agencies would provide greater balance to these employer relationships. Having established SCEP relationships also would provide ready entry points for graduating students during economic downturns as well as during stronger hiring seasons. Since 84 percent of federal jobs are located outside of the Washington, D.C. metropolitan area, one way to identify possible agencies for long-term relationships would be to contact the closest Federal Executive Board (FEB) to get a sense of which agencies have a presence within a reasonable commute of the school, or at least in the closest major city. Another method would be to consult the Partnership's "Where

the Jobs Are" report to understand where there may be good matches between the skills of graduating students and agencies anticipating significant hiring.

Devote resources to building student pipelines to federal government.

The commitment to elevate student opportunities in government on campus needs to start with university leadership and be communicated to faculty as well as career services. Adequate resourcing of the career services office is an important signal. It would be desirable to have a career services staff person who has in-depth knowledge of the public sector. This would not only send a message to students that the university values government service as a career path for its graduates, but would ensure that students can access expertise about public-sector jobs and internships. Moreover, this individual could play a significant role in identifying and reaching out to agencies to build long-term relationships and SCEP pipelines. Colleges and universities could also tap into the power of peer-based outreach by setting up panels of students or alumni who have interned in government, and could support a *Federal Service Student Ambassador* (see box on page 8) for a more sustained approach. Providing stipends to students electing to pursue internships in government to defray housing or travel costs is another way to elevate the profile of government on campus.

APPENDIX A: INTERNSHIP UTILIZATION ASSESSMENT CHECKLIST

For agencies that want to improve their intern practices, the following assessment tool provides a simple starting point for gauging how student programs are currently being used and how they could become a more strategic component of workforce planning and recruitment.

1. Does your agency collect information about all student interns hired, including volunteers, STEP, and SCEP interns, and those at your agency placed through third-party programs?
2. How many entry-level positions does your agency anticipate filling in the coming fiscal year? How many SCEP interns has your agency hired in the current fiscal year?
3. Of the SCEP interns offered permanent positions in your agency, what percentage accepted?
4. What programs and support do you provide for interns while they are at your agency during the summer?
5. How many STEP interns does your agency hire in a given year? How many STEP interns does your agency convert to SCEP interns in a given year?
6. How does your agency keep in touch with successful former interns? Does your agency incorporate former interns into its outreach and recruitment in any way? Does it share new job openings?

APPENDIX B: SAMPLE SCEP CONVERSION TEMPLATE

U. S. DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT Student Career Experience Program (SCEP): CHECKLIST FOR CONVERSION TO FULL-TIME EMPLOYMENT

The following items are needed to convert a Student Career Experience Program (SCEP) participant to a full-time employment position (term, conditional, or career-conditional) with the Bureau of Land Management in Nevada. **The Branch of Human Resources (NV-953) needs a minimum of two weeks to initiate, process, and finalize a SCEP conversion appointment.** So be sure that you provide sufficient time when determining the proposed effective start date for a conversion and consult with the SEEP Coordinator to confirm your proposed start date.

Student Name: _____ Field Office: _____
 Tentative Effective Start Date: _____ SF-52#: _____
 Supervisor Name and Phone #: _____ Mentor Name and Phone #: _____
 Social Security #: _____ DOB: _____
 Work Schedule (circle one): Full-Time Part-Time # of Work Hours Per Pay Period: _____

Student paperwork required:

- Final official transcript (must include degree acquired and final cumulative academic GPA of 2.5 or better)
- Proof of at least 640 hours of work experience completed (letter signed by office timekeeper and supervisor)
- Complete and provide a Student Educational Employment Program Exit Evaluation

Supervisor/Administrative Support Assistant (ASA) paperwork required:

- All of the above information, plus the following:
- Written recommendation for conversion to full-time employment, must include TO and funding information
- Justification for Recruitment Form (State Director, State Program Lead and Budget Officer approval needed to hire)
- OF-8, Position Description (full performance) and Cover Sheet
- DI-625, Position Classification Amendment (if necessary, at the varying GS levels leading to full performance)
- SF-52, Request for Personnel Action (initiated/finalized by supervisor and Administrative Support Assistant)
- Complete and provide a copy of the Student Trainees' closeout EPPRR
- Please CHECK only if a need for a Permanent Change of Duty Station (all expenses will be the responsibility of the gaining Field Office)

All of the above paperwork must be submitted before the student can be considered for conversion. Please note that the agency has 120 days from the date of the student trainee's graduation or course work completion to convert them. In the meantime, the student remains a SCEP until all of the paperwork has been finalized for conversion, but no longer than the allowed 120 days. Failure to convert within the 120 day period must be justified and well documented. A lack of conversion may mean removal from the SCEP Program and Federal service.

NSO Personnel—paperwork processing:

- Conversion packet reviewed and approved by Recruitment Specialist and SEEP Coordinator
- Position description reviewed and classified by Human Resources Specialist (Classifier), if necessary
- Paperwork proceeds to the SEEP Program Assistant for processing and finalization
- OF-50B, Notification of Personnel Action (forwarded to Administrative Support Assistant)
- Physical examination/random drug test (law enforcement, surveying positions, fire and other arduous positions)

NSO Personnel—create appointment/information packet and forward to student:

- Conversion and New Appointment Letter
- Copy of Position Description and Qualification Standards for Position / Occupational Series
- Notification letter to supervisor/mentor that the conversion action is complete; 'cc' copies of the student's conversion letter, position description, etc.
- Notification letter to the PCS Coordinator—if PCS is requested
- Permanent Change of Duty Station Packet and Forms (packet will be sent to the converted student only if requested)



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