



STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

February 5, 2024

To: The Honorable Henry J.C. Aquino, Chair,
The Honorable Sharon Y. Moriwaki, Vice Chair, and
Members of the Senate Committee on Labor and Technology

Date: Monday, February 5, 2024

Time: 3:10 p.m.

Place: Conference Room 224, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. 2286 RELATING TO INTERNSHIPS

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR supports** this measure and suggests amendments. SB2286 creates a new section in Chapter 394, Hawaii Revised Statutes (HRS), to authorize state-funded internships in the private sector to support the job training needs of Hawaii's youth and support Hawaii's economy.

II. CURRENT LAW

Act 251, SLH 1969, established Chapter 394 and was enacted to support the training needs of the State's economy by "increasing trained local labor." Act 251 envisioned the DLIR assisting Hawaii's workforce to obtain suitable employment by supporting training needs and thereby supporting Hawaii's economy.

The federal Workforce Innovation and Opportunity Act (WIOA) includes a major focus on providing work experience or internships for youth in a planned, structured, time-limited learning experience that takes place in a workplace within the private or public sector (20 CFR § 680.180).

20 CFR Part 680 Subpart F—Work-Based Training outlines the requirements of On-the-Job training (OJT), which includes a contractual arrangement for the provision of occupational training between a sponsor and an employer wherein the sponsor provides reimbursement "for the extraordinary costs of providing the training and supervision related to the training."

III. COMMENTS ON THE SENATE BILL

The DLIR supports this measure that seeks to provide state funding for work-based training via OJT contracts between the department and employers or

registered apprenticeship program sponsors in the private sector for youth. State support to bolster WIOA supported work-based training comports with the intent of Chapter 394 HRS to support the local workforce and sustain Hawaii's economy.

The proposed new section of Chapter 394 outlines the details of a State-supported program that comports with the WIOA work-based training while including Hawaii specific elements that the DLIR believes will enable it to operate a program that protects the interest of the department, employers or apprenticeship sponsors, and participants.

The DLIR suggests amending the purpose and appropriate section by deleting "enter into contracts with eligible employers or registered apprenticeships programs in the private sector to provide on-the-job training to eligible interns" with "to administer the internship program under this chapter." (pg. 2, lines 5-7 and pg. 8, lines 18-21).

The department notes that §394-3(c) already contains a provision for Chapter 91 rule-making (pg. 4, lines 16-17).



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
Senate Committee on Labor and Technology
Monday, February 5, 2024, at 3:10 p.m.

By

Debora Halbert, Vice President for Academic Strategy
University of Hawai'i System

SB 2286 – RELATING TO INTERNSHIPS

Chair Aquino, Vice Chair Moriwaki, and Members of the Committee:

Thank you for the opportunity to testify on SB 2286 relating to internships. The University of Hawai'i (UH) supports and appreciates the Senate's desire to expand work-based learning while helping Hawai'i's youth gain practical experience that will help them in their future careers. To the extent that this bill addresses college students, it is important to note that internships are indeed one of several nationally recognized "high impact practices" within higher education that tend to correlate with student success beyond graduation. When done well, internships help students build their self-confidence while acclimating to workplace culture and developing key industry-based skills that will enhance their employability.

The University of Hawai'i's Strategic Plan 2023-2029 features an imperative calling on UH to "Meet Hawai'i's workforce needs of today and tomorrow." One of the stated objectives under this imperative is to partner more effectively with employers in order to "ensure the necessary preparation and support for students to succeed in their career," and UH will track its students' participation in internships as one of the metrics used to measure achievement of this objective. This bill would therefore support the University of Hawai'i's ongoing efforts to expand work-based learning opportunities for its students while allowing them, in many cases, to simultaneously earn college credit.

While we support the intent of the bill, we defer to the Department of Labor and Industrial Relations regarding the specific language describing the internship program.

Thank you for the opportunity to provide testimony in support of this measure.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/05/2024
Time: 03:10 PM
Location: CR 224 & Videoconference
Committee: Senate Labor and
Technology

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SB 2286 RELATING TO INTERNSHIPS.

Purpose of Bill: Permits and appropriates moneys for the Department of Labor and Industrial Relations to enter into contracts with eligible employers or registered apprenticeship programs in the private sector to provide on-the-job training to eligible interns. Declares that appropriation exceeds the general fund expenditure ceiling. Provides that the State shall be the responsible employer for purposes of workers' compensation coverage when a student or recent graduate performs paid or unpaid work for a private or public employer as part of a school-approved, workbased learning program. Specifies that workers' compensation coverage for a recent graduate shall lapse on 7/31 of the graduating year.

Department's Position:

The Hawaii State Department of Education (Department) respectfully offers comments on SB 2286, which permits the Department of Labor and Industrial Relations (DLIR) to fund internships in the private sector and provides workers' compensation coverage for recent high school graduates participating in Department- and University of Hawaii-sponsored work-based learning programs.

The Department has prioritized work-based learning to promote workforce readiness, supporting Goal 1.3 of the Board of Education Strategic Plan – "All students graduate high school prepared for college and career success and community and civic engagement." As new high school graduates transition to their post-secondary plans, the Department offers various supports during the summer following their graduation, including college and career advising, training,

and internships. Summer training and internships are an extension of their Career and Technical Education (CTE) program of study to help the new graduates further develop the skills needed to succeed in the workforce. Planning and preparation for these internships take place during the school year. Without workers' compensation coverage, employers may be discouraged from hosting recent high school graduates as interns as the liability may become theirs.

Over the last five years, the Department has not incurred workers' compensation costs for students participating in Department-sponsored work-based learning programs. Although the cost anticipated may be minimal, should the Legislature authorize this measure, the Department respectfully requests that the Legislature simultaneously include the funds necessary to implement the changes into the Department's workers' compensation program base budget.

The Department also respectfully requests for consideration the inclusion of public high school students who are at least 16 years of age as eligible to participate in the on-the-job training work experience program outlined in Section 3. Internships are an integral part of our students' educational program, providing opportunities for students to apply and advance what they have learned in the classroom in an authentic work environment and to gain a better understanding of industry standards and practices from industry professionals. Internships for high school students in the private sector will increase access to work-based learning opportunities for all public school students across the state and across all CTE career pathways.

The Department appreciates the Legislature's support of our work-based learning efforts. The Department's goal is for all students to be globally competitive, having the skills to build a successful career anywhere in the world, and locally committed, choosing to live, work, and grow here in Hawaii. Preparing our students for the current and future workforce here at home will not only address our workforce needs, but will also lead to a thriving Hawaii.

The Department defers to the DLIR with regards to the implementation of the on-the-job training work experience program outlined in Section 3.

Thank you for the opportunity to provide testimony on this measure.



1050 Bishop St. PMB 235 | Honolulu, HI 96813
P: 808-533-1292 | e: info@hawaiiifood.com

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TO: Committee on Labor and Technology

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 5, 2024
TIME: 3:10pm
PLACE: Room 224

RE: SB2286 Relating to Internships

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

Chair Aquino, Vice Chair Moriwaki, and Members of the Committee,
Like many industries in our state the food industry is facing a shortage of workers. While there is a huge range of diverse jobs in this field, there are often not enough applicants with the necessary skills and experience that our food businesses need.

This program will help our local food companies, and other businesses, work directly with young people to help them develop the specific skills they need to thrive in their future careers. Expanding work based learning programs is a win for students as it provides valuable hands on learning and it's a win for businesses that get to engage these bright young people and help shape the workforce of tomorrow. This measure also promotes economic growth and job creation in our state.

We encourage the Committee to pass this measure and we thank you for the opportunity to testify.



February 2, 2024

Senator Henry Aquino, Chair
Senator Sharon Moriwaki, Vice Chair
Committee on Labor and Technology
The Senate
Hawaii State Legislature

Support for SB2286

Dear Chair Aquino, Chair Moriwaki and Members of the Committee on Labor and Technology,

Thank you for the opportunity to provide our testimony in support of SB2286.

We are very supportive of opportunities to increase paid internships and would be grateful to work with the Department of Labor and Industrial Relations on this initiative. We work very closely with ClimbHI on tourism industry exposure and internships for high school students now, and would look forward to expanding those programs.

On behalf our 5,000 employees and their 20,000 family members, thank you for the opportunity to support SB2286.

Sincerely,

A handwritten signature in black ink that reads "Stephanie P. Donoho". The signature is written in a cursive, flowing style.

Stephanie Donoho, Administrative Director



**Testimony to the Senate Committee on Labor and Technology
Monday, February 5, 2024; 3:10 p.m.
State Capitol, Conference Room 224
Via Videoconference**

RE: SENATE BILL NO. 2286 – RELATING TO INTERNSHIPS.

Chair Aquino, Vice Chair Moriwaki, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 2286, RELATING TO INTERNSHIPS.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

The bill, as received by your Committee, would authorize and appropriate funds for the Department of Labor and Industrial Relations to enter into contracts with eligible employers or registered apprenticeship programs in the private sector to provide on-the-job training to eligible interns.

The State of Hawaii is experiencing a severe shortage of health care professionals in the workforce, especially in rural areas. Recent studies note that the current shortage of physicians is at 20% of the total full-time equivalent positions throughout the State. The shortage is especially severe in the fields of primary care, infectious diseases, colorectal surgery, pathology, general surgery, pulmonology, neurology, neurosurgery, orthopedic surgery, family medicine, cardiothoracic surgery, rheumatology, cardiology, hematology/oncology, and pediatric subspecialties of endocrinology, cardiology, neurology, hematology/oncology, and gastroenterology.

The same can be said for registered and practical nurses, community health workers, social workers, pharmacists, and other disciplines in the field of health care.

Testimony on Senate Bill No. 2286
Monday, February 5, 2024; 3:10 p.m.
Page 2

The HPCA believes this program would provide a needed service to our community by preparing students for meaningful employment, diversifying their learning opportunities, and promoting responsible citizenship. In addition, the program will facilitate partnerships between businesses and educators for the creation of mentoring ventures and other opportunities so that Hawaii's youth may gain the practical experience that will enable them to be productive members of our labor force. This is critical for the field of health care, especially in rural communities.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.



david.miyashiro@hawaiikidscan.org
hawaiikidscan.org

David Miyashiro
Executive Director

February 5, 2024

Committee on Labor and Technology
Senator Henry J.C. Aquino, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Aloha Chair Aquino, Vice Chair Moriwaki, and Members of the Committee,

HawaiiKidsCAN supports SB2286, which permits and appropriates moneys for the Department of Labor and Industrial Relations to enter into contracts with eligible employers or registered apprenticeship programs in the private sector to provide on-the-job training to eligible interns. Declares that appropriation exceeds the general fund expenditure ceiling. Provides that the State shall be the responsible employer for purposes of workers' compensation coverage when a student or recent graduate performs paid or unpaid work for a private or public employer as part of a school-approved, work-based learning program. Specifies that workers' compensation coverage for a recent graduate shall lapse on 7/31 of the graduating year.

Founded in 2017, HawaiiKidsCAN is a local nonprofit organization committed to ensuring that Hawaii has an excellent and equitable education system that reflects the true voices of our communities and, in turn, has a transformational impact on our children and our state. We strongly believe that all students should have access to excellent educational opportunities, regardless of family income levels and circumstances.

Hawaii's youth are facing an affordability crisis if they want to remain in the state for years to come. While there are many elements needed to address this issue, a must-have is making sure our youth are equipped with the skills and connections they need to pursue their dream careers. Work-based learning opportunities, such as internships in skilled fields including healthcare, IT, and air travel give students the chance to learn and earn on-the-job and gain experience and connections that will make them stand out for high-paying job opportunities in the future. Additionally, work-based learning provides employers across Hawaii the opportunity to recruit and grow their own workforce of local talent, providing mentorship and training for their next generation of workers. Research has shown that part-time work as a student translates to future

career benefits that include higher hourly wages upwards to 20%, increased annual earnings, and less time spent out of work.¹

SB2286 enables important technical changes with the Department of Labor and Industrial Relations' Hele Imua program so that young professionals can access a broader range of internship placement sites. Given that Hawaii needs to urgently expand our talent pipelines for local talent to stay in the state and grow their skills, it's a no-brainer to diversify options for potential interns.

Mahalo for your consideration,

David Miyashiro
Founding Executive Director
HawaiiKidsCAN

¹ <https://epionline.org/release/new-study-finds-teens-early-work-experiences-have-long-lasting-career-benefits/>



HAWAI'I LODGING & TOURISM
ASSOCIATION

LATE

*Testimony of
Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association*

*Committee on Labor and Technology
Monday, February 5, 2024
Senate Bill 2286: Relating to Internships*

Aloha Chair Aquino and Members of the Committee,

I am writing to express the strong support of the Hawai'i Lodging & Tourism Association (HLTA) for Senate Bill 2286. As the state's oldest and largest private sector tourism organization, representing 700 members, nearly 50,000 hotel rooms, and 40,000 lodging workers, HLTA is committed to addressing the critical issue of workforce development in Hawai'i, particularly in the aftermath of the COVID-19 pandemic.

Senate Bill 2286, which permits and appropriates funds for the Department of Labor and Industrial Relations (DLIR) to enter into contracts with eligible employers or registered apprenticeship programs in the private sector, aligns with our mission to provide on-the-job training for our youth. Workforce development remains a key priority for the tourism industry, and HLTA has been at the forefront, implementing various initiatives to support this cause.

HLTA has successfully initiated various programs, including the Generational Mentoring Program. This initiative pairs university-level students majoring in tourism industry management from UH Manoa, UH West Oahu, Brigham Young University, and Hawai'i Pacific University with executives from Hawai'i's visitor industry for a 6-month mentorship. Now in its 8th class, this program continues to serve as a direct avenue for students to glean insights from established leaders in the industry.

In 2019, HLTA, in collaboration with the Hawai'i Tourism Authority and various stakeholders, introduced the Ho'oilina Scholarship. Currently in its 3rd cohort, this program awards four-year full-ride scholarships to local Department of Education (DOE) high school students who are matriculating at UH Manoa's School of Tourism Industry Management.

Our latest endeavor, the Visitor Industry High School Internship (VIHSI) program, is a collaborative effort with the Council for Native Hawaiian Advancement (CNHA), the DOE, and the DLIR.

During the 2022 legislative session, funds were generously provided to DLIR for the purpose of providing paid internships. HLTA assisted in bringing in our largest economic sector, the hospitality industry, with DLIR and the educational systems involved. However, we encountered challenges in accessing the funds for internships designated for placement in private sector organizations. Ultimately, it became apparent that participating students would be limited to placements exclusively within government agencies and offices.

To get the ball rolling, and prove that the program could work, we partnered with the Council for Native Hawaiian Advancement, to fund a pilot group of high school interns through private dollars, placing them in HLTA member companies representing hotels, airlines, and ground transportation companies. We worked directly with the Department of Education's office of the Superintendent to ensure that all appropriate memorandum of agreements and processes were put into place with the participating schools and companies. This initiative provided invaluable experiences for the aspiring youth that were selected to take part in the program.

Senate Bill 2286 presents a pivotal opportunity to build upon the success of our visitor industry internship program and extend its impact across the broader industry as well as all other sectors. Enabling internships in private sector companies will enhance the overall effectiveness of our efforts to provide paid internships for local students who are eager to kick start their careers. It is imperative that our youth gain exposure to the diverse working environments offered by businesses on all fronts, beyond government offices.

If we could offer one amendment for consideration. Given the success of the Visitor Industry High School Internship program, we would like to request an adjustment to the eligibility criteria for interns mentioned in Section 3 of the measure to include high school students. In working with our partners in the DOE, we have observed that involving students in on-the-job training at an earlier stage significantly benefits all parties involved. One of our objectives is to create avenues for our youth to develop workplace readiness, bridging the gap between high school, college, and career-level settings. Recognizing that traditional 4-year degrees may not suit everyone, we aim to provide diverse opportunities for career preparation.

We commend Senator Dela Cruz for his dedication to workforce development and for introducing this crucial legislation that facilitates support from the private sector. We eagerly anticipate discussions on SB2286 and extend our full support for its progression through the legislative process.

Mahalo for providing us with the opportunity to share our testimony and contribute to the advancement of workforce development in Hawai'i.



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

February 5, 2024

HEARING BEFORE THE
SENATE COMMITTEE ON LABOR AND TECHNOLOGY

TESTIMONY ON SB 2286
RELATING TO EDUCATION

Conference Room 224 & Videoconference
3:10 PM

Aloha Chair Aquino, Vice-Chair Moriwaki, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports SB 2286, which permits and appropriates moneys for the Department of Labor and Industrial Relations to enter into contracts with eligible employers or registered apprenticeship programs in the private sector to provide on-the-job training to eligible interns.

Hawai'i's farmers and ranchers are aging. The average age of Hawai'i's farmers and ranchers exceeds 60 years old, and if they were in other professions would most likely be retired. Yet many of these farmers and ranchers are those who provide agricultural products to supermarkets, restaurants, hotels, farmers' markets, and the Farm to School program and truly make a difference in reducing imports.

Multigenerational commercial farms and ranches are facing the prospect of closure because succession plans do not exist. As these farmers and ranchers retire, their lands go out of agricultural production. There is an urgent need for interns or apprentices who are willing to not only work on these farms but also take over their operations.

This measure will incentivize and assist farms to train the next generation of new farmers who are interested in developing the skills and knowledge needed to be successful agriculture businesses.

Thank you for the opportunity to testify on this important matter.



Chamber of Commerce HAWAII

The Voice of Business

Testimony to the Senate Committee on Labor and Technology
Monday, February 5, 2024 at 3:10PM
Conference Room 224 & Videoconference

RE: SB2286 Relating to Qualified Internship

LATE

Aloha Chair Aquino, Vice Chair Moriwaki, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports SB 2286**, which permits and appropriates moneys for the Department of Labor and Industrial Relations to enter into contracts with eligible employers or registered apprenticeship programs in the private sector to provide on-the-job training to eligible interns, while providing that the State shall be the responsible employer for purposes of workers' compensation coverage when a student or recent graduate performs paid or unpaid work for a private or public employer as part of a school-approved, work-based learning program.

State-funded private-sector internships as supported through this measure would provide additional opportunities for interns to gain practical work experience and prepare for their future careers while fostering public-private collaboration and promoting economic growth. This measure would also perpetuate effective partnerships between Hawaii public schools and Hawaii employers, strengthening the local talent pipeline and supporting workforce retention. If passed, this will help facilitate bridging the gap between the education system and the job market.

Throughout the duration of the interim and beyond, The Chamber has collaborated through a working group consisting of private sector leaders, education non-profits such as HawaiiKidsCAN, DOE, Kamehameha Schools, and other community groups to identify the best way to advance work-based-learning and career pathways for high school students while benefiting the employer. Without critical assistance to support work-based learning experiences, many employers, especially small- to medium sized companies, may lack the resources necessary to hire and sustain student interns and provide for them the valuable work experience prerequisites sought.

At the Chamber, our Education and Workforce Development Department brings together leaders of in-demand industries and educators to address our workforce shortage while strengthening our local talent pipeline. Advancing work-based-learning through work-based internship opportunities such as the one provided in this bill is unanimously identified as a positive. However, we need more private-sector partnership at the table to employ prospective qualified interns. The incentive provided for companies to offer such work-based learning opportunities for interns will increase the capacity for such companies and capacitate a win-win for our future workforce and our current industries both.



Chamber of Commerce HAWAII

The Voice of Business

The Chamber of Commerce Hawaii firmly considers this initiative an investment in Hawaii's future. We are committed to supporting employers and their employees who are willing to invest in the development of our students and are confident this grant program will help to create a brighter future for our state.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Thank you for this opportunity to testify.