

JAN 19 2024

A BILL FOR AN ACT

RELATING TO INTERNSHIPS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that expanding
3 state-funded internships to include private-sector positions
4 will benefit the State by promoting economic growth, fostering
5 public-private collaborations, and supporting job creation.
6 State-funded private-sector internships will also create
7 additional opportunities for interns to gain practical work
8 experience and prepare for their future careers.

9 The legislature recognizes that article VII, section 4, of
10 the Hawaii State Constitution requires the legislature to
11 appropriate moneys "for a public purpose". The courts have
12 found that what constitutes a public purpose "is generally a
13 question for the legislature to decide" and that the legislature
14 should be given "wide discretion" in this matter (State ex. rel.
15 Amemiya v. Anderson, 56 Haw. 566, 574 (1976)).

16 Accordingly, the legislature finds that permitting
17 state-funded private-sector internships is in the best interests



1 of the State, for a public purpose, and in support of the
2 public's health, safety, and welfare.

3 Accordingly, the purpose of this part is to authorize, and
4 appropriate moneys for, the department of labor and industrial
5 relations to enter into contracts with eligible employers or
6 registered apprenticeship programs in the private sector to
7 provide on-the-job training to eligible interns.

8 SECTION 2. (a) In accordance with section 9 of
9 article VII of the Hawaii State Constitution and sections 37-91
10 and 37-93, Hawaii Revised Statutes, the legislature has
11 determined that the appropriations contained in Act 70, Session
12 Laws of Hawaii 2023, and this Act will cause the state general
13 fund expenditure ceiling for fiscal year 2024-2025 to be
14 exceeded by \$ or per cent. The combined total
15 amount of general fund appropriations contained in only these
16 two Acts will cause the state general fund expenditure ceiling
17 for fiscal year 2024-2025 to be exceeded by
18 \$ or per cent.

19 (b) The reasons for exceeding the general fund expenditure
20 ceiling are that:



1 (1) The appropriation made in this part is necessary to
2 serve the public interest; and

3 (2) The appropriation made in this part meets the needs
4 addressed by this part.

5 SECTION 3. Chapter 394 Hawaii Revised Statutes, is amended
6 by adding a new section to be appropriately designated and to
7 read as follows:

8 "§394- On-the-job training work experience program.

9 (a) The department of labor and industrial relations may enter
10 into contracts with employers or registered apprenticeship
11 program sponsors in the private sector to provide on-the-job
12 training to eligible interns. The department may provide to the
13 employers or sponsors up to \$20.00 per hour in reimbursements
14 for wages only, but not for fringe benefits or other costs, for
15 the extraordinary costs of training and supervising an intern.
16 The employers or sponsors shall not be required to provide
17 documentation of these extraordinary costs.

18 (b) Eligible employers or sponsors shall demonstrate
19 compliance with Hawaii compliance express, or any successor
20 program established to facilitate compliance with section
21 103D-310 (c) .



1 (c) Contracts under this section shall be limited to a
2 period of twelve weeks, with an extension of up to twelve
3 additional weeks if approved by the director; provided that the
4 term of training shall be sufficient to allow the participant to
5 become proficient in the occupation for which training is
6 provided. In determining the appropriate length of the
7 contract, the director shall consider the:

- 8 (1) Occupation's skill requirements;
- 9 (2) Intern's existing academic and occupational skill
10 levels; and
- 11 (3) Intern's prior work experience.

12 (d) The employer or sponsor shall comply with state and
13 federal minimum wage rate and overtime requirements pursuant to
14 chapter 387 and the Fair Labor Standards Act as adopted in title
15 29 Code of Federal Regulations chapter V.

16 (e) The department shall adopt systems, and rules pursuant
17 to chapter 91, as necessary to develop and implement the
18 program, including systems and rules allowing the department to:

- 19 (1) Ensure that participating interns are eligible
20 pursuant to subsection (f) and participating employers
21 or sponsors are eligible pursuant to subsection (g);



- 1 (2) Ensure that interns are referred by the department to
- 2 employers or sponsors and not directly by the
- 3 employers or sponsors;
- 4 (3) Reimburse employers or sponsors up to \$20.00 per hour
- 5 only for wages paid for the extraordinary costs of
- 6 providing intern training and supervision;
- 7 (4) Develop a training plan for each intern in cooperation
- 8 with the intern and employer or sponsor;
- 9 (5) Monitor each intern's progress in the program to
- 10 ensure that training plan objectives are being met;
- 11 (6) Consult with interns and onsite supervisors to address
- 12 any problems affecting the training plan;
- 13 (7) Terminate an internship, if necessary, due to problems
- 14 at the worksite caused by either the intern or the
- 15 employer or sponsor; and
- 16 (8) Limit employer or sponsor participation to no more
- 17 than five interns at one time; tracked by federal
- 18 employer identification number.
- 19 (f) The department shall develop eligibility criteria for
- 20 interns, including requirements that the intern:
- 21 (1) Be eighteen years of age or older;



- 1 (2) Pass a criminal history record check pursuant to
- 2 section 846-2.7;
- 3 (3) Have earned a high school diploma or its equivalent;
- 4 and
- 5 (4) If a college student or recent college graduate:
- 6 (A) Be currently enrolled in an accredited college or
- 7 university and anticipating the attainment of a
- 8 degree within one year, or have earned a college
- 9 or university degree within one year of applying
- 10 for the internship; and
- 11 (B) Have a cumulative college grade point average of
- 12 2.5 or higher.
- 13 (g) The department shall develop eligibility criteria for
- 14 employers or sponsors, including requirements that the employer
- 15 or sponsor:
- 16 (1) Provide onsite work experience that complies with the
- 17 intern's training plan and includes the daily
- 18 supervision, training, and guidance necessary to
- 19 enable the participants to develop work habits and
- 20 job-specific skills that are essential for employment;



- 1 (2) Pay \$20.00 per hour for a maximum of forty hours per
2 week;
- 3 (3) Provide each intern with a mentor to give on-the-job
4 guidance and to answer routine questions about the
5 workplace;
- 6 (4) Provide interns with the same working conditions as
7 other employees in similar jobs;
- 8 (5) Ensure that interns do not displace currently employed
9 workers, reduce the hours of those currently employed,
10 infringe on the opportunities for promotion of regular
11 employees, or replace the work of employees who have
12 experienced layoffs;
- 13 (6) Ensure that interns' on-the-job training does not
14 impair existing contracts for services or collective
15 bargaining agreements;
- 16 (7) Ensure that the worksite, supervisor, and participants
17 are available for monitoring by the department;
- 18 (8) Ensure that the worksite complies with all
19 occupational safety and health standards established
20 under state and federal law;



- 1 (9) Maintain time sheets and attendance records for each
- 2 intern, prepare intern evaluations, and any other
- 3 reports required by the department;
- 4 (10) Consult with and obtain assistance from the department
- 5 if an intern requires support services to effectively
- 6 carry out a work assignment; and
- 7 (11) Notify the department on a timely basis if an intern:
- 8 (A) Is injured at the worksite;
- 9 (B) Is absent without good cause;
- 10 (C) Performs poorly on job assignments;
- 11 (D) Refuses to participate in work or work-related
- 12 activities; or
- 13 (E) Is not making satisfactory progress in the
- 14 program or on the job."

15 SECTION 4. There is appropriated out of the general

16 revenues of the State of Hawaii the sum of \$ or so much

17 thereof as may be necessary for fiscal year 2024-2025 for the

18 department of labor and industrial relations to enter into

19 contracts with employers or registered apprenticeship programs

20 in the private sector to provide on-the-job training to eligible

21 interns.



1 The sum appropriated shall be expended by the department of
2 labor and industrial relations for the purposes of this part.

3 PART II

4 SECTION 5. Section 302A-430, Hawaii Revised Statutes, is
5 amended to read as follows:

6 **"§302A-430 Coverage for workers' compensation.** [~~Whenever~~
7 ~~a student participating in a school-approved work-based learning~~
8 ~~program sponsored by the department of education or the~~
9 ~~University of Hawaii undertakes to perform work for a private or~~
10 ~~public employer as part of the student's work-based learning~~
11 ~~program, whether paid or unpaid, the]~~ The State shall be deemed
12 [to be] the responsible employer for the purposes of workers'
13 compensation coverage, [that shall be the student's exclusive
14 remedy to the same extent] as provided for in chapter 386 [as
15 against the State and the private employer participating in the
16 program.], when a student or recent graduate performs paid or
17 unpaid work for a private or public employer as part of a
18 school-approved, work-based learning program sponsored by the
19 department of education or university of Hawaii; provided that
20 workers' compensation coverage for a recent graduate shall lapse
21 on July 31 of the graduating year."



1 SECTION 6. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 7. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 8. This Act shall take effect on July 1, 2024.

7

INTRODUCED BY:





Report Title:

DLIR; Private Sector; Internships; Workforce Development;
Workers' Compensation Coverage; Appropriation; Expenditure
Ceiling

Description:

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.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

