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# 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, and serves a public purpose of supporting health,  
2 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 administer an on-the-job training work experience  
6 program for eligible interns.

7 SECTION 2. Chapter 394, Hawaii Revised Statutes, is  
8 amended by adding a new section to be appropriately designated  
9 and to read as follows:

10 **"§394- On-the-job training work experience program.**

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

20 (b) Eligible employers or sponsors shall demonstrate  
21 compliance with Hawaii compliance express or any successor

1 program established to facilitate compliance with section  
2 103D-310(c).

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

- 11 (1) Occupation's skill requirements;
- 12 (2) Intern's existing academic and occupational skill  
13 levels; and
- 14 (3) Intern's prior work experience.

15 (d) The employer or sponsor shall comply with state and  
16 federal minimum wage rates and overtime requirements pursuant to  
17 chapter 387 and the Fair Labor Standards Act of 1938, as  
18 amended.

19 (e) The department of labor and industrial relations shall  
20 adopt systems, and rules pursuant to chapter 91, as necessary,



1 to develop and implement the program, including systems and  
2 rules allowing the department to:

3 (1) Ensure that participating interns are eligible  
4 pursuant to subsection (f) and participating employers  
5 or sponsors are eligible pursuant to subsection (g);

6 (2) Ensure that interns are referred by the department to  
7 employers or sponsors and not directly by the  
8 employers or sponsors;

9 (3) Reimburse employers or sponsors up to \$20.00 per hour  
10 for wages only for the extraordinary costs of  
11 providing intern training and supervision;

12 (4) Develop a training plan for each intern in  
13 collaboration with the intern and employer or sponsor;

14 (5) Monitor each intern's progress in the program to  
15 ensure that training plan objectives are being met;

16 (6) Consult with interns and onsite supervisors to address  
17 any problems affecting the training plan;

18 (7) Terminate an internship, if necessary, due to problems  
19 at the worksite caused by either the intern or the  
20 employer or sponsor; and



1       (8) Limit employer or sponsor participation to no more  
2       than five interns at one time, as tracked by the  
3       federal employer identification number of the employer  
4       or sponsor.

5       (f) The department of labor and industrial relations shall  
6       develop eligibility criteria for interns, including requirements  
7       that the intern:

8           (1) Be sixteen years of age or older;

9           (2) Pass a criminal history record check pursuant to  
10          section 846-2.7;

11          (3) Be a Hawaii resident;

12          (4) Be currently enrolled in a public high school or have  
13          earned a high school diploma or its equivalent; and

14          (5) If a college student or recent college graduate:

15           (A) Be currently enrolled in an accredited college or  
16           university and anticipating the attainment of a  
17           degree within one year, or have earned a college  
18           or university degree within one year of applying  
19           for the internship; and

20           (B) Have a cumulative college grade point average of  
21           2.5 or higher.



1       (g) The department of labor and industrial relations shall  
2 develop eligibility criteria for employers or sponsors,  
3 including requirements that the employer or sponsor:

4       (1) Provide onsite work experience that complies with the  
5 intern's training plan and includes the daily  
6 supervision, training, and guidance necessary to  
7 enable the interns to develop work habits and  
8 job-specific skills that are essential for employment;

9       (2) Pay not less than \$20.00 per hour for a maximum of  
10 forty hours per week;

11       (3) Provide each intern with a mentor to give on-the-job  
12 guidance and to answer routine questions about the  
13 workplace;

14       (4) Provide interns with the same working conditions as  
15 other employees in similar jobs;

16       (5) Ensure that interns do not displace currently employed  
17 workers, reduce the hours of those currently employed,  
18 infringe on the opportunities for promotion of regular  
19 employees, or replace the work of employees who have  
20 experienced layoffs;



- 1        (6) Ensure that interns' on-the-job training does not
- 2            impair existing contracts for services or collective
- 3            bargaining agreements;
- 4        (7) Ensure that the worksite, supervisor, and participants
- 5            are available for monitoring by the department;
- 6        (8) Ensure that the worksite complies with all
- 7            occupational safety and health standards established
- 8            under state and federal law;
- 9        (9) Maintain time sheets and attendance records for each
- 10           intern and prepare intern evaluations and any other
- 11           reports required by the department;
- 12        (10) Consult with and obtain assistance from the department
- 13           if an intern requires support services to effectively
- 14           carry out a work assignment;
- 15        (11) Notify the department on a timely basis if an intern:
- 16           (A) Is injured at the worksite;
- 17           (B) Is absent without good cause;
- 18           (C) Performs poorly on job assignments;
- 19           (D) Refuses to participate in work or work-related
- 20           activities; or



1           (E) Is not making satisfactory progress in the  
2                           program or on the job; and

3       (12) Indemnify and hold harmless the State of Hawaii and  
4                           its officers, agents, and employees from and against  
5                           any and all claims arising out of or resulting from  
6                           activities carried out or projects undertaken with  
7                           funds provided under this section and procure  
8                           sufficient insurance to provide this indemnification.

9       (h) The department of labor and industrial relations shall  
10                          collaborate with the department of human resources development  
11                          to process program applications and place interns in temporary  
12                          or permanent positions at a department, business, or  
13                          organization within the State.

14       (i) Before the first day of each internship, the  
15                          department of labor and industrial relations shall provide the  
16                          department of human resources development with:

17       (1) The following information:

18                          (A) The name of the intern;

19                          (B) The department, business, or organization to  
20   which the intern is assigned;

21                          (C) The assigned employee number of the intern;





1           (D) The expected start and end dates of the  
2           internship; and

3           (E) Any other relevant information that the  
4           department of human resources development may  
5           require to process the intern; and

6           (2) Access to the intern's Hawaii information portal  
7           account or the intern's account of the Hawaii  
8           information portal's successor system.

9           (j) The department shall submit an annual report on the  
10          program to the legislature no later than twenty days prior to  
11          the convening of each regular session. At a minimum, each  
12          report shall include:

13           (1) Outcomes and successes of the program;

14           (2) The number of interns who enrolled in the program and  
15           exited the program during the previous fiscal year;  
16           and

17           (3) Information on the progress of the program."

18          SECTION 3. (a) In accordance with section 9 of  
19          article VII of the Hawaii State Constitution and sections 37-91  
20          and 37-93, Hawaii Revised Statutes, the legislature has  
21          determined that the appropriations contained in Act 70, Session





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

3 **"§302A-430 Coverage for workers' compensation.** [Whenever  
4 ~~a student participating in a school-approved work-based learning~~  
5 ~~program sponsored by the department of education or the~~  
6 ~~University of Hawaii undertakes to perform work for a private or~~  
7 ~~public employer as part of the student's work-based learning~~  
8 ~~program, whether paid or unpaid, the] The State shall be deemed  
9 [to be] the responsible employer for the purposes of workers'  
10 compensation coverage, [that shall be the student's exclusive  
11 remedy to the same extent] as provided for in chapter 386 [as  
12 against the State and the private employer participating in the  
13 program.], when a student or recent graduate performs paid or  
14 unpaid work for a private or public employer as part of the on-  
15 the-job training work experience program established in section  
16 394- ; provided that workers' compensation coverage for a  
17 recent graduate shall lapse on the last day of February of the  
18 graduating year for a fall semester graduate and July 31 of the  
19 graduating year for a spring semester graduate."~~



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, 3000.



**Report Title:**

DLIR; DHRD; 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. 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 the on-the-job training work experience program. Requires the Department of Human Resources Development to collaborate with the Department of Labor and Industrial Relations for certain portions of the program. Specifies that workers' compensation coverage for a recent graduate shall lapse on the last day of February of the graduating year for fall semester graduates and on July 31 of the graduating year for spring semester graduates. Effective 7/1/3000. (HD1)

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

