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

11 **"§394- On-the-job training work experience program.**

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



1 (b) Eligible employers or sponsors shall demonstrate
2 compliance with Hawaii compliance express, or any successor
3 program established to facilitate compliance with section
4 103D-310(c).

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

13 (1) Occupation's skill requirements;

14 (2) Intern's existing academic and occupational skill
15 levels; and

16 (3) Intern's prior work experience.

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



- 1 (e) The department shall adopt systems, and rules pursuant
2 to chapter 91, as necessary to develop and implement the
3 program, including systems and rules allowing the department to:
- 4 (1) Ensure that participating interns are eligible
5 pursuant to subsection (f) and participating employers
6 or sponsors are eligible pursuant to subsection (g);
- 7 (2) Ensure that interns are referred by the department to
8 employers or sponsors and not directly by the
9 employers or sponsors;
- 10 (3) Reimburse employers or sponsors up to \$20.00 per hour
11 only for wages paid for the extraordinary costs of
12 providing intern training and supervision;
- 13 (4) Develop a training plan for each intern in cooperation
14 with the intern and employer or sponsor;
- 15 (5) Monitor each intern's progress in the program to
16 ensure that training plan objectives are being met;
- 17 (6) Consult with interns and onsite supervisors to address
18 any problems affecting the training plan;
- 19 (7) Terminate an internship, if necessary, due to problems
20 at the worksite caused by either the intern or the
21 employer or sponsor; and



1 (8) Limit employer or sponsor participation to not more
2 than five interns at one time; tracked by the federal
3 employer identification number of the employer or
4 sponsor.

5 (f) The department shall develop eligibility criteria for
6 interns, including requirements that the intern:

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

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

10 (3) Be currently enrolled in a public high school or have
11 earned a high school diploma or its equivalent; and

12 (4) If a college student or recent college graduate:

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

18 (B) Have a cumulative college grade point average of
19 2.5 or higher.



1 (g) The department shall develop eligibility criteria for
2 employers or sponsors, including requirements that the employer
3 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 job-
8 specific skills that are essential for employment;

9 (2) Pay \$20.00 per hour for a maximum of forty hours per
10 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; and
- 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."

3 SECTION 3. (a) In accordance with section 9 of
4 article VII of the Hawaii State Constitution and sections 37-91
5 and 37-93, Hawaii Revised Statutes, the legislature has
6 determined that the appropriations contained in Act 70, Session
7 Laws of Hawaii 2023, and this Act will cause the state general
8 fund expenditure ceiling for fiscal year 2024-2025 to be
9 exceeded by \$ or per cent. The combined total
10 amount of general fund appropriations contained in only these
11 two Acts will cause the state general fund expenditure ceiling
12 for fiscal year 2024-2025 to be exceeded by
13 \$ or per cent.

14 (b) The reasons for exceeding the general fund expenditure
15 ceiling are that:

- 16 (1) The appropriation made in this part is necessary to
17 serve the public interest; and
- 18 (2) The appropriation made in this part meets the needs
19 addressed by this part.

20 SECTION 4. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$ or so much



1 thereof as may be necessary for fiscal year 2024-2025 for the
2 department of labor and industrial relations to enter into
3 contracts with employers or registered apprenticeship programs
4 in the private sector to provide on-the-job training to eligible
5 interns.

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

8 PART II

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

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



1 unpaid work for a private or public employer as part of a
2 school-approved, work-based learning program sponsored by the
3 department of education or university of Hawaii; provided that
4 workers' compensation coverage for a recent graduate shall lapse
5 on July 31 of the graduating year."

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

9 SECTION 7. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 8. This Act shall take effect on July 1, 2050.



Report Title:

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

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 the general fund expenditure ceiling is exceeded. 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. Takes effect 7/1/2050. (SD1)

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

