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GOVERNOR

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JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

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

March 19, 2024

To: The Honorable David A. Tarnas, Chair,
The Honorable Gregg Takayama, Vice Chair, and
Members of the House Committee on Judiciary and Hawaiian Affairs

Date: Tuesday, March 19, 2024
Time: 2:00 p.m.
Place: Conference Room 325, State Capitol

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

Re: S.B. 2286 SD2 HD1 RELATING TO INTERNSHIPS

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR supports** this measure if it does not adversely impact priorities identified in the Executive Supplemental Budget Request for FY2025 and suggests amendments. SB2286 SD2 HD1 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.

The department suggests deleting subsections (h) and (i) as these provisions are ill-fitting for this proposal that establishes a State-funded private sector internship program for employers outside the jurisdiction of DHRD. The DLIR also suggests deleting subsection (j) from this new section but putting the content in a new section of Chapter 394 "Work Experience; Private and Public Sector; Report."

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 aligns 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 for the private sector that comports with the WIOA work-based training while including Hawaii specific elements the DLIR believes will enable it to operate a program that protects the interest of the department, employers or apprenticeship sponsors, and participants.

The department suggests the new subsections (h) and (i) (Pg. 8, line 9 to Pg. 9, line 8) are unnecessary as the DLIR already collaborates with the Department of Human Resources Development (DHRD) and furnishes the information required by subsection (i) for State public sector internships. Moreover, these provisions are ill-fitting for this proposal that establishes a State-funded private sector internship program for employers outside the jurisdiction of DHRD.

The department suggests that subsection (j) (Pg. 9, line 9 to 17) pertaining to a report about internships be separated and added as a new section in Chapter 394 in this measure as follows:

§394- Work experience; private and public sector; annual report. The department shall submit an annual report on state-funded internships programs for both the private and public sectors to the legislature no later than twenty days prior to the convening of each regular session. At a minimum, each report shall include:

- (1) Outcomes and successes of the programs for both private and public sectors;
- (2) The number of interns who enrolled in the program and exited the program during the previous fiscal year;
- (3) The names of the private or public sector organizations that the interns were placed at; and
- (4) Information on the progress of the program.

The DLIR also notes that it prefers the language (eighteen years of age or older) in the introduced version of (f) (1) (Pg. 5, line 8).



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Judiciary & Hawaiian Affairs
Tuesday, March 19, 2024, at 2:00 p.m.

By

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

SB 2286 SD2 HD1 – RELATING TO INTERNSHIPS

Chair Tarnas, Vice Chair Takayama, and Members of the Committee:

Thank you for the opportunity to testify on SB 2286 SD2 HD1 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.

It is important to note that internships are one of several nationally recognized "high impact practices" within higher education that tend to correlate with student success beyond graduation. Paid internships are even more important to the future financial success of students. When done well, internships help students build their self-confidence while acclimating to workplace culture and developing essential 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 to "ensure the necessary preparation and support for students to succeed in their career." UH will track its students' participation in internships as one of the metrics used to measure achievement of this objective. This bill would support the UH's ongoing efforts to expand work-based learning opportunities for its students while allowing them, in many cases, to simultaneously earn college credit.

We defer to the Department of Labor and Industrial Relations regarding any additional language that would be required to describe the operational features of the internship program.

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



TESTIMONY OF DANIEL NĀHO'OPI'I
INTERIM PRESIDENT & CEO, HAWAII TOURISM AUTHORITY
BEFORE THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
Tuesday, March 19, 2024 – 2:00 p.m.
In consideration of
SB 2286 SD2 HD1
RELATING TO INTERNSHIPS

Aloha Chair Tarnas, Vice Chair Takayama, and Members of the Committee:

The Hawai'i Tourism Authority (HTA) supports SB2286 SD2 HD1. Encouraging Hawai'i's high school and college-age students to take advantage of the many career opportunities in the visitor industry is an important part of HTA's mission. Paid internships are a great way to support those pursuits.

HTA's 2022 Workforce Needs Assessment found that visitor industry businesses in Hawai'i were struggling to recruit workforce at all levels, with the difficulty increasing with the seniority of the role. Only 41% of the businesses surveyed offered an internship or apprenticeship program, highlighting the importance of this measure to help grow that number.

The paid internships contemplated in this measure will complement HTA's existing workforce programs at the high school and college levels and multiply the opportunities available to those considering a career in the visitor industry.

We respectfully defer to our colleagues at the Department of Labor and Industrial Relations on matters of implementation, and thank the committee for this opportunity to support SB2286 SD2 HD1.



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

Date: 03/19/2024

Time: 02:00 PM

Location: 325 VIA VIDEOCONFERENCE

Committee: House Judiciary & Hawaiian Affairs

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SB 2286, SD2, HD1 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. 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)

Department's Position:

The Hawaii State Department of Education (Department) supports SB 2286, SD 2, with a request for a clarifying amendment.

The Department respectfully requests that the language in Section 5 be restored to the language in SB 2286, SD 2, which provides workers' compensation coverage for students and recent high school graduates participating in "paid or unpaid work for a private or public employer as part of a school-approved, work-based learning program sponsored by the department of education or university of Hawaii" (pg. 11, lines 8-11). The current HD 1 limits workers' compensation coverage to students and recent graduates participating in the DLIR-administered on-the-job training work experience program outlined in Section 2 of the current draft (pg. 11, lines 13-16). The Department provides work-based learning opportunities for students through multiple avenues, including partnerships with employers and industry and community organizations, and would like to continue to do so. Without workers' compensation coverage for our students and new graduates, these employers and organizations may be discouraged from hosting our young adults as interns since they would

incur the liability.

The Department defers to the DLIR with regards to the implementation of the on-the-job training work experience program outlined in Section 2.

The Department appreciates the Legislature's support of our work-based learning initiatives. 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.

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



**Testimony to the House Committee on Judiciary and Hawaiian Affairs
Tuesday, March 19, 2024, at 2:00PM
Conference Room 325**

RE: SB2286 SD2 HD1 Relating to Internships

Aloha Chair Tarnas, Vice Chair Takayama, and Members of the Committee:

The Chamber of Commerce Hawaii Supports (“The Chamber”) **supports SB2286 SD2 HD1**, which promotes workforce development by establishing an on-the-job training work experience program. This measure also 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.

The Chamber supports this measure’s purpose and intent and appreciates the amendments applied to the previous version of this measure. 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 bridge the gap between the education system and the job market.

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 also supporting employer’s workforce needs. 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.

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 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 incentives offered in this bill will increase the capacity for companies and create a “win-win” for our future workforce of students.



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.

On behalf of The Chamber, thank you for this opportunity to testify.



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Maile Miyashiro, C&S Wholesale Grocer, *Vice Chair*
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Derek Kurisu, KTA Superstores, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, *Advisor*
Eddie Asato, Pint Size Hawaii, *Immediate Past Chair*

TO: Committee on Judiciary and Hawaiian Affairs

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 19, 2024
TIME: 2pm
PLACE: Room 325

RE: SB2286 SD2 HD1 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 Tarnas, Vice Chair Takayama, 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.



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

March 19, 2024

HEARING BEFORE THE
HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

TESTIMONY ON SB 2286, SD2, HD1
RELATING TO EDUCATION

Conference Room 325 & Videoconference
2:00 PM

Aloha Chair Tarnas, Vice-Chair Takayama, 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, SD2, HD1, 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, 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, requires the Department of Human Resources Development to collaborate with the Department of Labor and Industrial Relations to collaborate with the Department of Labor and Industrial Relations for certain portions of the program, and 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.

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, they 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 interested in developing the skills and knowledge needed to be successful agriculture businesses.



March 15, 2024

Representative David Tarnas, Chair
Representative Greg Takayama, Vice Chair
Committee on Judiciary and Hawaiian Affairs
House of Representatives
Hawaii State Legislature

Support for SB2286 SD2 HD1

Dear Chair Tarnas, Vice Chair Takayama and Members of the Committee on Judiciary and Hawaiian Affairs,

Thank you for the opportunity to provide our testimony in support of SB2286 SD2 HD1.

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 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 SD2 HD1.

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



HAWAI'I LODGING & TOURISM
A S S O C I A T I O N

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

House Committee on Judiciary & Hawaiian Affairs (HA)
Tuesday, March 19, 2024
SB 2286 SD2 HD1: RELATING TO INTERNSHIPS
Position: SUPPORT

Aloha Chair Tarnas and Members of the Committee,

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. We are continuing to express our full support for the advancement of SB2286 SD2 HD1.

Senate Bill 2286 SD2 HD1, 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 job training opportunities for our youth. We appreciate the amendments in the SD1 version of the bill that extends eligibility criteria for on-the-job training work experience to include public school students that are at least sixteen years of age.

Workforce development remains a key priority for the tourism industry, and HLTA has been at the forefront, implementing various initiatives to support this cause. The Generational Mentoring Program, which pairs university students majoring in tourism management with industry executives for a six-month mentorship, is now in its eighth class. The Ho'oilina Scholarship, launched in collaboration with the Hawai'i Tourism Authority (HTA) and stakeholders, offers full-ride scholarships to the Department of Education (DOE) high school students entering UH Manoa's School of Tourism Industry Management. Our latest endeavor, the Visitor Industry High School Internship (VIHSI) program, is a partnership with the Council for Native Hawaiian Advancement (CNHA) that was launched in 2022 to fund a pilot group of high school interns, and provide them with valuable experiences within HLTA member companies. Working closely with the DOE, we ensured smooth implementation and beneficial outcomes for participating youth.

SB 2286 SD2 HD1 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. We look forward to its progression throughout the legislative process.

Mahalo for the opportunity to share our testimony.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 325
Thursday, March 19, 2024 AT 2:00 P.M.**

To The Honorable David A. Tarnas, Chair
The Honorable Gregg Takayama, Vice Chair
Members of the Committee on Judiciary & Hawaiian Affairs

SUPPORT SB2286 SD2 HD1 RELATING TO INTERNSHIPS

The Maui Chamber of Commerce would like to offer testimony in **SUPPORT OF SB2286 SD2 HD1**.

The Chamber agrees that expanding state-funded internships to include private-sector positions will benefit the State by promoting economic growth, fostering public-private collaborations, and supporting job creation. State-funded private-sector internships will also create additional opportunities for interns to gain practical work experience and prepare for their future careers.

This bill will incentivize more of Hawaii's small and medium sized businesses to offer work-based learning opportunities through internships. This helps our students learn in-demand skills and diversifies the pool of employees for local employers. These work-based learning experiences are critical for the economic future of our state as we prepare our young people for the in-demand careers of the future.

For these reasons we **SUPPORT SB2286 SD2 HD1**.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

SB-2286-HD-1

Submitted on: 3/16/2024 5:33:28 AM

Testimony for JHA on 3/19/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jari S.K. Sugano	Individual	Support	Written Testimony Only

Comments:

Providing paid internship opportunities in real life settings can best assist students in gaining work based skills and competencies to prepare them to be contributing members of society. This bill makes a lot of sense as not all students may pursue post secondary education after high school. Work based training + paired with living wages, is important for workforce development in our state.

Thank you for the opportunity to provide strong support of SB2286. Aloha, Jari Sugano