
A BILL FOR AN ACT

RELATING TO INTERNSHIPS.

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

1 SECTION 1. The legislature finds that internship and
2 mentorship programs give students the chance to build
3 communication skills, relationships, confidence, and gain
4 valuable work experience that will build a stronger workforce.
5 The legislature further finds that expanding state-funded
6 internships to include private-sector positions will benefit the
7 State by promoting economic growth, fostering public-private
8 collaborations, and supporting job creation. State-funded
9 private-sector internships will also create additional
10 opportunities for interns to gain practical work experience and
11 prepare for their future careers.

12 The legislature recognizes that article VII, section 4, of
13 the Hawaii State Constitution requires the legislature to
14 appropriate moneys "for a public purpose". The courts have
15 found that what constitutes a public purpose "is generally a
16 question for the legislature to decide" and that the legislature



1 should be given "wide discretion" in this matter (State ex. rel.
2 *Amemiya v. Anderson*, 56 Haw. 566, 574 (1976)).

3 The legislature believes that permitting state-funded
4 private sector internships is in the best interests of the
5 State, and serves a public purpose of supporting health, safety,
6 and welfare.

7 The legislature further recognizes that the department of
8 labor and industrial relation's Hele Imua internship program
9 connects public high school students and graduates with
10 structured, work-based learning opportunities in high-demand
11 career fields, including education, health, and building and
12 construction. The program gives students the chance to
13 experience public sector jobs. The Hele Imua internship program
14 also helps create a pipeline to fill vacancies in state and
15 county governments, gives interns the opportunity to gain on-
16 the-job experience, prepares interns for possible careers in
17 jobs that are in high demand, and helps to develop relationships
18 between students and recent graduates with potential employers.
19 The legislature believes that a similar program to the Hele Imua
20 program that connects students and recent graduates with private
21 sector employers who commit to cost-sharing in the program will



1 help address the projected shortage of positions in the State's
2 building and construction industry.

3 Accordingly, the purpose of this Act is to authorize and
4 appropriate funds for the department of labor and industrial
5 relations to administer an on-the-job training work experience
6 program for eligible interns that partners with private entities
7 to increase opportunities for high school and college and
8 university students to participate in summer internship programs
9 and allow internships with private sector employers through a
10 cost-sharing strategy.

11 SECTION 2. Chapter 394, Hawaii Revised Statutes, is
12 amended by adding two new sections to be appropriately
13 designated and to read as follows:

14 "§394- On-the-job training work experience program;
15 private sector. (a) The department of labor and industrial
16 relations may enter into contracts with employers or registered
17 apprenticeship program sponsors in the private sector to provide
18 on-the-job training to eligible interns; provided that any
19 participating apprenticeship program sponsor in the private
20 sector shall only offer to eligible interns on-the-job training
21 in public sector projects. The department may provide to the



1 employers or sponsors up to \$20.00 per hour in reimbursements
2 for wages only for the costs of training and supervising an
3 intern. The employers or sponsors shall not be required to
4 provide documentation of these costs.

5 (b) Eligible employers or sponsors shall demonstrate
6 compliance with Hawaii compliance express or any successor
7 program established to facilitate compliance with section
8 103D-310(c).

9 (c) Contracts under this section shall be limited to a
10 period of twelve weeks for college or university students, with
11 an extension of up to twelve additional weeks if approved by the
12 director of labor and industrial relations, and six weeks for
13 high school students, with an extension of up to eight weeks
14 during the summer break. In determining the appropriate length
15 of the contract, the director shall consider the:

- 16 (1) Occupation's skill requirements;
17 (2) Intern's existing academic and occupational skill
18 levels; and
19 (3) Intern's prior work experience.



1 (d) The employer or sponsor shall comply with state and
2 federal employment laws pursuant to chapter 387 and the Fair
3 Labor Standards Act of 1938, as amended.

4 (e) The department of labor and industrial relations shall
5 adopt interim rules, which shall be exempt from chapter 91, to
6 develop and implement the program; provided that the interim
7 rules shall remain in effect until the adoption of rules
8 pursuant to chapter 91 to allow the department to:

9 (1) Ensure that participating interns are eligible
10 pursuant to subsection (f) and participating employers
11 or sponsors are eligible pursuant to subsection (g);

12 (2) Ensure that interns are referred by the department to
13 employers or sponsors and not directly by the
14 employers or sponsors;

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

18 (4) Develop a training plan for participating interns of
19 the program in collaboration with the intern and
20 employer or sponsor;



- 1 (5) Monitor each intern's progress in the program to
2 ensure that training plan objectives are being met;
- 3 (6) Consult with interns and onsite supervisors to address
4 any problems affecting the training plan;
- 5 (7) Terminate an internship, if necessary, due to problems
6 at the worksite caused by either the intern or the
7 employer or sponsor; and
- 8 (8) Limit employer or sponsor participation to no more
9 than five interns at one time, as tracked by the
10 federal employer identification number of the employer
11 or sponsor.
- 12 (f) The department of labor and industrial relations shall
13 develop eligibility criteria for interns, including requirements
14 that the intern:
- 15 (1) Be sixteen years of age or older;
- 16 (2) Be a Hawaii resident;
- 17 (3) Be currently enrolled:
- 18 (A) In a public high school or have earned a high
19 school diploma or its equivalent within one year
20 of applying for the internship; or



1 (B) In an accredited college or university or has
2 earned a college or university degree within one
3 year of applying for the internship;

4 (4) Is not an apprentice in a registered apprenticeship
5 program or journey worker; and

6 (5) Pass a criminal history record check in accordance
7 with section 846-2.7.

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

11 (1) Provide onsite work experience that complies with each
12 intern's training plan and includes the daily
13 supervision, training, and guidance necessary to
14 enable each intern to develop work habits and
15 job-specific skills that are essential for employment;

16 (2) Provide interns with the same working conditions as
17 other employees in similar occupations;

18 (3) Consult the department to obtain assistance when an
19 intern requires support services to effectively
20 complete an assigned task;



- 1 (4) Pay no less than \$20.00 per hour for a maximum of
2 thirty hours per week for high school students;
3 provided that the maximum hours may be increased to
4 forty hours during the summer break;
- 5 (5) Pay no less than \$20.00 per hour for a maximum of
6 forty hours per week; provided that the maximum hours
7 for college or university students who are enrolled in
8 at least two college or university courses shall not
9 exceed twenty hours;
- 10 (6) Provide each intern with a mentor to give on-the-job
11 guidance and to answer routine questions about the
12 workplace;
- 13 (7) Ensure that interns do not displace currently employed
14 workers, reduce the hours of those currently employed,
15 infringe on the opportunities for promotion of regular
16 employees, or replace the work of employees who have
17 experienced layoffs;
- 18 (8) Ensure that interns' on-the-job training does not
19 impair existing contracts for services or collective
20 bargaining agreements;



- 1 (9) Ensure that the worksite, supervisor, and participants
2 are available for monitoring by the department;
- 3 (10) Ensure that the worksite complies with all
4 occupational safety and health standards established
5 under state and federal law;
- 6 (11) Maintain time sheets and attendance records for each
7 intern and prepare intern evaluations and any other
8 reports required by the department;
- 9 (12) Notify the department on a timely basis if an intern:
10 (A) Is injured at the worksite;
11 (B) Is absent without good cause;
12 (C) Performs poorly on job assignments;
13 (D) Refuses to participate in work or work-related
14 activities; or
15 (E) Is not making satisfactory progress in the
16 program or on the job;
- 17 (13) For private sponsors, contribute fifty per cent in
18 cost sharing benefits, including wages and fringe
19 benefits; and
- 20 (14) Indemnify and hold harmless the State of Hawaii and
21 its officers, agents, and employees from and against



1 any and all claims arising out of or resulting from
2 activities carried out or projects undertaken with
3 funds provided under this section and procure
4 sufficient insurance to provide this indemnification.

5 **\$394- Work experience; private and public sector;**
6 **annual report.** The department of labor and industrial relations
7 shall submit an annual report on state-funded internship
8 programs for both the private and public sectors to the
9 legislature no later than twenty days prior to the convening of
10 each regular session. At a minimum, each report shall include:
11 (1) Outcomes and successes of the program;
12 (2) The number of interns who enrolled in the program and
13 exited the program during the previous fiscal year;
14 (3) Information on the progress of the program; and
15 (4) Any proposed legislation."

16 SECTION 3. Section 302A-430, Hawaii Revised Statutes, is
17 amended to read as follows:

18 **"§302A-430 Coverage for workers' compensation.** ~~[Whenever~~
19 ~~a student participating in a school-approved work-based learning~~
20 ~~program sponsored by the department of education or the~~
21 ~~University of Hawaii undertakes to perform work for a private or~~



~~public employer as part of the student's work-based learning~~
~~program, whether paid or unpaid, the]~~ The State shall be deemed
~~[to be]~~ the responsible employer for the purposes of workers'
compensation coverage, [that shall be the student's exclusive
remedy to the same extent] as provided for in chapter 386 [as
against the State and the private employer participating in the
program-], 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 internship program
sponsored by the department of education or university of Hawaii
or as part of the on-the-job training work experience program
established in section 394- ."

SECTION 4. There is appropriated out of the general
revenues of the State of Hawaii the sum of \$3,600,000 or so much
thereof as may be necessary for fiscal year 2025-2026 and the
same sum or so much thereof as may be necessary for fiscal year
2026-2027 for the department of labor and industrial relations
to administer the on-the-job training work experience program
under this Act.

The sums appropriated shall be expended by the department
of labor and industrial relations for the purposes of this Act.



1 SECTION 5. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act shall take effect on July 1, 3000.



Report Title:

Department of Labor and Industrial Relations; Private Sector;
Internships; Workforce Development; Workers' Compensation
Coverage; Appropriation

Description:

Permits 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 for students or recent graduates in the on-the-job-training work experience program, subject to certain limitations. Appropriates funds. 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.

