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



1 shortage of workers in the State's building and construction  
2 industry.

3 Accordingly, the purpose of this Act is to:

4 (1) Authorize and appropriate funds for the department of  
5 labor and industrial relations to administer an on-  
6 the-job training work experience program for eligible  
7 interns that partners with private entities to  
8 increase opportunities for high school, college, and  
9 university students to participate in summer  
10 internship programs and facilitate internships with  
11 private sector employers through a cost-sharing  
12 strategy; and

13 (2) Require the department of labor and industrial  
14 relations to collaborate with the department of human  
15 resources development for placement of interns in  
16 state executive branch departments, agencies, or  
17 programs.

18 SECTION 2. Chapter 394, Hawaii Revised Statutes, is  
19 amended by adding three new sections to be appropriately  
20 designated and to read as follows:



1       "§394-A On-the-job training work experience program;  
2 private sector. (a) The department of labor and industrial  
3 relations may enter into contracts with employers or registered  
4 apprenticeship program sponsors in the private sector to provide  
5 on-the-job training to eligible interns; provided that any  
6 participating apprenticeship program sponsor in the private  
7 sector shall only offer to eligible interns on-the-job training  
8 in public sector projects. The department may provide to the  
9 employers or sponsors up to \$20.00 per hour in reimbursements  
10 for wages only for the costs of training and supervising an  
11 intern. The employers or sponsors shall not be required to  
12 provide documentation of these costs.

13       (b) Eligible employers or sponsors shall demonstrate  
14 compliance with Hawaii compliance express or any successor  
15 program established to facilitate compliance with section  
16 103D-310(c).

17       (c) Contracts entered into pursuant to this section shall  
18 be limited to a period of twelve weeks for college or university  
19 students, with an extension of up to twelve additional weeks if  
20 approved by the director of labor and industrial relations, and  
21 six weeks for high school students, with an extension of up to



1 eight weeks during the summer break. In determining the  
2 appropriate length of the contract, the director shall consider  
3 the:

4 (1) Occupation's skill requirements;

5 (2) Intern's existing academic and occupational skill  
6 levels; and

7 (3) Intern's prior work experience.

8 (d) The employer or sponsor shall comply with chapter 387  
9 and the Fair Labor Standards Act of 1938, as amended.

10 (e) The department of labor and industrial relations shall  
11 adopt interim rules, which shall be exempt from chapter 91, to  
12 develop and implement the program; provided that the interim  
13 rules shall remain in effect until the adoption of rules  
14 pursuant to chapter 91 to allow the department to:

15 (1) Ensure that participating interns are eligible  
16 pursuant to subsection (f) and participating employers  
17 or sponsors are eligible pursuant to subsection (g);

18 (2) Ensure that interns are referred by the department to  
19 employers or sponsors and not directly by the  
20 employers or sponsors;



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

4       (4) Develop a training plan for each participating intern  
5       in collaboration with the intern and employer or  
6       sponsor;

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

9       (6) Consult with interns and on-site supervisors to  
10      address any problems affecting the training plan;

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

14      (8) Limit employer or sponsor participation to no more  
15      than five interns at one time, as tracked by the  
16      federal employer identification number of the employer  
17      or sponsor.

18      (f) The department of labor and industrial relations shall  
19      develop eligibility criteria for interns, including requirements  
20      that the intern:

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



1       (2) Be a Hawaii resident;

2       (3) Be currently enrolled:

3           (A) In a public high school or has earned a high  
4           school diploma or its equivalent within one year  
5           of applying for the internship; or

6           (B) In an accredited college or university or has  
7           earned a college or university degree within one  
8           year of applying for the internship;

9       (4) Have, or has graduated with, a cumulative grade point  
10       average of 2.5 or higher, on a scale of 4.0 or its  
11       equivalent; and

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

14       provided that the department of labor and industrial relations  
15       may conduct criminal history background checks as appropriate.

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

19           (1) Provide on-site work experience that complies with  
20           each intern's training plan and includes the daily  
21           supervision, training, and guidance necessary to



1           enable each intern to develop work habits and  
2           job-specific skills that are essential for employment;

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

5       (3)   Consult the department to obtain assistance when an  
6           intern requires support services to effectively  
7           complete an assigned task;

8       (4)   Pay interns no less than \$20.00 per hour for a maximum  
9           of:

10       (A)   Thirty hours per week for high school students;  
11           provided that the maximum hours may be increased  
12           to forty hours per week during the summer break;  
13           or

14       (B)   Forty hours per week for college or university  
15           students or recent graduates; provided that the  
16           maximum hours for college or university students  
17           who are enrolled in two or more college or  
18           university courses shall not exceed twenty hours  
19           per week;





- 1        (5) Provide each intern with a mentor to give on-the-job  
2        guidance and to answer routine questions about the  
3        workplace;
- 4        (6) Ensure that interns do not displace currently employed  
5        workers, reduce the hours of those currently employed,  
6        infringe on the opportunities for promotion of regular  
7        employees, or replace the work of employees who have  
8        experienced layoffs;
- 9        (7) Ensure that interns' on-the-job training does not  
10       impair existing contracts for services or collective  
11       bargaining agreements;
- 12       (8) Ensure that the work site, supervisor, and  
13       participants are available for monitoring by the  
14       department;
- 15       (9) Ensure that the work site complies with all  
16       occupational safety and health standards established  
17       under state and federal law;
- 18       (10) Maintain time sheets and attendance records for each  
19       intern and prepare intern evaluations and any other  
20       reports required by the department;
- 21       (11) Notify the department on a timely basis if an intern:



- 1           (A) Is injured at the work site;  
2           (B) Is absent without good cause;  
3           (C) Performs poorly on job assignments;  
4           (D) Refuses to participate in work or work-related  
5           activities; or  
6           (E) Is not making satisfactory progress in the  
7           program or on the job;

8       (12) For private sponsors, cost-share by contributing fifty  
9       per cent of the intern's benefits, including wages and  
10       fringe benefits; and

11       (13) Indemnify and hold harmless the State and its  
12       officers, agents, and employees from and against any  
13       and all claims arising out of or resulting from  
14       activities carried out or projects undertaken with  
15       funds provided under this section and procure  
16       sufficient insurance to provide this indemnification.

17       §394-B Work experience internship programs; private and  
18       public sector; annual report. The department of labor and  
19       industrial relations shall submit an annual report on state-  
20       funded internship programs for both the private and public  
21       sectors to the legislature no later than twenty days prior to



1 the convening of each regular session. At a minimum, each  
2 report shall include:

- 3       (1) Outcomes and successes of the program;  
4       (2) The number of interns who enrolled in the program and  
5       exited the program during the previous fiscal year;  
6       (3) The names of the private or public sector  
7       organizations where intern placements were made;  
8       (4) Information on the progress of the program; and  
9       (5) Any proposed legislation.

10       §394-C Placement of interns in state executive branch  
11 departments, agencies, or programs; interagency collaboration.

12       (a) The department of labor and industrial relations shall  
13 collaborate with the department of human resources development  
14 to process all public program applications and place interns in  
15 temporary or permanent positions at state executive branch  
16 departments, agencies, or programs.

17       (b) Before the first day of each internship, the  
18 department of labor and industrial relations shall provide the  
19 department of human resources development with:

- 20       (1) The name of the intern;



- 1       (2) The state executive branch department, agency, or  
2       program to which the intern is assigned;  
3       (3) The expected start and end dates of the internship;  
4       and  
5       (4) Any other relevant information that the department of  
6       human resources development may require to assist the  
7       intern in pursuing future employment with the state  
8       executive branch."

9       SECTION 3. 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 internship program  
3 sponsored by the department of education or university of Hawaii  
4 or as part of the on-the-job training work experience program  
5 established pursuant to section 394-A."

6 SECTION 4. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$ or so  
8 much thereof as may be necessary for fiscal year 2025-2026 and  
9 the same sum or so much thereof as may be necessary for fiscal  
10 year 2026-2027 for the department of labor and industrial  
11 relations to administer the on-the-job training work experience  
12 program established pursuant to this Act.

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

15 SECTION 5. In codifying the new sections added by section  
16 2 of this Act, the revisor of statutes shall substitute  
17 appropriate section numbers for the letters used in designating  
18 the new sections in this Act.

19 SECTION 6. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

21



1 SECTION 7. This Act shall take effect on July 1, 2050.



**Report Title:**

DLIR; DHRD; On-the-job Training Work Experience Program; Private Sector; Executive Branch; Internships; Workforce Development; Workers' Compensation Coverage; Reports; Appropriations

**Description:**

Authorizes 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. Requires annual reports to the Legislature. Requires the Department of Labor and Industrial Relations to collaborate with the Department of Human Resources Development for placement of interns in state executive branch departments, agencies, and programs. 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 7/1/2050.  
(SD1)

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

