
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 establishing a structured,
6 state-funded internship program, as well as expanding
7 state-funded internships to include private-sector positions
8 will benefit the State by promoting economic growth, fostering
9 public-private collaborations, and supporting job creation.
10 State-funded private-sector internships will also create
11 additional opportunities for interns to gain practical work
12 experience and prepare for their future careers.

13 The legislature recognizes that article VII, section 4, of
14 the Hawaii State Constitution requires the legislature to
15 appropriate moneys "for a public purpose". The courts have
16 found that "what constitutes a public purpose is generally a
17 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
6 on-the-job training work experience program for
7 eligible interns that partners with private entities
8 to increase opportunities for high school, college,
9 and 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) Establish a state-funded internship program within the
14 department of labor and industrial relations, in
15 collaboration with department of human resources
16 development, to place interns in state executive
17 branch departments, agencies, or programs to provide
18 participants with practical work experience and foster
19 interest in public service careers.



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

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

16 (b) Eligible employers or sponsors shall demonstrate
17 compliance with Hawaii compliance express or any successor
18 program established to facilitate compliance with section
19 103D-310(c).

20 (c) Contracts entered into pursuant to this section shall
21 be limited to a period of twelve weeks for college or university



1 students, with an extension of up to twelve additional weeks if
2 approved by the director of labor and industrial relations, and
3 six weeks for high school students, with an extension of up to
4 eight weeks during the summer break. In determining the
5 appropriate length of the contract, the director shall consider
6 the:

7 (1) Occupation's skill requirements;

8 (2) Intern's existing academic and occupational skill
9 levels; and

10 (3) Intern's prior work experience.

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

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

18 (1) Ensure that participating interns are eligible
19 pursuant to subsection (f) and participating employers
20 or sponsors are eligible pursuant to subsection (g);



- 1 (2) Ensure that interns are referred by the department to
2 employers or sponsors and not directly by the
3 employers or sponsors;
- 4 (3) Reimburse employers or sponsors up to \$20.00 per hour
5 for wages only for the extraordinary costs of
6 providing intern training and supervision;
- 7 (4) Develop a training plan for each participating intern
8 in collaboration with the intern and employer or
9 sponsor;
- 10 (5) Monitor each intern's progress in the program to
11 ensure that training plan objectives are being met;
- 12 (6) Consult with interns and on-site supervisors to
13 address any problems affecting the training plan;
- 14 (7) Terminate an internship, if necessary, due to problems
15 at the worksite caused by either the intern or the
16 employer or sponsor; and
- 17 (8) Limit employer or sponsor participation to no more
18 than five interns at one time, as tracked by the
19 federal employer identification number of the employer
20 or sponsor.



1 (f) The department of labor and industrial relations shall
2 develop eligibility criteria for interns, including requirements
3 that the intern:

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

5 (2) Be a Hawaii resident;

6 (3) Be currently enrolled:

7 (A) In a public high school or has earned a high
8 school diploma or its equivalent within one year
9 of applying for the internship; or

10 (B) In an accredited college or university or has
11 earned a college or university degree within one
12 year of applying for the internship;

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

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

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



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 on-site work experience that complies with
5 each intern's training plan and includes the daily
6 supervision, training, and guidance necessary to
7 enable each intern to develop work habits and
8 job-specific skills that are essential for employment;

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

11 (3) Consult the department to obtain assistance when an
12 intern requires support services to effectively
13 complete an assigned task;

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

16 (A) Thirty hours per week for high school students;
17 provided that the maximum hours may be increased
18 to forty hours per week during the summer break;
19 or

20 (B) Forty hours per week for college or university
21 students or recent graduates; provided that the



maximum hours for college or university students
who are enrolled in two or more college or
university courses shall not exceed twenty hours
per week;

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

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

(7) Ensure that interns' on-the-job training does not
impair existing contracts for services or collective
bargaining agreements;

(8) Ensure that the work site, supervisor, and
participants are available for monitoring by the
department;

(9) Ensure that the work site complies with all
occupational safety and health standards established
under state and federal law;



- 1 (10) Maintain time sheets and attendance records for each
2 intern and prepare intern evaluations and any other
3 reports required by the department;
- 4 (11) Notify the department on a timely basis if an intern:
5 (A) Is injured at the work site;
6 (B) Is absent without good cause;
7 (C) Performs poorly on job assignments;
8 (D) Refuses to participate in work or work-related
9 activities; or
10 (E) Is not making satisfactory progress in the
11 program or on the job;
- 12 (12) For private sponsors, cost-share by contributing fifty
13 per cent of the intern's benefits, including wages and
14 fringe benefits; and
- 15 (13) Indemnify and hold harmless the State and its
16 officers, agents, and employees from and against any
17 and all claims arising out of or resulting from
18 activities carried out or projects undertaken with
19 funds provided under this section and procure
20 sufficient insurance to provide this indemnification.



1 **§394-B State internship and workforce development program.**

2 (a) There is established within the department of labor and
3 industrial relations the state internship and workforce
4 development program. The department of labor and industrial
5 relations shall collaborate with the department of human
6 resources development to process all public program applications
7 and place interns in temporary or permanent positions at state
8 executive branch departments, agencies, or programs. The
9 program shall:

10 (1) Provide paid internship opportunities within various
11 state departments and agencies;

12 (2) Prioritize placement in departments with significant
13 workforce shortages; and

14 (3) Include comprehensive training, mentorship, and
15 evaluation components.

16 (b) The program shall be funded through annual
17 appropriations by the legislature; provided that state
18 departments utilizing interns shall contribute a portion of
19 program costs based upon the number of interns placed within the
20 department, as determined by the department of labor and
21 industrial relations.



- 1 (c) Selection of internship participants shall be based
2 upon:
- 3 (1) Academic achievement or relevant work experience;
4 (2) Interest in public service careers; and
5 (3) Alignment with departmental workforce needs.
- 6 (d) As part of the program, internship participants shall:
7 (1) Attend and actively participate in all required work
8 experience training sessions;
9 (2) Perform assigned duties and responsibilities in
10 accordance with program guidelines; and
11 (3) Adhere to workplace policies and procedures.
- 12 (e) As part of the program, coordinating agency work sites
13 shall:
- 14 (1) Provide meaningful and adequate work experience to
15 help interns meet the requirements for employment in
16 the relevant position;
17 (2) Conduct regular performance evaluations of interns and
18 provide feedback to the coordinating agency;
19 (3) Collaborate with the department of labor and
20 industrial relations to create career pathways for
21 interns; and



1 (4) Ensure that viable and vacant positions relative to
2 the interns' field of study are available for them to
3 participate in this program.

4 (f) The department of labor and industrial relations
5 shall:

6 (1) Ensure that the experience gained through the program
7 qualifies participants to apply for vacant positions
8 of a similar level and scope within the hosting
9 department;

10 (2) Develop standardized guidelines to align internship
11 duties with the qualifications required for full-time
12 employment;

13 (3) Provide ongoing support to coordinating agencies to
14 ensure compliance with program objectives; and

15 (4) Collaborate with coordinating agencies to create
16 career pathways for interns.

17 (g) As part of the program, participants shall receive:

18 (1) Opportunities for professional development and skills
19 training; and

20 (2) Priority consideration for full-time employment in
21 state government.



1 (h) Before the first day of each internship, the
2 department of labor and industrial relations shall provide the
3 department of human resources development with:

4 (1) The name of the intern;

5 (2) The state executive branch department, agency, or
6 program to which the intern is assigned;

7 (3) The expected start and end dates of the internship;
8 and

9 (4) Any other relevant information that the department of
10 human resources development may require to assist the
11 intern in pursuing future employment with the state
12 executive branch.

13 (i) For the purposes of this section:

14 "Coordinating agency" means the participating State of
15 Hawaii department, agency, or office hosting and employing an
16 intern program participant.

17 "Eligible participant" means an individual who meets
18 established guidelines for participation in the program,
19 including recent high school graduates, college students, and
20 post-graduate students, and individuals seeking to transition
21 into public service careers.



1 "Internship program" or "program" means the state
2 internship and workforce development program established
3 pursuant to this section.

4 "Participant" means an individual accepted into the
5 internship program.

6 **§394-C Work experience internship programs; private and**
7 **public sector; annual report.** The department of labor and
8 industrial relations shall submit an annual report on
9 state-funded internship programs for both the private and public
10 sectors 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 (3) The names of the private or public sector
17 organizations where intern placements were made;
18 (4) Data on intern performance and retention rates;
19 (5) Costs associated with the program;
20 (6) Information on the progress of the program; and
21 (7) Any proposed legislation."



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

"§302A-430 Coverage for workers' compensation. ~~[Whenever a student participating in a school-approved work-based learning program sponsored by the department of education or the 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 pursuant to section 394-A."

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2025-2026 and



1 the same sum or so much thereof as may be necessary for fiscal
2 year 2026-2027 for the department of labor and industrial
3 relations to administer the on-the-job training work experience
4 program and the state internship and workforce development
5 program established pursuant to this Act, to be allocated as
6 follows:

7 (1) \$ for the implementation of the on-the-job
8 training work experience program;

9 (2) \$ for the implementation of the state
10 internship and workforce development program;

11 (3) \$ for ninety full-time equivalent staff
12 positions (90.0 FTE) in the department of education to
13 support the internship programs for department high
14 school students; and

15 (4) \$ for full-time equivalent staff
16 positions (FTE) in the department of labor and
17 industrial relations to support the internship
18 programs.

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



1 SECTION 5. In codifying the new sections added by
2 section 2 of this Act, the revisor of statutes shall substitute
3 appropriate section numbers for the letters used in designating
4 the new sections in this Act.

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

7 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. Establishes a state internship and workforce development program. 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. Requires annual reports to the Legislature. Appropriates funds. Effective 7/1/2050. (SD2)

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