
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, and serves a public purpose of supporting health,
2 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 administer an on-the-job training work experience
6 program for eligible interns.

7 SECTION 2. Chapter 394, Hawaii Revised Statutes, is
8 amended by adding a new section to be appropriately designated
9 and to read as follows:

10 "§394- On-the-job training work experience program.

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

20 (b) Eligible employers or sponsors shall demonstrate
21 compliance with Hawaii compliance express or any successor



1 program established to facilitate compliance with section
2 103D-310(c).

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

11 (1) Occupation's skill requirements;

12 (2) Intern's existing academic and occupational skill
13 levels; and

14 (3) Intern's prior work experience.

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

19 (e) The department of labor and industrial relations shall
20 adopt systems, and rules pursuant to chapter 91, as necessary,



1 to develop and implement the program, including systems and
2 rules allowing the department to:

3 (1) Ensure that participating interns are eligible
4 pursuant to subsection (f) and participating employers
5 or sponsors are eligible pursuant to subsection (g);

6 (2) Ensure that interns are referred by the department to
7 employers or sponsors and not directly by the
8 employers or sponsors;

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

12 (4) Develop a training plan for each intern in
13 collaboration with the intern and employer or sponsor;

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

16 (6) Consult with interns and onsite supervisors to address
17 any problems affecting the training plan;

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



1 (8) Limit employer or sponsor participation to no more
2 than five interns at one time, as tracked by the
3 federal employer identification number of the employer
4 or sponsor.

5 (f) The department of labor and industrial relations shall
6 develop eligibility criteria for interns, including requirements
7 that the intern:

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

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

11 (3) Be a Hawaii resident;

12 (4) Be currently enrolled in a public high school or have
13 earned a high school diploma or its equivalent; and

14 (5) If a student or recent graduate of a college or
15 university:

16 (A) Be currently enrolled in an accredited college or
17 university and anticipating the attainment of a
18 degree within one year, or has earned a college
19 or university degree within one year of applying
20 for the internship; and



- 1 (B) Have a cumulative college grade point average of
- 2 2.5 or higher.

- 3 (g) The department of labor and industrial relations shall
- 4 develop eligibility criteria for employers or sponsors,
- 5 including requirements that the employer or sponsor:

- 6 (1) Provide onsite work experience that complies with each
- 7 intern's training plan and includes the daily
- 8 supervision, training, and guidance necessary to
- 9 enable each intern to develop work habits and
- 10 job-specific skills that are essential for employment;

- 11 (2) Pay no less than \$20.00 per hour for a maximum of
- 12 forty hours per week;

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

- 16 (4) Provide interns with the same working conditions as
- 17 other employees in similar jobs;

- 18 (5) Ensure that interns do not displace currently employed
- 19 workers, reduce the hours of those currently employed,
- 20 infringe on the opportunities for promotion of regular



- 1 employees, or replace the work of employees who have
2 experienced layoffs;
- 3 (6) Ensure that interns' on-the-job training does not
4 impair existing contracts for services or collective
5 bargaining agreements;
- 6 (7) Ensure that the worksite, supervisor, and participants
7 are available for monitoring by the department;
- 8 (8) Ensure that the worksite complies with all
9 occupational safety and health standards established
10 under state and federal law;
- 11 (9) Maintain time sheets and attendance records for each
12 intern and prepare intern evaluations and any other
13 reports required by the department;
- 14 (10) Consult with and obtain assistance from the department
15 if an intern requires support services to effectively
16 carry out a work assignment;
- 17 (11) Notify the department on a timely basis if an intern:
- 18 (A) Is injured at the worksite;
- 19 (B) Is absent without good cause;
- 20 (C) Performs poorly on job assignments;



1 (D) Refuses to participate in work or work-related
2 activities; or

3 (E) Is not making satisfactory progress in the
4 program or on the job; and

5 (12) Indemnify and hold harmless the State of Hawaii and
6 its officers, agents, and employees from and against
7 any and all claims arising out of or resulting from
8 activities carried out or projects undertaken with
9 funds provided under this section and procure
10 sufficient insurance to provide this indemnification.

11 (h) The department of labor and industrial relations shall
12 collaborate with the department of human resources development
13 to process program applications and place interns in temporary
14 or permanent positions at a department, business, or
15 organization within the State.

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

19 (1) The following information:

20 (A) The name of the intern;



- 1 (B) The department, business, or organization to
- 2 which the intern is assigned;
- 3 (C) The assigned employee number of the intern;
- 4 (D) The expected start and end dates of the
- 5 internship; and
- 6 (E) Any other relevant information that the
- 7 department of human resources development may
- 8 require to process the intern; and
- 9 (2) Access to the intern's Hawaii information portal
- 10 account or the intern's account of the Hawaii
- 11 information portal's successor system.
- 12 (j) The department of labor and industrial relations shall
- 13 submit an annual report on the program to the legislature no
- 14 later than twenty days prior to the convening of each regular
- 15 session. At a minimum, each report shall include:
- 16 (1) Outcomes and successes of the program;
- 17 (2) The number of interns who enrolled in the program and
- 18 exited the program during the previous fiscal year;
- 19 and
- 20 (3) Information on the progress of the program."



1 SECTION 3. Section 846-2.7, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) Criminal history record checks may be conducted by:

4 (1) The department of health or its designee on operators
5 of adult foster homes for individuals with
6 developmental disabilities or developmental
7 disabilities domiciliary homes and their employees, as
8 provided by section 321-15.2;

9 (2) The department of health or its designee on
10 prospective employees, persons seeking to serve as
11 providers, or subcontractors in positions that place
12 them in direct contact with clients when providing
13 non-witnessed direct mental health or health care
14 services as provided by section 321-171.5;

15 (3) The department of health or its designee on all
16 applicants for licensure or certification for,
17 operators for, prospective employees, adult
18 volunteers, and all adults, except adults in care, at
19 healthcare facilities as defined in section 321-15.2;

20 (4) The department of education on employees, prospective
21 employees, and teacher trainees in any public school



- 1 in positions that necessitate close proximity to
2 children as provided by section 302A-601.5;
- 3 (5) The counties on employees and prospective employees
4 who may be in positions that place them in close
5 proximity to children in recreation or child care
6 programs and services;
- 7 (6) The county liquor commissions on applicants for liquor
8 licenses as provided by section 281-53.5;
- 9 (7) The county liquor commissions on employees and
10 prospective employees involved in liquor
11 administration, law enforcement, and liquor control
12 investigations;
- 13 (8) The department of human services on operators and
14 employees of child caring institutions, child placing
15 organizations, and resource family homes as provided
16 by section 346-17;
- 17 (9) The department of human services on prospective
18 adoptive parents as established under section 346-
19 19.7;
- 20 (10) The department of human services or its designee on
21 applicants to operate child care facilities, household



1 members of the applicant, prospective employees of the
2 applicant, and new employees and household members of
3 the provider after registration or licensure as
4 provided by section 346-154, and persons subject to
5 section 346-152.5;

6 (11) The department of human services on persons exempt
7 pursuant to section 346-152 to be eligible to provide
8 child care and receive child care subsidies as
9 provided by section 346-152.5;

10 (12) The department of health on operators and employees of
11 home and community-based case management agencies and
12 operators and other adults, except for adults in care,
13 residing in community care foster family homes as
14 provided by section 321-15.2;

15 (13) The department of human services on staff members of
16 the Hawaii youth correctional facility as provided by
17 section 352-5.5;

18 (14) The department of human services on employees,
19 prospective employees, and volunteers of contracted
20 providers and subcontractors in positions that place
21 them in close proximity to youth when providing



1 services on behalf of the office or the Hawaii youth
2 correctional facility as provided by section 352D-4.3;

3 (15) The judiciary on employees and applicants at detention
4 and shelter facilities as provided by section 571-34;

5 (16) The department of corrections and rehabilitation on
6 employees and prospective employees who are directly
7 involved with the treatment and care of persons
8 committed to a correctional facility as provided by
9 section 353-1.5 and the department of law enforcement
10 on employees and prospective employees whose duties
11 involve or may involve the exercise of police powers
12 including the power of arrest as provided by section
13 353C-5;

14 (17) The board of private detectives and guards on
15 applicants for private detective or private guard
16 licensure as provided by section 463-9;

17 (18) Private schools and designated organizations on
18 employees and prospective employees who may be in
19 positions that necessitate close proximity to
20 children; provided that private schools and designated
21 organizations receive only indications of the states



- 1 from which the national criminal history record
2 information was provided pursuant to section 302C-1;
- 3 (19) The public library system on employees and prospective
4 employees whose positions place them in close
5 proximity to children as provided by section 302A-
6 601.5;
- 7 (20) The State or any of its branches, political
8 subdivisions, or agencies on applicants and employees
9 holding a position that has the same type of contact
10 with children, vulnerable adults, or persons committed
11 to a correctional facility as other public employees
12 who hold positions that are authorized by law to
13 require criminal history record checks as a condition
14 of employment as provided by section 78-2.7;
- 15 (21) The department of health on licensed adult day care
16 center operators, employees, new employees,
17 subcontracted service providers and their employees,
18 and adult volunteers as provided by section 321-15.2;
- 19 (22) The department of human services on purchase of
20 service contracted and subcontracted service providers



1 and their employees and volunteers, as provided by
2 sections 346-2.5 and 346-97;

3 (23) The department of human services on foster grandparent
4 program, senior companion program, and respite
5 companion program participants as provided by section
6 346-97;

7 (24) The department of human services on contracted and
8 subcontracted service providers and their current and
9 prospective employees that provide home and community-
10 based services under section 1915(c) of the Social
11 Security Act, title 42 United States Code section
12 1396n(c), or under any other applicable section or
13 sections of the Social Security Act for the purposes
14 of providing home and community-based services, as
15 provided by section 346-97;

16 (25) The department of commerce and consumer affairs on
17 proposed directors and executive officers of a bank,
18 savings bank, savings and loan association, trust
19 company, and depository financial services loan
20 company as provided by section 412:3-201;



- 1 (26) The department of commerce and consumer affairs on
2 proposed directors and executive officers of a
3 nondepository financial services loan company as
4 provided by section 412:3-301;
- 5 (27) The department of commerce and consumer affairs on the
6 original chartering applicants and proposed executive
7 officers of a credit union as provided by section
8 412:10-103;
- 9 (28) The department of commerce and consumer affairs on:
- 10 (A) Each principal of every non-corporate applicant
11 for a money transmitter license;
- 12 (B) Each person who upon approval of an application
13 by a corporate applicant for a money transmitter
14 license will be a principal of the licensee; and
- 15 (C) Each person who upon approval of an application
16 requesting approval of a proposed change in
17 control of licensee will be a principal of the
18 licensee,
- 19 as provided by sections 489D-9 and 489D-15;



- 1 (29) The department of commerce and consumer affairs on
2 applicants for licensure and persons licensed under
3 title 24;
- 4 (30) The Hawaii health systems corporation on:
- 5 (A) Employees;
- 6 (B) Applicants seeking employment;
- 7 (C) Current or prospective members of the corporation
8 board or regional system board; or
- 9 (D) Current or prospective volunteers, providers, or
10 contractors,
- 11 in any of the corporation's health facilities as
12 provided by section 323F-5.5;
- 13 (31) The department of commerce and consumer affairs on:
- 14 (A) An applicant for a mortgage loan originator
15 license, or license renewal; and
- 16 (B) Each control person, executive officer, director,
17 general partner, and managing member of an
18 applicant for a mortgage loan originator company
19 license or license renewal,
- 20 as provided by chapter 454F;



- 1 (32) The state public charter school commission or public
2 charter schools on employees, teacher trainees,
3 prospective employees, and prospective teacher
4 trainees in any public charter school for any position
5 that places them in close proximity to children, as
6 provided in section 302D-33;
- 7 (33) The counties on prospective employees who work with
8 children, vulnerable adults, or senior citizens in
9 community-based programs;
- 10 (34) The counties on prospective employees for fire
11 department positions that involve contact with
12 children or vulnerable adults;
- 13 (35) The counties on prospective employees for emergency
14 medical services positions that involve contact with
15 children or vulnerable adults;
- 16 (36) The counties on prospective employees for emergency
17 management positions and community volunteers whose
18 responsibilities involve planning and executing
19 homeland security measures including viewing,
20 handling, and engaging in law enforcement or



1 classified meetings and assisting vulnerable citizens
2 during emergencies or crises;

3 (37) The State and counties on employees, prospective
4 employees, volunteers, and contractors whose position
5 responsibilities require unescorted access to secured
6 areas and equipment related to a traffic management
7 center;

8 (38) The State and counties on employees and prospective
9 employees whose positions involve the handling or use
10 of firearms for other than law enforcement purposes;

11 (39) The State and counties on current and prospective
12 systems analysts and others involved in an agency's
13 information technology operation whose position
14 responsibilities provide them with access to
15 proprietary, confidential, or sensitive information;

16 (40) The department of commerce and consumer affairs on:

17 (A) Applicants for real estate appraiser licensure or
18 certification as provided by chapter 466K;

19 (B) Each person who owns more than ten per cent of an
20 appraisal management company who is applying for



1 registration as an appraisal management company,
2 as provided by section 466L-7; and

3 (C) Each of the controlling persons of an applicant
4 for registration as an appraisal management
5 company, as provided by section 466L-7;

6 (41) The department of health or its designee on all
7 license applicants, licensees, employees, contractors,
8 and prospective employees of medical cannabis
9 dispensaries, and individuals permitted to enter and
10 remain in medical cannabis dispensary facilities as
11 provided under sections 329D-15(a)(4) and 329D-
12 16(a)(3);

13 (42) The department of commerce and consumer affairs on
14 applicants for nurse licensure or license renewal,
15 reactivation, or restoration as provided by sections
16 457-7, 457-8, 457-8.5, and 457-9;

17 (43) The county police departments on applicants for
18 permits to acquire firearms pursuant to section 134-2,
19 on individuals registering their firearms pursuant to
20 section 134-3, and on applicants for new or renewed



1 licenses to carry a pistol or revolver and ammunition
2 pursuant to section 134-9;

3 (44) The department of commerce and consumer affairs on:

4 (A) Each of the controlling persons of the applicant
5 for licensure as an escrow depository, and each
6 of the officers, directors, and principals who
7 will be in charge of the escrow depository's
8 activities upon licensure; and

9 (B) Each of the controlling persons of an applicant
10 for proposed change in control of an escrow
11 depository licensee, and each of the officers,
12 directors, and principals who will be in charge
13 of the licensee's activities upon approval of the
14 application,

15 as provided by chapter 449;

16 (45) The department of taxation on current or prospective
17 employees or contractors who have access to federal
18 tax information in order to comply with requirements
19 of federal law, regulation, or procedure, as provided
20 by section 231-1.6;



- 1 (46) The department of labor and industrial relations on
2 ~~current~~:
3 (A) Current or prospective employees or contractors
4 who have access to federal tax information in
5 order to comply with requirements of federal law,
6 regulation, or procedure, as provided by section
7 383-110; and
8 (B) Prospective interns pursuant to the on-the-job
9 training work experience program under section
10 394- ;
- 11 (47) The department of human services on current or
12 prospective employees or contractors who have access
13 to federal tax information in order to comply with
14 requirements of federal law, regulation, or procedure,
15 and on current or prospective employees, volunteers,
16 contractors, or contractors' employees or volunteers,
17 subcontractors, or subcontractors' employees or
18 volunteers, whose position places or would place them
19 in close proximity to minors, young adults, or
20 vulnerable adults, as provided by section 346-2.5;



- 1 (48) The child support enforcement agency on current or
2 prospective employees, or contractors who have access
3 to federal tax information in order to comply with
4 federal law, regulation, or procedure, as provided by
5 section 576D-11.5;

- 6 (49) The department of the attorney general on current or
7 prospective employees or employees or agents of
8 contractors who have access to federal tax information
9 to comply with requirements of federal law,
10 regulation, or procedure, as provided by section 28-
11 17;

- 12 (50) The department of commerce and consumer affairs on
13 each control person, executive officer, director,
14 general partner, and managing member of an installment
15 loan licensee, or an applicant for an installment loan
16 license, as provided in chapter 480J;

- 17 (51) The University of Hawaii on current and prospective
18 employees and contractors whose duties include
19 ensuring the security of campus facilities and
20 persons; and



1 (52) Any other organization, entity, or the State, its
2 branches, political subdivisions, or agencies as may
3 be authorized by state law."

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

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

17 (1) The appropriation made in this part is necessary to
18 serve the public interest; and

19 (2) The appropriation made in this part meets the needs
20 addressed by this part.



1 SECTION 5. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so much
3 thereof as may be necessary for fiscal year 2024-2025 for the
4 department of labor and industrial relations to administer the
5 on-the-job training work experience program under this part.

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 6. 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 or as part of
4 the on-the-job training work experience program established in
5 section 394- ; provided that workers' compensation coverage
6 for a recent graduate shall lapse on the last day of February
7 following the graduating year or the date the internship ends,
8 whichever occurs earlier."

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

12 SECTION 8. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 9. This Act shall take effect on July 1, 3000.



Report Title:

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

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. Requires the Department of Human Resources Development to collaborate with the Department of Labor and Industrial Relations for certain portions of the on-the-job-training work experience program. 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. (HD2)

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

