
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, for a public purpose, and in support of the
2 public's health, 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 internship program.

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

9 "§394- On-the-job training work experience program.

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

19 (b) Eligible employers or sponsors shall demonstrate
20 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 shall adopt systems, and rules pursuant
20 to chapter 91, as necessary to develop and implement the
21 program, including systems and rules allowing the department to:



- 1 (1) Ensure that participating interns are eligible
2 pursuant to subsection (f) and participating employers
3 or sponsors are eligible pursuant to subsection (g);
- 4 (2) Ensure that interns are referred by the department to
5 employers or sponsors and not directly by the
6 employers or sponsors;
- 7 (3) Reimburse employers or sponsors up to \$20.00 per hour
8 only for wages paid for the extraordinary costs of
9 providing intern training and supervision;
- 10 (4) Develop a training plan for each intern in cooperation
11 with the intern and employer or sponsor;
- 12 (5) Monitor each intern's progress in the program to
13 ensure that training plan objectives are being met;
- 14 (6) Consult with interns and onsite supervisors to address
15 any problems affecting the training plan;
- 16 (7) Terminate an internship, if necessary, due to problems
17 at the worksite caused by either the intern or the
18 employer or sponsor; and
- 19 (8) Limit employer or sponsor participation to not more
20 than five interns at one time; tracked by the federal



1 employer identification number of the employer or
2 sponsor.

3 (f) The department shall develop eligibility criteria for
4 interns, including requirements that the intern:

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

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

8 (3) Be currently enrolled in a public high school or have
9 earned a high school diploma or its equivalent; and

10 (4) If a college student or recent college graduate:

11 (A) Be currently enrolled in an accredited college or
12 university and anticipating the attainment of a
13 degree within one year, or have earned a college
14 or university degree within one year of applying
15 for the internship; and

16 (B) Have a cumulative college grade point average of
17 2.5 or higher.

18 (g) The department shall develop eligibility criteria for
19 employers or sponsors, including requirements that the employer
20 or sponsor:



- 1 (1) Provide onsite work experience that complies with the
2 intern's training plan and includes the daily
3 supervision, training, and guidance necessary to
4 enable the interns to develop work habits and
5 job-specific skills that are essential for employment;
- 6 (2) Pay not less than \$20.00 per hour for a maximum of
7 forty hours per week;
- 8 (3) Provide each intern with a mentor to give on-the-job
9 guidance and to answer routine questions about the
10 workplace;
- 11 (4) Provide interns with the same working conditions as
12 other employees in similar jobs;
- 13 (5) 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 (6) Ensure that interns' on-the-job training does not
19 impair existing contracts for services or collective
20 bargaining agreements;



- 1 (7) Ensure that the worksite, supervisor, and participants
- 2 are available for monitoring by the department;
- 3 (8) Ensure that the worksite complies with all
- 4 occupational safety and health standards established
- 5 under state and federal law;
- 6 (9) Maintain time sheets and attendance records for each
- 7 intern, and prepare intern evaluations and any other
- 8 reports required by the department;
- 9 (10) Consult with and obtain assistance from the department
- 10 if an intern requires support services to effectively
- 11 carry out a work assignment;
- 12 (11) Notify the department on a timely basis if an intern:
- 13 (A) Is injured at the worksite;
- 14 (B) Is absent without good cause;
- 15 (C) Performs poorly on job assignments;
- 16 (D) Refuses to participate in work or work-related
- 17 activities; or
- 18 (E) Is not making satisfactory progress in the
- 19 program or on the job; and
- 20 (12) 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 (h) The department of labor and industrial relations shall
6 collaborate with the department of human resources development
7 to process program applications and place interns in temporary
8 or permanent positions within the State.

9 (i) Before the first day of each internship, the
10 department of labor and industrial relations shall provide the
11 department of human resources development with:

12 (1) The following information:

- 13 (A) The name of the intern;
- 14 (B) The department to which the intern is assigned;
- 15 (C) The assigned employee number of the intern;
- 16 (D) The expected start and end dates of the
17 internship; and
- 18 (E) Any other relevant information that the
19 department of human resources development may
20 require to process the intern; and



1 (2) Access to the intern's Hawaii information portal
2 account or the intern's account of the Hawaii
3 information portal's successor system.

4 (j) The department shall submit an annual report on the
5 program to the legislature no later than twenty days prior to
6 the convening of each regular session. At a minimum, each
7 report shall include:

- 8 (1) Outcomes and successes of the program;
- 9 (2) The number of interns who enrolled in the program and
10 exited the program during the previous fiscal year;
11 and
- 12 (3) Information on the progress of the program."

13 SECTION 3. (a) In accordance with section 9 of
14 article VII of the Hawaii State Constitution and sections 37-91
15 and 37-93, Hawaii Revised Statutes, the legislature has
16 determined that the appropriations contained in Act 70, Session
17 Laws of Hawaii 2023, and this Act will cause the state general
18 fund expenditure ceiling for fiscal year 2024-2025 to be
19 exceeded by \$ or per cent. The combined total
20 amount of general fund appropriations contained in only these
21 two Acts will cause the state general fund expenditure ceiling



1 for fiscal year 2024-2025 to be exceeded by
2 \$ or per cent.

3 (b) The reasons for exceeding the general fund expenditure
4 ceiling are that:

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

7 (2) The appropriation made in this part meets the needs
8 addressed by this part.

9 SECTION 4. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$ or so much
11 thereof as may be necessary for fiscal year 2024-2025 for the
12 department of labor and industrial relations to administer the
13 internship program under this part.

14 The sum appropriated shall be expended by the department of
15 labor and industrial relations for the purposes of this part.

16 PART II

17 SECTION 5. Section 302A-430, Hawaii Revised Statutes, is
18 amended to read as follows:

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



1 ~~University of Hawaii undertakes to perform work for a private or~~
2 ~~public employer as part of the student's work-based learning~~
3 ~~program, whether paid or unpaid, the] The State shall be deemed~~
4 ~~[to be] the responsible employer for the purposes of workers'~~
5 ~~compensation coverage, [that shall be the student's exclusive~~
6 ~~remedy to the same extent] as provided for in chapter 386 [as~~
7 ~~against the State and the private employer participating in the~~
8 ~~program.], when a student or recent graduate performs paid or~~
9 ~~unpaid work for a private or public employer as part of a~~
10 ~~school-approved, work-based learning program sponsored by the~~
11 ~~department of education or university of Hawaii; provided that~~
12 ~~workers' compensation coverage for a recent graduate shall lapse~~
13 ~~on the last day of February of the graduating year for a fall~~
14 ~~semester graduate and July 31 of the graduating year for a~~
15 ~~spring semester graduate."~~

16 SECTION 6. This Act does not affect rights and duties that
17 matured, penalties that were incurred, and proceedings that were
18 begun before its effective date.

19 SECTION 7. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 8. This Act shall take effect on July 1, 2050.



Report Title:

DLIR; DHRD; Private Sector; Internships; Workforce Development; Workers' Compensation Coverage; General Fund Expenditure Ceiling Exceeded; Appropriation

Description:

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. Declares that the general fund expenditure ceiling is exceeded. 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 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 7/31 of the graduating year for spring semester graduates. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025. Effective 7/1/2050. (SD2)

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

