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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, 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 students to  
8 participate in summer internship programs and allow internships  
9 with private sector employers through a cost-sharing strategy.

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

13 **"§394- On-the-job training work experience program.**

14 (a) The department of labor and industrial relations may enter  
15 into contracts with employers or registered apprenticeship  
16 program sponsors in the private sector to provide on-the-job  
17 training to eligible interns; provided that any participating  
18 apprenticeship program sponsor in the private sector shall only  
19 offer to eligible interns on-the-job training in public sector  
20 projects. The department may provide to the employers or  
21 sponsors up to \$20.00 per hour in reimbursements for wages only



1 for the costs of training and supervising an intern. The  
2 employers or sponsors shall not be required to provide  
3 documentation of these costs.

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

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

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

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



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

6       (1) Ensure that participating interns are eligible  
7 pursuant to subsection (f) and participating employers  
8 or sponsors are eligible pursuant to subsection (g);

9       (2) Ensure that interns are referred by the department to  
10 employers or sponsors and not directly by the  
11 employers or sponsors;

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

15       (4) Develop a training plan for participating interns of  
16 the program in collaboration with the intern and  
17 employer or sponsor;

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

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



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

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

8       (f) The department of labor and industrial relations shall  
9       develop eligibility criteria for interns, including requirements  
10      that the intern:

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

12       (2) Be a Hawaii resident;

13       (3) Be currently enrolled:

14       (A) In a public high school or have earned a high  
15       school diploma or its equivalent within one year  
16       of applying for the internship; or

17       (B) In an accredited college or university or has  
18       earned a college or university degree within one  
19       year of applying for the internship; and

20       (4) Is not an apprentice or journey worker.



- 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 onsite work experience that complies with each  
5 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) Pay no less than \$20.00 per hour for a maximum of  
10 thirty hours per week for high school students;
- 11        (3) Pay no less than \$20.00 per hour for a maximum of  
12 forty hours per week for college or university  
13 students;
- 14        (4) Provide each intern with a mentor to give on-the-job  
15 guidance and to answer routine questions about the  
16 workplace;
- 17        (5) Ensure that interns do not displace currently employed  
18 workers, reduce the hours of those currently employed,  
19 infringe on the opportunities for promotion of regular  
20 employees, or replace the work of employees who have  
21 experienced layoffs;



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- 1        (6) Ensure that interns' on-the-job training does not  
2        impair existing contracts for services or collective  
3        bargaining agreements;
- 4        (7) Ensure that the worksite, supervisor, and participants  
5        are available for monitoring by the department;
- 6        (8) Ensure that the worksite complies with all  
7        occupational safety and health standards established  
8        under state and federal law;
- 9        (9) Maintain time sheets and attendance records for each  
10       intern and prepare intern evaluations and any other  
11       reports required by the department;
- 12       (10) 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;



1        (11) For private sponsors, contribute fifty per cent in  
2        cost sharing benefits, including wages and fringe  
3        benefits; and

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

10       (h) The department of labor and industrial relations shall  
11       submit an annual report on the program to the legislature no  
12       later than twenty days prior to the convening of each regular  
13       session. At a minimum, each report shall include:

- 14       (1) Outcomes and successes of the program;
- 15       (2) The number of interns who enrolled in the program and  
16       exited the program during the previous fiscal year;
- 17       (3) Information on the progress of the program; and
- 18       (4) Any proposed legislation."

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



1           "**§302A-430 Coverage for workers' compensation.** [~~Whenever~~  
2 ~~a student participating in a school-approved work-based learning~~  
3 ~~program sponsored by the department of education or the~~  
4 ~~University of Hawaii undertakes to perform work for a private or~~  
5 ~~public employer as part of the student's work-based learning~~  
6 ~~program, whether paid or unpaid, the] The State shall be deemed  
7 ~~[to be]~~ the responsible employer for the purposes of workers'  
8 compensation coverage, [~~that shall be the student's exclusive~~  
9 ~~remedy to the same extent]~~ as provided for in chapter 386 [~~as~~  
10 ~~against the State and the private employer participating in the~~  
11 ~~program.], when a student or recent graduate performs paid or  
12 unpaid work for a private or public employer as part of a  
13 school-approved, work-based learning program sponsored by the  
14 department of education or university of Hawaii or as part of  
15 the on-the-job training work experience program established in  
16 section 394-     ; provided that worker's compensation coverage  
17 shall last for the duration of the internship under the  
18 program."~~~~

19           SECTION 4. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$3,600,000 or so much  
21 thereof as may be necessary for fiscal year 2025-2026 and the



1 same sum or so much thereof as may be necessary for fiscal year  
 2 2026-2027 for the department of labor and industrial relations  
 3 to administer the on-the-job training work experience program  
 4 under this Act.

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

7 SECTION 5. New statutory material is underscored.

8 SECTION 6. This Act shall take effect on July 1, 2025.

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INTRODUCED BY:

Medina K. Ibarra

[Signature]



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**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.

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

