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# 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 will  
4 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 "is given wide discretion" in this matter. *State ex. rel.*  
15 *Amemiya v. Anderson*, 56 Haw. 566, 574 (1976).

16 The legislature finds that permitting state-funded  
17 private-sector internships is in the best interest of the State



1 and serves the public purpose of supporting the health, safety,  
2 and welfare of its residents.

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 two new sections to be appropriately  
9 designated and to read as follows:

10 **"§394-A On-the-job training work experience program;**  
11 **private sector.** (a) The department of labor and industrial  
12 relations may enter into contracts with employers or registered  
13 apprenticeship program sponsors in the private sector to provide  
14 on-the-job training to eligible interns. The department may  
15 provide to the employers or sponsors up to \$20.00 per hour in  
16 reimbursements for wages only, but not for fringe benefits or  
17 other costs, for the extraordinary costs of training and  
18 supervising an intern. The employers or sponsors shall not be  
19 required to provide 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 entered into pursuant to this section shall  
4 be limited to a period of twelve weeks, with an extension of up  
5 to twelve additional weeks if approved by the director of labor  
6 and industrial relations; provided that the term of the  
7 internship shall be sufficient to allow the participant to gain  
8 relevant skills and experience in the occupation for which  
9 training is provided. In determining the appropriate length of  
10 the contract, the director shall 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 rules pursuant to chapter 91 and systems, as necessary, to



1 develop and implement the program, including rules and systems  
2 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 on-site supervisors to  
17 address 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 not 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 each intern:

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

9       (2) Be a Hawaii resident;

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

12      (4) If a student or recent graduate of a college or  
13      university:

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

19      (B) Have a cumulative college grade point average of  
20      2.5 or higher.



1        (g) The department of labor and industrial relations shall  
2 develop eligibility criteria for employers or sponsors,  
3 including requirements that each 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 each intern not less than \$20.00 per hour for a  
10 maximum of forty hours per week; provided that interns  
11 enrolled in two or more college or university courses  
12 shall not work for more than twenty hours per week;

13        (3) Provide each intern with a mentor to give on-the-job  
14 guidance and 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 work site, supervisor, and
- 7           participants are available for monitoring by the
- 8           department;
- 9           (8) Ensure that the work site complies with all
- 10           occupational safety and health standards established
- 11           under state and federal law;
- 12           (9) Maintain time sheets and attendance records for each
- 13           intern and prepare intern evaluations and any other
- 14           reports required by the department;
- 15           (10) Consult with and obtain assistance from the department
- 16           if an intern requires support services to carry out a
- 17           work assignment effectively;
- 18           (11) Notify the department on a timely basis if an intern:
- 19           (A) Is injured at the work site;
- 20           (B) Is absent without good cause;
- 21           (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 and its  
6        officers, agents, and employees from and against any  
7        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       submit an annual report on the program to the legislature no  
13       later than twenty days prior to the convening of each regular  
14       session. At a minimum, each report shall include:

- 15       (1) Outcomes and successes of the program;
- 16       (2) The number of interns who enrolled in the program and  
17       exited the program during the previous fiscal year;
- 18       (3) The names of the private or public sector  
19       organizations that the interns were placed at; and
- 20       (4) Information on the progress of the program.





1 much thereof as may be necessary for fiscal year 2025-2026 and  
2 the same sum or so much thereof as may be necessary for fiscal  
3 year 2026-2027 for the department of labor and industrial  
4 relations to administer the on-the-job training work experience  
5 program under this part.

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

8 PART II

9 SECTION 4. 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-A; provided that workers' compensation coverage for  
6 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 5. In codifying the new sections added by  
10 section 2 and referenced in section 4 of this Act, the revisor  
11 of statutes shall substitute appropriate section numbers for the  
12 letters used in designating the new sections in this Act.

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

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



**Report Title:**

DLIR; DHRD; On-the-Job Training Work Experience Program; Internships; Private Sector; State Executive Branch Departments, Agencies, Programs; Workforce Development; Workers' Compensation Coverage; Appropriations

**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 Labor and Industrial Relations to collaborate with the Department of Human Resources Development 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 7/1/2050. (SD1)

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

