

STATE OF HAWAI'I DEPARTMENT OF EDUCATION KA 'OIHANA HO'ONA'AUAO

P.O. BOX 2360 HONOLULU, HAWAI`I 96804

Date: 01/29/2025 **Time:** 03:00 PM

Location: CR 224 & Videoconference

Committee: Senate Labor and Technology

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Bill Title: SB 0327 RELATING TO INTERNSHIPS.

Purpose of Bill: 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 moneys.

Department's Position:

The Hawaii State Department of Education (Department) supports SB 327, which establishes an on-the-job training work experience program that enables the Department of Labor and Industrial Relations (DLIR) to fund private-sector internships. SB 327 also extends workers' compensation coverage for recent graduates participating in Department- and University of Hawaii-sponsored work-based learning programs and interns participating in DLIR's on-the-job training work experience program.

The Department appreciates the support for paid student internships in the private sector, which will increase access to work-based learning opportunities for public high school students statewide. This aligns with the Department's mission to prepare students for college, career, and citizenship; promotes the state economy by encouraging students to consider a career with local industries and employers; and facilitates strong public-private partnerships, leading to a stronger sense of community and a shared responsibility over education, workforce development, and a sustainable economy.

The Department respectfully suggests that page 3, lines 6-8, be revised to read, "provided that the term of the internship shall be sufficient to allow the participant to gain relevant skills and experience in the occupation for which the internship is provided."

The Department also appreciates the appropriation of funds to support the on-the-job training work experience program and respectfully requests that a portion be dedicated for high school student internships.

The Department thanks the Legislature for extending workers' compensation coverage for recent graduates participating in "paid or unpaid work for a private or public employer as part of a school-approved, work-based learning program sponsored by the department of education or university of Hawaii" (page 25, lines 7-10). To support new high school graduates as they transition to their post-secondary plans, the Department offers work-based learning opportunities, including industry-led summer training and internships, as an extension of their Career and Technical Education program of study. Without workers' compensation coverage for our students and new graduates, employers and organizations may be hesitant to host our young adults as interns.

The Department defers to DLIR regarding the implementation of the on-the-job training work experience program outlined in Section 2.

The Department appreciates the Legislature's support of our work-based learning initiatives and our goal for all students to be globally competitive and locally committed. Preparing our students for the current and emerging workforce here at home will not only address our workforce needs, but will also lead to a thriving Hawaii.

Thank you for the opportunity to provide testimony on this measure.

WILLIAM G. KUNSTMAN DEPUTY DIRECTOR



STATE OF HAWAI'I KA MOKU'ĀINA O HAWAI'I DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS KA 'OIHANA PONO LIMAHANA

January 29, 2025

To: The Honorable Henry J. C. Aquino, Chair,

The Honorable Chris Lee, Vice Chair, and

Members of the Senate Committee on Labor and Technology

Date: Wednesday, January 29, 2025

Time: 3:00 p.m.

Place: Conference Room 224, State Capitol

From: Jade T. Butay, Director

Department of Labor and Industrial Relations (DLIR)

Re: S.B. 327 RELATING TO INTERNSHIPS

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR supports** this measure if it does not adversely impact priorities identified in the Executive Supplemental Budget Request for FY2025 and **suggests amendments**. SB 327 creates a new section in Chapter 394, Hawaii Revised Statutes (HRS), to authorize state-funded internships in the private sector to support the job training needs of Hawaii's youth and support Hawaii's economy.

To delineate private and public sector internships, the department suggests creating two new sections in Chapter 394 with existing content as follows:

- One section for inserting the current subsections (h) and (i), and
- One section for the report in subsection (j). subsections (h) and (i) as these

The DLIR also suggests inserting "private sector" in the section heading (Pg. 2, line 10) to read:

§394- On-the-job training work experience program, private sector.

II. CURRENT LAW

Act 251, SLH 1969, established Chapter 394 and was enacted to support the training needs of the State's economy by "increasing trained local labor." Act 251 envisioned the DLIR assisting Hawaii's workforce to obtain suitable employment by supporting training needs and thereby supporting Hawaii's economy.

The federal Workforce Innovation and Opportunity Act (WIOA) includes a major focus on providing work experience or internships for youth in a planned,

structured, time-limited learning experience that takes place in a workplace within the private or public sector (20 CFR § 680.180).

20 CFR Part 680 Subpart F—Work-Based Training outlines the requirements of On-the-Job training (OJT), which includes a contractual arrangement for the provision of occupational training between a sponsor and an employer wherein the sponsor provides reimbursement "for the extraordinary costs of providing the training and supervision related to the training."

III. COMMENTS ON THE SENATE BILL

The DLIR supports this measure that seeks to provide state funding for work-based training via OJT contracts between the department and employers or registered apprenticeship program sponsors in the private sector for youth. State support to bolster WIOA supported work-based training comports with the intent of Chapter 394 HRS to support the local workforce and sustain Hawaii's economy.

The proposed new section of Chapter 394 outlines the details of a State-supported program for the private sector that comports with the WIOA work-based training while including Hawaii specific elements the DLIR believes will enable it to operate a program that protects the interest of the department, employers or apprenticeship sponsors, and participants.

The department suggests the new subsections (h) and (i) (Pg. 8, line 11 to Pg. 9, line 11) are better suited in a new section of Chapter 394 as these provisions pertain to an existing program for <u>State public sector internships</u>. Subsection (h) should also only refer to "department" and not "business" or "organization." Further, the requirement in (i) (2) should be deleted as this is technically impossible.

Also, to further clarify the intent and purpose of the primary content of this measure (state-funded private-sector internships) the DLIR suggests inserting "private sector" into the section heading on Pg. 2, line 10.

The department suggests that subsection (j) (Pg. 9, line 12 to 20) pertaining to a report about internships be separated and added as a new section in chapter 394 in this measure as follows:

- §394- Work experience; private and public sector; annual report. The department shall submit an annual report on the state-funded internship programs for both the private and public sectors to the legislature no later than twenty days prior to the convening of each regular session. At a minimum, each report shall include:
 - (1) <u>Outcomes and successes of the programs for both private and public</u> sectors;
 - (2) The number of interns who enrolled in the program and exited the program during the previous fiscal year;

SB327 January 29, 2025 Page 2

- (3) The names of the private or public sector organizations that the interns were placed at; and
- (4) Information on the progress of the program.

Testimony Presented Before the
Senate Committee on Labor and Technology
Wednesday, January 29, 2025, at 3:00 p.m.
By
Debora Halbert, Vice President for Academic Strategy
University of Hawai'i System

SB 327 - RELATING TO INTERNSHIPS

Chair Aguino, Vice Chair Lee and Members of the Committee:

Thank you for the opportunity to testify in support of Senate Bill 327, which aims to expand opportunities for state-funded internships in the private sector to provide Hawai'i's high school and college-aged students with valuable work experience.

While I fully support the objectives of this bill—namely, enhancing internship opportunities and providing our youth with the skills they need for future success—I respectfully submit two suggestions to better align the internship program with the needs of students.

First, as currently written, the bill limits these internship opportunities to students who are planning to graduate within a year. The University of Hawai'i (UH) would prefer to see language encouraging and allowing students at any point in their college time to be eligible for such internship opportunities, and therefore, asks the committee to consider the striking of language on page 5, lines 16-20, in the bill so that it reads as follows:

"Be currently enrolled in an accredited college or university and anticipating the attainment of a degree within one year, or has earned a college or university degree within one year of applying for the internship; and"

The benefits of internships should be available to students earlier in their academic journeys so that they have the chance to intern at more than one company or to try more than one role within a company so that they can develop career readiness skills over time. Furthermore, for students who are uncertain about their future professions, having an internship opportunity early may give them a chance to decide this is *not* what they want to do and choose a different career path.

Second, currently, the bill specifies that work periods for interns may be up to a maximum of forty hours per week (page 6, lines 11-12). I recommend adding language to the bill to ensure that internships remain manageable and equitable for students balancing their academic commitments with work:

Work periods may be up to twenty hours per week while an intern is enrolled in two or more courses, or forty hours per week otherwise.

This amendment is designed to accommodate students who are enrolled in full-time academic programs recognizing that their ability to work full-time may be limited by their coursework. Internships should be an enriching experience that complements their education. By limiting work hours to twenty per week for students in two or more courses, we ensure that they are able to gain valuable work experience while maintaining their academic performance.

For those who are not enrolled in school full-time or those who choose to complete a full-time internship over the summer or while not taking other courses, the original language allowing up to forty hours per week would still apply providing maximum flexibility for these individuals to participate in full-time internships. Furthermore, by providing flexibility in hours, we make internships more accessible to a wider range of students—especially those who might otherwise struggle to commit to an internship due to academic or personal obligations.

Thank you for your time and consideration.





DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI A HO'OMĀKA'IKA'I

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SYLVIA LUKE LT. GOVERNOR

JAMES KUNANE TOKIOKA

DANE K. WICKER
DEPUTY DIRECTOR

Telephone: (808) 586-2355 Fax: (808) 586-2377

Statement of

JAMES KUNANE TOKIOKA

Director

Department of Business, Economic Development, and Tourism before the

SENATE COMMITTEE ON LABOR AND TECHNOLOGY

29 January 2025, 3:00 PM State Capitol, Conference Room #224

In consideration of SB 327
RELATING TO INTERNSHIPS

Chair Aquino, Vice Chair Lee, and members of the LBT Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of SB327, which seeks to expand state-funded internship opportunities through public-private partnerships, with comments. This bill has significant potential to enhance workforce development, strengthen public-private collaboration, and provide practical work experience for Hawaii's students and recent graduates. However, we believe that addressing several key concerns will improve the program's effectiveness and sustainability.

The bill proposes a valuable framework for preparing Hawaii's workforce for highdemand occupations while fostering innovation and economic growth. Specifically:

 Workforce Development: By providing hands-on training and mentorship, SB327 enhances employability for interns.

- Public-Private Partnerships: Partnerships encourage collaboration between the state and private sector, creating opportunities for mutual benefit.
- Accessibility: Wage reimbursements reduce financial barriers, making internships more accessible for participants.
- Safeguards: Requiring training plans, mentor oversight, and compliance with labor laws ensures program quality and accountability.

KEY CONCERNS

To ensure long-term success and sustainability, we recommend addressing the following areas:

- Administrative Capacity: The Department of Human Resources Development
 (DHRD) are already tasked with significant human resources and administrative
 responsibilities; given existing resource constraints, we are concerned that this
 could overburden the department, affecting program implementation.
- Employer Accountability and Cost Sharing: The bill fully reimburses employers
 for wages without requiring a matching contribution, potentially reducing
 employer buy-in and risking misuse of the program for inexpensive labor.
- Post-Internship Support and Outcomes: The bill does not outline what happens
 after internships conclude. If no permanent position is available, interns may face
 uncertainty, reducing the program's long-term impact.

SB327 is a promising step toward strengthening Hawaii's workforce and aligning training programs with economic development goals. By addressing concerns related to administrative capacity, employer accountability, and post-internship support, the program's impact and sustainability can be significantly improved.

Thank you for the opportunity to provide testimony with comments on SB327.

WILLIAM G. KUNSTMAN DEPUTY DIRECTOR



STATE OF HAWAI'I KA MOKU'ĀINA O HAWAI'I DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS KA 'OIHANA PONO LIMAHANA

January 29, 2025

To: The Honorable Henry J. C. Aquino, Chair,

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Members of the Senate Committee on Labor and Technology

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Time: 3:00 p.m.

Place: Conference Room 224, State Capitol

From: Jade T. Butay, Director

Department of Labor and Industrial Relations (DLIR)

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SB327 January 29, 2025 Page 2

- (3) The names of the private or public sector organizations that the interns were placed at; and
- (4) Information on the progress of the program.



Testimony Presented Before the Committee on Labor and Technology Wednesday, January 29, 2025, at 3:00 PM By Stephen Schatz, Executive Director Hawai'i P-20 Partnerships for Education

SB327 - RELATING INTERNSHIPS

Chair Aquino, Vice Chair Lee, and Members of the Committee:

Thank you for the opportunity to testify on SB327 relating to internships.

Hawai'i P-20 Partnerships for Education (Hawai'i P-20) supports SB327, which creates an on-the-job training work experience program in the Department of Labor and Industrial Relations, allowing eligible interns to receive on-the-job training work experience in the private sector and provides funding for up to \$20.00 an hour in reimbursements for wages only.

Public funding to support paid on-the-job training will expand the number of opportunities available to the Hawai'i State Department of Education and University of Hawai'i students, which is critical to ensuring that graduates of career and technical education programs at the secondary and postsecondary levels meet Hawai'i workforce needs.

Hawai'i P-20 also supports section 5 of SB327, which amends 302A-430 Coverage for Workers' Compensation to extend coverage to recent high school graduates who participate in a school-approved work-based learning program sponsored by the Department of Education or University of Hawai'i.

Thank you for the opportunity to submit testimony on this measure.



1050 Bishop St. PMB 235 | Honolulu, HI 96813 P: 808-533-1292 | e: info@hawaiifood.com

Executive Officers

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TO: Committee on Labor and Technology

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: January 29. 2025

TIME: 3pm

RE: SB327 Relating to Internships

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

Like many industries in our state the food industry is facing a shortage of workers. While there is a huge range of diverse jobs in this field, there are often not enough applicants with the necessary skills and experience that our food businesses need.

This program will help our local food companies, and other businesses, work directly with young people to help them develop the specific skills they need to thrive in their future careers. Expanding work based learning programs is a win for students as it provides valuable hands on learning and it's a win for businesses that get to engage these bright young people and help shape the workforce of tomorrow. This measure also promotes economic growth and job creation in our state.

We encourage the Committee to pass this measure and we thank you for the opportunity to testify.



TESTIMONY BEFORE THE SENATE COMMITTEE ON LABOR AND TECHNOLOGY

SB 327 Relating to Internships

Wednesday, January 29, 2025 3:00 PM State Capitol, Conference Room 224

> Kazu Hayashida Workforce Planning Manager Hawaiian Electric

Dear Chair Aquino, Vice Chair Lee, and Members of the Committee,

My name is Kazu Hayashida, and I am testifying on behalf of Hawaiian Electric in strong support of SB 327, Relating to Internships.

Expanding state-funded internships to include private sector positions will significantly benefit our state by promoting economic growth, fostering public-private collaborations, and providing essential paid work-based training for students. These internships will create valuable opportunities for students to gain practical work experience, network with industry professionals, and prepare for their future careers.

At Hawaiian Electric, our goal is for Hawaii's students to be globally competitive, equipped with the skills to build successful careers anywhere in the world, while remaining locally committed to living, working, and growing here in Hawaii. Preparing our students for the current and future workforce will not only address our workforce needs but also contribute to a thriving, sustainable Hawaii.

Hawaiian Electric is dedicated to supporting Hawaii's youth and their education.

We have been invested in helping to develop the Energy CTE Pathway, currently adopted

at Kapolei, Campbell, and Kealakehe High Schools, to build business partnerships that expose students to sustainable, well-paying careers in the energy industry in Hawaii. Internships are the foundation for students to connect with industry leaders, experience the workplace firsthand, and gain a better understanding of the career opportunities available to them here in Hawaii.

Therefore, Hawaiian Electric strongly supports SB 327. Thank you for the opportunity to testify.



Testimony to the Senate Committee on Labor and Technology Wednesday, January 29, 2025; 3:00 p.m. State Capitol, Conference Room 224 Via Videoconference

RE: SENATE BILL NO. 0327, RELATSING TO INTERNSHIPS.

Chair Aquino, Vice Chair Lee, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA <u>SUPPORTS</u> Senate Bill No. 0327, RELATING TO INTERNSHIPS.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This measure, as received by your Committee, would:

- (1) Establish an On-the-job Training Work Experience Program within the Department of Labor and Industrial Relations and authorize employers or sponsors to provide up to \$20 per hour in reimbursements for wages for the cost of training and supervising an intern; and
- (2) Provide worker's compensation coverage from the State for participants of the On-thejob Work Experience Program.

This measure would take effect on July 1, 2025.

The State of Hawaii is experiencing a severe shortage of health care professionals in the workforce, especially in rural areas. Recent studies note that the current shortage of physicians is at 20% of the total full-time equivalent positions throughout the State. The shortage is especially severe in the fields of primary care, infectious diseases, colorectal surgery, pathology, general surgery,

Testimony on Senate Bill No. 0327 Wednesday, January 29, 2025; 3:00 p.m. Page 2

pulmonology, neurology, neurosurgery, orthopedic surgery, family medicine, cardiothoracic surgery, rheumatology, cardiology, hematology/oncology, and pediatric subspecialties of endocrinology, cardiology, neurology, hematology/oncology, and gastroenterology.

The same can be said for registered and practical nurses, community health workers, social workers, pharmacists, and other disciplines in the field of health care.

The HPCA believes this program would provide a needed service to our community by preparing students for meaningful employment, diversifying their learning opportunities, and promoting responsible citizenship. In addition, the program will facilitate partnerships between businesses and educators for the creation of mentoring ventures and other opportunities so that Hawaii's youth may gain the practical experience that will enable them to be productive members of our labor force. This is critical for the field of health care, especially in rural communities.

Because of this, the HPCA respectfully requests your favorable consideration of this measure.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiipca.net.



The state of

January 29, 2025 at 3:00 pm Conference Room 224

Senate Committee on Labor and Technology

To: Chair Henry J.C. Aquino

Vice Chair Chris Lee

From: Paige Heckathorn Choy

AVP, Government Affairs

Healthcare Association of Hawaii

Re: Testimony in Support

SB 327, Relating to Internships

The Healthcare Association of Hawaii (HAH), established in 1939, serves as the leading voice of healthcare on behalf of 170 member organizations who represent almost every aspect of the healthcare continuum in Hawaii. Members include acute care hospitals, skilled nursing facilities, home health agencies, hospices, and assisted living facilities. In addition to providing access to appropriate, affordable, high-quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing more than 30,000 people statewide.

Thank you for the opportunity to testify in **support** of SB 327, which seeks to make state-funded internships available to eligible private employers. This expansion represents an important step forward in our collective efforts to address Hawaii's healthcare workforce shortages by creating new opportunities for training, mentorship, and workforce entry.

Hawaii continues to face critical challenges in building a sustainable healthcare workforce. Our organization's most recent demand survey highlighted nearly 4,700 openings for non-physician, patient-facing positions across hospitals, nursing homes, clinics, and other care settings. Entry-level roles, particularly certified nurse aides (CNAs), are in especially high demand as Hawaii's aging population grows and requires increasingly complex care. Programs like the one this measure seeks to establish have the potential to strengthen our workforce pipeline by preparing more individuals for healthcare careers and addressing these persistent shortages.

Expanding state-funded internships to private entities could provide additional funding sources to support workforce development, particularly in administrative positions that are critical to healthcare operations but are not currently supported by other development programs. We believe that this expansion would complement (but not supplant) the state's existing healthcare workforce development efforts, such as high school certificate programs and CNA-to-LPN pathways, which have already shown measurable success. For instance, in 2023, over 100 students participated in certificate programs, achieving a 98% completion rate and a 74%

employment rate. Expanding Hele Imua ensures that more individuals can access similar career-building opportunities.

This effort will contribute to a robust and sustainable healthcare workforce in our state, and we look forward to the potential partnerships and opportunities that could be made available. We appreciate the legislature's continued support for building our healthcare workforce and the opportunity to weigh in with support on this program.

SB-327

Submitted on: 1/25/2025 3:36:24 PM

Testimony for LBT on 1/29/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

Public-private partnerships supporting internships is an easy, positive reform to help bolster the economic security of people here. This type of bill will increase prosperity and opportunity for so many here. I urge the Committee to SUPPORT this bill.



SYLVIA LUKE LT. GOVERNOR KA HOPE KIA'ĀINA



BRENNA H. HASHIMOTO DIRECTOR KA LUNA HO'OKELE

BRIAN K. FURUTO
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT KA 'OIHANA HO'OMŌHALA LIMAHANA

235 S. BERETANIA STREET HONOLULU, HAWAI'I 96813-2437

Statement of BRENNA H. HASHIMOTO

Director, Department of Human Resources Development

Before the SENATE COMMITTEE ON LABOR AND TECHNOLOGY

Wednesday, January 29, 2025 3:00PM State Capitol, Conference Room 224

In consideration of SB 327 Relating to Internships

Chair Aquino, Vice Chair Lee, and the members of the committee.

The Department of Human Resources Development (HRD) supports SB 327 and offers the following comments and amendments.

The purpose of SB 327 is to:

- Authorize the Department of Labor and Industrial Relations (LBR) to enter into contracts with eligible employers or registered apprenticeship programs in the private sector to provide on-the-job training for eligible interns.
- Require HRD to collaborate with DLIR on certain portions of the on-the-job training work experience program.
- Designate the State as the responsible employer for workers' compensation coverage for students or recent graduates participating in the program, subject to specific limitations.
- Appropriate funding to implement the program.

HRD's Position

HRD supports this measure as a means to grow the State's workforce and promote employment opportunities within Hawai'i. However, as currently written, the bill lacks clarity regarding HRD's role and responsibilities.

While HRD is prepared to collaborate with LBR on placing interns within State Executive Branch departments and agencies, HRD does not have the expertise or capacity to place interns in private sector positions. For this component, HRD defers to LBR.

To ensure clarity, HRD recommends the following amendments to the bill:

Proposed Amendments

1. Subsection (h):

Current language states that DLIR shall collaborate with HRD to process program applications and place interns in temporary or permanent positions at a department, business, or organization within the State.

Recommended revision:

"DLIR shall collaborate with HRD to process program applications and place interns in temporary or permanent positions at State Executive Branch departments, agencies, or programs."

2. Subsection (i)(1):

Current language lists information that LBR must provide to HRD.

Recommended revision:

- "DLIR shall provide HRD with the following information:
- (A) The name of the intern;
- (B) The State Executive Branch department, agency, or program to which the intern is assigned;
- (C) The expected start and end dates of the intern; and
- (D) Any other relevant information HRD may require to assist the intern in pursuing future employment with the State Executive Branch."

3. Section 3, Subsection (b)(46)(B):

Current language requires the submission of fingerprints to the Federal Bureau of Investigation for a national criminal history record check and the Hawai'i Criminal Justice Data Center for a state criminal history record check that shall include non-conviction data.

Recommended revision:

Remove this subsection to maintain consistency with the name-based criminal history record check process applied to other state employees, as outlined in HRS 378-2.5 and HRD Policy 301.007 ("Suitability Investigations").

HRD supports the intent of this measure and all efforts to help State departments, agencies, and programs fill critical positions. We respectfully request the inclusion of the recommended amendments to provide clarity and ensure effective implementation.





Testimony to the Senate Committee on Labor and Technology
Senator Henry J.C. Aquino, Chair
Senator Chris Lee, Vice Chair

Wednesday, January 29, 2025, at 3:00 PM Conference Room 415 & Videoconference

RE: SB327 Relating to Internships

Aloha e Chair Aquino, Vice Chair Lee, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 327 (SB327), which 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.

SB327 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Business Services. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Hawaii is experiencing a brain drain as young talent leaves in record numbers. Expanding apprenticeships and state-funded internships to include private-sector roles can provide valuable hands-on experience, creating career pathways that strengthen the workforce. These efforts align with the priorities outlined in the 2030 Blueprint for Hawaii, benefiting both employers and the local economy.

State-funded private-sector internships serve a vital role in fostering public-private collaborations, offering Hawaii's youth opportunities to gain valuable work experience, and preparing them for successful careers in a variety of industries. SB327 will contribute to workforce development by equipping interns with the skills and professional exposure needed to thrive in today's competitive job market.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass Senate Bill 327. Thank you for the opportunity to testify.

January 29, 2025



House Committee on Senator Henry Aquino, Chair Senator Chris Lee , Vice Chair



Working together for Kapolei

Wednesday, January 29, 2025, 3:00 p.m.
Conference Room #224 VIA VIDEOCONFERENCE

RE: SB 327 Relating to Internships

Dear Chair Aguino, Vice Chair Lee and members of the Committee,

My name is Kiran Polk, and I am the Executive Director and CEO of the Kapolei Chamber of Commerce. The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region and West O'ahu. The Chamber works on behalf of its members and the entire business community to improve the regional and State economic climate and help Kapolei businesses thrive. We are a member-driven, member-supported organization representing the interests of all types of business: small, medium or large, for profit or non-profit businesses or sole proprietorship.

The Kapolei Chamber of Commerce <u>supports SB 327</u>, which permits and appropriates moneys for the Department of Labor and Industrial Relations (DLIR) to enter into contracts with eligible employers or registered apprenticeship programs in the private sector to provide on-the-job training to eligible interns. It also requires the Department of Human Resources Development to collaborate with the DLIR for certain portions of the on-the-job-training work experience program. The measure 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.

Investing in our future workforce is a priority for the Kapolei Chamber to keep pace with the growth in our region. Providing a work-based learning experience has proven to strengthen our talent pipeline. Many of our businesses, especially our small businesses, would like the opportunity to offer mentoring and work-based learning experience for our future workforce, but simply do not have the resources and capacity to do so. Providing access to DLIR's registered apprenticeship programs would provide the support needed for these small and medium size businesses to pursue an internship program.

Kapolei Chamber of Commerce has established itself as a *Career Hub* that generates, supports, connects, documents and reports the programmatic efforts to assist schools in delivering world-class programs that improve student achievement, increase post-secondary attendance, and generate a vibrant workforce. The Kapolei Chamber does this in partnership with the University of Hawai'i at West O'ahu, the Hawai'i State Dept. of Education and our private and charter schools in West O'ahu. In 2018, the Chamber pioneered student career exploration in the State by holding the 1st multi-school student career expo. We now bring almost 2,000 9th grade students from West O'ahu high schools onto the campus at UH West O'ahu to interact and explore careers by interacting with over 60 businesses and organizations as they select their career academies.

Career exploration is only the launching point and work-based learning is the continuum needed to strengthen our pipeline from K-12 to post-secondary and into our workforce. The Kapolei Chamber is also dedicated to working with our education partners in West O'ahu to address curricular and outreach gaps in the workforce pipeline by advocating and supporting internship and mentoring opportunities for our students with West O'ahu employers among industry sectors including healthcare, innovative technology and the professional trades.

As our small businesses face challenges with staffing shortages and inflationary impacts, having the opportunity to apply for DLIR's apprenticeship program will provide the needed resources for our businesses and is a solid investment in our future. It will provide the support needed for increased participation in work-based learning and will provide the needed investment into our future. These collaborative learning experiences will help nurture and sustain our future workforce, bringing a brighter horizon for all.

Thank you for this opportunity to provide testimony.

Best,

Kiran Polk Executive Director & CEO





HEARING BEFORE THE SENATE COMMITTEE ON LABOR AND TECHNOLOGY
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 224
WEDNESDAY, FEBRUARY 8, 2023 AT 3:00 P.M.

To The Honorable Senator Henry J.C. Aquino, Chair The Honorable Senator Chris Lee, Vice Chair Members of the committee on Labor and Technology

SUPPORT SB327 RELATING TO QUALIFIED INTERNSHIP TAX CREDIT

The Maui Chamber of Commerce **SUPPORTS SB327** which establishes a program to provide on-thejob training and work experience opportunities for interns through the Department of Labor and Industrial Relations (DLIR).

The Chamber emphasizes that expanding state-funded internships to include private-sector positions will benefit the state by promoting economic growth, fostering public-private collaboration, and supporting job creation. State-funded private-sector internships will also create additional opportunities for interns to gain practical work experience and better prepare for their future careers.

This bill will incentivize more of Hawai'i's small and medium-sized businesses to offer work-based learning opportunities through internships. This initiative will help students acquire in-demand skills while diversifying the talent pool for local employers. These work-based learning experiences are crucial for the economic future of our state as we prepare our young people for the in-demand careers of tomorrow.

For these reasons, we SUPPORT SB327.

Sincerely,

Pamela Tumpap

Pamela Jumpap

President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.