
A BILL FOR AN ACT

RELATING TO INTERNSHIP PROGRAMS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 76-16, Hawaii Revised Statutes, is
2 amended by amending subsection (h) to read as follows:

3 "(h) The director shall establish rules to implement this
4 section that shall be in accordance with the following:

5 (1) Whenever a position exempted under subsection (b) or
6 (c) is no longer exempted from the civil service,
7 normal civil service recruitment procedures shall
8 apply, unless the incumbent is to be retained without
9 the necessity for examination by action of the
10 legislature; provided that in such event, the
11 incumbent shall be retained, but only if the incumbent
12 meets the minimum qualification requirements of the
13 position; [~~and~~]

14 (2) The manner for setting the compensation of incumbents
15 upon their inclusion in the classification systems
16 shall be fair and equitable in comparison to the
17 compensation of other incumbents with comparable



1 experience in the same or essentially similar classes;
2 provided that the compensation of incumbents who are
3 in the same bargaining unit, prior to and after their
4 inclusion in the classification systems, shall be in
5 accordance with the applicable collective bargaining
6 agreement~~[+]~~; and

7 (3) Experience gained by an intern participating in the
8 internship program established pursuant to section
9 394-11 shall be applied towards the experience needed
10 to meet the minimum qualification requirements under
11 this chapter for civil service positions of a similar
12 level and scope to the internship."

13 SECTION 2. Section 394-10, Hawaii Revised Statutes, is
14 amended to read as follows:

15 **"~~[+]~~§394-10~~[+]~~ On-the-job training work experience**
16 **program; private sector.** (a) The department of labor and
17 industrial relations may enter into contracts with employers ~~[+]~~
18 ~~[registered apprenticeship program sponsors]~~ in the private
19 sector to provide on-the-job training to eligible interns~~[+]~~
20 ~~provided that any participating apprenticeship program sponsor~~
21 ~~in the private sector shall only offer to eligible interns on-~~



1 ~~the job training in public sector projects.] without regard to~~
2 ~~chapters 103D and 103F. [The department may provide to the~~
3 ~~employers or sponsors up to \$20.00 per hour in reimbursements~~
4 ~~for wages only for the costs of training and supervising an~~
5 ~~intern. The employers or sponsors shall not be required to~~
6 ~~provide documentation of these costs.]~~

7 (b) Eligible employers [~~or sponsors~~] shall demonstrate
8 compliance with Hawaii compliance express or any successor
9 program established to facilitate compliance with
10 section 103D-310(c).

11 (c) Contracts with employers under this section shall be
12 limited to a period of twelve weeks for college or university
13 students, with an extension of up to twelve additional weeks if
14 approved by the director of labor and industrial relations, and
15 six weeks for high school students, with an extension of up to
16 eight weeks during the summer break. In determining the
17 appropriate length of the contract, the director shall consider
18 the:

- 19 (1) Occupation's skill requirements;
- 20 (2) Intern's existing academic and occupational skill
- 21 levels; and



1 (3) Intern's prior work experience.

2 (d) The employer [~~or sponsor~~] shall comply with [state
3 ~~and~~] federal and state employment laws pursuant to the Fair
4 Labor Standards Act of 1938, as amended, and chapter 387 [and
5 the Fair Labor Standards Act of 1938, as amended.] and 388.

6 (e) The department of labor and industrial relations shall
7 adopt interim rules, which shall be exempt from chapter 91, to
8 develop and implement the program; provided that the interim
9 rules shall remain in effect until the adoption of rules
10 pursuant to chapter 91 to allow the department to:

11 (1) Ensure that participating interns are eligible
12 pursuant to subsection (f) and participating employers
13 [~~or sponsors~~] are eligible pursuant to subsection (g);

14 (2) Ensure that interns are referred by the department to
15 employers [~~or sponsors~~] and not directly by the
16 employers [~~or sponsors~~];

17 (3) Reimburse employers [~~or~~], trade organizations, and
18 sponsors up to [\$20.00] \$20 per hour for an intern's
19 wages [only for the extraordinary], subject to the
20 requirements established in subsection (k), to help



- 1 defray the costs of providing intern training and
2 supervision;
- 3 (4) Develop a training plan for participating interns of
4 the program in collaboration with the intern and
5 employer [~~or sponsor~~];
- 6 (5) Monitor each intern's progress in the program to
7 ensure that training plan objectives are being met;
- 8 (6) Consult with interns and onsite supervisors to address
9 any problems affecting the training plan;
- 10 (7) Terminate an internship, if necessary, due to problems
11 at the worksite caused by either the intern or the
12 employer [~~or sponsor~~]; and
- 13 (8) [~~Limit~~] Determine the maximum number of interns an
14 employer [~~or sponsor participation to no more than~~
15 ~~five interns~~] may retain at one time, as tracked by
16 the federal employer identification number of the
17 employer [~~or sponsor~~].
- 18 (f) The department of labor and industrial relations shall
19 develop eligibility criteria for interns, including requirements
20 that the intern:
- 21 (1) Be sixteen years of age or older;



- 1 (2) Be a Hawaii resident;
- 2 (3) Be currently enrolled:
 - 3 (A) In a [~~public~~] high school or has earned a high
 - 4 school diploma or its equivalent within one year
 - 5 of applying for the internship; or
 - 6 (B) In an accredited college or university or has
 - 7 earned a college or university degree within one
 - 8 year of applying for the internship;
- 9 (4) Earn, within one year of applying for the internship,
- 10 a:
 - 11 (A) High school diploma or its equivalent; or
 - 12 (B) College or university degree; and
- 13 [~~+4~~] (5) Have, or has graduated with, a cumulative grade
- 14 point average of 2.5 or higher, on a scale of 4.0 or
- 15 its equivalent; and
- 16 [~~+5~~] (6) Is not an apprentice in a registered
- 17 apprenticeship program or journey worker;
- 18 provided that the department of labor and industrial relations
- 19 may conduct criminal history background checks as appropriate.



1 (g) After satisfying the eligibility criteria and becoming
2 an intern, an intern may become an apprentice in a registered
3 apprenticeship program.

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

- 7 (1) Provide onsite work experience that complies with each
8 intern's training plan and includes the daily
9 supervision, training, and guidance necessary to
10 enable each intern to develop work habits and
11 job-specific skills that are essential for employment;
- 12 (2) Provide interns with the same working conditions as
13 other employees in similar occupations;
- 14 (3) Consult the department to obtain assistance when an
15 intern requires support services to effectively
16 complete an assigned task;
- 17 (4) Pay interns no less than [~~\$20.00~~] \$20 per hour for a
18 maximum of [~~thirty~~] forty hours per week [~~for high~~
19 ~~school students; provided that the maximum hours may~~
20 ~~be increased to forty hours during the summer break;~~



- 1 ~~(5) Pay no less than \$20.00 per hour for a maximum of~~
2 ~~forty hours per week; provided that the maximum hours~~
3 ~~for college or university students who are enrolled in~~
4 ~~at least two college or university courses shall not~~
5 ~~exceed twenty hours];~~
- 6 [~~(6)~~] (5) Provide each intern with a mentor to give
7 on-the-job guidance and to answer routine questions
8 about the workplace;
- 9 [~~(7)~~] (6) Ensure that interns do not displace currently
10 employed workers, reduce the hours of those currently
11 employed, infringe on the opportunities for promotion
12 of regular employees, or replace the work of employees
13 who have experienced layoffs;
- 14 [~~(8)~~] (7) Ensure that interns' on-the-job training does not
15 impair existing contracts for services or collective
16 bargaining agreements;
- 17 [~~(9)~~] (8) Ensure that the worksite, supervisor, and
18 [~~participants~~] interns are available for monitoring by
19 the department;



- 1 [~~(10)~~] (9) Ensure that the worksite complies with all
2 occupational safety and health standards established
3 under [~~state and~~] federal and state law;
- 4 [~~(11)~~] (10) Maintain time sheets and attendance records for
5 each intern and prepare intern evaluations and any
6 other reports required by the department;
- 7 [~~(12)~~] (11) Notify the department on a timely basis if an
8 intern:
- 9 (A) Is injured at the worksite;
- 10 (B) Is absent without good cause;
- 11 (C) Performs poorly on job assignments;
- 12 (D) Refuses to participate in work or work-related
13 activities; or
- 14 (E) Is not making satisfactory progress in the
15 program or on the job;
- 16 [~~(13)~~] ~~For private sponsors, contribute fifty per cent in~~
17 ~~cost sharing benefits, including wages and fringe~~
18 ~~benefits; of each intern's wages;] and~~
- 19 [~~(14)~~] (12) Indemnify and hold harmless the State of Hawaii
20 and its officers, agents, and employees from and
21 against any and all claims arising out of or resulting



1 from activities carried out or projects undertaken
2 with funds provided under this section and procure
3 sufficient insurance to provide this indemnification.

4 (i) The department of labor and industrial relations may
5 contract with trade organizations or sponsors for different
6 industry sectors without regard to chapters 103D and 103F to:

7 (1) Coordinate internship placements with the department
8 of labor and industrial relations and employers; and

9 (2) Provide administrative support to employers who would
10 otherwise lack the capacity to participate in the
11 program;

12 provided that each contract shall expressly state that the trade
13 organization or sponsor shall indemnify and hold harmless the
14 State of Hawaii and its officers, agents, and employees from and
15 against any and all claims arising out of or resulting from
16 activities carried out or projects undertaken by the trade
17 organization or sponsor with funds provided under this section
18 and procure sufficient insurance to provide this
19 indemnification.



1 (j) Notwithstanding any contract entered pursuant to
2 subsection (i), all sponsors shall pay, supervise, and train
3 interns as set forth in subsection (h).

4 (k) The department of labor and industrial relations shall
5 reimburse an employer, trade organization, or sponsor for an
6 intern's wages as follows:

7 (1) For an employer, trade organization, or sponsor having
8 fewer than fifty employees, the department of labor
9 and industrial relations shall reimburse one hundred
10 per cent of the intern's wages; provided that the
11 employer, trade organization, or sponsor shall be
12 reimbursed a maximum of \$20 per hour, or the intern's
13 actual wages, whichever is less; and

14 (2) For an employer, trade organization, or sponsor having
15 fifty or more employees, the department of labor and
16 industrial relations shall reimburse fifty per cent of
17 the intern's wages; provided that the employer, trade
18 organization, or sponsor shall be reimbursed a maximum
19 of \$10 per hour, or fifty per cent of the intern's
20 actual wages, whichever is less.

21 (1) As used in this section:



1 "Sponsor" means any person, employer, association,
2 committee, or organization operating an apprenticeship program
3 and in whose name the program is registered with the department
4 of labor and industrial relations.

5 "Trade organization" means a not-for-profit entity
6 registered with the business registration division of the
7 department of commerce and consumer affairs, that supports and
8 represents companies in a particular industry."

9 SECTION 3. Section 394-11, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "~~§~~394-11~~§~~ **State internship and workforce development**
12 **program.** (a) There is established within the department of
13 labor and industrial relations the state internship and
14 workforce development program. The department of labor and
15 industrial relations shall collaborate with the department of
16 human resources development to process all public program
17 applications and place interns in temporary or permanent
18 positions at state executive branch departments, agencies, or
19 programs. The program shall:

20 (1) Provide paid internship opportunities within various
21 state departments and agencies;



1 (2) Prioritize placement in departments with significant
2 workforce shortages; and

3 (3) Include comprehensive training, mentorship, and
4 evaluation components.

5 (b) Selection of [~~internship participants~~] interns shall
6 be based upon:

7 (1) Academic achievement or relevant work experience;

8 (2) Interest in public service careers; and

9 (3) Alignment with departmental workforce needs.

10 (c) As part of the program, [~~internship participants~~]
11 interns shall:

12 (1) Attend and actively participate in all required work
13 experience training sessions;

14 (2) Perform assigned duties and responsibilities in
15 accordance with program guidelines; and

16 (3) Adhere to workplace policies and procedures.

17 (d) As part of the program, coordinating agency work sites
18 shall:

19 (1) Provide meaningful and adequate work experience to
20 help interns meet the minimum qualification

21 requirements for employment in the relevant



- 1 position[+], including employment pursuant to
2 chapter 76;
- 3 (2) Conduct regular performance evaluations of interns and
4 provide feedback to the coordinating agency;
- 5 (3) Collaborate with the department of labor and
6 industrial relations to create career pathways for
7 interns; and
- 8 (4) Ensure that viable and vacant positions relative to
9 the interns' field of study are available for them to
10 participate in this program.
- 11 (e) The department of [~~labor and industrial relations~~]
12 human resources development shall:
- 13 (1) Ensure that the experience gained through the program
14 [~~qualifies participants~~] helps interns to [~~apply~~]
15 qualify for vacant positions of a similar level and
16 scope within the hosting department[+], including
17 recognizing the experience as meeting part of the
18 minimum qualification requirements of employment in a
19 position pursuant to chapter 76;



- 1 (2) Develop standardized guidelines to align internship
2 duties with the qualifications required for full-time
3 employment;
- 4 (3) Provide ongoing support to coordinating agencies to
5 ensure compliance with program objectives; and
- 6 (4) Collaborate with coordinating agencies to create
7 career pathways for interns.
- 8 (f) As part of the program, [~~participants~~] interns shall
9 receive opportunities for professional development and skills
10 training.
- 11 (g) Before the first day of each internship, the
12 department of labor and industrial relations shall provide the
13 department of human resources development with:
- 14 (1) The name of the intern;
- 15 (2) The state executive branch department, agency, or
16 program to which the intern is assigned;
- 17 (3) The expected start and end dates of the internship;
18 and
- 19 (4) Any other relevant information that the department of
20 human resources development may require to assist the



1 intern in pursuing future employment with the state
2 executive branch.

3 (h) The department of labor and industrial relations and
4 department of human resources development shall develop
5 guidelines for participation in the program, including
6 requirements that the intern:

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

8 (2) Be a Hawaii resident;

9 (3) Be currently enrolled:

10 (A) In a high school; or

11 (B) In an accredited college or university; or

12 (4) Earn, within one year of applying for the internship,

13 a:

14 (A) High school diploma or its equivalent; or

15 (B) College or university degree; and

16 (5) Have, or has graduated with, a cumulative grade point

17 average of 2.5 or higher on a scale of 4.0 or its

18 equivalent; and

19 (6) Is not an apprentice in a registered apprenticeship

20 program or journey worker;



1 provided that the department of labor and industrial relations
2 or department of human resources development may conduct
3 criminal history background checks as appropriate.

4 (i) The director of human resources development shall
5 apply the experience gained by an intern participating in the
6 program towards the experience needed to meet the minimum
7 qualification requirements under chapter 76 for civil service
8 positions of a similar level and scope to the internship.

9 ~~[(h)]~~ (j) For the purposes of this section:

10 "Coordinating agency" means the participating State of
11 Hawaii department, agency, or office hosting and employing an
12 intern ~~[program participant].~~

13 "Intern" means an individual accepted into the internship
14 program.

15 ~~["Eligible participant" means an individual who meets~~
16 ~~established guidelines for participation in the program,~~
17 ~~including recent high school graduates, college students, and~~
18 ~~post-graduate students, and individuals seeking to transition~~
19 ~~into public service careers.]~~



1 "Internship program" or "program" means the state
2 internship and workforce development program established
3 pursuant to this section.

4 "Minimum qualification" means the minimum experience,
5 education, licensing, or other special requirements essential to
6 performance in a class of work or a position.

7 [~~"Participant" means an individual accepted into the~~
8 ~~internship program.~~]"

9 SECTION 4. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$ or so
11 much thereof as may be necessary for fiscal year 2026-2027 to be
12 allocated as follows:

13 (1) \$ for the implementation and operation of
14 the on-the-job training work experience program for
15 the private sector established pursuant to section
16 394-10, Hawaii Revised Statutes, including contracting
17 with employers, apprenticeship programs, sponsors, and
18 trade organizations;

19 (2) \$ for the operation of the state internship
20 and workforce development program established pursuant
21 to section 394-11, Hawaii Revised Statutes; and



1 (3) \$ for staffing and operational support,
2 including full-time equivalent (FTE)
3 positions to implement this Act.

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

6 SECTION 5. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 6. This Act shall take effect on January 1, 2077.



Report Title:

DLIR; DHRD; Internship Programs; Workforce Development; On-the-Job Training Work Experience Program; State Internship and Workforce Development Program; Minimum Qualifications; Civil Service; Appropriation

Description:

Amends the private sector On-the-Job Training Work Experience Program to allow the Department of Labor and Industrial Relations to contract with employers and trade organizations or apprenticeship program sponsors without regard to chapters 103D and 103F, HRS; establish that an intern may become an apprentice in a registered apprenticeship program under certain conditions; require employers to pay \$20 per hour for a maximum of 40 hours per week for all interns; provide, subject to certain limits, for the reimbursement of 100% of an intern's wages for employers, trade organizations, and sponsors having fewer than 50 employees, and 50% of an intern's wages for employers, trade organizations, and sponsors having 50 or more employees; and requires sponsors to pay, supervise, and train interns. Amends the State Internship and Workforce Development Program to require experience gained by interns to be applied towards the experience needed to meet minimum qualifications for civil service positions; require the Department of Labor and Industrial Relations and Department of Human Resources Development to develop guidelines for participation in the program; transfer certain program responsibilities from the Department of Labor and Industrial Relations to the Department of Human Resources Development. Appropriates funds. Effective 1/1/2077. (SD2)

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