



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2026**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 2468, H.D. 1, RELATING TO INTERNSHIP PROGRAMS.

**BEFORE THE:**

HOUSE COMMITTEE ON FINANCE

**DATE:** Thursday, March 5, 2026

**TIME:** 2:00 p.m.

**LOCATION:** State Capitol, Room 308

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Li-Ann Yamashiro, Deputy Attorney General  
Lauren A. Sugai, Deputy Attorney General

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Chair Todd and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill amends sections 394-10 and 394-11, Hawaii Revised Statutes (HRS), which involve state-sponsored internship programs in private and public sectors. Regarding section 394-10, HRS, this bill authorizes the Department of Labor and Industrial Relations (DLIR) to reimburse private employers or sponsors for an intern's wages up to \$20 hourly only for the costs of training and supervising an intern. The bill also revises the eligibility criteria of an intern and authorizes DLIR to enter into contracts with trade organizations to coordinate internship placements and provide administrative support to employers or sponsors. Regarding section 394-11, HRS, this bill provides eligibility criteria for an intern and allows the public sector internship experience to count towards minimum requirements for employment in civil service under section 76-16, HRS.

Section 2 of this bill, beginning on page 2, line 13, amends section 394-10(a), HRS, and authorizes DLIR to enter into contracts with sponsors to provide on-the-job training and reimburse sponsors for an intern's wages for training and supervision costs. The definition of "sponsor" on page 10, lines 9-12, includes employers, but also includes any person, association, committee, or organization operating an apprenticeship program and in whose name the program is registered with the DLIR. Thus, under the

definition, a sponsor can be an employer, or it can be an organization such as a union. A sponsor that is an employer can be treated as an employer under section 394-10, but a sponsor such as a union would not provide supervision and training to an intern and would function like a trade organization referenced in section 394-10(h) on page 9, beginning on line 12, which also would not provide supervision and training to an intern.

Therefore, we suggest removing "employer" from the definition of sponsor, and deleting "sponsor", adding "sponsor", and deleting "trade organizations" as appropriate throughout this bill as reflected in the proposed H.D. 2, attached hereto. These amendments will make it clear that there are separate provisions for contracts with employers and separate provisions for contracts with sponsors and trade organizations, as the two groups provide different functions.

Therefore, as set forth more fully in the attached H.D. 2, we suggest the following amendments to this bill:

- Page 2, lines 17-19: Remove "or sponsors and trade organizations".
- Remove "or sponsors" or "or sponsor" on pages:
  - 3, lines 9 and 13;
  - 4, lines 4, 15, 17, and 18;
  - 5, lines 5, 12, 14, and 17;
  - 6, lines 17 and 18; and
  - 9, lines 16-17 and 18-19.
- Add "or sponsors" on page 9, line 13, and "or sponsor" on page 10, lines 2 and 5.

If sponsors will function like trade organizations, we recommend moving section 394-10(g)(13), HRS, regarding contributions by sponsors to intern's wages, on page 9, lines 3 to 5, to a new paragraph on page 10 before the definition of "sponsor." (See proposed H.D. 2 at page 9, lines 1-3 and page 10, lines 4-6.)

In addition, parameters could be added to the amount trade organizations and sponsors can be paid for administrative costs to make it clear what the minimum and maximum amounts are.

If the intent is for the DLIR to contract with employers without going through procurement, we suggest adding "without regard to chapters 103D and 103F", on page 3, line 2, similar to contracts with trade organizations under section 394-10(h), HRS, on page 9, lines 12-14. (see proposed H.D. 2, at page 2, lines 21-22)

On page 4, lines, 4-7, the bill provides that an employer must comply with federal and state laws, and we recommend that the bill also reference chapter 388, HRS, which also relates to wages, in addition to chapter 387, HRS. (See proposed H.D. 2, at page 4, line 4.)

On page 6, lines 3-8, and page 14, lines 15-20, under the requirement that the intern be enrolled in school, the bill provides that the intern has earned a diploma or degree. Because those are different concepts, we recommend that there be separate paragraphs regarding enrollment, and diplomas and degrees. (See proposed H.D. 2, at page 5, lines 18-21, page 6, lines 1-5, and page 14, lines 13-17.) We also recommend that it be clarified whether the intern's cumulative grade point average on page 6, lines 9 to 11, and page 15, lines 1 to 3, applies to high school, college, or both.

Because the bill is about "interns" and not "participants", we recommend replacing "participants" with "interns" under section 394-10 on page 8, line 7 and under section 394-11 on page 11, lines 13 and 18, page 13, lines 2 and 15. Under section 394-11, we also recommend deleting "program participant" on page 15, line 17, deleting the definition of "eligible participant" on page 15, line 18, through page 16, line 2, and deleting "participant" on page 16, line 9, and replacing it with "Intern". The definition of "Intern" would be moved to page 15, line 18, to maintain alphabetical order of the defined terms under section 394-11(j). (See proposed H.D. 2 at page 15, lines 18-19.) To clarify that employers are still responsible for providing training and supervision to interns when trade organizations and sponsors are involved, we suggest that a new subsection be added to page 10 after line 7 to read as follows and as set forth in the proposed H.D. 2:

"(j) Notwithstanding any contract entered into pursuant to subsection (h), all employers are still responsible to pay, supervise, and train interns as set forth in subsection (g)."

Because this bill provides for contracts with employers, sponsors, and trade organizations, we recommend adding the wording "employers, sponsors, and" on page 16, line 19, so it is clear that the appropriation includes contracting with employers, sponsors, and trade organizations.

Attached to our testimony is a proposed H.D. 2 for your consideration that incorporates the above-suggested amendments.

We appreciate the intent of this bill and understand that DLIR may have other program comments. We are available to work with the Legislature and DLIR to accomplish the goals in this bill.

Thank you for the opportunity to provide comments.

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PROPOSED H.D. 2

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## A BILL FOR AN ACT

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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  
18          experience in the same or essentially similar classes;

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

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

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

14 "[~~§~~§394-10~~§~~] **On-the-job training work experience**  
15 **program; private sector.** (a) The department of labor and  
16 industrial relations may enter into contracts with employers [~~or~~  
17 ~~registered apprenticeship program sponsors]~~ in the private  
18 sector to provide on-the-job training to eligible interns~~[+~~  
19 ~~provided that any participating apprenticeship program sponsor~~  
20 ~~in the private sector shall only offer to eligible interns on-~~  
21 ~~the job training in public sector projects.]~~ without regard to  
22 chapters 103D and 103F. The department may [~~provide to the~~

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1 ~~employers or sponsors up to \$20.00 per hour in reimbursements~~  
2 ~~for wages only for the costs of training and supervising an~~  
3 ~~intern. The employers or sponsors shall not be required to~~  
4 ~~provide documentation of these costs.] only reimburse an~~  
5 employer for an intern's wages up to \$20.00 per hour to help  
6 defray the costs of training and supervising an intern.

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
- 22 (3) Intern's prior work experience.

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

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

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

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

16 (3) Reimburse employers [~~or sponsors~~] up to \$20.00 per  
17 hour for an intern's wages only [~~for the~~  
18 ~~extraordinary~~] to help defray the costs of providing  
19 intern training and supervision;

20 (4) Develop a training plan for participating interns of  
21 the program in collaboration with the intern and  
22 employer [~~or sponsor~~];

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

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1           (B) In an accredited college or university [~~or has~~  
2           earned a college or university degree within one  
3           year of applying for the internship]; or

4           (4) Has earned a high school diploma or its equivalent or  
5           a college or university degree;

6           [~~(4)~~] (5) Have, or has graduated with, a cumulative grade  
7           point average of 2.5 or higher, on a scale of 4.0 or  
8           its equivalent; and

9           [~~(5)~~] (6) Is not an apprentice in a registered  
10          apprenticeship program or journey worker;

11         provided that the department of labor and industrial relations  
12         may conduct criminal history background checks as appropriate.

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

16           (1) Provide onsite work experience that complies with each  
17           intern's training plan and includes the daily  
18           supervision, training, and guidance necessary to  
19           enable each intern to develop work habits and  
20           job-specific skills that are essential for employment;

21           (2) Provide interns with the same working conditions as  
22           other employees in similar occupations;

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- 1           (3) Consult the department to obtain assistance when an  
2           intern requires support services to effectively  
3           complete an assigned task;
- 4           (4) Pay no less than \$20.00 per hour for a maximum of  
5           thirty hours per week for high school students;  
6           provided that the maximum hours may be increased to  
7           forty hours during the summer break;
- 8           (5) Pay no less than \$20.00 per hour for a maximum of  
9           forty hours per week; provided that the maximum hours  
10          for college or university students who are enrolled in  
11          at least two college or university courses shall not  
12          exceed twenty hours;
- 13          (6) Provide each intern with a mentor to give on-the-job  
14          guidance and to answer routine questions about the  
15          workplace;
- 16          (7) Ensure that interns do not displace currently employed  
17          workers, reduce the hours of those currently employed,  
18          infringe on the opportunities for promotion of regular  
19          employees, or replace the work of employees who have  
20          experienced layoffs;

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- 1           (8) Ensure that interns' on-the-job training does not  
2                    impair existing contracts for services or collective  
3                    bargaining agreements;
- 4           (9) Ensure that the worksite, supervisor, and  
5                    ~~[participants]~~ interns are available for monitoring by  
6                    the department;
- 7           (10) Ensure that the worksite complies with all  
8                    occupational safety and health standards established  
9                    under ~~[state and]~~ federal and state law;
- 10          (11) Maintain time sheets and attendance records for each  
11                    intern and prepare intern evaluations and any other  
12                    reports required by the department;
- 13          (12) Notify the department on a timely basis if an intern:  
14                    (A) Is injured at the worksite;  
15                    (B) Is absent without good cause;  
16                    (C) Performs poorly on job assignments;  
17                    (D) Refuses to participate in work or work-related  
18                    activities; or  
19                    (E) Is not making satisfactory progress in the  
20                    program or on the job;

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1       ~~[(13) For private sponsors, contribute fifty per cent in~~  
2           ~~cost sharing benefits, including wages and fringe~~  
3           ~~benefits of each intern's wages;]~~ and

4       ~~[(14)]~~ (13) Indemnify and hold harmless the State of Hawaii  
5           and its officers, agents, and employees from and  
6           against any and all claims arising out of or resulting  
7           from activities carried out or projects undertaken  
8           with funds provided under this section and procure  
9           sufficient insurance to provide this indemnification.

10       (h) The department of labor and industrial relations may  
11 contract with trade organizations or sponsors for different  
12 industry sectors, without regard to chapters 103D and 103F to:

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

15       (2) Provide administrative support to employers who would  
16       otherwise lack the capacity to participate in the  
17       program;

18 provided that each contract shall expressly state that the trade  
19 organization or sponsor shall indemnify and hold harmless the  
20 State of Hawaii and its officers, agents, and employees from and  
21 against any and all claims arising out of or resulting from  
22 activities carried out or projects undertaken by the trade

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1 organization or sponsor with funds provided under this section  
2 and procure sufficient insurance to provide this  
3 indemnification.

4 (i) In any contract with a sponsor under subsection (h),  
5 the department of labor and industrial relations shall require  
6 sponsors to contribute fifty per cent of each intern's wages.

7 (j) Notwithstanding any contract entered into pursuant to  
8 subsection (h), all employers are still responsible to pay,  
9 supervise, and train interns as set forth in subsection (g).

10 (k) As used in this section:

11 "Sponsor" means any person, association, committee, or  
12 organization operating an apprenticeship program and in whose  
13 name the program is registered with the department of labor and  
14 industrial relations.

15 "Trade organization" means a not-for-profit entity  
16 registered with the division of business registration of the  
17 department of commerce and consumer affairs, that supports and  
18 represents companies in a particular industry."

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

21 "[+]§394-11[+] **State internship and workforce development**  
22 **program.** (a) There is established within the department of

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1 labor and industrial relations the state internship and  
2 workforce development program. The department of labor and  
3 industrial relations shall collaborate with the department of  
4 human resources development to process all public program  
5 applications and place interns in temporary or permanent  
6 positions at state executive branch departments, agencies, or  
7 programs. The program shall:

8 (1) Provide paid internship opportunities within various  
9 state departments and agencies;

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

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

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

16 (1) Academic achievement or relevant work experience;

17 (2) Interest in public service careers; and

18 (3) Alignment with departmental workforce needs.

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

21 (1) Attend and actively participate in all required work  
22 experience training sessions;

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- 1 (2) Perform assigned duties and responsibilities in  
2 accordance with program guidelines; and  
3 (3) Adhere to workplace policies and procedures.  
4 (d) As part of the program, coordinating agency work sites

5 shall:

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

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1           qualify for vacant positions of a similar level and  
2           scope within the hosting department~~[+]~~, including  
3           recognizing the experience as meeting part of the  
4           minimum qualification requirements of employment in a  
5           position pursuant to chapter 76;

6           (2) Develop standardized guidelines to align internship  
7           duties with the qualifications required for full-time  
8           employment;

9           (3) Provide ongoing support to coordinating agencies to  
10          ensure compliance with program objectives; and

11          (4) Collaborate with coordinating agencies to create career  
12          pathways for interns.

13          (f) As part of the program, [~~participants~~] interns shall  
14          receive opportunities for professional development and skills  
15          training.

16          (g) Before the first day of each internship, the  
17          department of labor and industrial relations shall provide the  
18          department of human resources development with:

19               (1) The name of the intern;

20               (2) The state executive branch department, agency, or  
21               program to which the intern is assigned;

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- 1           (3) The expected start and end dates of the internship;  
2                    and  
3           (4) Any other relevant information that the department of  
4                    human resources development may require to assist the  
5                    intern in pursuing future employment with the state  
6                    executive branch.

7           (h) The department of labor and industrial relations and  
8 department of human resources development shall develop  
9 guidelines for participation in the program, including  
10 requirements 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 high school; or  
15                    (B) In an accredited college or university; or  
16           (4) Has earned a high school diploma or its equivalent or  
17                    a college or university degree;  
18           (5) Have, or has graduated with, a cumulative grade point  
19                    average of 2.5 or higher on a scale of 4.0 or its  
20                    equivalent; and  
21           (6) Is not an apprentice in a registered apprenticeship  
22                    program or journey worker;

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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 may apply  
5 the experience gained by an intern participating in the program  
6 towards the experience needed to meet the minimum qualification  
7 requirements under chapter 76 for civil service positions of a  
8 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 ~~["Eligible participant" means an individual who meets~~  
14 ~~established guidelines for participation in the program,~~  
15 ~~including recent high school graduates, college students, and~~  
16 ~~post-graduate students, and individuals seeking to transition~~  
17 ~~into public service careers.]~~

18 "Intern" means an individual accepted into the internship  
19 program.

20 "Internship program" or "program" means the state  
21 internship and workforce development program established  
22 pursuant to this section.

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

4       ~~["Participant" means an individual accepted into the~~  
5 ~~internship program.]"~~

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

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

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

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

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

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**1** SECTION 5. Statutory material to be repealed is bracketed  
**2** and stricken. New statutory material is underscored.

**3** SECTION 6. This Act shall take effect on July 1, 3000.

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**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

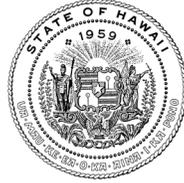
**Description:**

Requires experience gained by an intern in a state internship program to be applied towards experience needed to meet minimum qualifications for civil service positions. Authorizes the Department of Labor and Industrial Relations to contract with trade organizations for on-the-job training. Removes restrictive eligibility requirements for interns, aligning internship experience with civil service minimum qualification requirements. Requires the Department of Labor and Industrial Relations and Department of Human Resources Development to develop guidelines for participation in an internship program. Transfers certain program responsibilities to the Department of Human Resources Development. Appropriates funds. Effective 7/1/3000.

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

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR



JADE T. BUTAY  
DIRECTOR

WILLIAM G. KUNSTMAN  
DEPUTY DIRECTOR

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

March 5, 2026

To: The Honorable Chris Todd, Chair,  
The Honorable Jenna Takenouchi, Vice Chair, and  
Members of the House Committee on Finance

Date: Thursday, March 5, 2026  
Time: 2:00 p.m.  
Place: Conference Room 308, State Capitol

From: Jade T. Butay, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: H.B. 2468 H.D.1 RELATING TO INTERNSHIPS**

**I. OVERVIEW OF PROPOSED LEGISLATION**

The **DLIR supports the intent** of this measure, if it does not adversely impact the priorities identified in the Governor's Executive Supplemental Budget request, and suggests amendments.

HB2468 HD1 amends Act 251 (SLH, 2025) by:

- Expanding the On-the-Job Training (OJT) internship program in the private sector by authorizing the DLIR to contract with trade organizations, without regard to HRS Chapters 103D and 103F to:
  1. Coordinate internship placements with employers and sponsors, and
  2. Provide administrative support to employers and sponsors that lack administrative capacity.
- Defining "sponsor" and "trade organization".
- Clarifying that §394-10 applies only to private sector internships.
- Clarifying that employer reimbursement covers only the intern's wages.
- Authorizing the Department to set the maximum number of interns per employer or sponsor, replacing the statutory cap of five.
- Removing the requirement that a secondary education student intern be within one year of attaining a degree or credential.
- Clarifying that sponsors must contribute 50 percent of the intern's wages.

- Transferring certain DLIR responsibilities to DHRD under §394-11(e), including recognizing internship experience as meeting part of the Minimum Qualification (MQ) requirements for civil service positions.
- Amending the Civil Service Law (HRS Chapter 76) to require that public-sector internship experience count toward meeting the MQs for comparable civil service positions.
- Aligning eligibility requirements by replicating the provisions of §394-10 in §394-11 through a new subsection (h), ensuring similar eligibility criteria for both private and public sector internships.

## **II. CURRENT LAW**

The Legislature enacted Act 251 (SLH 2025) to codify the existing public-sector internship program, Hele Imua, and to authorize its expansion into the private sector. The Hele Imua Internship Program launched as a successful pilot in FY2021, and the 2022 Legislature subsequently incorporated program funding into the Department's base budget, where it continues through the current fiscal year.

## **III. COMMENTS ON THE HOUSE BILL**

The twofold purpose of Act 251 was to authorize DLIR to administer an on-the-job (OTJ) work experience program (modeled on a federal program) but for exclusively secondary and postsecondary students by expanding the Hele Imua program to the private sector. Act 251 also codified the existing Hele Imua program, under which DLIR and DHRD collaborate to place interns in executive branch entities to provide practical work experience and foster interest in public service.

DLIR strongly supports amendments that make the statute consistent with federal law and OJT programs by clarifying that reimbursement to employers is for wages only. Calculating fifty percent of a sponsor's fringe benefits for reimbursement creates an unnecessary administrative burden. Therefore, DLIR recommends deleting the language on page 9, lines 3-5 and inserting "fifty per cent" between "for" and "intern's wages" (Pg. 3, line 7).

The current language in §394-10 and §394-11 creates confusion through inconsistent use of "employers," "sponsors," "employers and sponsors," and "employers or registered apprenticeship programs."

To further clarify these matters, the Department recommends the following:

- Deleting "or sponsors and trade organizations" (Pg. 2, lines 18-19).
- Deleting "or sponsors" in parts of the measure where sponsors are not applicable pursuant to the definition on Pg. 10, lines 9-12:
  - Pg. 3, lines 9 & 13,
  - Pg. 4, lines 4 & 19,
  - Pg. 6, lines 17 & 18; and

- Pg. 9, lines 16 &17
  - Adding “Sponsors or” after “contract with” (Pg. 9 line 13).

To facilitate contracts and effectuate the intent of the Department working with sponsors and trade organizations on behalf of employers or sponsors without the capacity to otherwise participate, the DLIR recommends inserting language as follows after “different industry sectors” (Pg. 9, line 13):

“for which sponsors or trade organizations may receive reimbursement for administrative costs of 10 per cent of intern’s wages but no less than \$\_\_\_ and in an amount not to exceed \$\_\_\_\_.”.

DLIR is concerned that expanding eligibility for secondary students beyond “within one year of applying for the internship” would create significant scalability challenges for both DLIR and DHRD. This is the first year of operating the program on a statutory basis, and as reflected in this measure, the departments are still collaborating with the Legislature to refine the statute. DLIR recommends that eligibility language in §394-11 mirror that of §394-10. Therefore, the Department suggests the following:

- Reinserting “within one year of applying for the internship” (Pg. 6, lines 4-5),
- Inserting the same phrase after “equivalent” (Pg. 14, line 17)

To accommodate interns entering a registered apprenticeship program, the DLIR recommends adding a new subsection (g) in §394-10 (Pg. 6, line 16), to read as follows:

- (g) Subsequent to eligibility and becoming an intern, an intern may become an apprentice in a registered apprenticeship program.

To simplify the wage requirements and hours for both secondary and post-secondary students, the Department recommends deleting the existing paragraphs (4) & (5) (Pg. 7, lines 8-16) and replacing them with:

- (4) Pay interns no less than \$20.00 per hour for a maximum of forty hours per week.

For greater clarity, the Department also recommends replacing the term “participant” with “intern” wherever it appears in the measure.

The DLIR notes that the appropriation language in Section 4 should also include the authorization for the Department to contract with employers and sponsors.

The DLIR also supports the amendment to HRS Chapter 76 to help ensure an intern’s experience is applied towards meeting the minimum qualification requirements for civil service positions.

The DLIR appreciates the opportunity to contribute to refining the language of Act 251 as the Hele Imua program has proved successful and has the potential to

address the State's critical workforce shortages by creating a clear bridge from work-based training to employment.

Equal Opportunity Employer/Program  
Auxiliary aids and services are available upon request to individuals with disabilities.  
TDD/TTY Dial 711 then ask for (808) 586-8842.



**JOSH GREEN, M. D.**  
GOVERNOR  
KE KIA'ĀINA

**SYLVIA LUKE**  
LT. GOVERNOR  
KA HOPE KIA'ĀINA

**BRENN A H. HASHIMOTO**  
DIRECTOR  
KA LUNA HO'OKELE

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

**STATE OF HAWAII | KA MOKU'ĀINA O HAWAII**  
**DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT**  
**KA 'OIHANA HO'OMŌHALA LIMAHANA**  
235 S. BERETANIA STREET  
HONOLULU, HAWAII 96813-2437

Statement of  
**BRENN A H. HASHIMOTO**  
Director, Department of Human Resources Development

Before the  
**HOUSE COMMITTEE ON FINANCE**  
Thursday, March 5, 2026  
2:00PM  
State Capitol, Conference Room 308

In consideration of  
**HB2468 HD1, RELATING TO INTERNSHIP PROGRAMS**

Chair Todd, Vice Chair Takenouchi, and members of the committee:

The Department of Human Resources Development (HRD) **supports** HB2468 HD1 with amendments.

The purpose of this measure is to expand and strengthen the State's internship and workforce development programs, improve coordination between agencies, and better align internship experience with future employment opportunities in both the public and private sectors.

HRD appreciates the amendments in the HD1 that address concerns raised in our prior testimony. In particular, the Committee revised the language relating to minimum qualification determinations so that the Director of Human Resources Development may apply internship experience toward meeting minimum qualification requirements, rather than automatically applying the experience.

This change preserves the evaluative discretion necessary under Chapter 76, Hawaii Revised Statutes, to ensure that experience credited toward civil service minimum qualifications is relevant in scope and level to the position being filled. The amendment aligns the bill with established merit principles and existing qualification review practices.

HRD also notes that examiners within the Employee Staffing Division already evaluate relevant internship experience when reviewing applicant qualifications, provided the experience is not part of academic coursework and is directly related to the duties of the

position being filled. The Committee's amendment allows this practice to continue while strengthening workforce development pathways.

HB2468, HD1 assigns several responsibilities to HRD relating to the implementation of the State internship and workforce development program.

The measure requires HRD to help ensure that experience gained through the internship program assists participants in qualifying for vacant positions of a similar level and scope within State government. The bill also requires HRD to recognize relevant internship experience as meeting part of the minimum qualification requirements for civil service employment and to develop standardized guidelines that align internship duties with civil service qualification standards. In addition, the measure requires the Department of Labor and Industrial Relations to provide HRD with intern-specific information so that HRD may assist interns in pursuing future State employment opportunities.

These provisions position HRD as the entity responsible for evaluating internship experience against civil service minimum qualification standards and ensuring that internship duties align with existing class specifications under Chapter 76.

Because the bill expands HRD's operational role, the Department respectfully requests that the HD1 include language that appropriates funds and positions to HRD to support implementation. These resources would allow HRD to develop standardized qualification alignment guidelines, evaluate internship experience for civil service purposes, and assist internship participants in transitioning into State employment.

While the bill includes an appropriation for staffing and operational support, the appropriation language directs these funds to the Department of Labor and Industrial Relations. To ensure effective implementation and consistency with Chapter 76, we respectfully recommend the amendments below:

- Page 12, lines 20:  
Amend to clarify that HRD's expanded responsibilities are subject to available resources.  
"The department of human resources development shall, subject to available appropriations:"
- Page 17, line 8:  
Insert language as follows:

The sum appropriated shall be expended by the department of labor and industrial relations, provided that of the sum appropriated in subsection (3), \$190,632, including two full-time equivalent (2.0 FTE) positions, is appropriated to the department of human resources development to support activities to effectuate this Act.

HRD is available to answer any questions or provide further information as needed.



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
KA 'OIHANA HO'ONA'AUAO  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

**Date:** 03/05/2026

**Time:** 02:00 PM

**Location:** 308 VIA VIDEOCONFERENCE

**Committee:** FIN

**Department:** Education

**Person Testifying:** Keith T. Hayashi, Superintendent of Education

**Title of Bill:** HB2468, HD1, RELATING TO INTERNSHIP PROGRAMS.

**Purpose of Bill:** Requires experience gained by an intern in a state internship program to be applied towards experience needed to meet minimum qualifications for civil service positions. Authorizes the Department of Labor and Industrial Relations to contract with trade organizations for on-the-job training. Removes restrictive eligibility requirements for interns, aligning internship experience with civil service minimum qualification requirements. Requires the Department of Labor and Industrial Relations and Department of Human Resources Development to develop guidelines for participation in an internship program. Transfers certain program responsibilities to the Department of Human Resources Development. Appropriates funds. Effective 7/1/3000. (HD1)

#### **Department's Position:**

The Hawaii State Department of Education (Department) supports HB 2468, HD 1, which enables the Department of Labor and Industrial Relations (DLIR) to enter into contracts with trade organizations for support with the on-the-job training program and enables internship experience within State departments, agencies, and programs to be applied towards the minimum qualification requirements for positions similar to which the participant interned.

The Department appreciates the support for paid student internships in both the private and public sectors and is committed to partnering with DLIR to continue to facilitate internships for high school students. The internship program increases access to work-based learning opportunities for Department high school students statewide. This aligns with the Department's mission to prepare students for college, career, and citizenship; encourages 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 also appreciates the consideration for internship experience within the public sector to be applied towards the minimum qualification requirements for positions similar to which the participant interned. This will enable state agencies to hire interns, including graduating high school students, as permanent employees and encourage interns to transition to state employment.

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

The Department defers to DLIR and the Department of Human Resources Development regarding the implementation of the amendments to the state internship and workforce development program outlined in Section 3.

The Department thanks the Legislature for its continued 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.



**Testimony to the House Committee on Finance  
Representative Chris Todd, Chair  
Representative Jenna Takenouchi, Vice Chair**

**Thursday, March 5, 2026, at 2:00PM  
Conference Room 308 & Videoconference**

**RE: HB2468 HD1 Relating to Internship Programs**

Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 2468 House Draft 1 (HB2468 HD1), which requires experience gained by an intern in a state internship program to be applied towards experience needed to meet minimum qualifications for civil service positions. Authorizes the Department of Labor and Industrial Relations to contract with trade organizations for on-the-job training. Removes restrictive eligibility requirements for interns, aligning internship experience with civil service minimum qualification requirements. Requires the Department of Labor and Industrial Relations and Department of Human Resources Development to develop guidelines for participation in an internship program. Transfers certain program responsibilities to the Department of Human Resources Development.

HB2468 HD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Economic Action. Key priorities for the Chamber under this policy pillar are expanding opportunities for internships and the development of robust workforce pipelines. This bill improves the continuity of workforce pathways for crucial civil service roles by allowing internship experience to contribute towards civil service qualification requirements. By making this allowance, the state can significantly improve job security for interns after they complete their internship. By filling this workforce pathway gap, internships with the state becomes even more attractive as an entry level work experience that can be articulated into full-time civil service work. By recognizing internship service as qualifying experience, the State creates a direct and transparent pathway from training to long-term employment, particularly in agencies facing persistent vacancy rates.

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 House Bill 2468 House Draft 1. Thank you for the opportunity to testify.



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

#### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
House Committee on Finance  
March 5, 2026 at 2:00 p.m.

By

Debora Halbert  
Vice President for Academic Strategy  
University of Hawai'i System

HB 2468 HD1 – RELATING TO INTERNSHIP PROGRAMS.

Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

The University of Hawai'i (UH) supports HB 2468 HD1 – Relating to Internship Programs. We especially appreciate the addition of this item (page 2, lines 7-12): “(3) Experience gained by an intern participating in the internship program established pursuant to section 394-11 shall be applied towards the experience needed to meet the minimum qualification requirements under this chapter for civil service positions of a similar level and scope to the internship.” Without this modification, high school and college graduates with no work experience remain ineligible for vacant positions in the public and private sectors with minimum work experience requirements.

We also support recent modifications to the bill, which effectively addressed previous comments submitted by UH. Given the importance of internships to career exploration, development and success, UH appreciates the State's willingness to open participation beyond current high school and college or university students in their last year of study and those who have graduated within the past year.

Paid internships are a research-backed, proven talent development strategy. UH appreciates the State's commitment to meeting persistent workforce shortages and partnering with education providers and the business community to create opportunities for our local youth to find meaningful careers here at home. Coupled with the State's economic reality that many small businesses across the islands lack sufficient capital or capacity to develop their own internship programs, charging the Department of Labor and Industrial Relations (DLIR) with assisting them to develop and run effective, well-designed programs is an excellent strategy. UH looks forward to working with the department, as well as trade organizations, state agencies, and industry partners in the private sector on this program.

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



**Testimony to the House Committee on Finance  
Thursday, March 5, 2026; 2:00 p.m.  
State Capitol, Conference Room 308  
Via Videoconference**

**RE: HOUSE BILL NO. 2468, HOUSE DRAFT 1, RELATING TO INTERNSHIP PROGRAMS.**

Chair Todd, Vice Chair Takenouchi, 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 **SUPPORTS** House Bill No. 2468, House Draft 1, RELATING TO INTERNSHIP PROGRAMS.

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.

The bill, as received by your Committee, would allow the Department of Labor and Industrial Relations (DLIR) to contract with trade organizations for different industry sectors to:

- (1) Coordinate internship placements with the DLIR and employers or sponsors; and
- (2) Provide administrative support to employers or sponsors who would otherwise lack the capacity to participate in the program.

In addition, this bill would appropriate an unspecified amount of general funds for fiscal year 2026-2027, for the implementation and operation of the on-the-job training work experience program for the private sector, and the operation of the state internship and workforce development program.

The bill would take effect on July 1, 3000.

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, 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@hawaiiipca.net](mailto:eabe@hawaiiipca.net).



**House Committee on Finance**  
**March 5, 2026 at 2:00 PM**  
**Room 308**

**Testimony in SUPPORT of HB2468 HD1**

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Aloha Chair Todd, Vice Chair Takenouchi, and members of the Committee:

On behalf of the Hawai'i Alliance of Nonprofit Organizations, I would like to offer our comments in **support of HB2468 HD1**, which modernizes and expands Hawaii's internship and workforce development programs, emphasizing paid opportunities, recognition of internship experience for civil service qualifications, and structured public-private collaboration. The bill aligns with HANO's workforce development and government partnership priorities, with potential for nonprofit sector engagement in program delivery and administration.

The Hawai'i Alliance of Nonprofit Organizations (HANO) is a statewide, sector-wide professional association of nonprofits that works to strengthen and unite the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Since 2006, HANO has been a leading voice for the nonprofit sector, leveraging resources, educating and advocating for policies and practices that promote the professionalism, sustainability, and effectiveness of nonprofits and the communities they serve.

Nonprofits are a vital part of Hawai'i's economy, employing approximately 12% of the state's workforce.<sup>1</sup> Beyond their role as employers, nonprofits deliver essential services, provide workforce training, and support individuals facing barriers to employment. At the same time, the sector faces unique challenges in recruiting and retaining skilled professionals due to limited funding and constrained resources.

HANO appreciates the Legislature's leadership in passing Act 251 (SLH, 2025), which expanded the Hele Imua internship program to the private sector and opened the door for future partnerships with nonprofits across Hawai'i. We support further refinement of Act 251 through HB2468 to clarify employer requirements and reduce eligibility restrictions. These improvements will help strengthen a sustainable talent pipeline for Hawai'i's nonprofit sector while providing meaningful, hands-on experience for local students and job seekers.

HANO stands ready to collaborate with state partners to ensure the nonprofit sector's contributions are fully reflected in workforce development initiatives, including efforts to strengthen the Hele Imua program. HANO will soon be releasing its updated 2026 Nonprofit Sector Report and Nonprofit Compensation & Benefits Report, providing sector-wide data on employment trends, compensation, job quality, and workforce conditions across Hawai'i. These

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<sup>1</sup> Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Nonprofits accounted for 12.8 million jobs, 9.9 percent of private-sector employment, in 2022 at <https://www.bls.gov/opub/ted/2024/nonprofits-accounted-for-12-8-million-jobs-9-9-percent-of-private-sector-employment-in-2022.htm> (visited February 3, 2026).

reports will help identify workforce challenges and opportunities and better align nonprofit workforce strategies with state goals, supporting stronger cross-sector collaboration and expanded career pathways for local residents.

Mahalo for the opportunity to testify in strong support of HB2468.