

ACT 251

H.B. NO. 430

A Bill for an Act Relating to Internships.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that internship and mentorship programs give students the chance to build communication skills, relationships, confidence, and gain valuable work experience that will build a stronger workforce. The legislature further finds that expanding state-funded internships to include private-sector positions will benefit the State by promoting economic growth, fostering public-private collaborations, and supporting job creation. State-funded private-sector internships will also create additional opportunities for interns to gain practical work experience and prepare for their future careers.

The legislature recognizes that article VII, section 4, of the Hawaii State Constitution requires the legislature to appropriate moneys “for a public purpose”. The courts have found that what constitutes a public purpose “is generally a question for the legislature to decide” and that the legislature should be given “wide discretion” in this matter (State ex. rel. *Amemiya v. Anderson*, 56 Haw. 566, 574 (1976)).

The legislature believes that permitting state-funded private sector internships is in the best interests of the State, and serves a public purpose of supporting health, safety, and welfare.

The legislature further recognizes that the department of labor and industrial relations's Hele Imua internship program connects public high school students and graduates with structured, work-based learning opportunities in high-demand career fields, including education, health, and building and construction. The program gives students the chance to experience public sector jobs. The Hele Imua internship program also helps create a pipeline to fill vacancies in state and county governments, gives interns the opportunity to gain on-the-job experience, prepares interns for possible careers in jobs that are in high demand, and helps to develop relationships between students and recent graduates with potential employers. The legislature believes that a similar program to the Hele Imua program that connects students and recent graduates with private sector employers who commit to cost-sharing in the program will help address the projected shortage of positions in the State's building and construction industry.

Accordingly, the purpose of this Act is to:

- (1) Authorize the department of labor and industrial relations to administer an on-the-job training work experience program for eligible interns that partners with private entities to increase opportunities for high school and college and university students to participate in summer internship programs and allow internships with private sector employers through a cost-sharing strategy;
- (2) Establish a state-funded internship program within the department of labor and industrial relations, in collaboration with department of human resources development, to place interns in state executive branch departments, agencies, or programs to provide participants with practical work experience and foster interest in public service careers; and
- (3) Appropriate funds to the department of education to support the internship programs pursuant to this Act.

SECTION 2. Chapter 394, Hawaii Revised Statutes, is amended by adding three new sections to be appropriately designated and to read as follows:

“§394-A On-the-job training work experience program; private sector.

(a) The department of labor and industrial relations may enter into contracts with employers or registered apprenticeship program sponsors in the private sector to provide on-the-job training to eligible interns; provided that any participating apprenticeship program sponsor in the private sector shall only offer to eligible interns on-the-job training in public sector projects. The department may provide to the employers or sponsors up to \$20.00 per hour in reimbursements for wages only for the costs of training and supervising an intern. The employers or sponsors shall not be required to provide documentation of these costs.

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

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

- (1) Occupation's skill requirements;
- (2) Intern's existing academic and occupational skill levels; and
- (3) Intern's prior work experience.
- (d) The employer or sponsor shall comply with state and federal employment laws pursuant to chapter 387 and the Fair Labor Standards Act of 1938, as amended.

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

- (1) Ensure that participating interns are eligible pursuant to subsection (f) and participating employers or sponsors are eligible pursuant to subsection (g);
- (2) Ensure that interns are referred by the department to employers or sponsors and not directly by the employers or sponsors;
- (3) Reimburse employers or sponsors up to \$20.00 per hour for wages only for the extraordinary costs of providing intern training and supervision;
- (4) Develop a training plan for participating interns of the program in collaboration with the intern and employer or sponsor;
- (5) Monitor each intern's progress in the program to ensure that training plan objectives are being met;
- (6) Consult with interns and onsite supervisors to address any problems affecting the training plan;
- (7) Terminate an internship, if necessary, due to problems at the work-site caused by either the intern or the employer or sponsor; and
- (8) Limit employer or sponsor participation to no more than five interns at one time, as tracked by the federal employer identification number of the employer or sponsor.

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

- (1) Be sixteen years of age or older;
- (2) Be a Hawaii resident;
- (3) Be currently enrolled:
 - (A) In a public high school or has earned a high school diploma or its equivalent within one year of applying for the internship; or
 - (B) In an accredited college or university or has earned a college or university degree within one year of applying for the internship;
- (4) Have, or has graduated with, a cumulative grade point average of 2.5 or higher, on a scale of 4.0 or its equivalent; and
- (5) Is not an apprentice in a registered apprenticeship program or journey worker;

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

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

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

- (2) Provide interns with the same working conditions as other employees in similar occupations;
- (3) Consult the department to obtain assistance when an intern requires support services to effectively complete an assigned task;
- (4) Pay no less than \$20.00 per hour for a maximum of thirty hours per week for high school students; provided that the maximum hours may be increased to forty hours during the summer break;
- (5) Pay no less than \$20.00 per hour for a maximum of forty hours per week; provided that the maximum hours for college or university students who are enrolled in at least two college or university courses shall not exceed twenty hours;
- (6) Provide each intern with a mentor to give on-the-job guidance and to answer routine questions about the workplace;
- (7) Ensure that interns do not displace currently employed workers, reduce the hours of those currently employed, infringe on the opportunities for promotion of regular employees, or replace the work of employees who have experienced layoffs;
- (8) Ensure that interns' on-the-job training does not impair existing contracts for services or collective bargaining agreements;
- (9) Ensure that the worksite, supervisor, and participants are available for monitoring by the department;
- (10) Ensure that the worksite complies with all occupational safety and health standards established under state and federal law;
- (11) Maintain time sheets and attendance records for each intern and prepare intern evaluations and any other reports required by the department;
- (12) Notify the department on a timely basis if an intern:
 - (A) Is injured at the worksite;
 - (B) Is absent without good cause;
 - (C) Performs poorly on job assignments;
 - (D) Refuses to participate in work or work-related activities; or
 - (E) Is not making satisfactory progress in the program or on the job;
- (13) For private sponsors, contribute fifty per cent in cost sharing benefits, including wages and fringe benefits; and
- (14) Indemnify and hold harmless the State of Hawaii and its officers, agents, and employees from and against any and all claims arising out of or resulting from activities carried out or projects undertaken with funds provided under this section and procure sufficient insurance to provide this indemnification.

§394-B State internship and workforce development program. (a)

There is established within the department of labor and industrial relations the state internship and workforce development program. The department of labor and industrial relations shall collaborate with the department of human resources development to process all public program applications and place interns in temporary or permanent positions at state executive branch departments, agencies, or programs. The program shall:

- (1) Provide paid internship opportunities within various state departments and agencies;
- (2) Prioritize placement in departments with significant workforce shortages; and
- (3) Include comprehensive training, mentorship, and evaluation components.

- (b) Selection of internship participants shall be based upon:
 - (1) Academic achievement or relevant work experience;
 - (2) Interest in public service careers; and
 - (3) Alignment with departmental workforce needs.
- (c) As part of the program, internship participants shall:
 - (1) Attend and actively participate in all required work experience training sessions;
 - (2) Perform assigned duties and responsibilities in accordance with program guidelines; and
 - (3) Adhere to workplace policies and procedures.
- (d) As part of the program, coordinating agency work sites shall:
 - (1) Provide meaningful and adequate work experience to help interns meet the requirements for employment in the relevant position;
 - (2) Conduct regular performance evaluations of interns and provide feedback to the coordinating agency;
 - (3) Collaborate with the department of labor and industrial relations to create career pathways for interns; and
 - (4) Ensure that viable and vacant positions relative to the interns' field of study are available for them to participate in this program.
- (e) The department of labor and industrial relations shall:
 - (1) Ensure that the experience gained through the program qualifies participants to apply for vacant positions of a similar level and scope within the hosting department;
 - (2) Develop standardized guidelines to align internship duties with the qualifications required for full-time employment;
 - (3) Provide ongoing support to coordinating agencies to ensure compliance with program objectives; and
 - (4) Collaborate with coordinating agencies to create career pathways for interns.
- (f) As part of the program, participants shall receive opportunities for professional development and skills training.
- (g) Before the first day of each internship, the department of labor and industrial relations shall provide the department of human resources development with:
 - (1) The name of the intern;
 - (2) The state executive branch department, agency, or program to which the intern is assigned;
 - (3) The expected start and end dates of the internship; and
 - (4) Any other relevant information that the department of human resources development may require to assist the intern in pursuing future employment with the state executive branch.
- (h) For the purposes of this section:
 - “Coordinating agency” means the participating State of Hawaii department, agency, or office hosting and employing an intern program participant.
 - “Eligible participant” means an individual who meets established guidelines for participation in the program, including recent high school graduates, college students, and post-graduate students, and individuals seeking to transition into public service careers.
 - “Internship program” or “program” means the state internship and workforce development program established pursuant to this section.
 - “Participant” means an individual accepted into the internship program.

§394-C Work experience; private and public sector; annual report. The department of labor and industrial relations shall submit an annual report on

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) Outcomes and successes of the program;
- (2) The number of interns who enrolled in the program and exited the program during the previous fiscal year;
- (3) The names of the private or public sector organizations where intern placements were made;
- (4) Data on intern performance and retention rates;
- (5) Costs associated with the program; and
- (6) Any proposed legislation.”

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

“§302A-430 Coverage for workers’ compensation. ~~[Whenever a student participating in a school-approved work-based learning program sponsored by the department of education or the University of Hawaii undertakes to perform work for a private or public employer as part of the student’s work-based learning program, whether paid or unpaid, the]~~ The State shall be deemed [to be] the responsible employer for the purposes of workers’ compensation coverage, ~~[that shall be the student’s exclusive remedy to the same extent]~~ as provided for in chapter 386 ~~[as against the State and the private employer participating in the program].~~ when a student or recent graduate performs paid or unpaid work for a private or public employer as part of a school-approved, work-based learning internship program sponsored by the department of education or university of Hawaii or as part of the on-the-job training work experience program established in section 394-A.”

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,800,000 or so much thereof as may be necessary for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 for the department of education for ninety full-time equivalent staff positions (90.0 FTE) to support the internship programs pursuant to this Act.

The sums appropriated shall be expended by the department of education for the purposes of this Act.

SECTION 5. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 7. This Act shall take effect on July 1, 2025.

(Approved July 1, 2025.)

Note

1. Edited pursuant to HRS §23G-16.5.