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To Whom It May Concern:

Over the last few years, the university has experienced resistance from some entities in hosting University of Alaska students in practicum placements. The entities had legitimate concerns that they would be exposed to third party liability for the negligence of students, and/or minimum wage claims brought by students or the State of Alaska. Although we have not experienced any incidents of third party claims, the State Division of Wage and Hour had been warning various employers that they would be exposed to minimum wage claims and/or penalties if they accepted students into practicum placements. This brought both of these concerns to the forefront prompting the University to seek legislation in an attempt to resolve these exposures to the benefit of our education programs, the students, and our partners in education – the practicum host agencies. I am pleased to advise that the legislation Representative Fate authored in 2004 was passed by the Legislature this last session and, as a result, Alaska Statutes (AS 14.40.065 and 23.10.055) have been amended to provide that:

1. an employer who agrees to allow a student of the university gain practical work experience in a UA practicum, and the student is not paid by the employer, is not considered the employer of the student in a civil action based on vicarious liability and,
2. that same student is not considered an employee of the practicum placement site for purposes of the Alaska Wage and Hour Act.

In applying this new law, it is important that the student placements are bona fide practicums, and that the students are not paid by the entities where they have been placed. Students who are paid will probably still be considered employees for the purpose of vicarious liability and wage and hour issues.

Our goal in bringing this issue to the state legislature for relief was to positively impact the willingness of potential practicum agencies to accept our students, to the benefit of both the industries they serve and the students, themselves. If you have any questions, please do not hesitate to contact my office or our System Office of Risk Management at 474-7565.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Parrish".

James A. (Jamo) Parrish
Associate General Counsel