

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

AB 1155 (Fong)
Version: April 23, 2025
Hearing Date: July 8, 2025
Fiscal: Yes
Urgency: No
AM

SUBJECT

Law schools: externships: compensation

DIGEST

This bill requires, beginning August 1, 2026, each law school to allow law students to receive compensation from an externship site while concurrently earning academic course credit. The bill provides that its provisions are to be considered a request to the University of California Regents as it applies to laws schools in the University of California system.

EXECUTIVE SUMMARY

Attending law school is a significant investment in both time and money. A typical full-time Juris Doctorate program takes three years to complete. The average total cost to attend an American Bar Association (ABA) accredited law school in 2022 was \$174,233 and \$75,348 for California accredited law schools. This cost has likely risen over the past three years and will likely continue to increase in the future. In 2016, the ABA changed its long-standing prohibition on allowing law students to receive compensation for completing an externship for academic credit; however, many law schools do not currently allow law students to receive compensation for externships. This bill would remedy that issue by requiring law schools to allow law students to receive compensation from an externship site while concurrently earning academic course credit. The bill is sponsored by the McGeorge School of Law Student Bar Association. The bill is supported by California Competes: Higher Education for a Strong Economy and the California State Council of Service Employees International Union. The Committee did not receive any timely opposition. This bill passed the Senate Education Committee on a vote of 7 to 0.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Establishes, under the California Constitution, the University of California(UC) as a public trust to be administered by the Regents of the UC with full powers of organization and government, subject only to such legislative control as may be necessary to insure the security of its funds and compliance with the terms of the endowments of the university, and such competitive bidding procedures as may be made applicable to the university for construction contracts, selling real property, and purchasing materials, goods, and services. (Cal. Const. art. IX, § 9.)
- 2) States, under the California Constitution, that the UC be entirely independent of all political or sectarian influence and kept free therefrom in the appointment of its regents and in the administration of its affairs. (Cal. Const. art. IX, § 9(f).)
- 3) Provides that statutes related to the UC, and most other aspects of the governance and operation of the UC are applicable, only to the extent that the Regents of the UC make such provisions applicable. (Ed. Code § 67400.)
- 4) Provides that the Committee of Bar Examiners is responsible for the approval, regulation, and oversight of degree granting law schools that award the juris doctor (J.D.) professional degree in California and which are not approved by the American Bar Association (ABA). (Bus. & Prof. Code § 6060.7.)

This bill:

- 1) Requires, beginning August 1, 2026, each law school to allow law students to receive compensation from an externship site while concurrently earning academic course credit.
 - a) This does not change the course requirements set by a law school to award academic course credit for externships beyond allowing the employer to offer compensation.
 - b) This does not require externships offered to law students through the law school to be compensated. The decision to offer compensation to a law student is at the externship site's discretion.
 - c) This section does not change externship site criteria or the requirements set by each law school regarding new and existing externship sites to be offered to law students.
- 2) Requires a law student to be in good academic standing according to the rules set forth by the law school to be eligible to earn compensation from an externship site.

- 3) Provides that the requirement under 1), above, as it applies to a University of California law school is to be considered a request on the Regents of the University of California.
- 4) Provides that this bill does not apply to individuals enrolled in a paralegal certification program, nor does the bill bind employers or law students to an externship site for any future work.
- 5) Specifies that compensation of a law student under the bill does not require an employer to provide workers' compensation or other similar benefits.
- 6) Prohibits a law school from receiving restitution or compensation beyond tuition expenses from a law student for an externship opportunity.
- 7) Defines the following definitions for these purposes:
 - a) "Compensation" includes, but is not limited to, financial compensation in the form of travel costs, stipends, minimum or higher hourly wages, or additional wages and benefits set by employers.
 - b) "Externship" means the field placement work performed by a law student at a state agency, nongovernmental organization, nonprofit organization, or for-profit firm, as part of their legal education, that is completed within the law school's course guidelines for the purpose of receiving law school credit.
 - c) "Externship site" or "employer" means the place of employment where a law student performs their externship that is approved by a law school to provide law students with practical field experience consistent with the requirements for academic course credit provided by the law school. An externship site may be in person, hybrid, or remote, and includes any externship site regardless of whether the externship site is located in California or out of state.
 - d) "Externship site criteria" means the factors or other requirements used by a law school to determine whether an externship site is eligible or approved for extern placement.
 - e) "Law school" means an American Bar Association-accredited or California-accredited law school at the University of California or an independent institution of higher education, as defined in subdivision (b) of Section 66010 of the Education Code, that receives, or benefits from, state-funded student financial assistance or that enrolls students who receive state-funded student financial assistance.
 - f) "Law student" means an individual enrolled at a law school. A "law student" includes individuals earning their Juris Doctor (J.D.), Master of Laws (LL.M.), or Doctor of Juridical Science (J.S.D.) degrees.
- 8) Makes various findings and declarations.

COMMENTS

1. Stated need for the bill

The author writes:

California has 48 law schools offering Juris Doctor (JD) programs with over 17,000 students enrolled. The cost of completing a JD program averages nearly \$175,000 at American Bar Association approved schools and over \$75,000 at State accredited schools. Currently, law schools have the discretion whether to allow students to receive compensation for externships where they receive academic course credit. AB 1155 requires all law schools to allow students to accept compensation from externship sites while concurrently earning academic course credit for experiential learning required by their accredited law school. AB 1155 will ensure all law students have the opportunity to be compensated for the important work they are doing in field placements and thus limit the financial burden of gaining a legal education.

2. Law schools in California

In California, there are three types of law schools: ABA accredited law schools; California accredited law schools, and unaccredited law schools. The CBE is responsible for the approval, regulation, and oversight of law schools that are not ABA accredited. There are 18 ABA accredited law schools in the state, five of which are UCs.¹ There are 20 California accredited law schools in the state, and six unaccredited law schools operating in the state.² One prerequisite of accreditation by the ABA is that a law school must include a six-hour experiential learning course as a required component of its curriculum.³ Students can fulfil this requirement through participation in externships, which are experiential learning opportunities for students in formal workplace settings. An externship allows law students to receive practical training by gaining real-world experience in legal careers, such as in the offices of public prosecutors and defenders or legal aid organizations.

In 2022, 69 percent of law students in California were enrolled in an ABA accredited law school and 27 percent were enrolled in a California accredited law school.⁴ The State Bar of California reports, based on data from 2022, that the average total cost to complete a J.D. at an ABA approved law school was \$174,233 and \$75,348 at California

¹ *Law Schools*, State Bar of Cal., available at <https://www.calbar.ca.gov/Admissions/Law-School-Regulation/Law-Schools> (as of June 19, 2025).

² *Ibid.*

³ Standard 303, *Standards and Rules of Procedure for Approval of Law Schools*, ABA, (2023-24), available at https://www.americanbar.org/content/dam/aba/administrative/legal_education_and_admissions_to_the_bar/standards/2024-2025/2024-2025-standards-and-rules-for-approval-of-law-schools.pdf.

⁴ *California Law Schools: An Overview*, State Bar of Cal., available at <https://publications.calbar.ca.gov/law-school-profile/overview-california-law-schools>.

approved law schools. Tuition at U.C. law schools varies, as tuition for in-state residents is less than that for out-of-state residents. The U.C. Davis School of Law provides a 2025-26 estimated cost breakdown for a first-year law student who is a California resident. Tuition and fees are \$59,870.⁵ When average expenses are included, such as books and supplies, housing and food, personal expenses, and transportation, the total cost for a first-year law student year is estimated at \$86,150.⁶ When health insurance through the Student Health Insurance Plan is included, the total rises to \$94,142. All students must have valid health insurance and are automatically enrolled in the Student Health Insurance Plan (SHIP). Students who have comparable insurance can apply for a waiver of SHIP and are not required to pay the cost, which is \$7,992.⁷

3. Compensation for law students receiving academic credit for externships

In 2016, the ABA approved changes to the accreditation standards that eliminated the ban on students receiving academic credit and compensation for externships.⁸ In 2024, the House of Delegates of the ABA adopted Resolution 514, which “urges law schools to allow students to receive both monetary compensation and course credit for field placements; and urges legal employers to consider adding monetary compensation for field placements for which students are also receiving course credit.”⁹ As noted in the report sent to the House of Delegate of the ABA regarding Resolution 514, “[a]llowing monetary compensation for field placements promotes equity and access within legal education.”¹⁰

In light of all of the above, this bill seeks to require law schools to allow law students to receive compensation from an externship site. A law school is defined as any American Bar Association-accredited or California-accredited law school at the University of California or an independent institution of higher education that receives, or benefits from, state-funded student financial assistance or that enrolls students who receive state-funded student financial assistance. This definition ensures that the bill does not apply to any out-of-state law schools, which could be a violation of the Dormant Commerce Clause. The bill provides that its provisions are to be considered a request

⁵ *Cost of Attendance*, U.C. Davis School of Law, available at <https://law.ucdavis.edu/admissions/financial-aid/prospective/cost-of-attendance> (as of June 20, 2025).

⁶ *Ibid.*

⁷ *Ibid.*

⁸ Danielle Braff, *Law students should be paid for externships and get salary info at campus interviews*, ABA House says, ABA, (Aug. 5, 2024), available at

https://www.abajournal.com/web/article/resolutions_514_515_law_student_division_compensation.

⁹ House of Delegates Res. 514, ABA, 2024 Annual Meeting, available at

https://www.americanbar.org/content/aba-cms-dotorg/en/news/reporter_resources/annual-meeting-2024/house-of-delegates-resolutions/514/.

¹⁰ *Report to the House of Delegates: Resolution 514*, ABA, (Aug. 5-6, 2024) at p. 2, available at

<https://www.americanbar.org/content/dam/aba/directories/policy/annual-2024/514-annual-2024.pdf>.

on the U.C. Regents, so the bill does not raise any constitutional issues in regards to the autonomy of the UC.

4. Statements in support

The University of the Pacific, McGeorge School of Law's Student Bar Association, the sponsor of the bill, writes in support stating:

[...] In California, the cost of completing a JD program averages nearly \$175,000 at ABA-approved schools and over \$75,000 at State accredited schools. [fn. omitted]
The majority of California's law schools are located in the Sacramento, San Francisco Bay Area, Los Angeles, and San Diego regions, which incur on average 20-70% higher living costs than other regions in the United States. [fn. omitted]

Law schools' denial of academic credit for paid externships has created an equity issue which negatively impacts disadvantaged communities. Students invest significant time, effort, and resources into their field placements. They contribute valuable work to externship sites, often performing tasks equivalent to those of paid employees. Law students adversely impacted by lack of pay are less likely to participate in externships, and are unable to gain the same level of experiential learning as other students, potentially affecting legal training, and future employment opportunities. Unpaid externships create barriers for students who cannot afford to work for free, but nevertheless are required to do so to obtain the needed academic credit to complete their academic programs.

When a law student takes on an unpaid externship, there is often a significant financial burden imposed. A student may encounter costs over the course of a summer internship that can add up to over \$6,000 when taking into account rent, food, and transportation. Low and middle-income students, who are disproportionately young people of color, simply cannot afford to take internships in state agencies or non-profits that do not pay them for their work. In effect, this creates a foundational burden for those who are likely relying on financial aid to make rent, feed themselves, or even get to the office. [...]

SUPPORT

University of the Pacific, McGeorge School of Law's Student Bar Association (sponsor)
California Competes: Higher Education for a Strong Economy
California State Council of Service Employees International Union

OPPOSITION

None received

RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation: None known.

PRIOR VOTES

Senate Education Committee (Ayes 7, Noes 0)

Assembly Floor (Ayes 71, Noes 0)

Assembly Appropriations Committee (Ayes 15, Noes 0)

Assembly Judiciary Committee (Ayes 12, Noes 0)

Assembly Higher Education Committee (Ayes 9, Noes 0)
