

Date of Hearing: April 22, 2025

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 1155 (Fong) – As Amended March 24, 2025

[Note: This bill is double-referred to the Assembly Committee on Judiciary and will be heard by that Committee as it relates to issues under its jurisdiction.]

SUBJECT: Law schools: externships: compensation

SUMMARY: Requires, beginning on or after August 1, 2026, each law school, defined to include American Bar Association (ABA)-accredited or California-accredited law schools at the University of California (UC) or an independent institution of higher education, to allow law students to receive compensation from an externship site, as defined, while concurrently earning academic course credit. Specifically, **this bill:**

- 1) Requires, beginning on or after August 1, 2026, each law school to allow law students to receive compensation from an externship site while concurrently earning academic course credit.
- 2) Specifies that requirement in 1) above:
 - a) Will 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) Will not require externships offered to law students through the law school to be compensated. The decision to offer compensation to a law student will be at the externship site's discretion.
 - c) Will 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.
- 3) 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.
- 4) Requires each law school to support law students seeking externships by requiring each law student to meet with the relevant externship supervisor at the law school to discuss externship opportunities.
- 5) Specifies that the provisions do not apply to individuals enrolled in a paralegal certification program.
- 6) Specifies that employers or law students are not bound to an externship site for any future work because the law student received compensation.
- 7) Specifies that compensation of a law student, as provided, will not require an employer to provide workers' compensation or other similar benefits.

- 8) Specifies that a law school shall not receive restitution or compensation beyond tuition expenses from a law student for an externship opportunity.
- 9) Establishes the following definitions:
 - 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. Specifies that 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 UC or an independent institution of higher education, as specified, that receives, or benefits from, state-funded student financial assistance or that enrolls students who receive state-funded student financial assistance; and,
 - f) “Law student” means an individual enrolled at a law school, including individuals earning their Juris Doctor (J.D.), Master of Laws (LL.M.), or Doctor of Juridical Science (J.S.D.) degrees.
- 10) Finds and declares that:
 - a) In California, the cost of completing a J.D. program averages nearly \$175,000 at American Bar Association (ABA)-approved law schools and over \$75,000 at California-accredited law schools;
 - b) About one-third of law students are first generation, and 35% of those first-generation law students expect to incur more than \$120,000 in debt to obtain a law degree;
 - c) Regional costs affect the cost of attendance, particularly as California law schools are primarily located in the most expensive areas of the state, including the Sacramento, San Francisco Bay area, Los Angeles, and San Diego regions, which incur on average 20 to

70% higher living costs than other regions in the United States. Overall, the cost of living and attending law school in California is higher than the national average;

- d) Law schools approved by the ABA must require that law students complete a minimum of six credit hours in experiential learning. Experiential learning includes field placements, which are often referred to as externships;
 - e) California-accredited law schools must also require that law students complete a minimum of six credit hours in experiential learning.
 - f) Nationally, the trend is to change law school policies to allow academic credit for paid externships. Schools that have changed their policies have not reported adverse effects on learning or program administration from implementation.
 - g) The ABA House of Delegates adopted Resolution 514 in August 2024, encouraging the compensation of law school externs.
- 11) Establishes the intent of the Legislature to allow law students to accept compensation while concurrently earning academic credit for externships.

EXISTING LAW:

- 1) Establishes, under the California Constitution, the 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. (Constitution of California, Article IX, Section 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. (Constitution of California, Article IX, Section 9 (f))
- 3) Provides that statutes related to UC (and most other aspects of the governance and operation of UC) are applicable only to the extent that the Regents of UC make such provisions applicable. (Education Code (EDC) Section 67400)
- 4) Provides that the Board of Trustees of the State Bar of California examining committee (Committee of Bar Examiners) is responsible for the approval, regulation, and oversight of degree-granting law schools that exclusively offer bachelor's, master's, or doctorate degrees in law, such as a J.D. (Business and Professions Code (BPC) Section 6060.7)

FISCAL EFFECT: Unknown

COMMENTS: *Purpose.* According to the author, "California has 48 law schools offering [JD] programs with over 17,000 students enrolled. The cost of completing a JD program averages

nearly \$175,000 at [ABA] 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 experimental 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.”

Background. Law schools in California are regulated by the ABA, or the State of California Bar Examiners. The Council of the ABA Section of Legal Education and Admissions to the Bar is recognized by the United States Department of Education (USDE) as the accreditor of J.D. programs. Additionally, with very few exceptions, in all bar-admitting jurisdictions in the United States, a J.D. degree from an ABA-approved law school is sufficient to meet the minimal education requirements established by a jurisdiction to qualify a person to sit for the bar examination.

The Committee of Bar Examiners of the State Bar of California accredits a law school and continues its accreditation when it is satisfied that it offers a sound educational program to its students, that the law school does not exploit its students, and that the law school has demonstrated its compliance with applicable provisions of the California Business and Professions Code, the California Rules of Court and with the Standards for Accreditation of law schools. Graduates from California accredited law schools are eligible to sit for the California Bar Examination.

California has 48 law schools, including 18 ABA-approved, 18 California-accredited, and 12 unaccredited schools, with over 17,000 students.

Externship compensation. Currently, the ABA leaves the decision of whether to allow students to receive compensation for externships where they receive academic course credit to the discretion of the law schools. In 2024, the ABA House of Delegates passed 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.”

Arguments in support. University of the Pacific, McGeorge School of Law's Student Bar Association, the sponsor of AB 1155 (Fong), wrote that “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 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. AB 1155 (Fong) would allow law students to accept compensation from an externship site while obtaining academic credit for their law degree program.”

Amendments. The committee recommends, and the author has accepted, amendments that will accomplish the following:

- 1) Strike language requiring each law student to meet with the relevant externship supervisor at the law school to discuss externship opportunities.
- 2) Makes various technical, clarifying, and non-substantive changes to the findings, declarations, and provisions of the bill.

Due to AB 1155’s double-referral, these amendments will be processed by the Assembly Judiciary Committee in order to expedite processing time.

REGISTERED SUPPORT / OPPOSITION:

Support

California Competes: Higher Education for a Strong Economy
California State Council of Service Employees International Union (SEIU California)
McGeorge School of Law, Student Bar Association
Pay Our Interns Action

Opposition

None on file.

Analysis Prepared by: Kevin J. Powers / HIGHER ED. / (916) 319-3960