

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 827 (Gonzalez) – As Amended May 12, 2025

Policy Committee: Local Government

Vote: 7 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: Yes

SUMMARY:

This bill modifies existing ethics training requirements and adds a new fiscal and financial training requirement for local officials.

Specifically, this bill:

1) Regarding local agency ethics training requirements:

- a) Includes department heads and other similar administrative officers of a local agency within the definition of “local agency official” for purposes of existing local agency ethics training requirements.
- b) Requires every local agency official who begins service on or after January 1, 2026, to receive ethics training within six months of the first day of service with the agency, rather than within one year.
- c) Beginning January 1, 2026, and every two years thereafter, requires each local agency with an internet website to publish the most recent records of its local officials’ ethics training completion.

2) Regarding local agency fiscal and financial training:

- a) Defines “local agency,” for purposes of these provisions, as a city, county, city or county, including charter cities and counties, or a special district.
- b) Requires every local agency official, as defined, to receive at least two hours of fiscal and financial training at least once every two years.
- c) Authorizes a local agency or association of local agencies to contract or collaborate with training providers to meet the training requirements, requires the training courses and materials be developed in consultation with experts in local government finance, and authorizes the training courses to be taken in-person or online.
- d) Requires training providers to provide participants with proof of participation, and requires local agencies to provide information on training available to their local agency officials at least once annually.

- e) Requires every local agency official in a local agency's service as of January 1, 2026, to receive training by January 1, 2028, except as specified, and at least once every two years thereafter.
- f) Requires a local agency official who begins service on or after January 1, 2026, to receive training within six months of the first day of service, and at least once every two years thereafter.
- g) Requires a local agency whose officials must receive training to maintain records for at least five years showing dates of completion for each official and the entity providing the training.
- h) Beginning January 1, 2026, and every two years thereafter, requires each local agency with an internet website to publish the most recent records of its local officials' fiscal and financial training completion.
- i) Exempts certain local fiscal officers in compliance with existing statutory training requirements from the provisions of the bill.

FISCAL EFFECT:

Costs to affected local agencies of an unknown amount, but potentially in the hundreds of thousands of dollars annually statewide, related to certain administrative requirements specified in the bill for the expanded ethics training and new fiscal and financial training mandates. These costs are likely reimbursable by the state General Fund (GF), subject to a determination by the Commission on State Mandates.

Based on prior commission findings, the mandate does not likely apply to training provision, but likely applies to other eligible administrative expenses incurred by local entities. Reimbursement would be available to only general law counties and certain special districts subject to specified provisions of the California Constitution and required by state law to reimburse the expenses of members of their legislative bodies. Most other local agencies, including cities, are not required by law to provide compensation or reimbursement or do not receive property tax, and therefore, are not eligible for state reimbursement under this bill.

If a successful mandate claim is filed, hundreds of eligible local entities (general law counties and special districts) could be eligible for reimbursement for costs incurred as a result of this bill, even if for only the administrative expenses. If one-third of the potentially affected local agencies filed a claim exceeding \$1,000, GF costs would be over \$200,000.

COMMENTS:**1) Purpose.** According to the author:

While local officials hold expansive fiscal, budgetary, and financial responsibilities, there is no existing requirement that they receive any training on these critical duties and obligations. [This bill] will address this lack of preparation and education, by implementing recommendations by the California State Auditor (CSA), that will require local agency officials, such as city councilmembers and other

members of local agency legislative bodies, to complete fiscal and financial training on their duties and responsibilities in budgeting, contracting, procurement, and other critical fiscal obligations. This bill will also update [existing] ethics training to additionally require senior staff to take this training.

- 2) **Background.** Existing law, AB 1234 (Salinas), Chapter 700, Statutes of 2005, requires specified local officials to receive two hours of ethics training every two years, if a local agency provides any type of compensation or reimbursement to members of its legislative body. Existing law specifies a local agency that requires its officials to complete ethics training must maintain records for five years indicating the dates of course completion for each official and the entity providing the training. This bill expands the ethics training requirement to include department heads and other similar administrative officers, and creates a new fiscal and financial training requirement structured similarly to the ethics training requirement established in AB 1234.

The Commission on State Mandates adopted a statement of decision on May 25, 2012, related to the requirements of AB 1234, finding the statute imposes a partially reimbursable state-mandated program on general law counties (44 entities) and special districts subject to the tax and spend provisions of articles XIII A and XIII B of the California Constitution (610 entities) and required by their enabling statutes to provide compensation or reimbursement of expenses necessary to perform the reimbursable activities to its members. Notably, the Commission found the ethics training itself was not a reimbursable activity, but authorized reimbursement to eligible claimants for the administrative aspects of the requirement, such as adopting written policies in a public meeting regarding reimbursable expenses, providing expense report forms, providing information on training courses, and maintaining training records.

Due to the similarity of this bill to AB 1234, it is likely the Commission on State Mandates would find only the administrative requirements of this bill, including the additional provision to publish training records on local agency websites, to be eligible for state-reimbursement.

- 3) **Oppose Unless Amended.** The Association of California School Administrators is asking for an amendment to clarify the ethics training expansion that includes “a department head or other similar administrative officer of a local agency” apply, in a school setting, to only those positions with relevant job duties or authorities in their appointed or elected positions. The association asserts this bill captures “school site leaders – principals – despite the fact they do not have relevant duties or authority for control of, or decision-making authority for use of, public funds like an elected board member or county superintendent of schools.”
- 4) **Prior Legislation.** SB 769 (Gonzalez), of the 2023-24 Legislative Session, was substantially similar to the fiscal and financial training requirements in this bill. SB 769 was held on this committee’s suspense file.