



## SB 827 (Gonzalez) Ethical, Fiscal, and Financial Training

### SUMMARY

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Senate Bill (SB) 827 would ensure timely completion of existing ethics training requirements for local government officials, and expand the requirements to include senior-level staff employed by the local government.

The bill would also require local government officials to complete fiscal and financial training related to their duties and responsibilities in budgeting, contracting, procurement, and other critical fiscal obligations.

### EXISTING LAW

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Assembly Bill (AB) 1234 (Salinas, Chapter 700, Statutes of 2005) requires ethics training for all local government officials in California if the local agency provides any type of compensation, salary, or stipend.

AB 1661 (McCarty & Gonzalez, Chapter 816, Statutes of 2016) requires local agency officials who receive any type of compensation, salary, or stipend to complete sexual harassment prevention training.

AB 2158 (Mike Fong, Chapter 279, Statutes of 2022) extended AB 1234's (Salinas, 2005) requirements to all members of the governing board of a school district, county board of education, or the governing body of a charter school.

AB 2631 (Mike Fong, Chapter 201, Statutes of 2024) required the Fair Political Practices Commission (FPPC) to

create, maintain, and make available to local agency officials an ethics training course to satisfy the requirements of AB 1234 (Salinas, 2005).

### BACKGROUND/PROBLEM

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Local government officials and their senior staff are responsible for fiscal management of the jurisdictions they oversee. These responsibilities include budget creation and monitoring, financial reporting and accounting, capital financing and debt management, and purchasing and contracting practices.<sup>1</sup>

Local government officials are currently required to take biennial ethics training focusing on conflicts of interest, campaign finance, and other ethical issues they face. There is, however, no existing requirement that these officials and their staff receive any training relevant to these critical and expansive fiscal and financial responsibilities.

Local leaders come from all walks of life, and varying levels of familiarity with budgeting and procurement processes – making fiscal training critical for successful governance.

A 2020 study found that the more local government employees participated in fiscal training, the greater the positive impact on financial outcome.<sup>2</sup> This indicates that uniform training for local government officials leads to better financial decisionmaking. Further evidence suggests that training is more effective when specific, rather than general, skills are targeted.<sup>3</sup>

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<sup>1</sup> [https://www.ca-ilg.org/sites/main/files/file-attachments/basics\\_of\\_municipal\\_revenue\\_2016.pdf?1478299060](https://www.ca-ilg.org/sites/main/files/file-attachments/basics_of_municipal_revenue_2016.pdf?1478299060)  
<sup>2</sup> <https://doi.org/10.1177/0275074020911717>

<sup>3</sup> <https://doi.org/10.1080/0958519032000106164>

The California State Auditor maintains a high-risk local program, which has found repeated instances of local government officials mismanaging the finances of local agencies. As a result, the State Auditor has recommended additional financial training as an additional tool to combat financial mismanagement of local agencies.<sup>4,5,6</sup>

In a 2021 report, the State Auditor recommended that the Legislature require city officials to “participate in recurring training related to municipal finance, budgeting, and the council’s role in overseeing city operations.”<sup>7</sup> Because elected officials governing counties and special districts perform similar financial responsibilities, this training would also be beneficial for them.

## **SOLUTION**

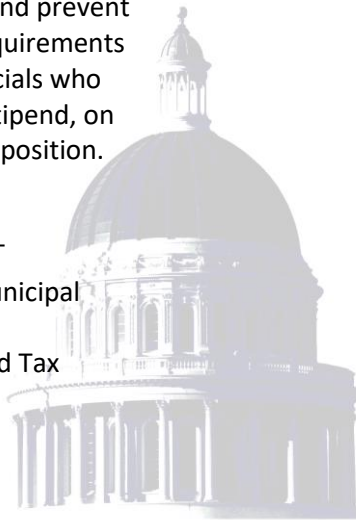
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SB 827 will encourage responsible governing and prevent fiscal mismanagement by applying training requirements to senior-level staff and local government officials who receive any type of compensation, salary, or stipend, on the fiscal and financial responsibilities of their position.

## **SUPPORT**

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American Federation of State, County, and Municipal Employees, AFL-CIO (AFSCME)  
California Association of County Treasurers and Tax Collectors  
California Common Cause  
Los Angeles County District Attorney’s Office



## **CONTACT**

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<sup>4</sup> <https://www.auditor.ca.gov/reports/2015-803/issues.html>

<sup>5</sup> <https://www.auditor.ca.gov/reports/2015-806/issues.html>

<sup>6</sup> <https://www.auditor.ca.gov/reports/2021-808/index.html>

<sup>7</sup> <https://www.auditor.ca.gov/reports/2021-802/index.html>