



**BOARD OF DIRECTORS REPORT**

**MEETING DATE:** APRIL 7, 2026 **AGENDA ITEM #:** 13

**TYPE:** INFORMATIONAL ITEM

**PREPARED BY:** CLERK OF THE BOARD ROSA GONZALEZ

**REVIEWED BY:** GENERAL MANAGER JERRY ESTRADA

**SUBJECT:** ASSEMBLY BILL (AB) 1234 ETHICS AND SENATE BILL (SB) 827  
FISCAL & FINANCIAL TRAINING

**RECOMMENDATION:**

Staff recommends the Board receive an overview of mandatory AB 1234 Ethics and SB 827 Fiscal & Financial training.

**DISCUSSION:**

Effective January 1, 2026, SB 827 expanded existing ethics training requirements and established a new fiscal & financial training mandate that applies to members of the Board (Board), elected officials, appointed officials involved in financial oversight, and executive-level or management staff responsible for fiscal administration or use of public resources. These requirement expansions of training obligations for the Board and staff are intended to promote good governance, fiscal accountability, and transparency.

The fiscal and financial training is intended to enhance oversight of public funds and includes budgeting, financial administration, budgeting, reporting, capital financing, debt management, pensions, cash management and investments, fiscal and financial planning, procurement and contracting, and related laws.

The ethics training requirement, previously applicable primarily to elected officials and members of legislative bodies receiving compensation or reimbursement, now also applies to department heads and similar administrative officers. Ethics training is designed to help understand and follow the laws that promote honest and transparent government. The training explains the types of financial interests, relationships, and activities that may be restricted or require disclosure or stepping away from decisions. It encourages officials to avoid prohibited actions, meet all disclosure and conflict-of-interest requirements, and seek guidance from legal counsel or appropriate agencies such as the Fair Political Practices Commission (FPPC) when unsure. The course also emphasizes that these laws set the minimum standard for ethical behavior, and that the public often expects an even higher level of integrity. In addition, it outlines the potential legal and professional consequences of violations and uses real-life examples to show how the rules apply in everyday situations.

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It is important to note training completed for one agency may be used to satisfy requirements for multiple agencies, provided proof of completion documentation is submitted.

**Compliance Deadlines:**

<b>TRAINING</b>	<b>BEGAN SERVICE BEFORE JANUARY 1, 2026</b>	<b>BEGAN SERVICE ON/AFTER JANUARY 1, 2026</b>	<b>RETAKE</b>
<b>Ethics</b> (AB 1234)	Continue existing biennial cycle	within six months of commencing service/position	every two years
<b>Fiscal &amp; Financial</b> (SB 827)	Complete by January 1, 2028	within six months of commencing service/position	every two years

**Administrative Requirements:**

SB 827 also establishes additional administrative and transparency obligations, including:

- Maintenance of training records (containing completion date and provider) for a minimum of five years.
- Provide annual notification to all covered officials and employees regarding training requirements.
- Posting information on MTD's website by July 1, 2026 containing information how the public may request access to training records.

MTD does not anticipate additional training expenses due to the FPPC and various professional memberships such as the California Special Districts Association now offering free in person or online training to members.

Staff will continue to coordinate training resources, monitor compliance, and ensure adherence to all statutory requirements.