

Linne Community Services District

Item 4.A - SB 827 – Fiscal and Financial Training Requirements for Special District Officials

Effective January 1, 2026, Senate Bill 827 established new fiscal and financial training requirements for California local agency officials, including members of special district governing boards. The requirements are contained in Government Code Sections 53238–53238.5.

SB 827 requires covered officials to complete at least *two hours of fiscal and financial training every two years*. The training is intended to address basic principles of government financial management, including budgeting, financial reporting, internal controls, audits, and the responsibilities of local agency officials.

The legislation applies to any member of a local agency legislative body or elected officer of a local agency and specifically includes special districts within the definition of a local agency. SB 827 does not condition the training requirement on whether a Board member receives compensation, a stipend, or reimbursement of expenses. Therefore, Linne Community Services District's uncompensated volunteer Board members are subject to the requirement.

For Board members who were already serving prior to January 1, 2026, the initial training must be completed *before January 1, 2028*. An official who begins service on or after January 1, 2026 must complete the training within six months of beginning service. After completing the initial training, officials must complete qualifying training at least once every two years. The statute also contains an exception for certain officials whose terms end before January 9, 2028.

The training does not have to be provided by the California Special Districts Association (CSDA). SB 827 permits qualifying training to be provided through other appropriate training providers and allows online training as well as qualifying self-study programs. However, CSDA currently offers a two-hour SB 827-compliant on-demand course, which is supposedly free to CSDA members; however, I have only been able to find a course that requires a member fee of \$265 per person. Since Linne CSD is a CSDA member, this appears to be the simplest and most cost-effective method for Board members to satisfy the requirement, if I can find the free priced class.

The District also has administrative responsibilities under SB 827. It must provide officials with information regarding available qualifying training at least annually and maintain records showing the date and training provider for each official for at least five years. In addition, beginning July 1, 2026, a local agency that maintains a website must provide clear instructions and contact information on its website explaining how members of the public may request these training records.

The legislation does *not establish a specific fine or monetary penalty* against an individual Board member for failure to complete the training. Nevertheless, completion is a statutory requirement, and the District should establish a process for documenting compliance.

Recommended Action

It is recommended that:

1. Each Board member confirm whether they were serving prior to January 1, 2026 and therefore qualify for the December 31, 2027 completion deadline.
2. Board members complete the CSDA SB 827 Fiscal and Financial Training course sufficiently in advance of the statutory deadline and provide their completion documentation to the District for retention.
3. The District maintain an SB 827 training record for each Board member in accordance with the five-year retention requirement.
4. The District confirm that its website contains the required instructions for requesting SB 827 training records.

No formal Board action is required at this time. This item is presented for information and to establish a process for future compliance.