

Date of Hearing: March 20, 2024

ASSEMBLY COMMITTEE ON ELECTIONS  
Gail Pellerin, Chair  
AB 2631 (Mike Fong) – As Introduced February 14, 2024

**SUBJECT:** Local agencies: ethics training.

**SUMMARY:** Requires the Fair Political Practices Commission (FPPC) to maintain a local ethics training course that local officials can take to satisfy their obligations to complete ethics training, contingent on an appropriation for that purpose. Specifically, **this bill:**

- 1) Requires the FPPC, in consultation with the Attorney General (AG), to create, maintain, and make available to local agency officials an ethics training course that meets the requirements of an existing law that requires specified local agency officials to receive at least two hours of training in general ethics principles and ethics laws relevant to the official's public service every two years. Makes the implementation of this provision contingent upon an appropriation to the FPPC for these purposes.
- 2) Makes conforming changes.

**EXISTING LAW:**

- 1) Requires specified local agency officials to receive ethics training as follows:
  - a) Except as provided below in b), the official must receive at least two hours of ethics training no later than one year from the first day of service with the local agency, and at least once every two years thereafter.
  - b) In the case of a local agency official who, as of January 1, 2025, is a member of the governing board of a school district, a county board of education, or the governing body of a charter school, except for an official whose term of office ends before January 1, 2026, the official must receive at least two hours of ethics training before January 1, 2026, and at least once every two years thereafter. (Government Code §§53235, 53235.1)
- 2) Requires an entity that develops curricula to satisfy the local ethics training requirements detailed above to consult with the FPPC and the AG regarding the sufficiency and accuracy of the proposed course content. (Government Code §53235(c))
- 3) Permits a local agency or an association of local agencies to offer one or more training courses, or sets of self-study materials with tests, to meet the local ethics training requirements. (Government Code §53235(d))
- 4) Requires a local agency to provide information on ethics training available to meet the requirements to its local officials at least once annually. (Government Code §53235(d))
- 5) Defines the following terms for the purpose of the local ethics training requirements:

- i) “Local agency” to mean a city, county, city and county, charter city, charter county, charter city and county, school district, county office of education, charter school, or special district.
  - ii) “Local agency official” to mean any of the following:
    - (1) A member of a local agency legislative body or an elected local agency official who receives any type of compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in the performance of official duties.
    - (2) An employee designated by a local agency governing body to receive ethics training.
    - (3) A member of the governing board of a school district, a county board of education, or the governing body of a charter school, whether or not that member receives any type of compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in the performance of official duties.  
(Government Code §53234)
- 6) Requires each official of a state agency who is required to file a statement of economic interests (SEI) pursuant to the Political Reform Act of 1974 (PRA) to attend an ethics orientation course within six months after beginning in the position that required the person to file an SEI, and at least once during every two calendar year period thereafter, as specified.  
(Government Code §§11146-11146.4)

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Purpose of the Bill:** According to the author:

Ensuring access to mandatory ethics training is crucial, and for the last 20 years, the Fair Political Practices Commission has played an important role, ensuring that local officials are able to complete this training. As the FPPC’s training is free, local agencies are able to save money and resources, as they do not have to create or purchase their own training course. In addition, having the FPPC provide this training is beneficial as they are the body that oversees required political reporting. As the number of users of this training is expected to increase, due in part to the expanding number of individuals required to take the training, it is the responsibility of the Legislature to ensure that the FPPC is able to not only accommodate this influx but continue to offer this needed service.

- 2) **Local Ethics Training History:** Since 1999, state law has required all state agencies to offer a course on ethics laws governing the conduct of state officials, and has required specified state agency officials to attend this ethics training course periodically. In 2005, following a series of incidents related to inappropriate uses of local tax dollars, the Legislature enacted AB 1234 (Salinas), Chapter 700, Statutes of 2005, which established new ethics training requirements for certain local government officials, among other provisions. Specifically, AB

1234 required specified officials at counties, cities, and special districts to receive at least two hours of ethics training every two years. The ethics training requirements in AB 1234 applied only to officials at local agencies that provide any type of compensation, salary, or stipend to a member of a legislative body, or provide reimbursement for actual and necessary expenses incurred by a member of a legislative body in the performance of official duties. Each local official is required to receive at least two hours of training in general ethics principles and ethics laws relevant to the official's public service every two years.

In October 2006, the FPPC announced that it had launched a free online training program, hosted on the FPPC's website, which allowed local officials to satisfy the requirements of AB 1234. The "AB 1234 Ethics Training for Local Officials" program was developed in coordination with the Institute for Local Government, the County of Monterey, and other state and local agencies. A local official who completed the online training course is provided with a certificate of completion to submit to the official's agency as documentation that the official completed the required training. According to information from the FPPC, it began hosting this local ethics training system without additional resources, and it did not request additional personnel to support the program when it was implemented. The FPPC has continued to offer this online training, and it reports that 13,615 individuals completed the free online training in 2023.

Last session, the Legislature approved and the Governor signed AB 2158 (Mike Fong), Chapter 279, Statutes of 2022, which extended the local ethics training requirements of AB 1234 to all members of the governing board of a school district, county board of education, or the governing body of a charter school, whether or not the member receives any type of compensation, salary, stipend, or reimbursement of expenses. According to the Senate Appropriations Committee analysis of that bill, it adds more than 2,000 additional agencies to those that must comply with local ethics training requirements. The AB 2158 ethics training requirements do not kick-in for most, if not all of the affected school officials until 2025. Once those requirements are fully in effect, they are expected to significantly increase demand for the FPPC's online local ethics training program.

- 3) **Governor's Budget Proposal for FPPC's Local Ethics Training System:** The Governor's proposed budget for the 2024-25 fiscal year, as released on January 10, 2024, proposes increasing the FPPC's budget by \$234,000 in the 2024-25 fiscal year, and by \$227,000 ongoing annually thereafter, along with one additional staff position, to support its local agency ethics training program. The Budget Change Proposal (BCP) that was prepared by the FPPC in connection with that requested funding notes the following challenges to the FPPC maintaining its ethics training system (ETS) with existing resources:

The ETS is hosted onsite at the FPPC and requires maintenance for both the hardware and the software. Along with the infrastructure support, the FPPC's Information Technology Unit (IT) is responsible for handling the multiple requests that come to the [ETS], including updating training materials, managing user accounts, answering direct technical questions, redirecting non-technical questions to the appropriate FPPC personnel, and managing and maintaining the applications hosting infrastructure. The IT unit has been receiving an average of

fifteen support tickets per day relating to ETS...

AB 2158 (Chapter 279, Statutes of 2022) amended Government Code 53234 to extend the mandatory local ethics training requirements by adding into the definition of “local agency” school districts, county offices of education, and charter schools for purposes of those ethics training requirements and includes in the definition of “local agency official” all members of the governing board of a school district, a county board of education, or the governing body of a charter school, whether or not the member receives any type of compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in the performance of official duties beginning January 1, 2025, and at least once every 2 years thereafter. This is a significant expansion of who will be required to complete the training by not only expanding the number of agencies but also by removing the condition that the officials who have to comply have to receive some form of compensation...

The current ETS was built over eighteen years ago using a system that cannot be updated to meet the current technological standards. At the beginning of this ETS project, resources were not properly evaluated, and the system was not built to consider an increase in users year after year. It is hosted on a server that cannot support additional users or usage without the system slowdown. In the past few years, Microsoft began to require a higher communication protocol for sending email replies, and the ETS could not be upgraded to the new standard. Therefore, the ETS cannot meet the current security standards and all password reset requests must be handled manually...

Existing law provides that if an entity develops criteria for the ethics training required by AB 1234, the FPPC and the [AG] need to be consulted regarding any proposed course content... If the current AB 1234 Local Ethics Training is discontinued, there will be increased cost and workload associated with approving the various programs for the local agencies but also for the FPPC in the increase in new programs to review.

The current ETS cannot meet today’s security standards, staff have concerns about allowing the system to continue running as it stands. Additionally, the ETS cannot be updated to accommodate the increase in individuals anticipated to use the course to fulfill new law requirements. To continue providing mandatory ethics training on a cost-free basis for all local agencies, the FPPC concluded that the best solution is to replace the current ETS with a Learning Management System.

At the time of the preparation of this committee analysis, the relevant budget subcommittees in the Assembly and the Senate have not yet discussed this budget proposal.

This bill specifies that its requirement for the FPPC to maintain a local ethics training course is contingent on an appropriation for that purpose, either in the annual Budget Act or in another bill. If the enacted budget for the 2024-25 fiscal year includes adequate resources for

the FPPC to replace its online local ethics training course, as included in the Governor's proposed budget, it may be appropriate to remove that contingency language from this bill if this bill has not already been approved by the Legislature at that time. Removing that contingency language from this bill if the resources are provided in the budget will remove ambiguity in the law about the FPPC's obligation to maintain a local ethics training course.

- 4) **Arguments in Support:** In a joint letter of support, the FPPC, the California State Association of Counties, and the League of California Cities (three of the co-sponsors of this bill), write:

Existing law requires each local agency official to receive ethics training every two years that includes training on their ethical duties under the Political Reform Act of 1974 and on other ethics principles and laws. The Fair Political Practices Commission has voluntarily maintained an online local ethics training course that is available to all local officials free of charge. The training course is a highly beneficial resource for local agencies and is heavily relied on and used by local officials, with 88,900 users completing the course since 2010. With the passage of AB 2158 in 2022, about 2,000 additional agencies and several thousand additional agency officials will become subject to these training requirements starting in 2025, which the FPPC expects will result in increased usage of the training course.

AB 2631 would codify the FPPC's ethics training program in statute, thereby making it a permanent program that can be relied on by local officials indefinitely. The bill will ensure that local officials continue to have free and convenient access to a resource that educates these officials on important ethics laws that impact their work and decision-making.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Special Districts Association (co-sponsor)  
California State Association of Counties (co-sponsor)  
Fair Political Practices Commission (co-sponsor)  
League of California Cities (co-sponsor)

### **Opposition**

None on file.

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