CALIFORNIA POLICY CENTER

SB 1126: Online Posting of Financial Reports

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IN PLAIN ENGLISH

> SB 1126 requires that every local education agency and government entity post its audited financial statements in a prominent place on its website within 30 days of board approval, and to keep them there for at least three years.

BACKGROUND

California law already requires school districts, county offices of education, and local agencies to prepare and submit annual audited financial reports to state oversight officials. Taxpayers have a legal right to know how their local school districts and government agencies spend public money, but there's no consistent requirement for those agencies to post their audited financial statements where anyone can actually find them. Some bury the records in a maze of web links, while others don't post them at all.

SB 1126 addresses this by modernizing transparency requirements and establishing enforceable consequences for noncompliance, reflecting growing public concern about questionable uses of taxpayer funds at the local level.

WHAT THE BILL DOES

- Requires school districts, county offices of education, and local agencies to post their audited financial statements online in a prominent location within 30 days of governing board approval.
- Requires audited financial statements to remain publicly available on the agency's website for at least three years at no cost to the public.
- Establishes enforcement mechanisms and a one-time $1,000 civil penalty for agencies that fail to comply, encouraging compliance without overburdening local agencies with limited resources.

- Reduces the burden on public records staff by proactively making financial information available online, reducing the time and effort to respond to Public Records Act requests.

TALKING POINTS FOR YOUR LEGISLATOR

1. Taxpayers have a right to know where their money goes, and they shouldn't have to file a formal records request to find out. Most agencies already post their audits online as a best practice. SB 1126 simply makes that the law, with clear deadlines and penalties for the outliers that don't.
2. This bill doesn't create new red tape. It codifies what responsible agencies are already doing. The penalty only applies to agencies that refuse to make public records publicly available. That's a reasonable standard for accountability.
3. Proactive disclosure saves everyone time. When audit reports are easy to find online, residents get what they need without filing requests, reducing the workload on public records staff and improving public trust in local government.