

AMENDED IN SENATE JULY 1, 2013

AMENDED IN ASSEMBLY MAY 24, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 1235**

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**Introduced by Assembly Member Gordon**

February 22, 2013

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An act to add Article 2.45 (commencing with Section 53236) to Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, relating to local government.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1235, as amended, Gordon. Local agencies: financial management training.

Existing law provides for the establishment and operations of cities, counties, cities and counties, districts, and other local government agencies, the composition of their governing bodies, and the payment of governing body members for attending meetings and performing other duties, and prescribes conflicts of interest. Existing law requires that all local agency officials, as specified, receive ethics training.

This bill would require ~~that a local agency official, in local agency service as of January 1, 2014, or thereafter, except for an official whose term of office ends before January 1, 2015, to receive training in financial management if~~ *a the* local agency provides any type of compensation, salary, or stipend to, or reimburses the expenses of, a member of ~~the a legislative body, all local agency officials, except a member whose term of office ends before January 1, 2015, in local agency service as of January 1, 2014, or thereafter receive training in financial management, as specified. This body.~~ *The* bill would provide

that if any entity develops criteria for the financial management training, then the Treasurer's office and the Controller's office shall be consulted regarding any proposed course content. The bill would declare that the edification of local government officials in financial management is a matter of statewide concern, thus making it applicable to charter cities, charter counties, and charter cities and counties. Because ~~this~~ *the* bill would impose new duties on local governments, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Article 2.45 (commencing with Section 53236)  
2 is added to Chapter 2 of Part 1 of Division 2 of Title 5 of the  
3 Government Code, to read:

4  
5 Article 2.45. Financial Management Training

6  
7 53236. For the purposes of this article, the following terms  
8 have the following meanings:

9 (a) "Legislative body" has the same meaning as specified in  
10 subdivision (a) of Section 54952.

11 (b) "Local agency" means a city, county, city and county, charter  
12 city, charter county, charter city and county, or special district.

13 (c) "Local agency official" means either of the following:

14 (1) Any member of a local agency legislative body or any  
15 elected local agency official who receives any type of  
16 compensation, salary, or stipend or reimbursement for actual and  
17 necessary expenses incurred in the performance of official duties.

18 (2) Any employee designated by a local agency legislative body  
19 to receive the training specified under this article.

(d) “Financial management training” includes, but is not limited to, the following:

(1) Laws and commonly ~~excepted~~ *accepted* best practices relating to local budgeting, including, but not limited to, revenue sources, debt instruments, budget monitoring, and financial policies.

(2) Laws relating to financial reporting requirements for local agencies at the local, state, and federal levels, including auditing requirements.

(3) Laws and commonly accepted best practices relating to long-term financial planning, cash management, and investments, for local agencies.

(4) Laws and commonly accepted best practices relating to capital financing and debt management.

(5) Laws relating to purchasing and contracting practices.

53237. (a) If a local agency provides any type of compensation, salary, or stipend to a member of a legislative body, or provides reimbursement for actual and necessary expenses incurred by a member of a legislative body in the performance of official duties, then all local agency officials shall receive training in financial management pursuant to this article.

(b) Each official subject to the requirements of subdivision (a) shall receive training in general financial management principles and financial management laws relevant to his or her public service once per term of office.

(c) If any entity develops curricula to satisfy the requirements of this section, then the Treasurer’s office and the Controller’s office shall be consulted regarding the sufficiency and accuracy of any proposed course content. When reviewing any proposed course ~~content~~ *content*, the Treasurer’s office and the Controller’s office shall not preclude an entity from also including local financial management policies in the curricula.

(d) A local agency or an association of local agencies may offer one or more training courses, or sets of self-study materials with tests, to meet the requirements of this section. These courses may be taken at home, in-person, or online.

(e) All providers of training courses to meet the requirements of this article shall provide participants with proof of participation to meet the requirements of Section 53237.2.

1 (f) A local agency shall provide information on training available  
2 to meet the requirements of this article to its local officials at least  
3 once annually.

4 53237.1. (a) Each local agency official in local agency service  
5 as of January 1, 2014, except for officials whose term of office  
6 ends before January 1, 2015, shall receive the training required by  
7 subdivision (a) of Section 53237 before January 1, 2015.  
8 Thereafter, each local agency official shall receive the training  
9 required by subdivision (a) of Section 53237 at least once per term  
10 of office.

11 (b) Each local agency official who commences service with a  
12 local agency on or after January 1, 2014, shall receive the training  
13 required by subdivision (a) of Section 53237 no later than one year  
14 from the first day of service with the local agency. Thereafter, each  
15 local agency official shall receive the training required by  
16 subdivision (a) of Section 53237 at least once per term of office.

17 (c) A local agency official who serves more than one local  
18 agency shall satisfy the requirements of this article once per term  
19 of office of one of the agencies without regard to the number of  
20 local agencies with which he or she serves.

21 53237.2. (a) A local agency that requires its local agency  
22 officials to complete the financial management training prescribed  
23 by this article shall maintain records indicating both of the  
24 following:

25 (1) The dates that local officials satisfied the requirements of  
26 this article.

27 (2) The entity that provided the training.

28 (b) Notwithstanding any other law, a local agency shall maintain  
29 these records for at least five years after local officials receive the  
30 training. These records are public records subject to disclosure  
31 under the California Public Records Act (Chapter 3.5 (commencing  
32 with Section 6250) of Division 7 of Title 1).

33 SEC. 2. The Legislature finds and declares that the edification  
34 of local government officials in financial management is a matter  
35 of statewide concern and not merely a municipal affair, as that  
36 term is used in Section 5 of Article XI of the California  
37 Constitution. Therefore, this act shall apply to charter cities, charter  
38 counties, and charter cities and counties.

39 SEC. 3. If the Commission on State Mandates determines that  
40 this act contains costs mandated by the state, reimbursement to

1 local agencies and school districts for those costs shall be made  
2 pursuant to Part 7 (commencing with Section 17500) of Division  
3 4 of Title 2 of the Government Code.

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