

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 if a local agency provides any type of compensation, salary, or stipend to, or reimburses the expenses of, a member of the 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 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 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.

20 (d) "Financial management training" includes, but is not limited  
21 to, the following:

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

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

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

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

9 (5) Laws relating to purchasing and contracting practices.

10 53237. (a) If a local agency provides any type of compensation,  
11 salary, or stipend to a member of a legislative body, or provides  
12 reimbursement for actual and necessary expenses incurred by a  
13 member of a legislative body in the performance of official duties,  
14 then all local agency officials shall receive training in financial  
15 management pursuant to this article.

16 (b) Each ~~local agency~~ official *subject to the requirements of*  
17 *subdivision (a)* shall receive ~~at least four hours of~~ training in  
18 general financial management principles and financial management  
19 laws relevant to his or her public service once per term of office.

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

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

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

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

37 53237.1. (a) Each local agency official in local agency service  
38 as of January 1, 2014, except for officials whose term of office  
39 ends before January 1, 2015, shall receive the training required by  
40 subdivision (a) of Section 53237 before January 1, 2015.

1 Thereafter, each local agency official shall receive the training  
2 required by subdivision (a) of Section 53237 at least once per term  
3 of office.

4 (b) Each local agency official who commences service with a  
5 local agency on or after January 1, 2014, shall receive the training  
6 required by subdivision (a) of Section 53237 no later than one year  
7 from the first day of service with the local agency. Thereafter, each  
8 local agency official shall receive the training required by  
9 subdivision (a) of Section 53237 at least once per term of office.

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

14 53237.2. (a) A local agency that requires its local agency  
15 officials to complete the financial management training prescribed  
16 by this article shall maintain records indicating both of the  
17 following:

18 (1) The dates that local officials satisfied the requirements of  
19 this article.

20 (2) The entity that provided the training.

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

26 *SEC. 2. The Legislature finds and declares that the edification*  
27 *of local government officials in financial management is a matter*  
28 *of statewide concern and not merely a municipal affair, as that*  
29 *term is used in Section 5 of Article XI of the California*  
30 *Constitution. Therefore, this act shall apply to charter cities,*  
31 *charter counties, and charter cities and counties.*

32 ~~SEC. 2.~~

33 *SEC. 3.* If the Commission on State Mandates determines that  
34 this act contains costs mandated by the state, reimbursement to  
35 local agencies and school districts for those costs shall be made  
36 pursuant to Part 7 (commencing with Section 17500) of Division  
37 4 of Title 2 of the Government Code.

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