



**Thursday, April 16, 2020  
1:00 p.m. – 4:00 p.m.  
Board of Directors Teleconference Meeting**

Call-in: 16699006833  
Meeting ID: 918 503 431  
Join Zoom Meeting <https://zoom.us/j/918503431>

1. Introduction
  - a. Welcome/Roll Call
  - b. Additions to Agenda
2. Consent Items 1:05 p.m.
  - a. Approval of minutes from February 27 and March 11, 2020
  - b. Financial reports from February 2020
  - c. Appointment to SCO Special Districts Policy and Interpretation Committee
  - d. Michael Coleman Renewal Contract
  - e. Executive Committee Meeting Agenda
3. Discussion/Action Items 1:15 p.m.
  - a. COVID-19 Working Group (Marcus Pimentel)
  - b. Moratorium on In-Person Meetings (Steve Heide)
  - c. 2020 Conference Recap (Steve Heide)
  - d. Membership Renewal Update (Jennifer Wakeman)
  - e. CSMFO Financial Commitments through March 2021 (Melissa Manchester)
    - i. CSMFO/GFOA Reception
    - ii. Planning Session
    - iii. 2021 Conference (convention center plus three hotel contracts)
  - f. Mid-Year Budget Review (Steve Heide)
  - g. Resolution for Executive Committee Emergency Authority (Steve Heide)
  - h. Potential Collaboration with GFOA on Certification Program (Margaret Moggia)
  - i. GFOA Ethics Policy Clarification (Richard Lee)
  - j. Relocation of Award Force Data (Yolanda Rodriguez)
  - k. CPA Exam Changes (Jason Al-Imam)
  - l. State Webinar Sharing Program (Scott Catlett)

4. Committee Reports 3:00 p.m.
  - a. Administration (Scott Catlett)
  - b. Career Development (Laura Nomura)
  - c. Communications (Karla Romero)
  - d. Membership (Jennifer Wakeman)
  - e. Professional Standards (Jason Al-Imam)
  - f. Program (Margaret Moggia)
  - g. Recognition (Yolanda Rodriguez)
  - h. Student Engagement (Craig Boyer)
  - i. Technology (Matt Pressey)
  - j. Management Contract Ad Hoc Report (Margaret Moggia)
5. League Policy Committee Reports 3:20 p.m.
6. Chapter Roundtable 3:30 p.m.
7. Director Roundtable 3:40 p.m.
8. Officer Reports 3:50 p.m.
  - a. President (Steve Heide)
  - b. Past President (Margaret Moggia)
  - c. President-Elect (Marcus Pimentel)
10. Other Discussion Items
11. Future Topics
12. Upcoming Meeting:  
Thursday, May 28, 2020, 2-4pm – Teleconference
13. Adjournment 4:00 p.m.



**Thursday, February 27, 2020  
2:00 p.m. – 4:00 p.m.  
Board of Directors Meeting**

Steve Heide  
Will Fuentes  
Richard Lee  
Ernie Reyna  
Grace Castaneda  
Stephen Parker  
Carrie Guarino  
Karla Romero  
Jennifer Wakeman  
Scott Catlett  
Margaret Moggia  
Craig Boyer

Kim Scott  
Jason Al-Imam  
Laura Nomura  
Tori Hannah  
John Adams  
Mary Bradley  
Kofi Antobam  
Arwen Wacht  
Jasmin Bains  
Zach Seals  
Harriet Commons  
Melissa Manchester

### **Introduction**

The California Society of Municipal Finance Officers (CSMFO) Board of Directors via teleconference on Thursday, February 27, 2020. President Steve Heide convened the meeting and confirmed a quorum was in attendance at 2:05 p.m. The Disbursement Approval and Check Signer policy was pulled from the consent calendar.

### **Consent Calendar**

The Board addressed the consent calendar, which included the minutes from the January meeting, the January 2020 financial reports, the appointment to SCO Special Districts Policy and Interpretation Committee, Chapter Balance policy, Contract Authority policy, Records Retention policy and the Executive Committee meeting agenda. Director Richard Lee moved to approve the consent calendar; Director Will Fuentes seconded. The motion passed unanimously.

### **Disbursement Approval and Check Signer Policy**

Administration Committee Chair Scott Catlett proposed a slight revision to this policy as presented, allowing the Secretary/Treasurer to be one of the approvers and requiring a minimum 24-hour review period prior to check disbursement. Director Grace Castaneda moved

to approve the policy as amended. Director Carrie Guarino seconded, and the motion passed unanimously.

### **Investment Policy**

Director Stephen Parker presented to the Board the proposed Investment Policy, suggesting it be a standalone policy rather than incorporated into the policy manual due to its length. Director Lee moved to approve the policy as amended during the call, with Director Parker seconding. The motion passed unanimously.

### **GFOA Award Presentation**

Craig Boyer, Senior Advisor for the Recognition Committee, informed the Board that GFOA is no longer coordinating with in-state representatives to conduct presentations of GFOA budget awards, due at least in part to the inconsistency of the message being provided through these presentations. CSMFO was available to make both CAFR and budget award presentations for GFOA recipients, though most of the requests were for GFOA CAFR awards. GFOA suggested that either a GFOA-approved script could be utilized or a video from GFOA could be presented. The Board took no action at this time, but requested to review the draft of the script.

### **Management Contract Ad Hoc Report**

Chair Margaret Moggia updated the Board on the management contract ad hoc working group, noting that the group had over 40 individuals to interview to work on drafting the organization's scope of services based on needs rather than current practice. It was suggested that a special call be set up between the Ad Hoc and the Board to discuss the strategic vision of the organization, and that the Ad Hoc group be added to the list of recurring committee reports to future Board meeting agendas.

### **Committee Reports**

#### **Administration**

Chair Scott Catlett shared that the contracts the Board had approved are in the process of being executed, and they are working on contracts for sharing webinars with Alaska, Oregon and Washington. Richard Lee added that though Michael Coleman's contract expires at the end of 2020, he was amenable to extending the agreement through the end of 2022.

#### **Career Development**

Chair Laura Nomura shared that the first webinar under the GFOA contract occurred in February, with 202 connecting locations and 279 listening. It was rated 8.6/10. Don Maruska was on the call as well for support. The core course schedule is complete; the Investment Accounting course was moved to May and they are still working on the last Intermediate course in central California over the summer. The committee is working on new Quick Hits as well.

#### **Communications**

Chair Karla Romero thanked everyone who had submitted articles, and shared that the conference magazine is almost complete. The committee is working on March and April content.

### Membership

Chair Jennifer Wakeman shared that the committee had a meeting the previous week to discuss the 2020 strategic plan and the committee's directives therein.

### Professional Standards

Chair Jason Al-Imam reported that the committee published a highlight in January and another in February on the transition between DUNS and sams.gov. He also shared that he had moved to the City of Tustin.

### Program

Margaret Moggia shared that the committee had met on February 14 and began discussing the planning schedule for the 2021 conference. The committee will be meeting weekly May through September.

### Recognition

Chair Yolanda Rodriguez shared the new committee leadership, and that they will be working on a Transparency Award for 2020. The committee will be conducting a survey regarding sending physical awards, and will be looking at the budget award qualifications as they have not been reviewed/updated and need to revise to include special districts.

### Student Engagement

Chair Craig Boyer shared that the committee had its first call of the year earlier in February, and identified three broad categories: student outreach; enhancement of internship program; research to have student-specific list to promote community among student members. The committee has been to several campus events already and will be strategizing on attendance for the rest of the year. There are several students on the committee as well.

### Technology

Chair Matt Pressey shared that the committee met in person at the conference, and will meet the following week to discuss the 2020 directives, including implementing the newly approved Records Retention policy and how Higher Logic can be utilized for archives and record management. There was a demo available on the Knowledge Base at the conference. The goal for 2020 is to have the Technology Committee members coordinate with other committees and chapters to encourage use of the Knowledge Base and its functions.

### **Chapter Roundtable**

Coachella Valley shared that the next meeting will be on tips and tricks for avoiding fraud. South San Joaquin shared that they will have an all-day training in the spring on GASB updates and year-end closeout checklists; Michael Coleman will be speaking in August. San Gabriel Valley shared that they will have a speaker on communication at the end of March; afterward discussing the economy and then Michael Coleman in September. Desert Mountain is holding its first meeting since July 2018 in March, with a morning session on GASB 84/87 and an afternoon session on fraud prevention and banking technology.

**Director Roundtable**

Ernie Reyna shared that the Inland Empire and San Diego chapters are meeting in March, and that the Communications and Student Engagement committees are up and running for 2020. Grace Castaneda shared that she was assigned to Career Development and she is looking forward to joining that group for 2020, and she will be attending her first chapter meeting as a board liaison next month. Richard Lee shared that his assignments are Administration and Program committees; and he brought up a discussion regarding recording the Board meetings on Zoom. The Board agreed to begin recording the Board meetings in the future, with the Secretary/Treasurer responsible for researching any disputes. Regarding the CSMFO app, Lee will be meeting with the Technology Committee to discuss how to keep the app sustainable and relevant, including how that affects staff. Ad space on the app to come soon.

**Officer Reports**

President Heide informed the Board that the April Board meeting will be held in person at the City of San Jose, from noon to 4pm. A Host Committee meeting is scheduled in person for the following day. He is hoping to attend as many chapter meetings as he can in 2020, and will be reengaging with the bimonthly committee chair calls in April.

The next meeting will be held via teleconference on Thursday, March 26 from 2:00-4:00pm.

Meeting adjourned at 4:01 p.m.

Respectfully submitted,

Melissa Manchester

**SUMMARY OF APPROVED MOTIONS**

The Board approved:

The following policies:

Chapter Balance

Contract Authority

Records Retention

Disbursement Approval and Check Signer

Investment



**Wednesday, March 11, 2020  
1:00 p.m. – 2:00 p.m.  
Board of Directors Closed Session Meeting**

Steve Heide  
Joan Michaels Aguilar  
Marcus Pimentel  
Will Fuentes  
Richard Lee

Ernie Reyna  
Grace Castaneda  
Stephen Parker  
Melissa Manchester

### **Introduction**

The California Society of Municipal Finance Officers (CSMFO) Board of Directors in a closed session meeting held via teleconference on Wednesday, March 11, 2020. President Steve Heide convened the meeting and confirmed a quorum was in attendance at 1:02 p.m. There were no additions to the agenda.

### **Response to COVID-19**

The Board discussed the current state of the COVID-19 coronavirus outbreak, which had recently been labeled a pandemic by the World Health Organization. After much discussion, President-Elect Marcus Pimentel moved to suspend all in-person CSMFO events through the end of April 2020, while providing to chapters and the Career Development Committee every possible opportunity to hold the events virtually, should they so choose. Past President Joan Michaels Aguilar seconded, and the motion passed unanimously.

All registrants will be afforded the opportunity to either receive a credit or a refund on their registration fees.

The next meeting will be held via teleconference on Thursday, March 26 from 2:00-4:00pm.

Meeting adjourned at 2:01 p.m.

Respectfully submitted,

Melissa Manchester

# California Society of Municipal Finance Officers

## Statement of Net Assets

As of February 29, 2020

	<u>Feb 29, 20</u>	<u>Feb 28, 19</u>	<u>\$ Change</u>	<u>% Change</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
<b>Checking/Savings</b>				
<b>1005 • Bank of America</b>				
<b>1050 • Chapter Fund Balances</b>				
1050.10 • Central Coast	1,277.78	1,813.09	(535.31)	(29.53%)
1050.13 • Central Los Angeles	550.74	451.44	99.30	22.0%
1050.06 • Central Valley	567.51	576.05	(8.54)	(1.48%)
1050.11 • Channel Counties	1,611.64	3,032.07	(1,420.43)	(46.85%)
1050.18 • Coachella Valley	(2,415.16)	(1,977.87)	(437.29)	(22.11%)
1050.15 • Desert Mountain	(195.00)	(255.00)	60.00	23.53%
1050.05 • East Bay (SF)	3,252.19	2,718.92	533.27	19.61%
1050.17 • Inland Empire	1,689.38	10,890.72	(9,201.34)	(84.49%)
1050.08 • Monterey Bay	2,953.99	4,202.74	(1,248.75)	(29.71%)
1050.03 • North Coast	(664.35)	(474.35)	(190.00)	(40.06%)
1050.01 • Northwest Counties	(1,998.57)	0.00	(1,998.57)	(100.0%)
1050.02 • Northeast Counties	(467.10)	22.37	(489.47)	(2,188.06%)
1050.16 • Orange County	9,419.14	10,569.50	(1,150.36)	(10.88%)
1050.07 • Peninsula	4,675.26	1,276.80	3,398.46	266.17%
1050.04 • Sacramento Valley	3,010.67	2,963.40	47.27	1.6%
1050.19 • San Diego County	1,485.07	2,428.83	(943.76)	(38.86%)
1050.12 • San Gabriel Valley	(252.49)	(755.49)	503.00	66.58%
1050.14 • South Bay (LA)	2,364.54	1,876.52	488.02	26.01%
1050.09 • South San Joaquin	(336.55)	136.05	(472.60)	(347.37%)
<b>Total 1050 • Chapter Fund Balances</b>	<u>26,528.69</u>	<u>39,495.79</u>	<u>(12,967.10)</u>	<u>(32.83%)</u>
<b>1005 • Bank of America - Other</b>	<u>895,899.63</u>	<u>76,925.60</u>	<u>818,974.03</u>	<u>1,064.63%</u>
<b>Total 1005 • Bank of America</b>	<u>922,428.32</u>	<u>116,421.39</u>	<u>806,006.93</u>	<u>692.32%</u>
<b>1040 • Investments LAIF</b>	<u>658,495.20</u>	<u>841,123.49</u>	<u>(182,628.29)</u>	<u>(21.71%)</u>
<b>Total Checking/Savings</b>	<u>1,580,923.52</u>	<u>957,544.88</u>	<u>623,378.64</u>	<u>65.1%</u>
<b>Accounts Receivable</b>				
<b>1100 • Accounts receivable</b>	<u>0.00</u>	<u>15,475.00</u>	<u>(15,475.00)</u>	<u>(100.0%)</u>
<b>Total Accounts Receivable</b>	<u>0.00</u>	<u>15,475.00</u>	<u>(15,475.00)</u>	<u>(100.0%)</u>
<b>Other Current Assets</b>				
<b>1080 • Undeposited Funds</b>	110.00	0.00	110.00	100.0%
<b>1120 • Accounts Receivable- YM</b>	42,065.00	55,720.00	(13,655.00)	(24.51%)
<b>1250 • Prepaid Expense - General</b>				
1252 • Prepaid Admin/DataBase Fees	64,028.80	88,004.52	(23,975.72)	(27.24%)
1250 • Prepaid Expense - General - Other	0.00	533.59	(533.59)	(100.0%)
<b>Total 1250 • Prepaid Expense - General</b>	<u>64,028.80</u>	<u>88,538.11</u>	<u>(24,509.31)</u>	<u>(27.68%)</u>
<b>1260 • Prepaid Expense Conference</b>				
1262 • Facilities Deposits	72,332.00	33,000.00	39,332.00	119.19%
1260 • Prepaid Expense Conference - Other	701.24	701.24	0.00	0.0%
<b>Total 1260 • Prepaid Expense Conference</b>	<u>73,033.24</u>	<u>33,701.24</u>	<u>39,332.00</u>	<u>116.71%</u>
<b>Total Other Current Assets</b>	<u>179,237.04</u>	<u>177,959.35</u>	<u>1,277.69</u>	<u>0.72%</u>
<b>Total Current Assets</b>	<u>1,760,160.56</u>	<u>1,150,979.23</u>	<u>609,181.33</u>	<u>52.93%</u>



# California Society of Municipal Finance Officers

## Statement of Net Assets

As of February 29, 2020

	<b>Feb 29, 20</b>	<b>Feb 28, 19</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Other Assets</b>				
<b>1500 · CSMFO/SMA Database AR</b>	56,773.74	55,396.76	1,376.98	2.49%
<b>Total Other Assets</b>	56,773.74	55,396.76	1,376.98	2.49%
<b>TOTAL ASSETS</b>	<b>1,816,934.30</b>	<b>1,206,375.99</b>	<b>610,558.31</b>	<b>50.61%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
<b>2000 · Accounts payable</b>	0.00	8,189.38	(8,189.38)	(100.0%)
<b>Total Accounts Payable</b>	0.00	8,189.38	(8,189.38)	(100.0%)
<b>Other Current Liabilities</b>				
<b>2003 · A/P Other- SMA Conference</b>	41,077.10	39,688.00	1,389.10	3.5%
<b>Total Other Current Liabilities</b>	41,077.10	39,688.00	1,389.10	3.5%
<b>Total Current Liabilities</b>	41,077.10	47,877.38	(6,800.28)	(14.2%)
<b>Total Liabilities</b>	41,077.10	47,877.38	(6,800.28)	(14.2%)
<b>Equity</b>				
<b>3102 · Conference reserve</b>	442,427.00	364,860.00	77,567.00	21.26%
<b>3101 · Operating reserve</b>	192,692.00	144,139.00	48,553.00	33.69%
<b>3020 · Retained earnings</b>	138,826.22	363,395.59	(224,569.37)	(61.8%)
<b>3100 · Net Assets-Chapters</b>	26,288.69	29,581.01	(3,292.32)	(11.13%)
<b>Net Income</b>	975,623.29	256,523.01	719,100.28	280.33%
<b>Total Equity</b>	1,775,857.20	1,158,498.61	617,358.59	53.29%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,816,934.30</b>	<b>1,206,375.99</b>	<b>610,558.31</b>	<b>50.61%</b>

# California Society of Municipal Finance Officers

## Statement of Financial Income and Expense

February 29, 2020 YTD

	<u>Total Chapters</u>	<u>Conference</u>	<u>Education</u>	<u>Unclassified</u>	<u>TOTAL</u>
<b>Ordinary Income/Expense</b>					
Income					
4000 · OPERATING REVENUES	0.00	0.00	0.00	200,159.76	200,159.76
Total Income	0.00	0.00	0.00	200,159.76	200,159.76
Gross Profit	0.00	0.00	0.00	200,159.76	200,159.76
Expense					
6100 · OPERATING EXPENSES	0.00	0.00	0.00	95,428.33	95,428.33
6900 · OTHER EXPENSES	0.00	0.00	0.00	4,136.73	4,136.73
Total Expense	0.00	0.00	0.00	99,565.06	99,565.06
Net Ordinary Income	0.00	0.00	0.00	100,594.70	100,594.70
<b>Other Income/Expense</b>					
Other Income					
4501 · Chapter Income	3,770.00	0.00	0.00	0.00	3,770.00
4500 · PROGRAM REVENUES					
8000 · Conference Revenue	0.00	1,357,695.00	0.00	0.00	1,357,695.00
4503 · Contributions and Donations	0.00	0.00	0.00	167.00	167.00
4504 · Education income	0.00	0.00	25,401.00	0.00	25,401.00
Total 4500 · PROGRAM REVENUES	0.00	1,357,695.00	25,401.00	167.00	1,383,263.00
Total Other Income	3,770.00	1,357,695.00	25,401.00	167.00	1,387,033.00
Other Expense					
6401 · Chapter Expenses	2,595.84	0.00	0.00	0.00	2,595.84
6400 · PROGRAM EXPENSES					
9000 · Conference Expenses	0.00	509,408.57	0.00	0.00	509,408.57
Total 6400 · PROGRAM EXPENSES	0.00	509,408.57	0.00	0.00	509,408.57
Total Other Expense	2,595.84	509,408.57	0.00	0.00	512,004.41
Net Other Income	1,174.16	848,286.43	25,401.00	167.00	875,028.59
Net Income	<u>1,174.16</u>	<u>848,286.43</u>	<u>25,401.00</u>	<u>100,761.70</u>	<u>975,623.29</u>

# California Society of Municipal Finance Officers

## Profit & Loss Budget Performance

February 29, 2020 YTD

	Feb 20	Jan - Feb 20	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
<b>4000 · OPERATING REVENUES</b>	37,924.25	200,159.76	278,166.73	(78,006.97)	71.96%	442,650.00
<b>Total Income</b>	37,924.25	200,159.76	278,166.73	(78,006.97)	71.96%	442,650.00
<b>Gross Profit</b>	37,924.25	200,159.76	278,166.73	(78,006.97)	71.96%	442,650.00
<b>Expense</b>						
<b>6100 · OPERATING EXPENSES</b>						
<b>6105 · Marketing/Membership</b>	4,198.00	9,336.33	5,800.00	3,536.33	160.97%	13,000.00
<b>6106 · Storage Expense</b>	218.07	218.07	166.70	51.37	130.82%	1,000.00
<b>6110 · President's Expense</b>	822.87	845.82	500.00	345.82	169.16%	10,400.00
<b>6115 · Board of Directors</b>	0.00	0.00	850.00	(850.00)	0.0%	5,100.00
<b>6120 · Committee/Chapter Support</b>	40.00	573.59	10,000.00	(9,426.41)	5.74%	60,000.00
<b>6125 · Board Planning Session-Retreat</b>	0.00	6,000.00	2,000.00	4,000.00	300.0%	45,500.00
<b>6140 · Management Services</b>	13,751.89	27,503.77	40,233.40	(12,729.63)	68.36%	241,800.00
<b>6150 · Office Supplies</b>	0.00	0.00	53.40	(53.40)	0.0%	320.00
<b>6155 · Merchant Fees/Bank Chgs.</b>	5,538.11	10,217.61	5,000.00	5,217.61	204.35%	30,000.00
<b>6160 · Awards</b>	0.00	162.32	500.00	(337.68)	32.46%	5,000.00
<b>6165 · Printing</b>	225.44	10,159.70	2,333.36	7,826.34	435.41%	14,000.00
<b>6170 · Magazine</b>	0.00	0.00	0.00	0.00	0.0%	15,000.00
<b>6175 · Postage</b>	23.35	23.35	500.00	(476.65)	4.67%	3,000.00
<b>6185 · Telephone/Bridge Calls</b>	55.22	55.22	266.70	(211.48)	20.71%	1,600.00
<b>6190 · Web and Technology</b>	1,649.99	16,899.99	4,166.70	12,733.29	405.6%	25,000.00
<b>6200 · Travel/Staff Expenses</b>	0.00	0.00	2,000.00	(2,000.00)	0.0%	5,000.00
<b>6220 · Audit &amp; Tax Filing</b>	0.00	0.00	0.00	0.00	0.0%	9,000.00
<b>6230 · Insurance</b>	1,209.00	1,759.00	550.00	1,209.00	319.82%	2,000.00
<b>6240 · Taxes</b>	4,150.00	4,150.00	0.00	4,150.00	100.0%	40,000.00
<b>6255 · GFOA Reception</b>	0.00	7,523.56	0.00	7,523.56	100.0%	25,000.00
<b>Total 6100 · OPERATING EXPENSES</b>	31,881.94	95,428.33	74,920.26	20,508.07	127.37%	551,720.00
<b>6900 · OTHER EXPENSES</b>	4,136.73	4,136.73	25,000.00	(20,863.27)	16.55%	25,000.00
<b>9950 · Prior Period Adjustment</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total Expense</b>	36,018.67	99,565.06	99,920.26	(355.20)	99.65%	576,720.00
<b>Net Ordinary Income</b>	1,905.58	100,594.70	178,246.47	(77,651.77)	56.44%	(134,070.00)
<b>Other Income/Expense</b>						
<b>Other Income</b>						
<b>4501 · Chapter Income</b>	3,000.00	3,770.00	16,666.00	(12,896.00)	22.62%	100,000.00
<b>4500 · PROGRAM REVENUES</b>						
<b>8000 · Conference Revenue</b>	7,195.00	1,357,695.00	1,315,505.00	42,190.00	103.21%	1,315,505.00
<b>4503 · Contributions and Donations</b>	167.00	167.00				
<b>4504 · Education income</b>						
<b>4505 · Webinar</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>4520 · Weekend Training</b>	0.00	0.00	0.00	0.00	0.0%	20,200.00
<b>4540 · Fundamentals of Rates, Fees</b>	(300.00)	0.00	0.00	0.00	0.0%	0.00
<b>4570 · Intro to Government</b>	4,426.00	12,676.00	0.00	12,676.00	100.0%	13,125.00
<b>4580 · Presentation/Fiscal Policy</b>	0.00	0.00	650.00	(650.00)	0.0%	3,900.00
<b>4590 · Intermediate Government Acct</b>	2,175.00	8,175.00	6,650.00	1,525.00	122.93%	39,900.00

# California Society of Municipal Finance Officers

## Profit & Loss Budget Performance

February 29, 2020 YTD

	<b>Feb 20</b>	<b>Jan - Feb 20</b>	<b>YTD Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>	<b>Annual Budget</b>
<b>4594 · CMTA/CSMFO Course</b>	0.00	0.00	450.00	(450.00)	0.0%	3,000.00
<b>4595 · Revenue Fundamentals</b>	3,000.00	3,150.00	1,000.00	2,150.00	315.0%	6,000.00
<b>4596 · Revenue Fundamentals II</b>	0.00	0.00	1,000.00	(1,000.00)	0.0%	6,000.00
<b>4597 · Developing Supervisory Skills</b>	1,400.00	1,400.00	1,666.00	(266.00)	84.03%	10,000.00
<b>4598 · Leadership Skills</b>	0.00	0.00	1,666.00	(1,666.00)	0.0%	10,000.00
<b>Total 4504 · Education income</b>	<u>10,701.00</u>	<u>25,401.00</u>	<u>13,082.00</u>	<u>12,319.00</u>	<u>194.17%</u>	<u>112,125.00</u>
<b>Total 4500 · PROGRAM REVENUES</b>	<u>18,063.00</u>	<u>1,383,263.00</u>	<u>1,328,587.00</u>	<u>54,676.00</u>	<u>104.12%</u>	<u>1,427,630.00</u>
<b>8999 · YM Import Items</b>	0.00	0.00	0.00	0.00	0.0%	0.00
<b>Total Other Income</b>	<u>21,063.00</u>	<u>1,387,033.00</u>	<u>1,345,253.00</u>	<u>41,780.00</u>	<u>103.11%</u>	<u>1,527,630.00</u>
<b>Other Expense</b>						
<b>6401 · Chapter Expenses</b>	2,095.84	2,595.84	16,666.00	(14,070.16)	15.58%	100,000.00
<b>6400 · PROGRAM EXPENSES</b>						
<b>9000 · Conference Expenses</b>	172,543.74	509,408.57	1,379,297.00	(869,888.43)	36.93%	1,379,297.00
<b>6404 · Education Expenses</b>	0.00	0.00	0.00	0.00	0.0%	117,075.00
<b>Total 6400 · PROGRAM EXPENSES</b>	<u>172,543.74</u>	<u>509,408.57</u>	<u>1,379,297.00</u>	<u>(869,888.43)</u>	<u>36.93%</u>	<u>1,496,372.00</u>
<b>Total Other Expense</b>	<u>174,639.58</u>	<u>512,004.41</u>	<u>1,395,963.00</u>	<u>(883,958.59)</u>	<u>36.68%</u>	<u>1,596,372.00</u>
<b>Net Other Income</b>	<u>(153,576.58)</u>	<u>875,028.59</u>	<u>(50,710.00)</u>	<u>925,738.59</u>	<u>(1,725.55%)</u>	<u>(68,742.00)</u>
<b>Net Income</b>	<u><b>(151,671.00)</b></u>	<u><b>975,623.29</b></u>	<u><b>127,536.47</b></u>	<u><b>848,086.82</b></u>	<u><b>764.98%</b></u>	<u><b>(202,812.00)</b></u>

# California Society of Municipal Finance Officers

## Statement of Financial Income and Expense

February 29, 2020 YTD

	<u>Jan - Feb 20</u>	<u>Jan - Feb 19</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Ordinary Income/Expense</b>				
Income				
4000 · OPERATING REVENUES				
4100 · Membership Dues	168,035.00	211,220.00	(43,185.00)	(20.45%)
4200 · Interest Income	4,299.76	619.97	3,679.79	593.54%
4302 · Magazine Advertising	1,000.00	7,277.50	(6,277.50)	(86.26%)
4303 · Job Board Post - Member	26,525.00	25,350.00	1,175.00	4.64%
4490 · Budget/CAFR Fees	300.00	0.00	300.00	100.0%
Total 4000 · OPERATING REVENUES	<u>200,159.76</u>	<u>244,467.47</u>	<u>(44,307.71)</u>	<u>(18.12%)</u>
Total Income	<u>200,159.76</u>	<u>244,467.47</u>	<u>(44,307.71)</u>	<u>(18.12%)</u>
Gross Profit	200,159.76	244,467.47	(44,307.71)	(18.12%)
Expense				
6100 · OPERATING EXPENSES				
6105 · Marketing/Membership	9,336.33	13,090.62	(3,754.29)	(28.68%)
6106 · Storage Expense	218.07	181.58	36.49	20.1%
6110 · President's Expense	845.82	148.18	697.64	470.81%
6115 · Board of Directors	0.00	2,544.50	(2,544.50)	(100.0%)
6120 · Committee/Chapter Support	573.59	2,281.40	(1,707.81)	(74.86%)
6125 · Board Planning Session-Retreat	6,000.00	1,919.34	4,080.66	212.61%
6140 · Management Services	27,503.77	30,573.72	(3,069.95)	(10.04%)
6155 · Merchant Fees/Bank Chgs.	10,217.61	6,992.49	3,225.12	46.12%
6160 · Awards	162.32	393.25	(230.93)	(58.72%)
6165 · Printing	10,159.70	3,134.38	7,025.32	224.14%
6175 · Postage	23.35	1,025.16	(1,001.81)	(97.72%)
6185 · Telephone/Bridge Calls	55.22	0.00	55.22	100.0%
6190 · Web and Technology	16,899.99	25,903.00	(9,003.01)	(34.76%)
6230 · Insurance	1,759.00	550.00	1,209.00	219.82%
6240 · Taxes	4,150.00	9,905.00	(5,755.00)	(58.1%)
6255 · GFOA Reception	7,523.56	8,213.00	(689.44)	(8.39%)
Total 6100 · OPERATING EXPENSES	<u>95,428.33</u>	<u>106,855.62</u>	<u>(11,427.29)</u>	<u>(10.69%)</u>
6900 · OTHER EXPENSES	4,136.73	0.00	4,136.73	100.0%
9950 · Prior Period Adjustment	0.00	150.00	(150.00)	(100.0%)
Total Expense	<u>99,565.06</u>	<u>107,005.62</u>	<u>(7,440.56)</u>	<u>(6.95%)</u>
Net Ordinary Income	100,594.70	137,461.85	(36,867.15)	(26.82%)
Other Income/Expense				
Other Income				
4501 · Chapter Income	3,770.00	10,465.00	(6,695.00)	(63.98%)
4500 · PROGRAM REVENUES				
8000 · Conference Revenue	1,357,695.00	1,069,037.58	288,657.42	27.0%
4503 · Contributions and Donations	167.00	0.00	167.00	100.0%
4504 · Education income	25,401.00	29,375.00	(3,974.00)	(13.53%)
Total 4500 · PROGRAM REVENUES	<u>1,383,263.00</u>	<u>1,098,412.58</u>	<u>284,850.42</u>	<u>25.93%</u>
8999 · YM Import Items	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>

# California Society of Municipal Finance Officers

## Statement of Financial Income and Expense

February 29, 2020 YTD

<b>Total Other Income</b>	1,387,033.00	1,108,877.58	278,155.42	25.08%
<b>Other Expense</b>				
<b>6401 • Chapter Expenses</b>	2,595.84	0.00	2,595.84	100.0%
<b>6400 • PROGRAM EXPENSES</b>				
<b>9000 • Conference Expenses</b>				
<b>9100 • Food &amp; Beverage</b>	0.00	275,019.38	(275,019.38)	(100.0%)
<b>9200 • President's Dinners</b>	6,233.60	37,582.18	(31,348.58)	(83.41%)
<b>9300 • Hosted Event</b>	188.96	158,000.28	(157,811.32)	(99.88%)
<b>9400 • Meetings and Training</b>	75,741.74	69,130.05	6,611.69	9.56%
<b>9450 • Comps</b>	1,850.00	19,417.40	(17,567.40)	(90.47%)
<b>9475 • Meetings</b>	206,251.25	194,759.62	11,491.63	5.9%
<b>9490 • Pre-Conference Workshop</b>	94.91	7,793.19	(7,698.28)	(98.78%)
<b>9500 • Exhibits</b>	25,723.99	29,601.81	(3,877.82)	(13.1%)
<b>9600 • Entertainment/Gifts</b>	61,922.77	52,621.28	9,301.49	17.68%
<b>9700 • Other Activities</b>	35,993.11	9,306.43	26,686.68	286.76%
<b>9800 • Administration - Conference</b>	88,898.24	135,982.47	(47,084.23)	(34.63%)
<b>9000 • Conference Expenses - Other</b>	6,510.00	0.00	6,510.00	100.0%
<b>Total 9000 • Conference Expenses</b>	509,408.57	989,214.09	(479,805.52)	(48.5%)
<b>6404 • Education Expenses</b>	0.00	602.33	(602.33)	(100.0%)
<b>Total 6400 • PROGRAM EXPENSES</b>	509,408.57	989,816.42	(480,407.85)	(48.54%)
<b>Total Other Expense</b>	512,004.41	989,816.42	(477,812.01)	(48.27%)
<b>Net Other Income</b>	875,028.59	119,061.16	755,967.43	634.94%
<b>Net Income</b>	<b>975,623.29</b>	<b>256,523.01</b>	<b>719,100.28</b>	<b>280.33%</b>

# California Society of Municipal Finance Officers

## Statement of Financial Income and Expense

February 29, 2020 YTD

	Central Los Angeles	Central Valley	Channel Counties	Coachella Valley	Desert Mountain	East Bay	Inland Empire	Monterey Bay	Orange County	Peninsula	San Diego
	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)	(Chapters)
<b>Ordinary Income/Expense</b>											
Income											
4000 • OPERATING REVENUES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Ordinary Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Other Income/Expense</b>											
Other Income											
4501 • Chapter Income	0.00	200.00	0.00	20.00	80.00	210.00	1,280.00	(95.00)	950.00	(25.00)	360.00
4500 • PROGRAM REVENUES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	0.00	200.00	0.00	20.00	80.00	210.00	1,280.00	(95.00)	950.00	(25.00)	360.00
Other Expense											
6401 • Chapter Expenses	0.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00	1,358.59	0.00	737.25
6400 • PROGRAM EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00	1,358.59	0.00	737.25
Net Other Income	0.00	200.00	0.00	20.00	80.00	210.00	780.00	(95.00)	(408.59)	(25.00)	(377.25)
<b>Net Income</b>	<b>0.00</b>	<b>200.00</b>	<b>0.00</b>	<b>20.00</b>	<b>80.00</b>	<b>210.00</b>	<b>780.00</b>	<b>(95.00)</b>	<b>(408.59)</b>	<b>(25.00)</b>	<b>(377.25)</b>

# California Society of Municipal Finance Officers

## Statement of Financial Income and Expense

February 29, 2020 YTD

	San Gabriel Valley	South San Joaquin Valley	SouthBay (LA)	Total Chapters
	(Chapters)	(Chapters)	(Chapters)	(Chapters)
<b>Ordinary Income/Expense</b>				
Income				
4000 · OPERATING REVENUES	0.00	0.00	0.00	0.00
Total Income	0.00	0.00	0.00	0.00
Gross Profit	0.00	0.00	0.00	0.00
Expense	0.00	0.00	0.00	0.00
Net Ordinary Income	0.00	0.00	0.00	0.00
<b>Other Income/Expense</b>				
Other Income				
4501 · Chapter Income	550.00	0.00	240.00	3,770.00
4500 · PROGRAM REVENUES	0.00	0.00	0.00	0.00
Total Other Income	550.00	0.00	240.00	3,770.00
Other Expense				
6401 · Chapter Expenses	0.00	0.00	0.00	2,595.84
6400 · PROGRAM EXPENSES	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	2,595.84
Net Other Income	550.00	0.00	240.00	1,174.16
<b>Net Income</b>	<b>550.00</b>	<b>0.00</b>	<b>240.00</b>	<b>1,174.16</b>



# California Society of Municipal Finance Officers

## Check Detail

February 2020

	Type	Num	Date	Name	Account	Paid Amount
	Check	EFT	02/03/2020	Merchant Service	1005 · Bank of America	
					6155 · Merchant Fees/Bank Chgs.	(5,526.99)
TOTAL						(5,526.99)
	Check	EFT	02/18/2020	Account Analysis Fee	1005 · Bank of America	
					6155 · Merchant Fees/Bank Chgs.	(11.12)
TOTAL						(11.12)
	Check	EFT	02/28/2020	Franchise Tax Board	1005 · Bank of America	
					6246 · Prior Year Taxes	(4,150.00)
TOTAL						(4,150.00)
	Bill Pmt -Check 6383		02/03/2020	Orange Photography	1005 · Bank of America	
	Bill		02/03/2020		9599 · Exhibits-Other	(3,223.87)
TOTAL						(3,223.87)
	Check	6384	02/03/2020	Jillian Lopez	1005 · Bank of America	
					9220 · Entertain-Transport-Decor-Favor	(250.00)
TOTAL						(250.00)
	Bill Pmt -Check 6385		02/01/2020	Glow Hot Yoga	1005 · Bank of America	
	Bill		02/10/2020		9750 · Other Event Expenses	(300.00)
TOTAL						(300.00)
	Bill Pmt -Check 6387		02/12/2020	Atipikel	1005 · Bank of America	
	Bill	5394	02/04/2020		9610 · Conference Gifts/Attendees	(6,597.56)
	Bill	5318	02/04/2020		9610 · Conference Gifts/Attendees	(3,614.90)
	Bill	5435	02/04/2020		9610 · Conference Gifts/Attendees	(1,722.21)
TOTAL						(11,934.67)
	Bill Pmt -Check 6388		02/12/2020	Beacon Economics, LLC.	1005 · Bank of America	
	Bill	19685	01/31/2020		9410 · Speakers-Honorarium	(6,000.00)
					9430 · Speaker-Expenses-Transportation	(71.86)
TOTAL						(6,071.86)
	Bill Pmt -Check 6389		02/12/2020	Cvent, Inc.	1005 · Bank of America	
	Bill	4100316285	02/01/2020		9481 · Reg/Attendance Tracking	(17,137.16)

# California Society of Municipal Finance Officers

## Check Detail

February 2020

	Type	Num	Date	Name	Account	Paid Amount
TOTAL						(17,137.16)
	<b>Bill Pmt -Check 6390</b>		<b>02/12/2020</b>	<b>Don Maruska &amp; Company, In 1005</b>	<b>Bank of America</b>	
	Bill	50209 part 2	02/10/2020		9430 · Speaker-Expenses-Transportation	(669.88)
TOTAL						(669.88)
	<b>Bill Pmt -Check 6391</b>		<b>02/12/2020</b>	<b>Golden Gate University</b>	<b>1005 · Bank of America</b>	
	Bill	20200206-00002	02/01/2020		6121 · Committee Support	(40.00)
TOTAL						(40.00)
	<b>Bill Pmt -Check 6392</b>		<b>02/12/2020</b>	<b>Mary Bradley [v]</b>	<b>1005 · Bank of America</b>	
	Bill		02/04/2020		9496 · Pre-Conference-Other	(94.91)
TOTAL						(94.91)
	<b>Bill Pmt -Check 6405</b>		<b>02/11/2020</b>	<b>Neil Kupchin [v]</b>	<b>1005 · Bank of America</b>	
	Bill		12/10/2019		6401.05 · East Bay (SF)	(1,221.96)
TOTAL						(1,221.96)
	<b>Bill Pmt -Check 6406</b>		<b>02/12/2020</b>	<b>Sheri DeLudos &amp; Associates,</b>	<b>1005 · Bank of America</b>	
	Bill		02/01/2020		9478 · General Session - Addl' product	(4,860.00)
TOTAL						(4,860.00)
	<b>Bill Pmt -Check 6407</b>		<b>02/12/2020</b>	<b>Smith Moore and Associates,</b>	<b>1005 · Bank of America</b>	
	Bill	20201046 part 1	12/31/2019		6480 · Intermediate Governmental Acct.	(3,472.24)
					6190 · Web and Technology	(25.00)
					6195 · Web Site Hosting Fee	(21.57)
					6195 · Web Site Hosting Fee	(59.99)
	Bill	20201046 part 2	01/31/2020		6401.17 · Inland Empire	(250.00)
					6401.79 · Current Year Chapter Expense	(250.00)
	Bill	20201060	02/01/2020		6143 · Management Services	(11,733.77)
					2003 · A/P Other- SMA Conference	(3,504.90)
					6195 · Web Site Hosting Fee	(639.93)
					1500 · CSMFO/SMA Database AR	(229.74)
TOTAL						(20,187.14)
	<b>Bill Pmt -Check 6408</b>		<b>02/12/2020</b>	<b>Travelers</b>	<b>1005 · Bank of America</b>	
	Bill		02/01/2020		6230 · Insurance	(1,209.00)
TOTAL						(1,209.00)
	<b>Bill Pmt -Check 6409</b>		<b>02/12/2020</b>	<b>Tricord Management, LLC</b>	<b>1005 · Bank of America</b>	

# California Society of Municipal Finance Officers

## Check Detail

February 2020

Type	Num	Date	Name	Account	Paid Amount
Bill	50577	02/01/2020		9510 · Decorator Booth Fee	(4,198.00)
				6105 · Marketing/Membership	(4,198.00)
				9550 · Sponsor Branded Items	(250.00)
				9510 · Decorator Booth Fee	(11,000.25)
TOTAL					(19,646.25)
<b>Bill Pmt -Check 6410      02/12/2020 William C. Statler {v}      1005 · Bank of America</b>					
Bill	Progress #8	02/01/2020		6970 · One-Time Budgeted Expenses	(4,136.73)
TOTAL					(4,136.73)
<b>Bill Pmt -Check 6411      02/12/2020 Don Maruska &amp; Company, In 1005 · Bank of America</b>					
Bill	50209 part 1	02/12/2020		9410 · Speakers-Honorarium	(3,500.00)
TOTAL					(3,500.00)
<b>Check      6412      02/24/2020 CMTA - V      1005 · Bank of America</b>					
				1070 · Suspense	(190.00)
TOTAL					(190.00)
<b>Check      6413      02/21/2020 City of Scotts Valley      1005 · Bank of America</b>					
Credit Memo	YM200007314	02/19/2020		4540 · Fundamentals of Rates, Fees	(150.00)
TOTAL					(150.00)
<b>Check      6414      02/21/2020 Oakland      1005 · Bank of America</b>					
Credit Memo	YM200006565	02/12/2020		8110 · Govt Memb - Full Conf-Early	(425.00)
TOTAL					(425.00)
<b>Bill Pmt -Check 6415      02/26/2020 Aliso Viejo Banquet Center, I 1005 · Bank of America</b>					
Bill		02/21/2020		6401.16 · Orange County	(1,358.59)
TOTAL					(1,358.59)
<b>Bill Pmt -Check 6416      02/26/2020 Clarity Experiences      1005 · Bank of America</b>					
Bill	2188	02/05/2020		9476 · Audio Visual and Lighting	(86,582.12)
TOTAL					(86,582.12)
<b>Bill Pmt -Check 6417      02/26/2020 Doubletree-Santa Ana      1005 · Bank of America</b>					
Bill	Acct H195	12/31/2019		6420 · Weekend Training	(9,337.02)
				6404 · Education Expenses	(3,673.88)
				6404 · Education Expenses	(2,371.76)

# California Society of Municipal Finance Officers

## Check Detail

February 2020

Type	Num	Date	Name	Account	Paid Amount
				6404 · Education Expenses	(771.33)
TOTAL					(16,153.99)
<b>Bill Pmt -Check 6418</b>		<b>02/26/2020</b>	<b>Gilbert Punsalan {v}</b>	<b>1005 · Bank of America</b>	
Bill		02/21/2020		9320 · Event Food	(188.96)
TOTAL					(188.96)
<b>Bill Pmt -Check 6419</b>		<b>02/26/2020</b>	<b>Joan Michaels Aguilar [v]</b>	<b>1005 · Bank of America</b>	
Bill		02/21/2020		6110 · President's Expense	(822.87)
TOTAL					(822.87)
<b>Bill Pmt -Check 6420</b>		<b>02/26/2020</b>	<b>Orangewood Foundation</b>	<b>1005 · Bank of America</b>	
Bill		02/12/2020		4503 · Contributions and Donations	(100.00)
				4503 · Contributions and Donations	(200.00)
TOTAL					(300.00)
<b>Bill Pmt -Check 6421</b>		<b>02/26/2020</b>	<b>Pacific Storage Company</b>	<b>1005 · Bank of America</b>	
Bill	4187886	02/21/2020		6106 · Storage Expense	(218.07)
TOTAL					(218.07)
<b>Bill Pmt -Check 6422</b>		<b>02/26/2020</b>	<b>Rogers, Anderson,Malody &amp; :</b>	<b>1005 · Bank of America</b>	
Bill		02/21/2020		9732 · Golf Tournament Expenses	(560.45)
TOTAL					(560.45)
<b>Bill Pmt -Check 6423</b>		<b>02/26/2020</b>	<b>Sierra Office Supply &amp; Printin</b>	<b>1005 · Bank of America</b>	
Bill	3532089-0	01/22/2020		9815 · Printing/Copy/Conference Media	(2,307.22)
				9875 · Signage	(3,331.49)
Bill	3527247-0	01/22/2020		9890 · Conference Committee Expenses	(1,175.06)
Bill	3525185-0	01/22/2020		9895 · Staff Exp Inc. Lodging & Travel	(1,048.99)
TOTAL					(7,862.76)
<b>Bill Pmt -Check 6424</b>		<b>02/26/2020</b>	<b>Smart Source of CA, LLC</b>	<b>1005 · Bank of America</b>	
Bill	1506952	01/20/2020		9610 · Conference Gifts/Attendees	(4,521.10)
TOTAL					(4,521.10)
<b>Bill Pmt -Check 6425</b>		<b>02/26/2020</b>	<b>Smith Moore and Associates,</b>	<b>1005 · Bank of America</b>	
Bill	20201073	02/07/2020		9895 · Staff Exp Inc. Lodging & Travel	(21.58)
				9895 · Staff Exp Inc. Lodging & Travel	(26.45)
				9895 · Staff Exp Inc. Lodging & Travel	(26.78)

# California Society of Municipal Finance Officers

## Check Detail

February 2020

Type	Num	Date	Name	Account	Paid Amount
Bill	20201079	02/11/2020		9895 · Staff Exp Inc. Lodging & Travel	(33.87)
				9250 · Pres Dinner-Out of State Guest	(683.47)
				9250 · Pres Dinner-Out of State Guest	(29.71)
				9250 · Pres Dinner-Out of State Guest	(3,545.80)
				9895 · Staff Exp Inc. Lodging & Travel	(15.76)
				9895 · Staff Exp Inc. Lodging & Travel	(18.75)
				9895 · Staff Exp Inc. Lodging & Travel	(18.23)
				9895 · Staff Exp Inc. Lodging & Travel	(13.29)
				9895 · Staff Exp Inc. Lodging & Travel	(13.14)
				9895 · Staff Exp Inc. Lodging & Travel	(12.37)
				9895 · Staff Exp Inc. Lodging & Travel	(254.98)
				6401.19 · San Diego County	(737.25)
				6192 · Web site	(59.99)
				9895 · Staff Exp Inc. Lodging & Travel	(549.96)
				9831 · Supplies-Badges-Ribbons-Etc	(643.32)
				6190 · Web and Technology	(840.00)
				9895 · Staff Exp Inc. Lodging & Travel	(9.69)
				9895 · Staff Exp Inc. Lodging & Travel	(16.16)
				6185 · Telephone/Bridge Calls	(55.22)
				6175 · Postage	(23.35)
				6166 · Printing, copying, and admin	(225.44)
				9895 · Staff Exp Inc. Lodging & Travel	(31.62)
				9895 · Staff Exp Inc. Lodging & Travel	(338.96)
				9895 · Staff Exp Inc. Lodging & Travel	(29.89)
				9895 · Staff Exp Inc. Lodging & Travel	(21.61)
				9895 · Staff Exp Inc. Lodging & Travel	(21.70)
				9895 · Staff Exp Inc. Lodging & Travel	(6.47)
				9895 · Staff Exp Inc. Lodging & Travel	(28.50)
				9895 · Staff Exp Inc. Lodging & Travel	(13.34)
				9895 · Staff Exp Inc. Lodging & Travel	(31.00)
				9895 · Staff Exp Inc. Lodging & Travel	(12.00)
				9831 · Supplies-Badges-Ribbons-Etc	(22.88)
				9840 · Postage & Shipping	(11.60)
				9895 · Staff Exp Inc. Lodging & Travel	(338.96)
				9895 · Staff Exp Inc. Lodging & Travel	(23.74)
				9895 · Staff Exp Inc. Lodging & Travel	(31.63)
				9895 · Staff Exp Inc. Lodging & Travel	(12.00)
				9895 · Staff Exp Inc. Lodging & Travel	(10.00)
				9895 · Staff Exp Inc. Lodging & Travel	(6.00)
				9895 · Staff Exp Inc. Lodging & Travel	(9.30)
				9895 · Staff Exp Inc. Lodging & Travel	(28.45)
				9895 · Staff Exp Inc. Lodging & Travel	(13.45)
				9895 · Staff Exp Inc. Lodging & Travel	(27.27)
				9895 · Staff Exp Inc. Lodging & Travel	(15.83)
				9732 · Golf Tournament Expenses	(6,973.96)
TOTAL					(15,934.72)

# California Society of Municipal Finance Officers

## Check Detail

February 2020

	Type	Num	Date	Name	Account	Paid Amount
	Bill	M2480	02/21/2020		9485 · Convention/Hotel Other Costs	(4,560.00)
TOTAL						(4,560.00)
	<b>Bill Pmt -Check 6428</b>		<b>02/26/2020</b>	<b>Smith Moore and Associates, 1005 · Bank of America</b>		
	Bill	20201083	02/21/2020		9890 · Conference Committee Expenses	(13,800.00)
TOTAL						(13,800.00)

March 5, 2020

Sandeep Singh  
Manager, Local Government Policy Section  
Office of California State Controller  
3301 C Street, Suite 700  
Sacramento, CA 95816

Via Email

Dear Sandeep-

On behalf of the California Society of Municipal Finance Officers (CSMFO), it is without reservation that I recommend **Javier Chagoyen-Lazaro** for appointment as a special district representative to the Special District Policy and Interpretation (SPD P&I) Committee.

Javier is the Manager of Finance and Accounting for the Inland Empire Utilities Agency (IEUA). I have been personally acquainted with Javier for several years and I am very familiar with his special district as well, as IEUA is headquartered in the same community as my special district. IEUA is a regional wastewater treatment agency and wholesale distributor of imported water. The Agency is responsible for serving approximately 875,000 people over 242 square miles in western San Bernardino County.

Javier is an active CSMFO member in good standing and I am confident that as a senior leader in the finance department at IEUA, he is uniquely qualified to serve on the SPD P&I Committee for the benefit of California local government.

Attached is Javier's biography. His contact information is indicated in his bio. Should you require any additional information from me, please do not hesitate to reach out. I may be reached at (909) 315-8803, or [sheide@chofire.org](mailto:sheide@chofire.org).

Respectfully,



Steve Heide  
CSMFO 2020 President

Finance Director  
Chino Valley Fire District

Cc: Javier Chagoyen-Lazaro  
Jason Narayan, State Controller's Office

Javier Chagoyen-Lazaro  
Manager of Finance and Accounting  
Inland Empire Utilities Agency (IEUA)  
6075 Kimball Avenue  
Chino, CA 91708  
Telephone: 909.993.1675  
[jchagoyen@ieua.org](mailto:jchagoyen@ieua.org)

Javier originally joined IEUA in 2005 as a Financial Analyst, and after a period in the private sector leading a treasury team, re-joined the Agency in 2012 as Manager of Accounting, assuming later responsibilities in the Finance area. Javier has oversight on accounting, payroll, budget preparation, monitoring and reporting, rates and fees setting, debt and investment management, and treasury.

Javier was a functional lead in the Agency's ERP implementation in 2007 and assumed the responsibility of the Agency's payroll system upgrade in 2013. Javier ensure that the Agency's financial reports follow all GASB pronouncements, is always keen to ensure staff receives proper training to adhere to GASB guidelines and had an active role in the Agency's implementation of GASB 68 and 75.

Javier started his career in the metropolitan water district of Seville, Spain, (EMASESA), assuming responsibilities in budgeting, rate settings, treasury, debt management, structured finance and internal controls, leading cross functional teams for the Y2K transition and the conversion of financial systems from the local currency to euros, was a member of the compensation committee, and the pension outsourcing committee.

Javier is an active member of CSMFO in the Inland Empire Chapter and volunteer as budget reviewer for the Recognition Committee.

Javier has B.S. in Economics from University of Seville (Spain), postgraduate in Public Administration from Instituto Universitario Ortega y Gasset (Madrid, Spain) and M.B.A by Instituto Internacional San Telmo (Sevilla, Spain).





## CSMFO BOARD REPORT

---

DATE: March 26, 2020

FROM: Rich Lee, Boardmember

SUBJECT: Michael Coleman Agreement

### **Background:**

Michael Coleman has served as the Principal Fiscal Policy Advisor to CSMFO for over twenty years. The current agreement with Michael Coleman is set to expire on December 31, 2020, the scope of which primarily provides for presentations/training sessions at the annual conference, weekend training, and webinars; and local chapter meeting presentations (18 over the two-year term).

In order to accommodate the high demand for services, the allotment of chapter meetings was increased to 18 over the two-year term. The retainer amount was increased by 5% per year, which is consistent with previous contract increases. Expense reimbursement has been increased from \$5,000 to \$5,500 to account for the additional chapter meetings. The scope of services and fee schedule removed Revenue Fundamentals, which is accounted for in a separate agreement between CSMFO and Michael Coleman.

The Administration Committee reviewed the terms reflected in the proposed agreement, attached for reference, at its meeting on March 5, 2020, and recommended that it be presented to the Board for consideration.

### **Recommendation:**

That the Board approve the agreement with Michael Coleman and authorize the Executive Director to execute the agreement on behalf of CSMFO.

## AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by and between the California Society of Municipal Finance Officers ("CSMFO"), a nonprofit corporation located in Sacramento, California, and Michael Coleman, ("Consultant"), an individual located in Davis, California doing business as "Coleman Advisory Services" and "CaliforniaCityFinance.com."

### RECITALS

- A. Consultant is specially trained, experienced and competent to perform the special services that will be required by this Agreement; and
- B. Consultant possesses the skill, experience, ability, background, certification, and knowledge to provide services according to the terms and conditions described in this Agreement; and
- C. CSMFO desires to retain Consultant to provide professional consulting on local government fiscal services as set forth in this Agreement.

### AGREEMENT

CSMFO and Consultant agree that Consultant will provide consulting services to CSMFO, subject to the following terms and conditions:

1. **Services.** Consultant will provide to CSMFO services at the time, place and in the manner as described in Exhibit A.
2. **Performance of Services.** Except as otherwise provided in this Agreement, the manner in which the Services are to be performed and the specific hours to be worked by Consultant shall be determined by Consultant. CSMFO will rely on Consultant to work as many hours as may be reasonably necessary to fulfill Consultant's obligations under this Agreement.
3. **Consultant's means.** Except as otherwise provided in this Agreement, Consultant will, at its sole cost and expense, furnish all facilities and equipment that may be required to furnish services under this Agreement.
4. **Payment, reimbursement and compensation.** CSMFO will pay Consultant for services performed under this Agreement at the time and in the manner set forth in Exhibit B.
5. **Relationship of Parties.** The Consultant is an independent contractor with respect to CSMFO, and not an employee of CSMFO. CSMFO will not provide fringe benefits, including health insurance benefits, paid vacation, or any other employee benefit, for the benefit of Consultant. Consultant is exempt from backup withholding.
6. **Insurance.** Consultant acknowledges Consultant's obligation to obtain appropriate insurance coverage for the benefit of Consultant. Consultant waives any rights to recovery from CSMFO for any injuries that Consultant (and/or Consultant's employees) may sustain while performing services under this Agreement and that are a result of the negligence of Consultant.
7. **Indemnification.**

- a. Consultant agrees to indemnify and hold harmless CSMFO from all claims, losses, expenses, fees including attorney fees, costs, and judgments that may be asserted against CSMFO that result from the acts or omissions of Consultant.
  - b. CSMFO agrees to indemnify and hold harmless Consultant from all claims, losses, expenses, fees including attorney fees, costs, and judgments that may be asserted against Consultant that result from the acts or omissions of CSMFO, CSMFO's employees, if any, and CSMFO's agents.
8. **Licenses, Permits, Etc.** Consultant warrants to CSMFO that it has and will maintain through the duration of this Agreement all licenses, qualifications, permits and approvals that are legally required for Consultant to be engaged in Consultant's line of work or profession.
9. **Workers Compensation Exemption.** Consultant has no employees for the purposes of this Agreement, and Consultant agrees to sign the "Certificate of Exemption from Workers Compensation Insurance." (Exhibit C)
10. **Assignment.** Consultant's obligations under this Agreement may not be assigned or transferred to any other person, firm, or corporation without the prior written consent of CSMFO.
11. **Termination.** This Agreement may be terminated by either party without cause upon thirty days written notice. Upon termination, Consultant will be entitled to compensation for services performed up to the effective date of termination, provided that Consultant presents an invoice describing all work completed and expenses incurred and turns over all work product and records associated with this Agreement to CSMFO.
12. **Governing Law.** California law will govern this Agreement and all related matters.
13. **Amendments.** This Agreement may only be amended or modified by a written agreement signed by CSMFO and Consultant.
14. **Mediation.** Should any dispute arise out of this Agreement, the parties will meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither party will be permitted to file a legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, will be shared equally by the parties. If a mediated settlement is reached, neither party will be deemed the prevailing party for purposes of the settlement and each party will bear its own legal costs.
15. **No-Waiver.** The waiver of any breach or default of a specific provision of this Agreement does not constitute a waiver of a subsequent breach of the same or any other provision under this Agreement.
16. **Validity.** The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provision of this Agreement.
17. **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between CSMFO and Consultant survive the termination of this Agreement.
18. **Exhibits.** Exhibits A, B, and C are attached to this Agreement and are by this reference incorporated.

**19. Entire Agreement.** This Agreement represents the parties' final mutual understanding. It replaces and supersedes all prior agreements, communications and understandings, whether written or oral.

**20. Effective Date.** The effective date of this agreement is January 1, 2021.

**21. Duration.** This Agreement will terminate on December 31, 2022, unless extended by written mutual agreement between the parties.

**22. Contract Administration.** This Agreement will be administered by the CSMFO Executive Director on behalf of CSMFO. All correspondence will be directed to or through the CSMFO Executive Director or his or her designee.

**23. Notices.** Any written notice will be sent to the following addresses:

CONSULTANT:  
Michael Coleman  
CaliforniaCityFinance.com  
2217 Isle Royale Lane  
Davis, CA 95616-6616  
TEL/FAX: 530-758-3952  
MOBILE/TEXT: 530-219-3691  
EMAIL: coleman@muniwest.com  
SSN: 554-31-0735

CSMFO:  
Executive Director  
California Society of Municipal Finance Officers  
1215 K Street Suite 2290  
Sacramento, CA 95814

EXECUTED:

CONSULTANT  
By:  
Michael Coleman

CALIFORNIA SOCIETY OF MUNICIPAL FINANCE  
OFFICERS  
By:  
Melissa Manchester

## EXHIBIT A SCOPE OF SERVICES

I. Scope of Consultant Services. Consultant agrees to perform the following services for CSMFO annually:

- A. Research, prepare and provide up to twelve (12) session hours for training and educational presentations at CSMFO events as follows, as requested:
  - 1. CSMFO Annual Conference
  - 2. CSMFO Weekend Training
  - 3. Webinars
- B. Research, prepare and provide up to eighteen (18) CSMFO Chapter meeting presentations or training events over the course of this two year agreement of one to four (1 to 4) hours each per event day.
- C. Publish handout versions of CSMFO presentations on CaliforniaCityFinance.com and on the CSMFO website.
- D. Attend and provide ad hoc professional advice and support to attendees at the CSMFO Annual Conference, CSMFO Weekend Training, and (as requested) meetings of the CSMFO Board.
- E. Respond to CSMFO listserv inquiries related to state budget, fiscal legislation, and revenue and taxation law, practice, and history. Provide updates on critical legislation and events of concern to CSMFO members.

II. Scope of CSMFO Obligations to Consultant. CSMFO is responsible for the following:

- A. Providing direction and suggestions within the scope of this agreement and consistent with CSMFO's overall strategic objectives in the local government finance arena.
- B. Making CSMFO staff available for consultation on all projects.
- C. Extending complimentary full event registration to Consultant at CSMFO programs and meetings relevant to Consultant's responsibilities to CSMFO.
- D. Providing complimentary lodging at prevailing CSMFO rates at CSMFO conferences and meetings for the full duration of the event including related preconference or pre-meeting events.
- E. Providing complimentary commercial membership in CSMFO.
- F. Providing email address, username, and password information to Consultant to facilitate consultant's access to CSMFO websites and internet communication systems. Periodically update content for relevancy.
- G. Perform annual review of Consultant's performance as described herein.

## EXHIBIT B PAYMENTS, REIMBURSEMENTS AND COMPENSATION

CSMFO will pay Consultant according to the following provisions:

1. **Quarterly Retainer.** CSMFO will pay Consultant will be paid for work on a flat fee, quarterly retainer basis as follows:

Year	Quarterly Retainer	Annual Retainer Total
2021	\$4,635	\$18,540
2022	\$4,867	\$19,468

2. **Chapter Meeting presentations,** training, workshops of 1 to 6 hours in a day. Up to eighteen (18) event days during the course of this contract. CSMFO will pay Consultant:

Year	CSMFO Chapter fee per event	Chapter event at Annual Conference
2021	\$600	\$ 0
2022	\$600	\$0

3. **Board Meeting in-person attendance** at the discretion of the Board President which may or may not include presentation, training or workshop of up to 6 hours.

- a. CSMFO will pay consultant:

- i. \$900 per day for an event at a site over 60 miles from Consultant's office,
    - ii. \$600 per half-day for an event at a site within 60 miles from Consultant's office.

- b. CSMFO will reimburse expenses according to the section 2.

4. **Reimbursement of Expenses.** Total reimbursable expenses under this Agreement will not exceed \$5,500 per year. CSMFO will reimburse expenses according to the schedule below.
  - a. Ground transportation. Automobile rental or mileage at the current Standard Business Mileage Rate established by Internal Revenue Service, plus tolls, parking, taxi, shuttle services, transit, ferry, and bus fares and related gratuities.
  - b. Airline. Coach airline fares. Whenever possible, airline tickets will be purchased at least 14 days in advance.
  - c. Meals at conferences or meetings except when meals are otherwise available as a part of the event. Up to \$25 for breakfast, \$30 for lunch and \$60 for dinner.
  - d. Lodging. Other than lodging paid by CSMFO at CSMFO conferences and meetings, up to \$325 per night when the work requires overnight stays at sites over 60 miles from Consultant's primary office or residence, whichever is closer.
  - e. Conference or other event registration fees.
  - f. Presentation polling subscription. Up to \$600 per year for subscription to presentation polling software (such as "Poll Everywhere") for use at CSMFO presentations.

5. **Invoices.** Consultant will submit quarterly invoices to CSMFO. Invoices will contain the following information:

- a. The beginning and ending dates of the billing period.

- b. **Itemized Work Description.** A detailed itemization of all charges, including: (i) the work performed during the billing period, referring to tasks and deliverables identified in Exhibit A; and (ii) the hours spent.
  - c. **Reimbursable Expenses.** An itemized list of reimbursable expenses will be submitted quarterly. CSMFO will notify Consultant in writing of any expenses it disputes within ten (10) days of CSMFO's receipt and will resolve any disputes promptly.
- 6. **Quarterly Payments.** CSMFO will compensate Consultant based upon invoices for services satisfactorily performed and, if appropriate, for authorized, reimbursable costs incurred. CSMFO will pay all undisputed invoices and reimbursement lists presented by Consultant within ten (10) days of the receipt of such invoices.
- 7. **Total Compensation.** The total sum stated above in Sections 1 through 4 of this Exhibit will be the total that CSMFO will pay for the services to be rendered annually by Consultant under this Agreement.

## EXHIBIT C CERTIFICATE OF EXEMPTION FROM WORKERS COMPENSATION INSURANCE

I hereby certify that in the performance of the work for which this Agreement is entered into, I shall not employ any person in any manner so as to become subject to the Workers Compensation Laws of the State of California.

Executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

---

Michael Coleman

CaliforniaCityFinance.com / Coleman Advisory Services





CSMFO Executive Committee  
Agenda  
April 8, 2020

- Past President Transition
- CSMFO Response to COVID-19
  - May events
  - Webinars
  - Website
  - Knowledge Base
  - Point Person??
- Executive Committee Emergency Authority
- Chapter Chairs Engagement
- Membership Renewal Update

April Board Agenda Items

- CSMFO recommendation for appointment to SCO SPD P&I Committee
- CSMFO Financial Commitments through March 2021 (re COVID-19 closures)
  - CSMFO/GFOA Reception
  - Planning Session
  - 2021 Conference (convention center plus three hotel contracts)
- Michael Coleman Renewal Contract
- Potential Collaboration with GFOA on Certification Program
- Mid-Year Budget Review
- GFOA Ethics Policy Clarification
- Membership Renewals
- 2020 Conference Recap
- Executive Committee Emergency Authority
- Moratorium on In-Person Meetings



## **CSMFO BOARD REPORT**

---

Date: April 16, 2020

FROM: Steve Heide, President

SUBJECT: Moratorium on In-Person Meetings

### **DISCUSSION**

On March 11, the CSMFO Board met in closed session to consider a moratorium on in-person CSMFO meetings and trainings. For public health concerns associated with the COVID-19 pandemic, the Board voted unanimously to impose a moratorium on in-person meetings and trainings through April 30, 2020.

For planning purposes, chapter chairs, the Career Development Committee, and others involved in upcoming CSMFO meetings and trainings need direction regarding in-person events planned for the coming months.

### **RECOMMENDATION**

It is recommended that the CSMFO Board of Directors consider a possible extension of the moratorium on in-person meetings and trainings.

# California Society of Municipal Financial Officers Conference Survey 2020

## Presentation

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March 20, 2020



Opinion Research on  
Elections and Public Policy

**Probolsky Research**  
3990 Westerly Place Suite 185  
Newport Beach CA 92660

Newport Beach (949) 855-6400  
San Francisco (415) 870-8150  
Washington DC (202) 559-0270

# California Society of Municipal Financial Officers - Conference Survey 2020

## Survey Methodology\*

From February 11, 2020 to March 3, 2020, Probolsky Research conducted an online survey among CSMFO Conference 2019 attendees.

Respondents were asked to complete the survey via direct link sent out by CSMFO staff members.

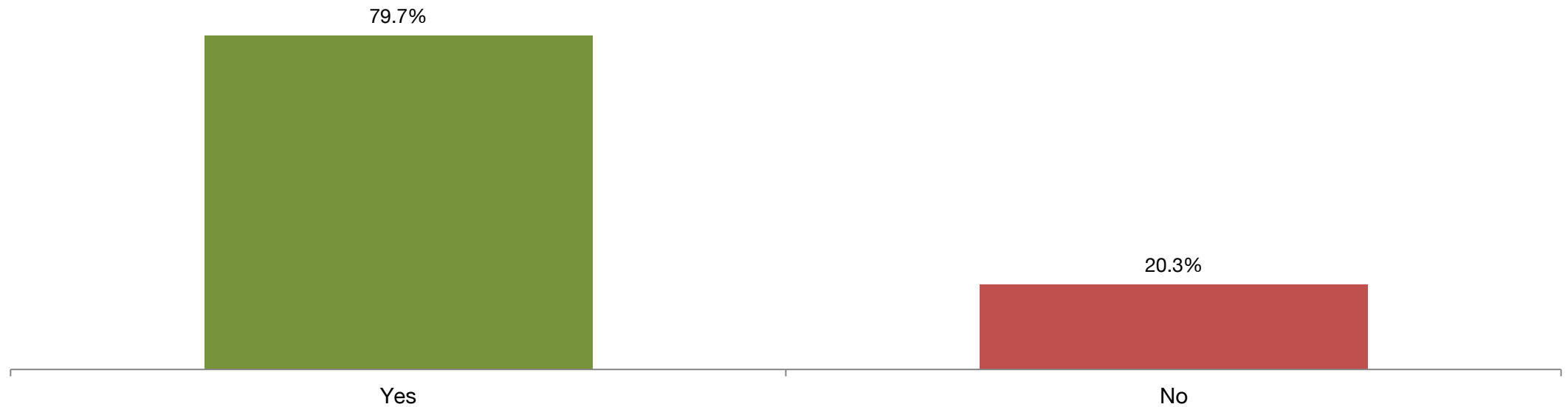
*Probolsky Research specializes in opinion research on behalf of corporate, election, non-profit, and special interest clients.*



*\*Due to rounding, totals shown on charts may not add up to 100%.*

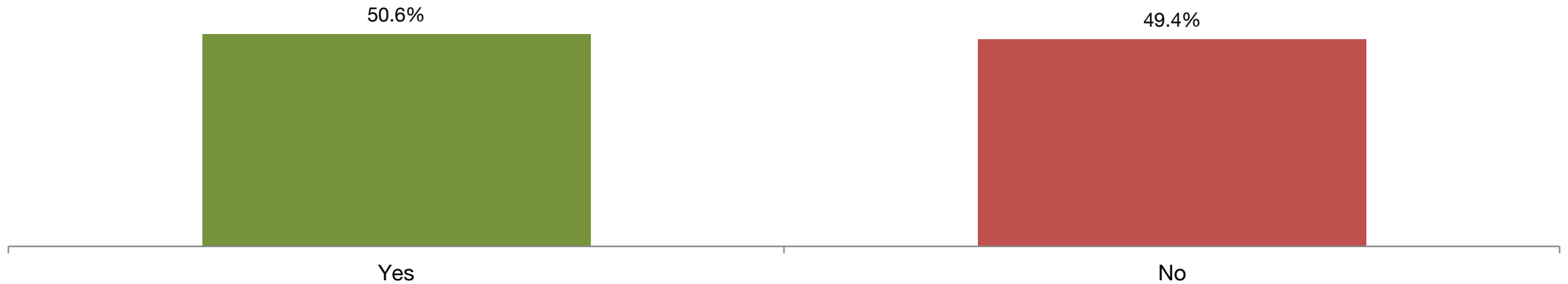
# 80% of attendees stayed at one of the advertised conference hotels

Question 1: Did you stay at one of the advertised conference hotels?



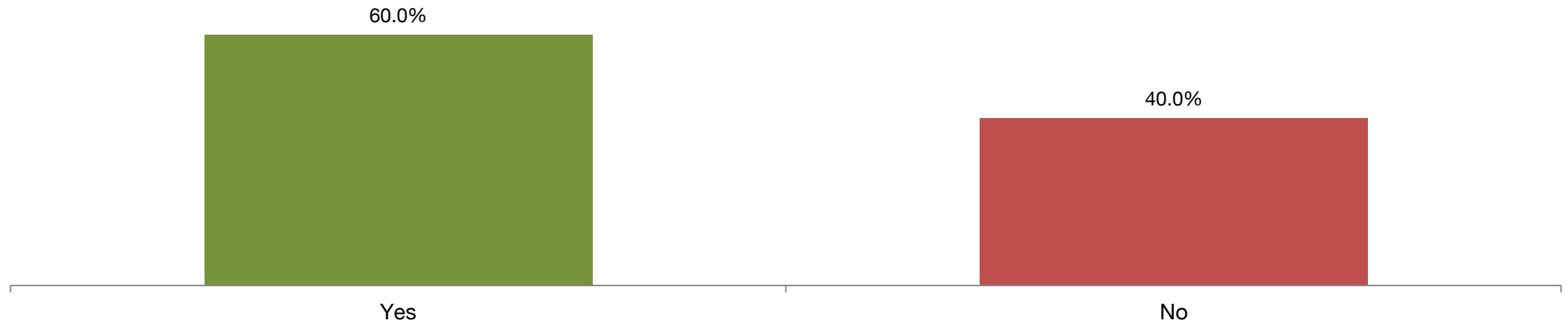
# 51% of attendees made a room reservation prior to conference registration

Question 2: Did you make your room reservation prior to making your conference registration?



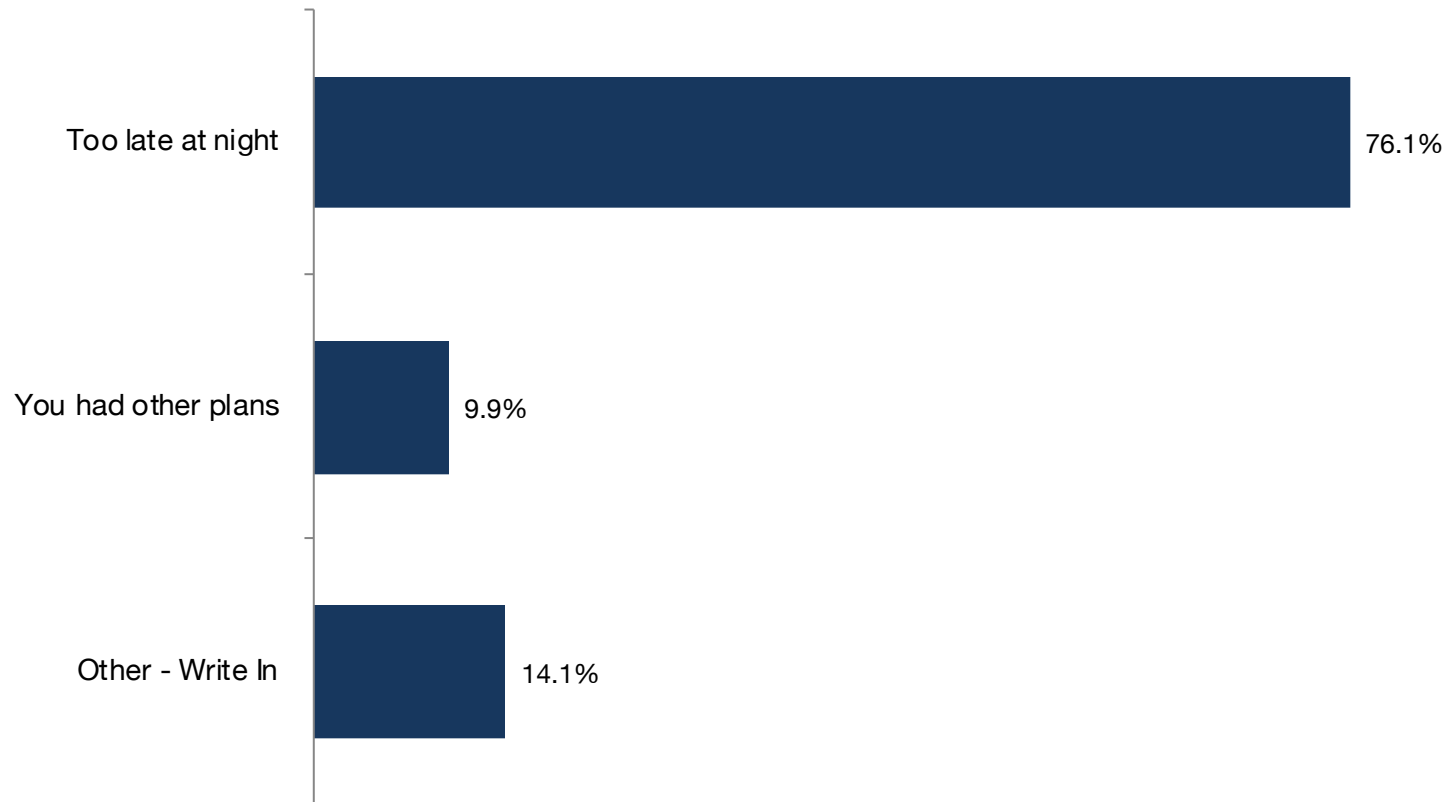
# 60% of attendees were at the Wednesday night in Cars Land event

Question 3: Did you attend the Wednesday night in Cars Land event at the convention center?



# 76% did not attend the Cars Land event because it was too late at night

Question 4: Why did you not attend the event?



See "Other – Write In" on slide 7



# Verbatims for Question 4

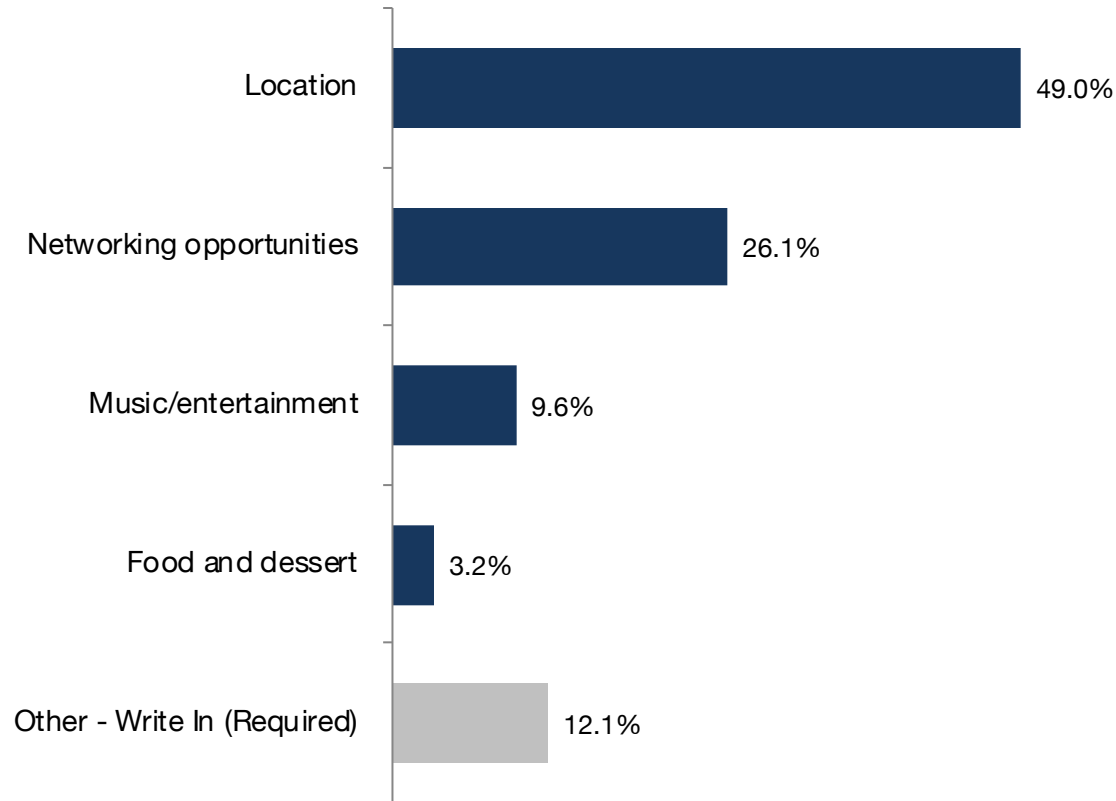
Question 4: Why did you not attend the event?

[Among those who chose “other – write in”]

- I gave my ticket to our AGM's wife. Seemed like the right thing to do.
- only there for Wednesday sessions
- work tomorrow
- Children were not allowed
- Commuting - event was late in the evening
- Only attended Thursday sessions
- Family was not invited
- Attended only one conference day
- Unfortunately I was ill
- It was a late time and I was not able to stay at the Disney Hotel due to overbooking for the event.

# 49% of attendees liked the location of the event

Question 5: What did you like about the event?



See "Other – Write In" responses on slide 9

# Verbatims

Question 5: What did you like about the event?  
[Among those who chose “other – write in”]

- All of the above!
- its on the middle of the week
- speakers
- All of the above
- Diversity of Session Topics
- Best municipal finance training and information available
- Rides
- sessions and speakers
- It was a great event again. Glad you were able to set that up.
- I enjoyed the speakers and the opportunity to see my network with my colleagues.

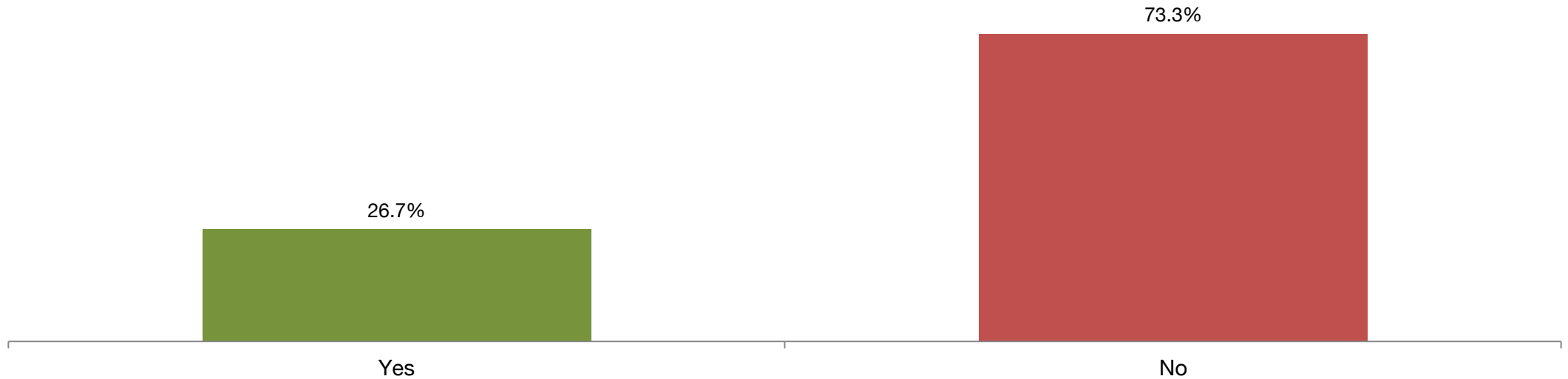
# What people did not like about the conference

Question 6: What did you not like about the event?

- The food was very limited. The experiences were very limited when compared with the prior private event in Adventure Land.
- keynote speakers and luncheons too long
- Lack of sessions for our industry-transit
- Main event too late on on Wednesday instead of Thursday.
- Rooms were initially hard to find.
- It started too late at night. I almost did not go because it started so late. It needs to start earlier. I also prefer the event on Thursday night. The dessert was very disappointing. Dessert lines were way too long and the choices were not good. We should have had some self-service options like a freezer of ice cream bars and cookies out on a table. It was way easier to get a cocktail than a churro or a bag of popcorn.
- The food situation was not as good as any of the previous conference after parties, Disneyland or not. Waiting in line for 30+ minutes for a churro was not fun. They were piled up for the taking at the 2016 after party in Disneyland.
- I thought for the cost that the desserts were not up to Disney par.
- Very late at night. I understand why, but it definitely affected attendance.
- The conference was so popular that many people attended. It felt like CSMFO did not anticipate so many people.
- presentation slides were not available online or paper before or on the event.

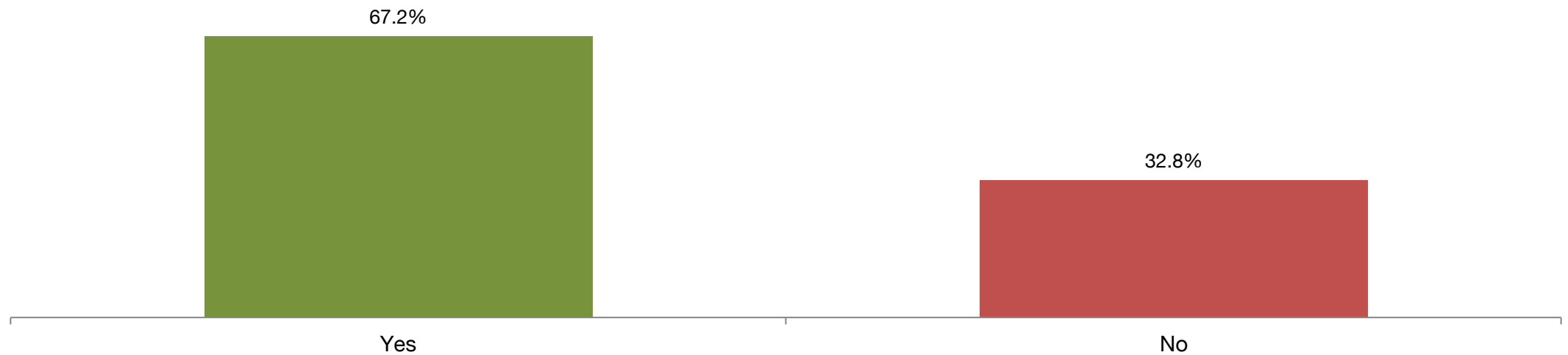
# For 27% of attendees this was their first conference

Question 7: Is this the first CSMFO Conference you have attended?



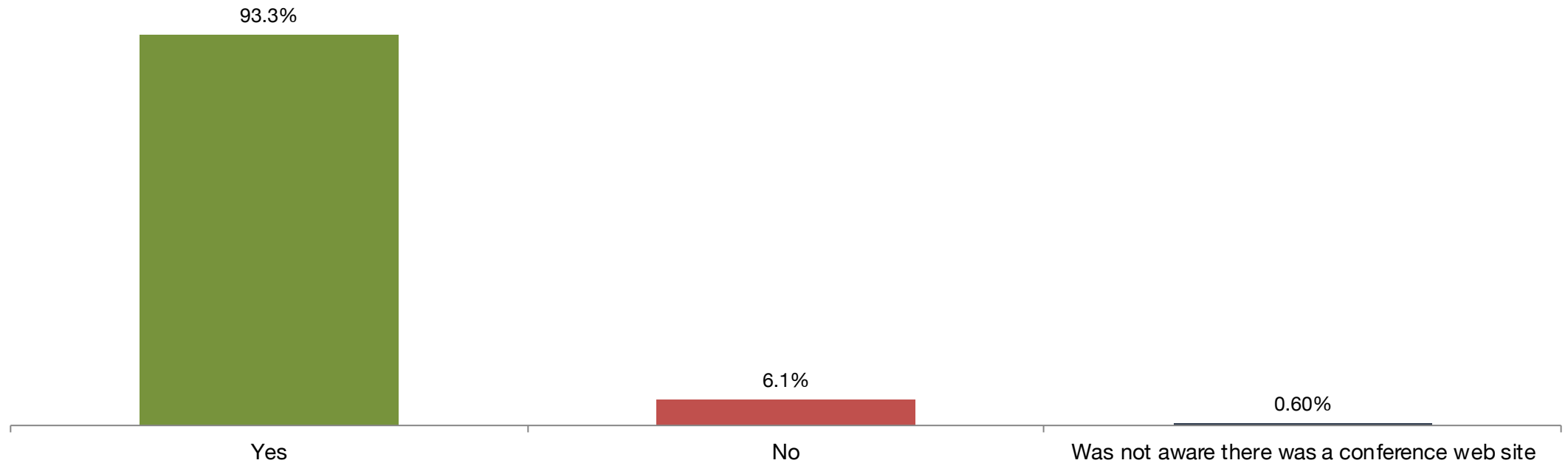
# 67% of attendees had to get permission from Senior Management to attend the conference

Question 8: Did you need to get permission from Senior Management to attend this conference?



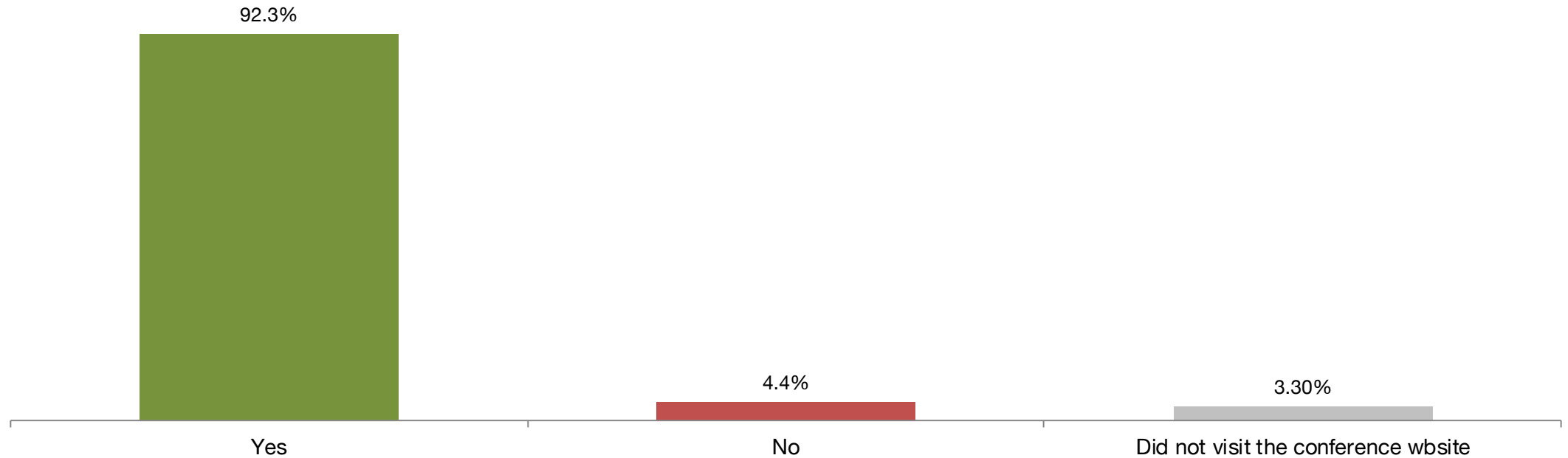
# 93% of attendees used the CSMFO Conference web page for conference planning

Question 9: Did you use the CSMFO Conference web page for your conference planning?



# 92% of attendees found the site easy to navigate

Question 10: Did you find the site easy to navigate?





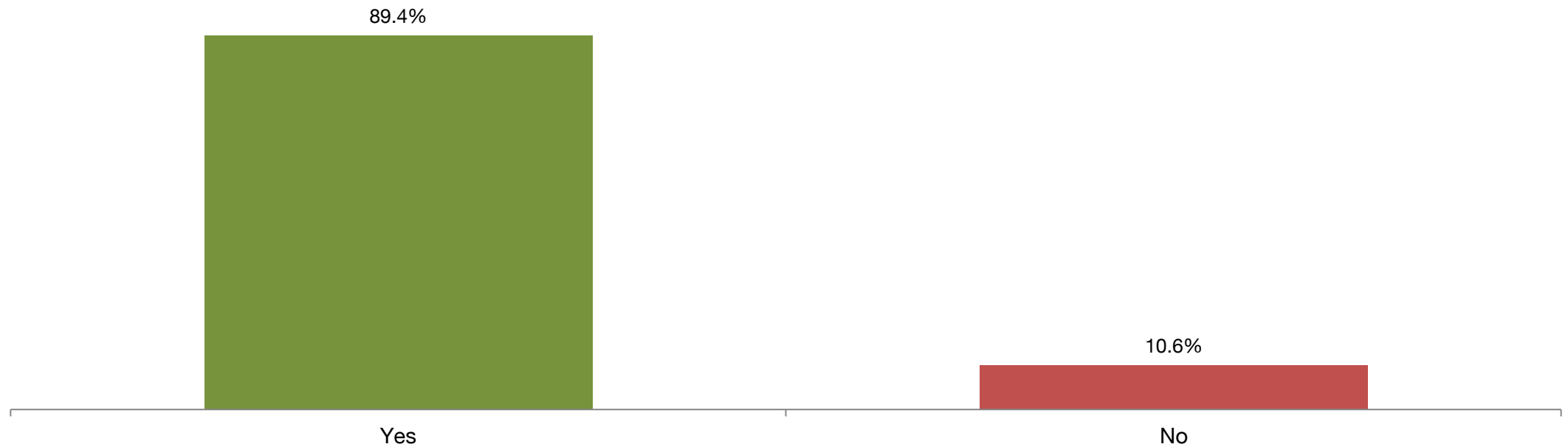
# Comments on improvements that can be made

Question 11: What improvements can we make to the conference web site that would make it more useful?

- Have vendor host more intimate networking dinners
- Some of the sessions were conflicted with others. Hope they the important ones have different schedule.
- None noted
- Please add a brochure that can be printed out to present to the Board or Senior Management to promote the conference. It doesn't have to be incredibly detailed.
- Make sure that all presentations are available from within the app.
- Agenda schedule added 7 days before conference.
- Put the conference session materials on the website.
- Trying to reserve the rooms was a little confusing and took a while to understand how to reserve a room.
- I had trouble on saving the class schedules in a PDF format. It kept showing "unable to save"
- The website works well.
- 'm sure you've heard the first day registration process did not work very well. Huge bottle neck causing to miss first session. Assign more staff or should have advised attendees in line to go to session first for CPE and register later. Can't we register electronically in advance with pdf badges, event tickets, etc. like an an airline?
- Make the power point presentations available beforehand online so that we could print them out before attending the class.
- Purchase Wednesday night tickets separately from agency-paid registration.
- The conference website was great
- The sessions materials were not easy to find online / through the app.
- it's great as is
- It would be great if you could have the conference session information available earlier.
- Confusing to find presentations to download.
- While I did appreciate the story book descriptions of the classes offered, it would be nice to have a friendly printable version too, to plan classes.
- have class material posted on line before and after class
- Not sure
- Check-in line was ridiculously long
- Did not have enough food during breaks . Lines too long. Bar line too long . Very disappointed Did not get enough clients inside vendors room. The flow of the room was very odd .
- Provide a one page justification form or statement to use when requesting travel and training budget. How many sessions, what topics are covered, up to how much CPE credits are available, what vendors are registered, key note topics, networking opportunities, how many people have attended in the past.
- Earlier availability of session schedule and quick access link to them.
- please make parking information clearly available -- with rate. Our secretary needed to call and inform us prior to the conference.
- The web site was good.
- It would be helpful to have popular sessions be scheduled at least 2 times during the conference to give everyone opportunity to learn.
- Make the program more printer-friendly
- Maybe a summary of key facts about the administration of the conference, such as a brief explanation of how attendance was tallied for CPE purposes etc would help. Maybe you had one but I didn't readily find it.
- I don't remember seeing a map of the facility on the website which would have been helpful to know exactly where to go.

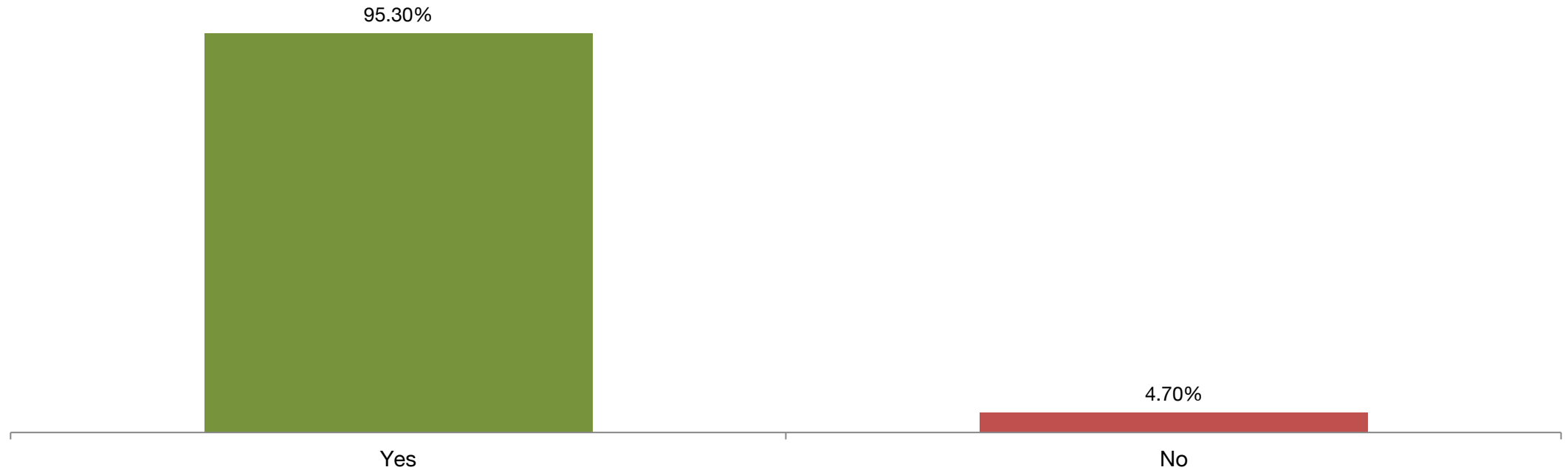
# 89% of attendees used the Guidebook Mobile App

Question 12: Did you use the Guidebook Mobile Application?



# 95% found the Guidebook Mobile application efficient

Question 13: Was the overall use of the Guidebook Mobile application efficient?



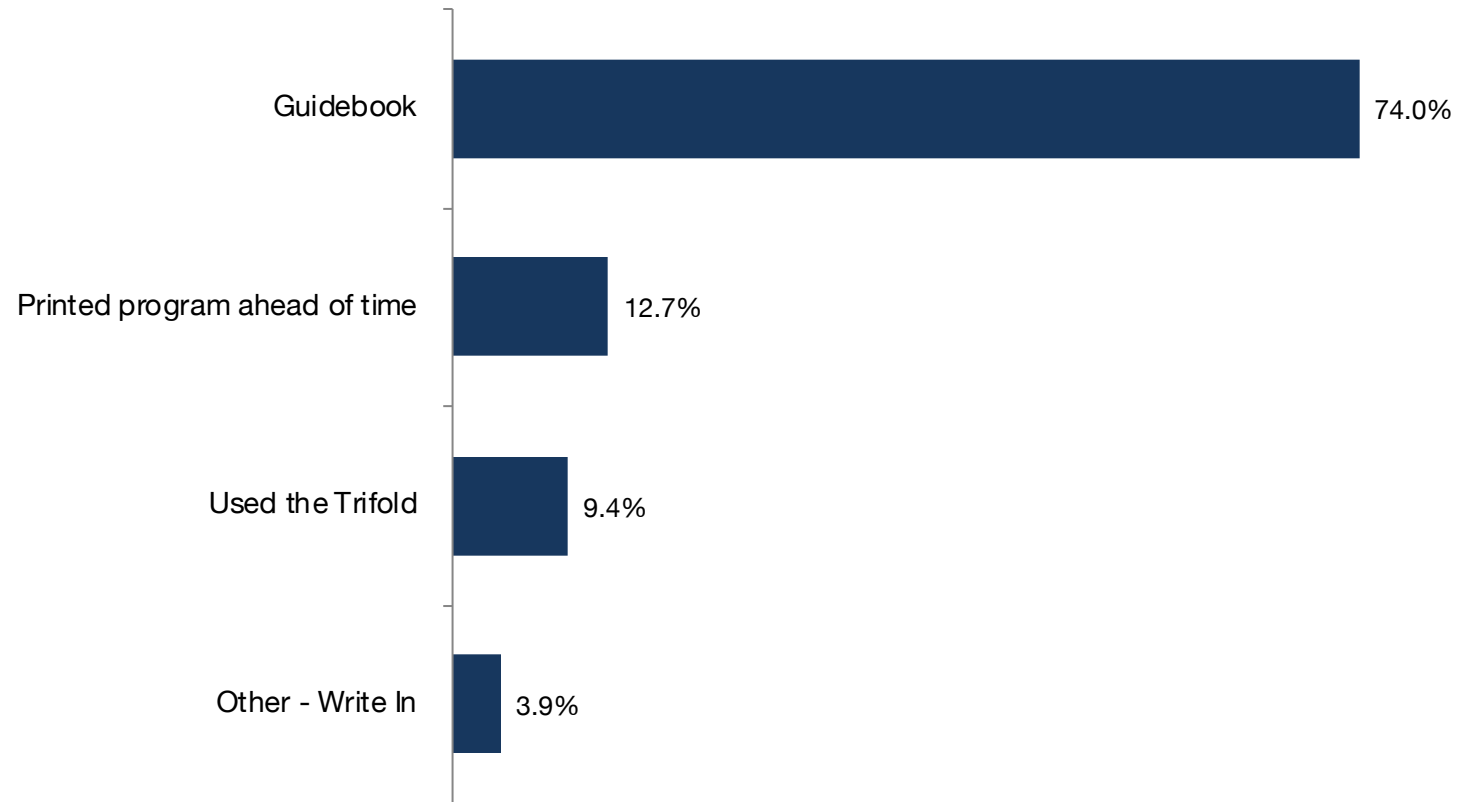
# Comments on why the Guidebook app was not efficient

Question 14: Why was the Guidebook app not efficient?

- I DID NOT USE IT.
- In order to save presentations, I had to log into the app, download the presentation, save it, then log into my personal email, attach the presentation, email it to my work email, to save it to my laptop. I have a convertible laptop/tablet, but the app was not available for it.
- the first day, the map on the application was not working, it was difficult to find the classroom, since there the map available was numbers and the actual classroom were names.
- Didn't use it. I don't like downloading apps that I will only use once- in this case just for a couple of days.
- I did not use the app, taking so much memory out of my cell caused me to keep recharging my battery. I used print out/hard copy.

# 74% of attendees used the Guidebook for information

Question 15: This year at the conference there were no printed programs. What did you use to find conference information?



See "Other – Write In" responses on slide 20

# Resources used for conference information

Question 16: Please indicate which resource you used for conference information and what you liked most about the resource.

- Guidebook Nice having a mobile app
- Downloaded session information from conference website
- Guidebook is great, especially pre-planning out sessions. I like that it will give you a reminder as well.
- Trifold held location and time of all concurrent sessions
- Used Guidebook and downloaded materials and looked up names of presenters.
- Guidebook - easy to select what I wanted to go to Trifold - to get a good overview
- I mostly used the Guidebook but I also used the Trifold.
- I love how it gives you alerts to which session you signed up for.
- Website and Guidebook Apps.
- Guidebook is the best because it is always with you on your phone, and up to date.
- I used the app
- Guidebook - my schedule and downloadable presentations from each of the classe
- easy to use
- The website to read about all the classes, used guidebook once I was there. I liked that both of them were easy to use right off the bat.
- App was great but didn't provide me all the presentations of the sessions I attended
- Using the guidebook to navigate various sessions. Also used the slides to follow the presenters.
- CSMFO Website & nothing to like about the resource.
- Guidebook, on phone, very convenient and didn't have to carry around a schedule
- The guidebook app works great. I've used it for a number of prior CSMFO Conferences. I really like the "My Schedule" part of the app.
- Guidebook - right at my fingertips. I could also "double up" on the "My Schedule" so I knew if I was

# Resources used for conference information continued

Question 16: Please indicate which resource you used for conference information and what you liked most about the resource.

- Guidebook - right at my fingertips. I could also "double up" on the "My Schedule" so I knew if I was interested in two different sessions.
- Printed program ahead of time to prepare, then used app while there.
- I liked having access to the guidebook in advance in order to plan out what sessions I wanted to go to. I only used the app to plug in y pre-selected sessions into the calendar so I knew where I was going next.
- Guidebook - easy reference for map and session handouts. Quick to use and convenient to have all of the information in one location with a few swiped on my phone.
- Guidebook is easy to navigate, documents are available for download, bios there, it's perfect.
- Guidebook app, you can retrieve the slides from the presenters through the app.
- Guidebook and the tri-fold. It was nice to have them both. Guidebook did not contain the building, only the room.
- The guidebook was very useful. It provided presentation material and speaker information.
- schedule, speaker info and presentation slides
- Trifold but also the program which I take a look at days and weeks ahead of time. I'm glad you post that far in advance. I did not use the guidebook/app due to personal reasons this year.
- Easy to navigate and could list only schedule chosen if marked ahead what I was attending.
- I used the guidebook app on my phone. Very convenient.
- I use both printed copy and app. The app is great, it has room location, but it doesn't have the building information which is why I have to use the printed copy.
- Guidebook - mobile platform was easy to navigate
- But there were printed programs!
- Pre-conference sessions did not have map or powerpoints loaded.
- Guidebook was awesome. Easy to use and to have the presentations link embedded in the ap was great
- internet and guidebook...convenience.
- I used Guidebook which is great for planning your schedule and accessing presentation slides.

# Resources used for conference information continued

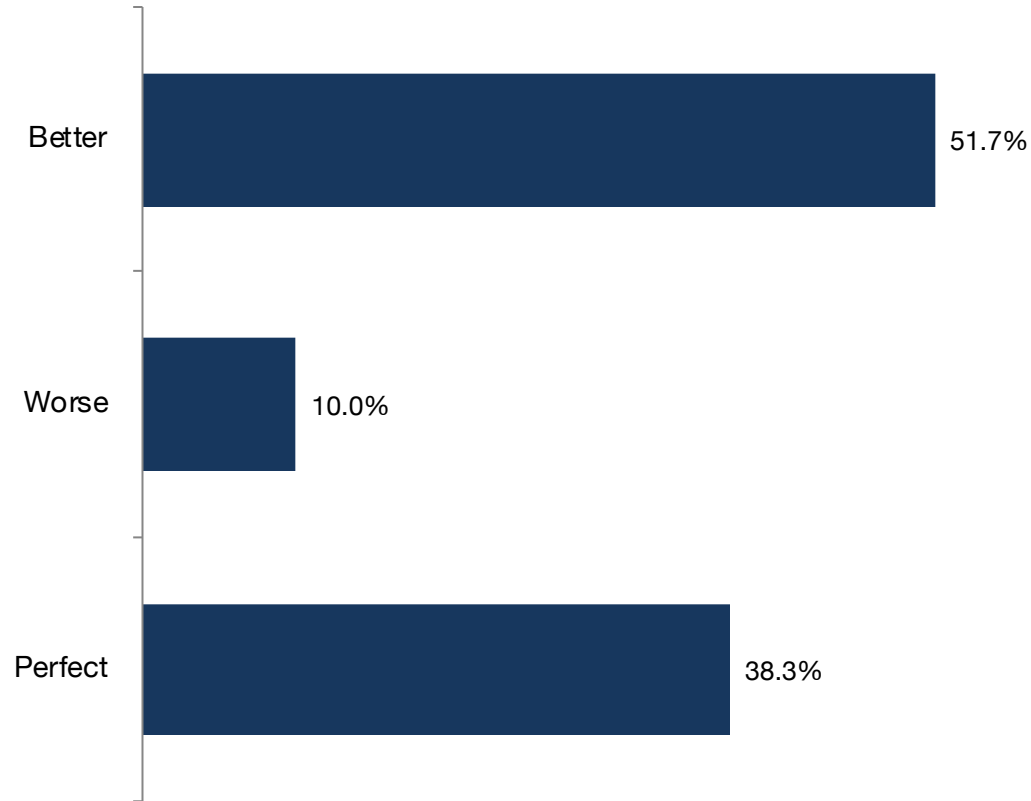
Question 16: Please indicate which resource you used for conference information and what you liked most about the resource.

- The only negative with the app is that the maps are hard to read.
- Guidebook is very helpful, plus the notes.
- I used My Schedule to schedule the sessions I wanted to attend and was able to pull up pdf files of some of the sessions.
- Online program prior to the event, and Guidebook at the event
- google guidebook. Very easy to navigate,
- Guidebook was very helpful to view the different sessions by time and location. Also, I was able to easily download the presentations onto my tablet and take notes within the app when I spoke to vendors.
- Guidebook. Easy to use and had all the info.
- guidebook and csmfo website. easy to use
- trifold was fine
- The website and guidebook. I like that it is digital and I didn't have to deal with hard copies of the events. I prefer not to waste paper.
- I mostly used the mobile app during the conference. I really like the ability to enter the sessions I will be attending ahead of time into the app. And the maps are really handy for finding the session classrooms.
- I used all of the resources because this was the first conference I had attended and I wasn't sure how much information I would need. In the future, I would be able to use the Trifold and Guidebook in tandem.
- Just Guidebook - I don't think the trifold is needed. Folks who don't like the app can print there own
- I liked the printed program because it had more session information than the Guidebook program.



# 52% said the conference was better than expected

Question 17: Was the conference better than what you expected, worse than what you expected, or about what you expected?



See "Other – Write In" responses on slide 24

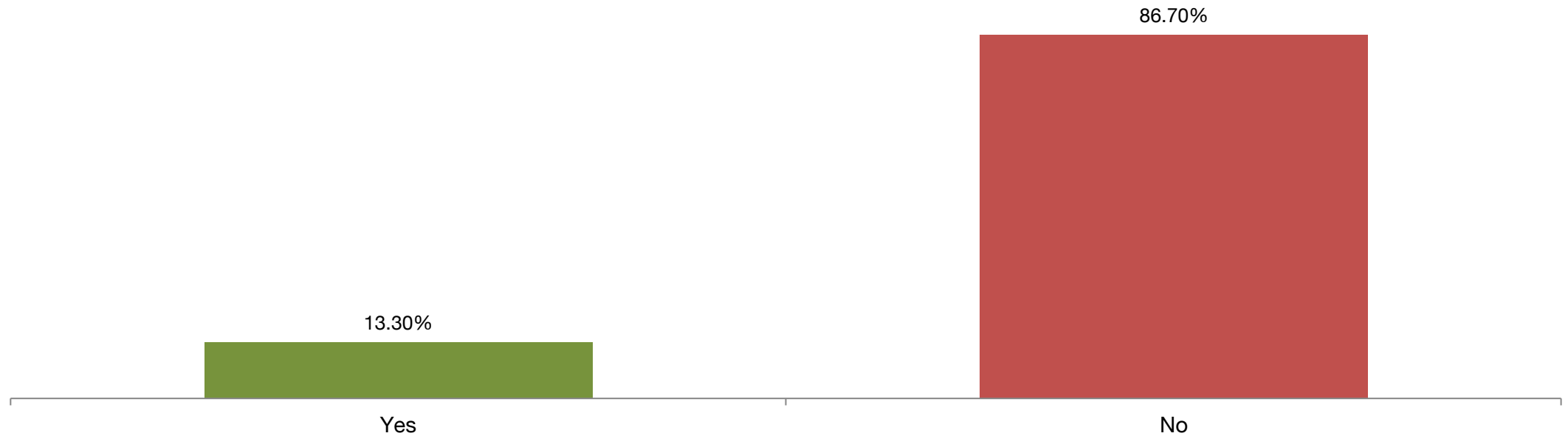
# Verbatims

Question 18: Additional Comments

\*There were no additional comments

# 87% attended a pre-conference training course on Tuesday

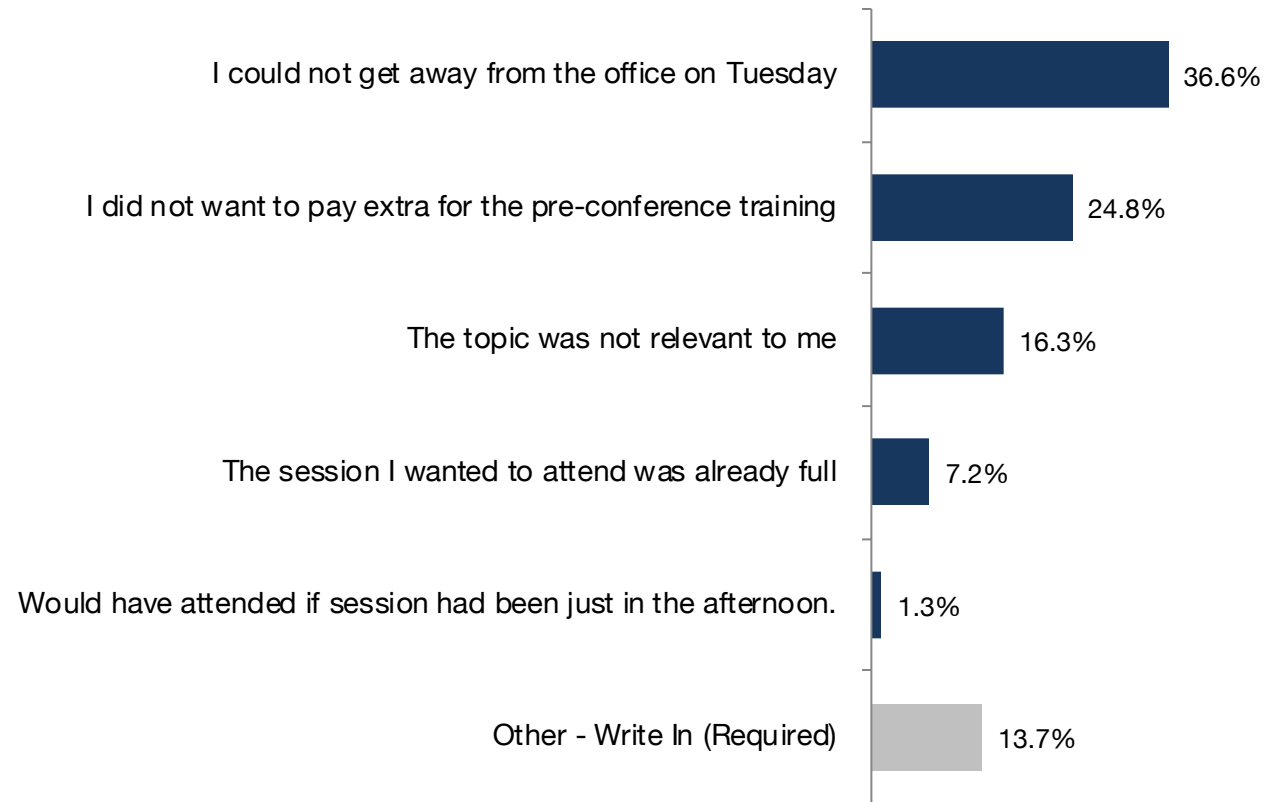
Question 19: Did you attend a pre-conference training course on Tuesday?



# 37% did not attend the pre-conference training

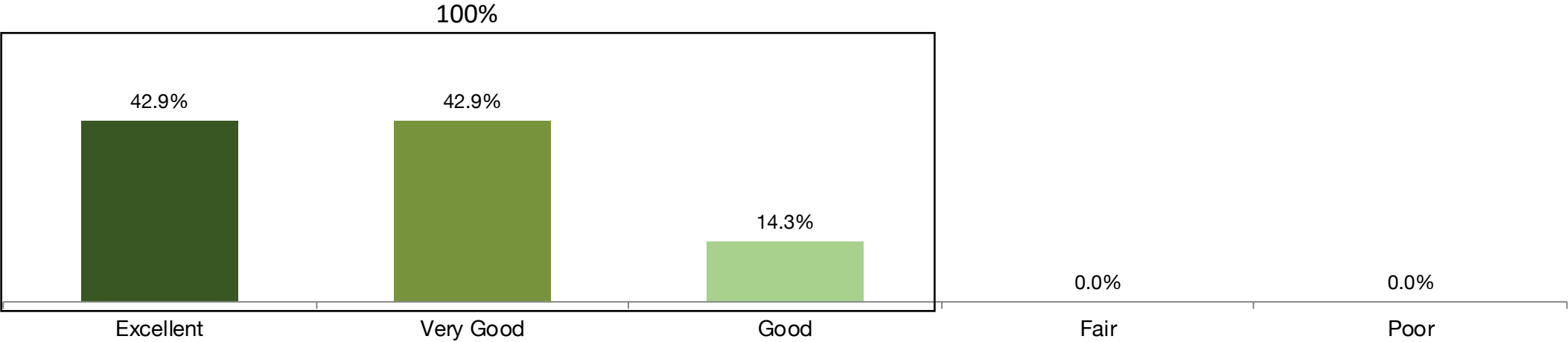
because they could not get away from the office on Tuesday

Question 20: Please indicate the best reason why you did not attend.



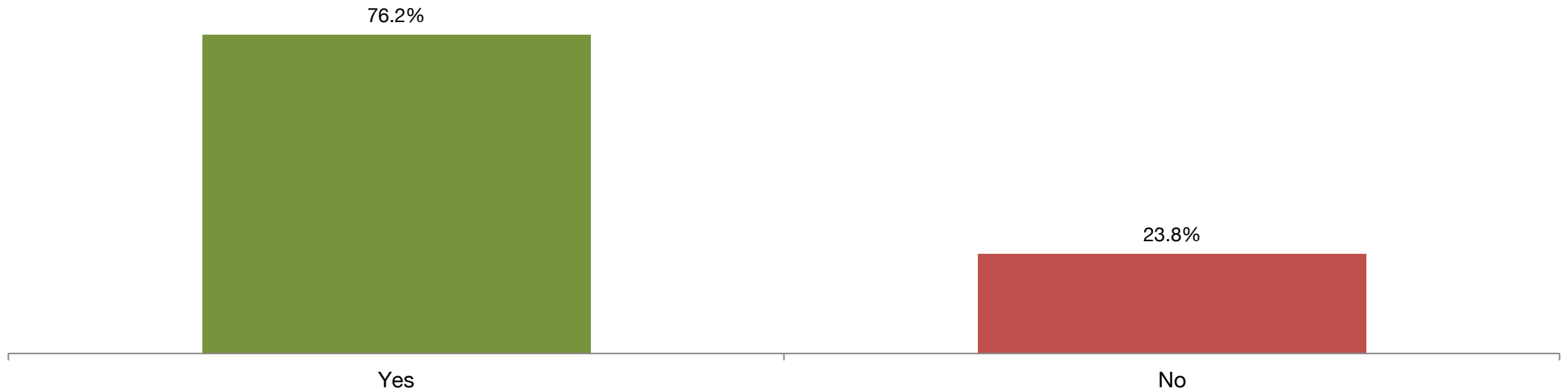
# All of attendees rated the Pre-Conference Training: "Oh No, Another Grant! Now What?" as excellent or very good

Question 21: Pre-Conference Training: "Oh No, Another Grant! Now What?"



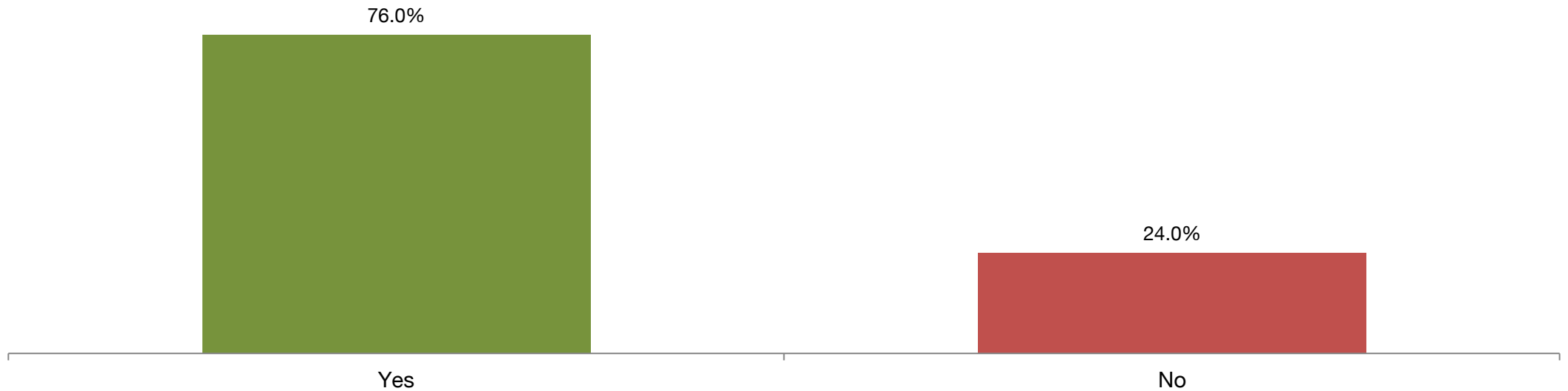
# 76% of attendees said the session met their expectations

Question 22: Did the session meet your expectations?



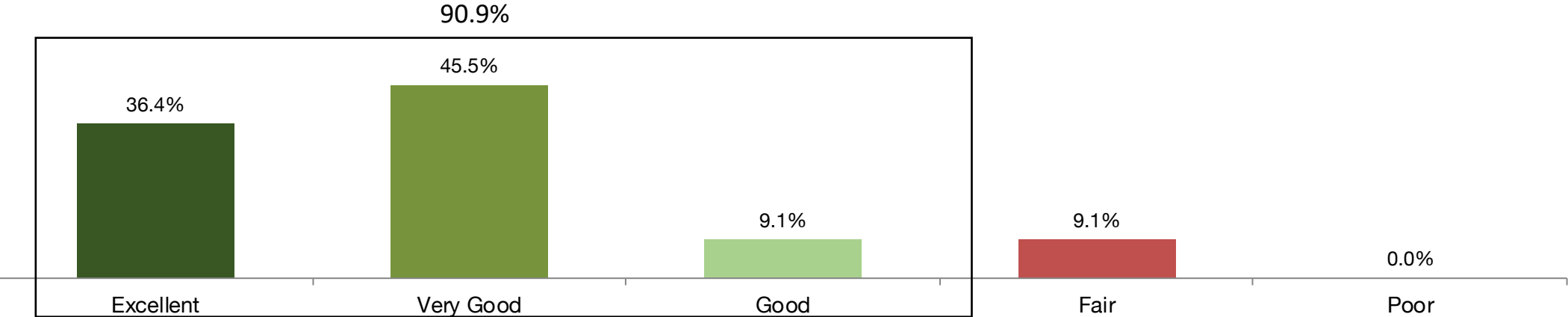
# 76% would recommend a similar course to their colleagues

Question 23: Would you recommend a similar course to your colleagues?



# 90.9% of attendees rated the Pre-Conference Training: "Building A Better Budget: Best Practices and Insightful Perspectives for the Budget Practitioner" as excellent or good

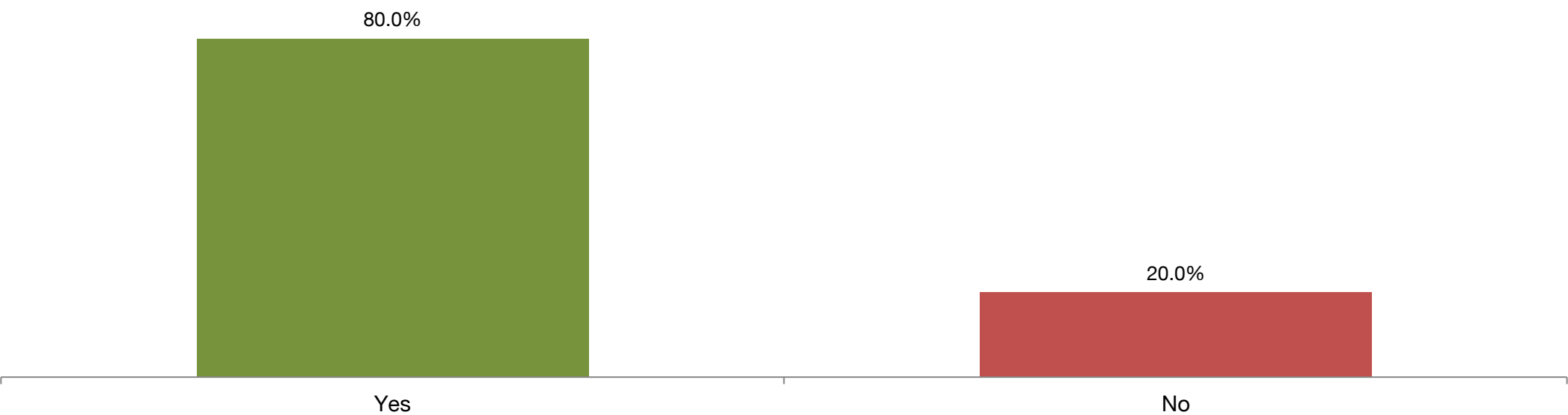
Question 24: Pre-conference training - "Building a Better Budget: Best Practices and Insightful Perspectives for the Budget Practitioner"





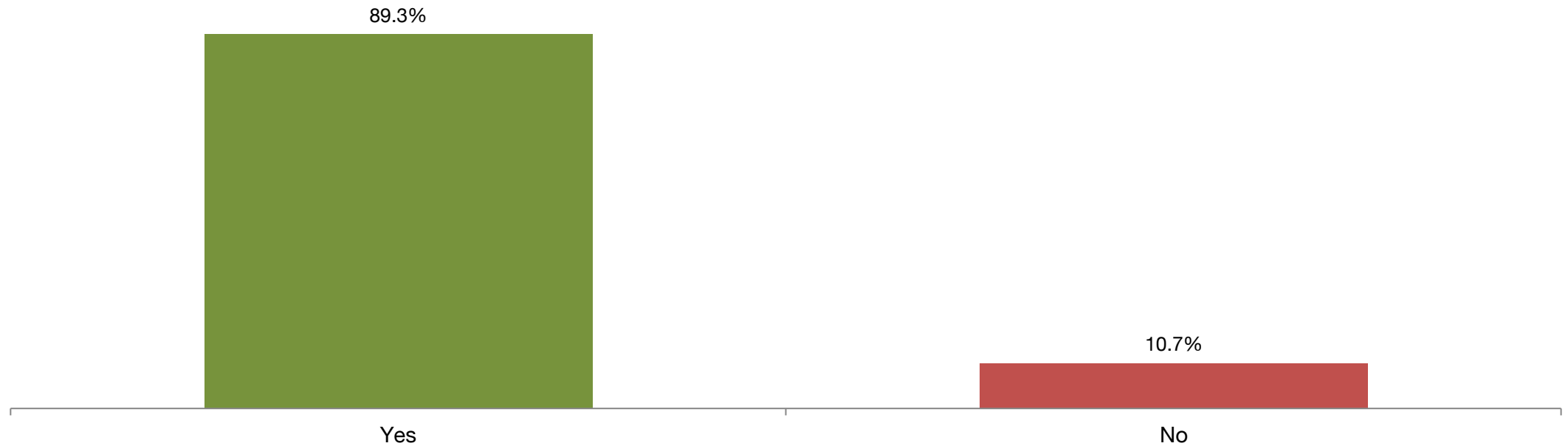
# 80% say the session met their expectations

Question 25: Did the session meet your expectations?



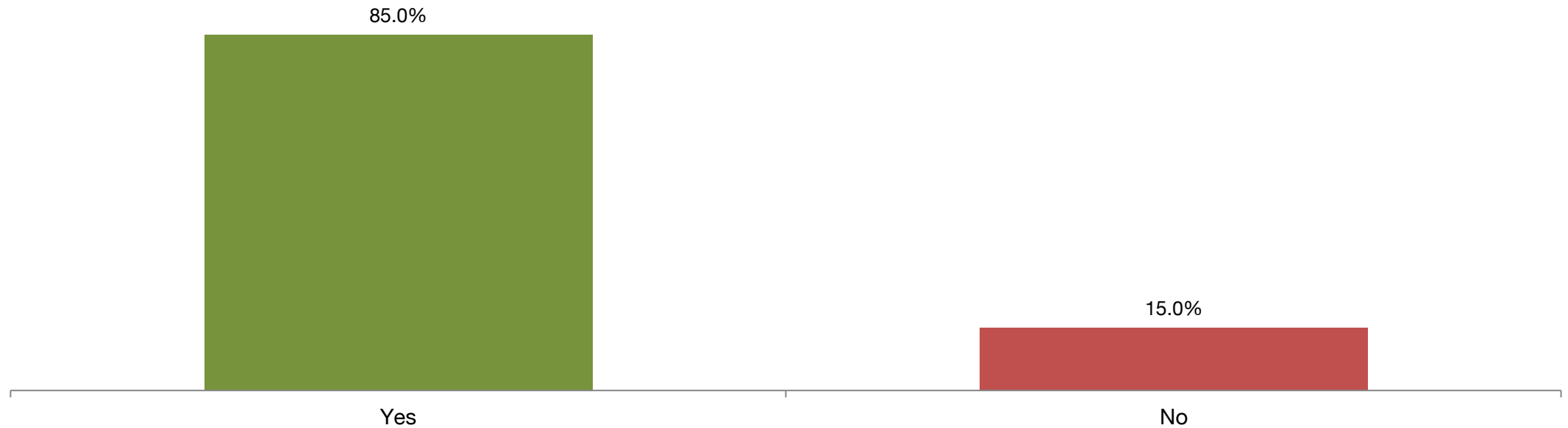
# 89% say the speakers were knowledgeable of the subject

Question 26: Were the speakers knowledgeable about the subject matter?



# 85% would recommend a similar course to colleagues

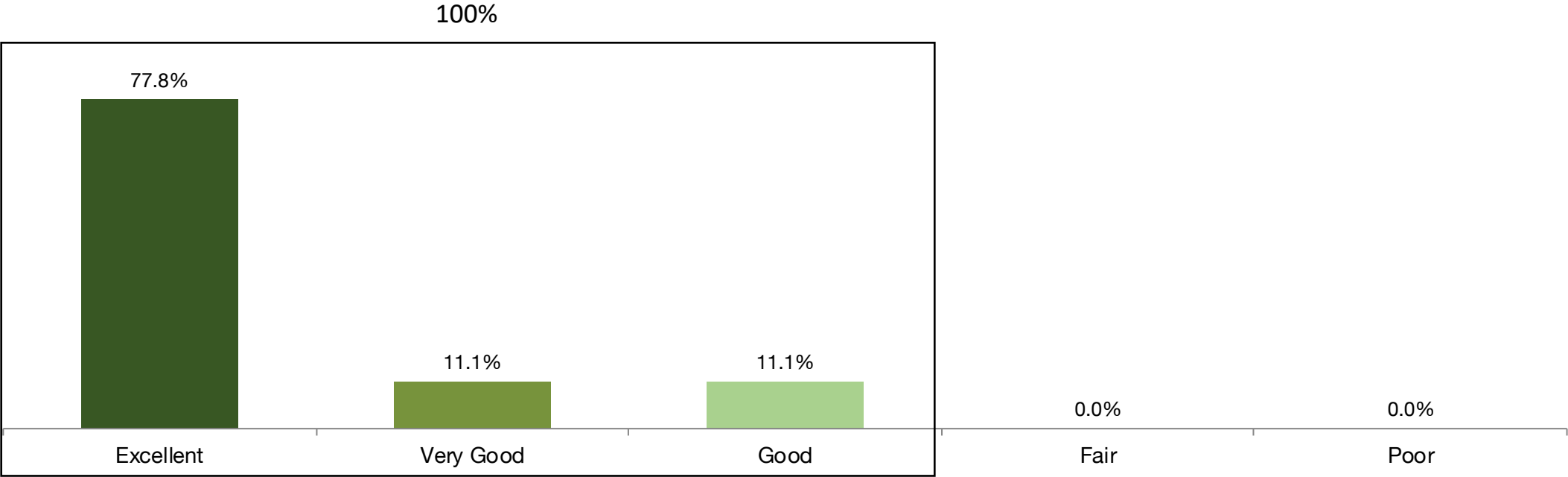
Question 27: Would you recommend a similar course to your colleagues?



# All attendees rated the Pre-Conference Training:

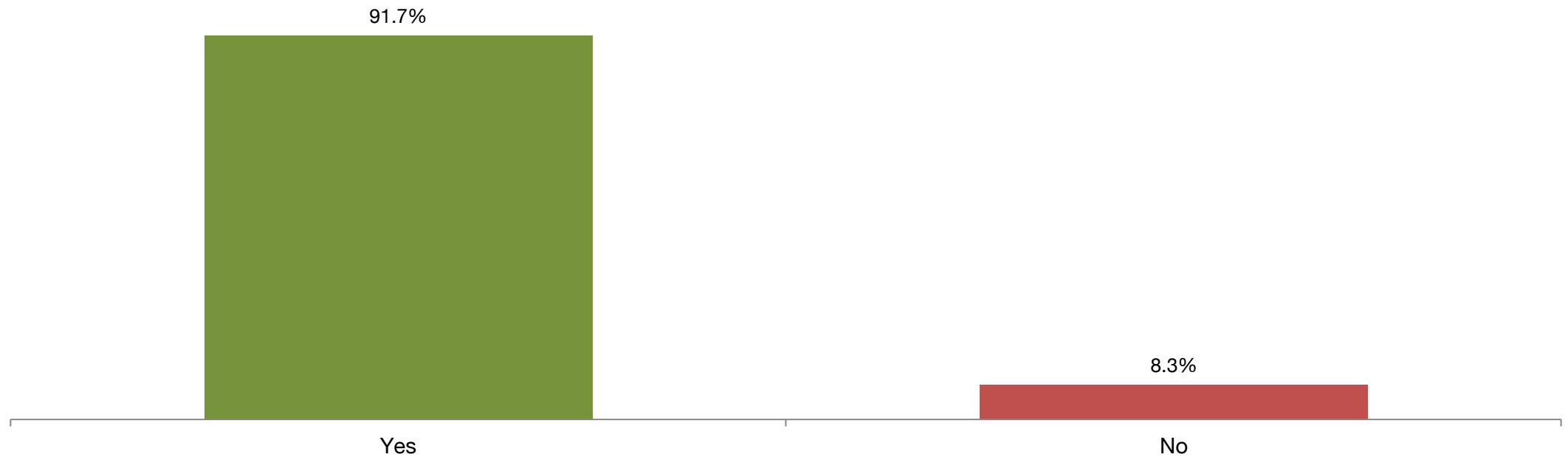
“Money Talks: The Art of Speaking About Government Finance!” as good or excellent

Question 28: Pre-conference training - "Money Talks: The Art of Speaking About Government Finance!"



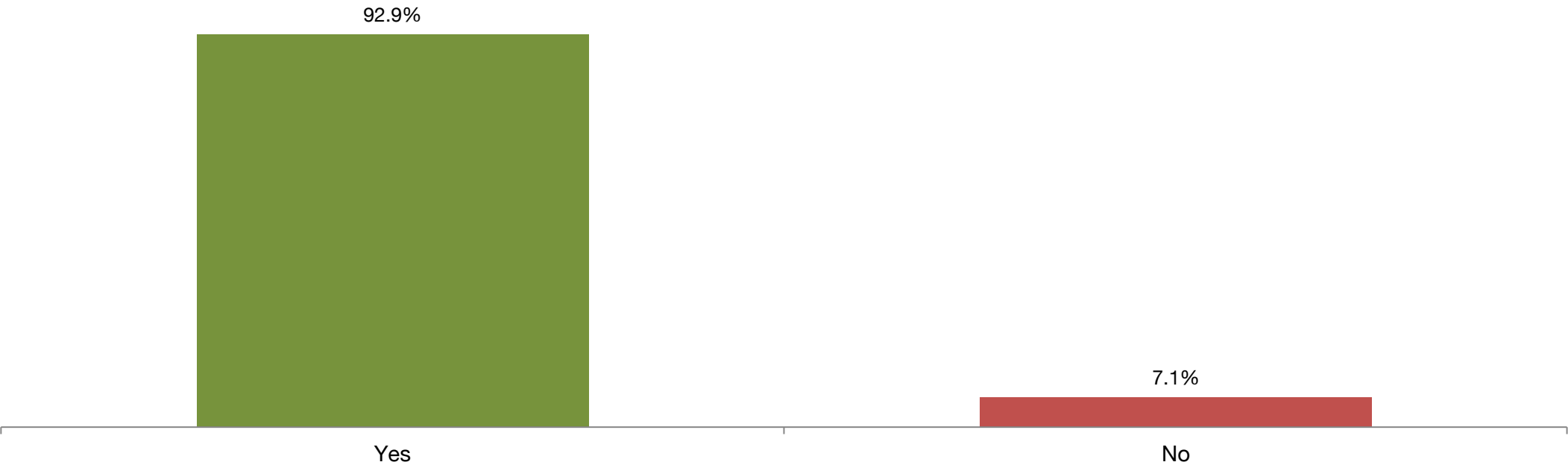
# 92% say the session met their expectations

Question 29: Did the session meet your expectations?



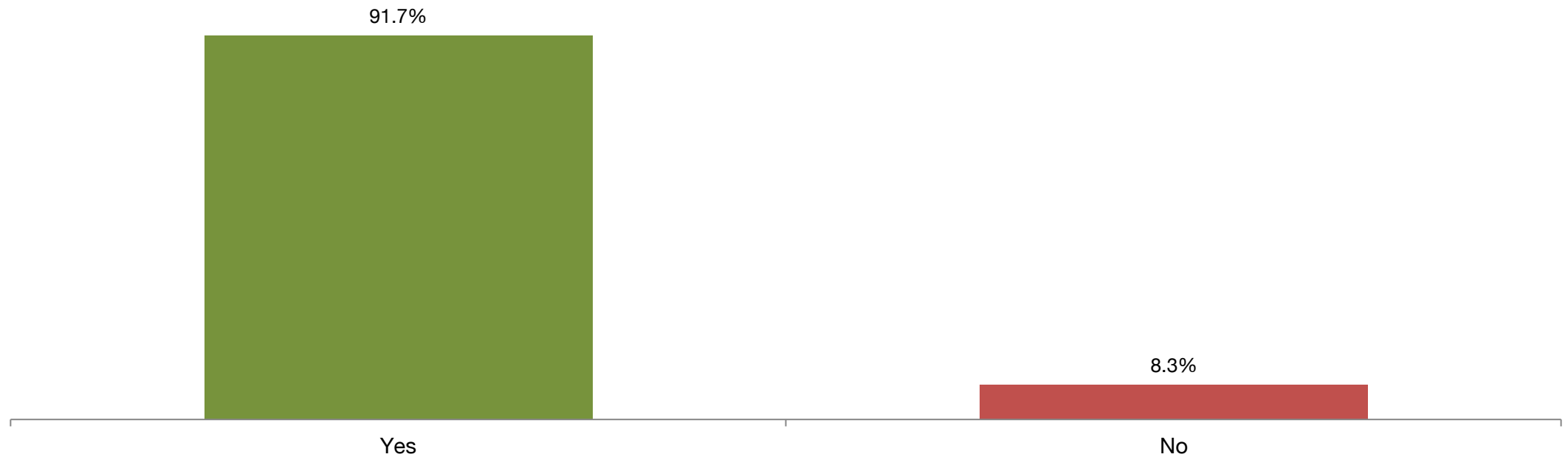
# 93% said the speakers were knowledgeable about the subject

Question 30: Were the speakers knowledgeable about the subject matter?



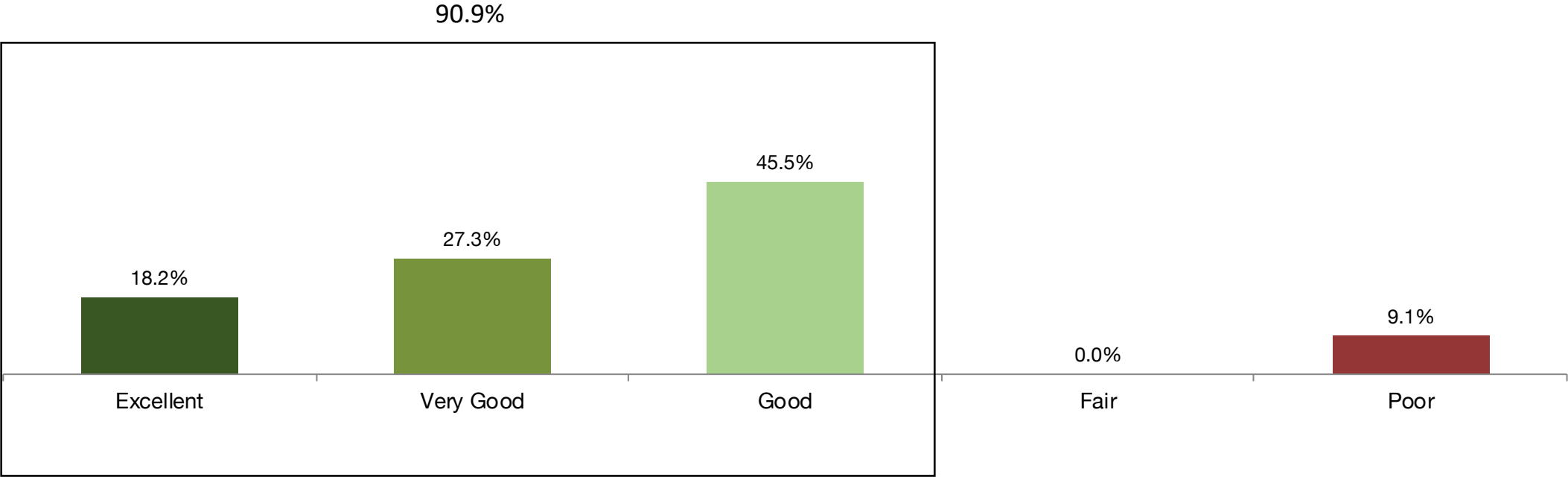
# 92% would recommend a similar course to their colleagues

Question 31: Would you recommend a similar course to your colleagues?



# 91% said the pre-conference training was excellent or good

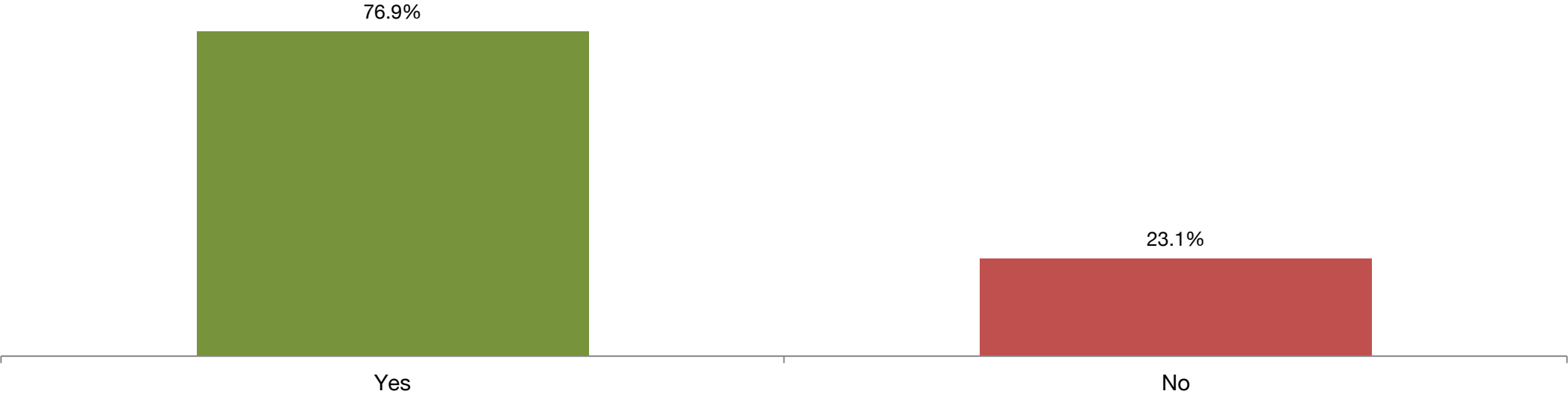
Question 32: Pre-Conference training-"Doing the Right Thing When It Is Hard: Living Your Ethics in Tough Situations"





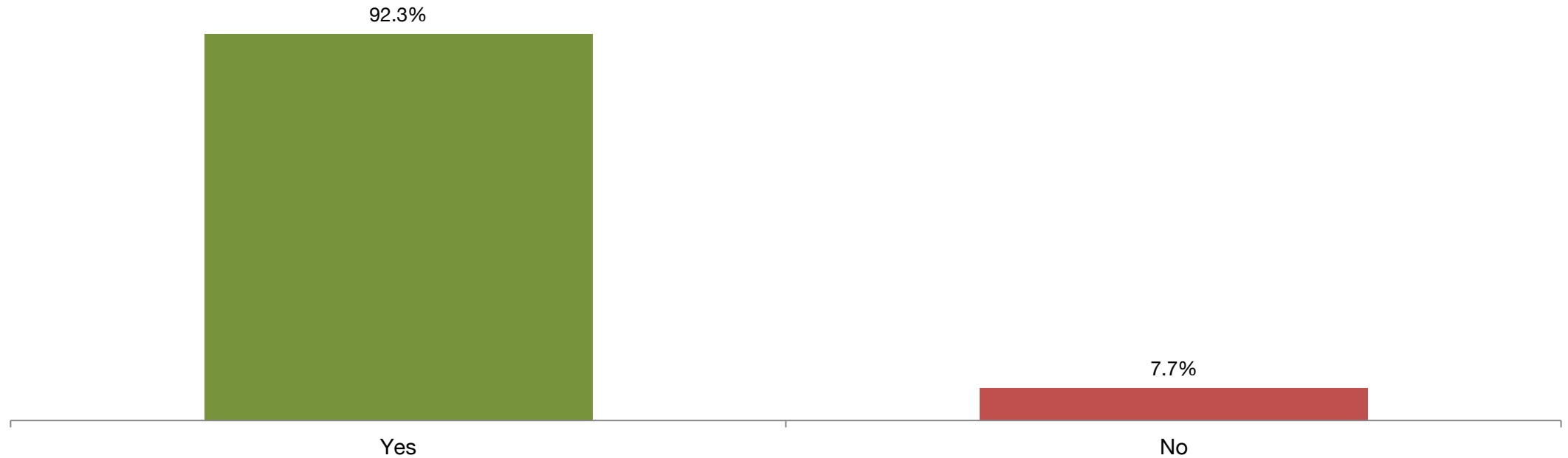
# 77% said the session met their expectations

Question 33: Did the session meet your expectations?



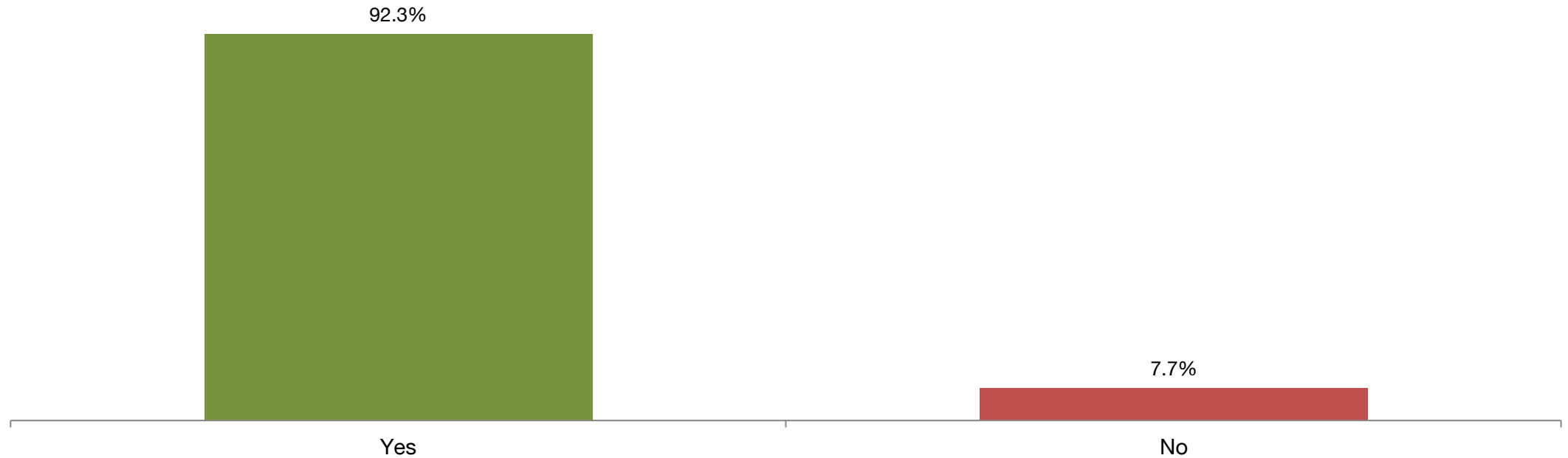
# 92% say the speakers were knowledgeable on the subject

Question 34: Were the speakers knowledgeable about the subject matter?



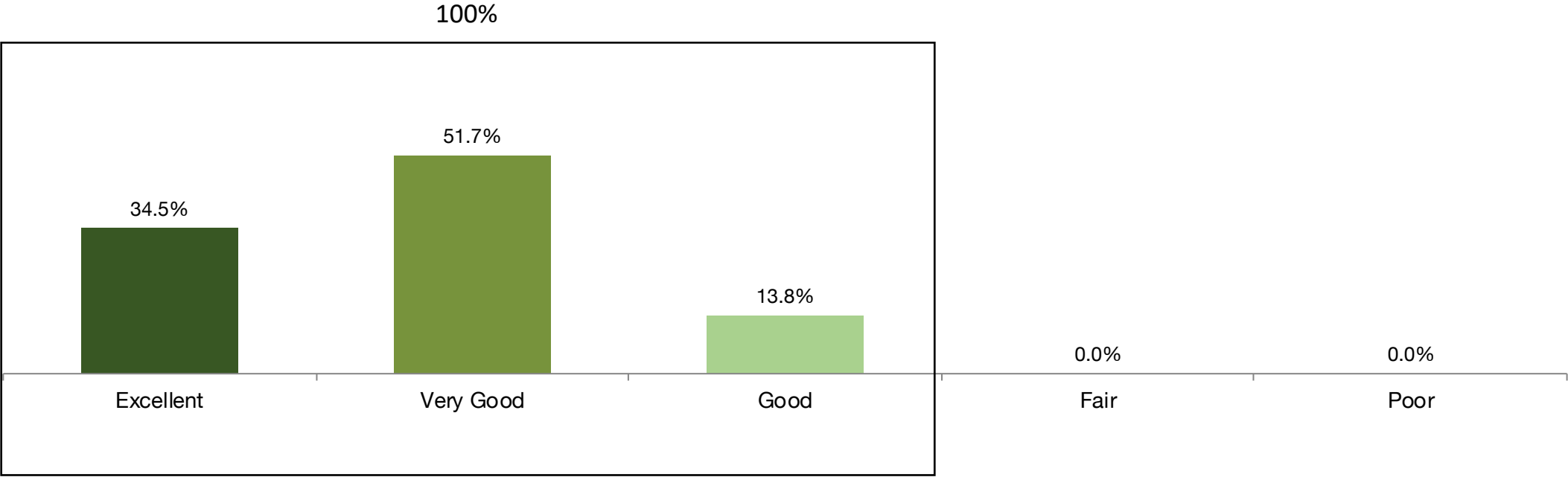
# 92% would recommend a similar course to their colleagues

Question 35: Would you recommend a similar course to your colleagues?



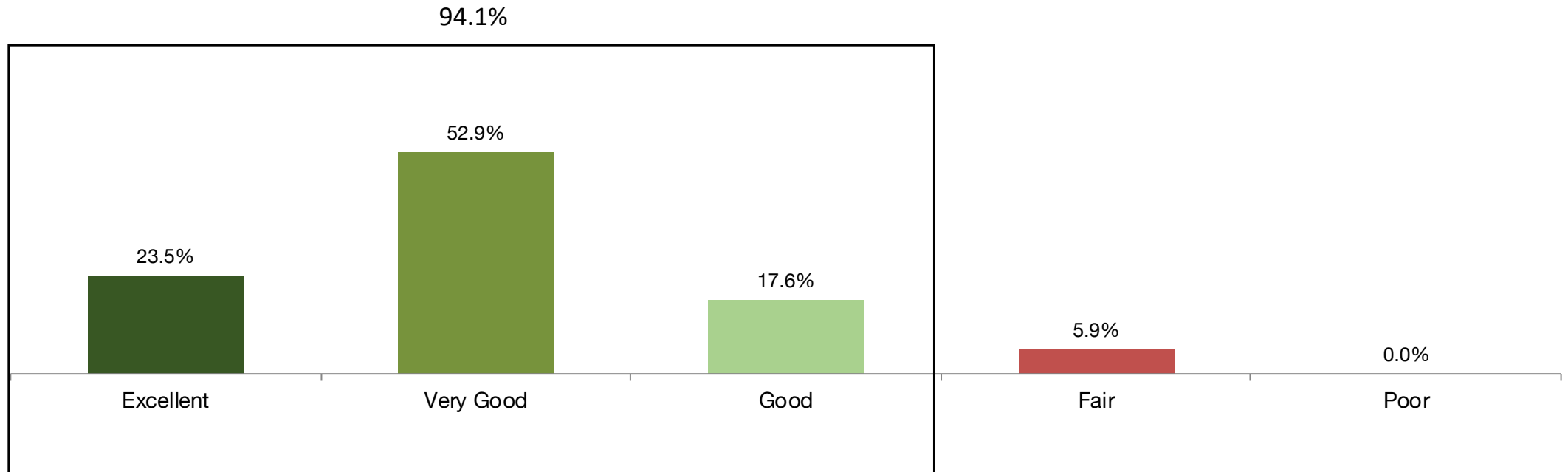
# Inventorying and Accounting for Capital Assets: A Case Study

Question 36: Please rate the Early Bird session you attended on Wednesday from 8:30 am to 9:45 am:



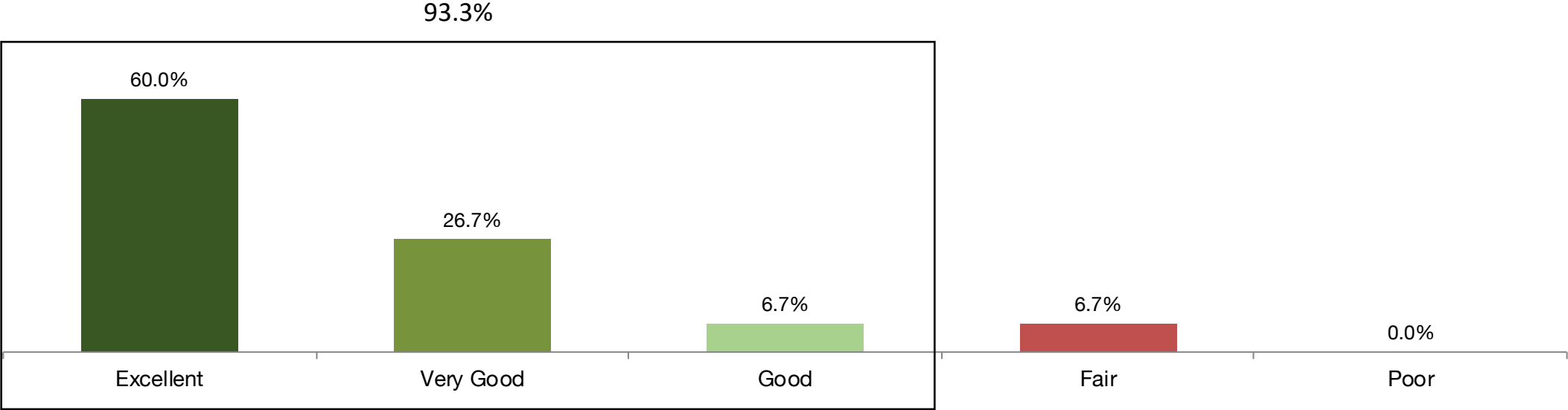
# Creating a Right Brain Culture in a Left Brain Environment

Question 36: Please rate the Early Bird session you attended on Wednesday from 8:30 am to 9:45 am:



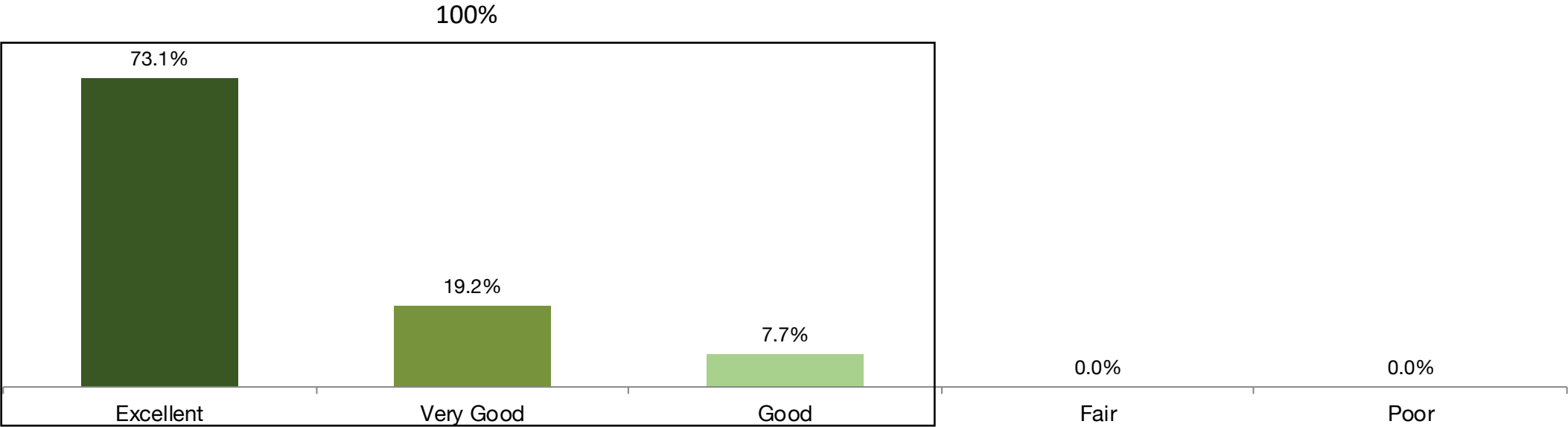
# Gone in 24 Hours - Paradise Lost and The Camp Fire's Lasting Effects

Question 36: Please rate the Early Bird session you attended on Wednesday from 8:30 am to 9:45 am:



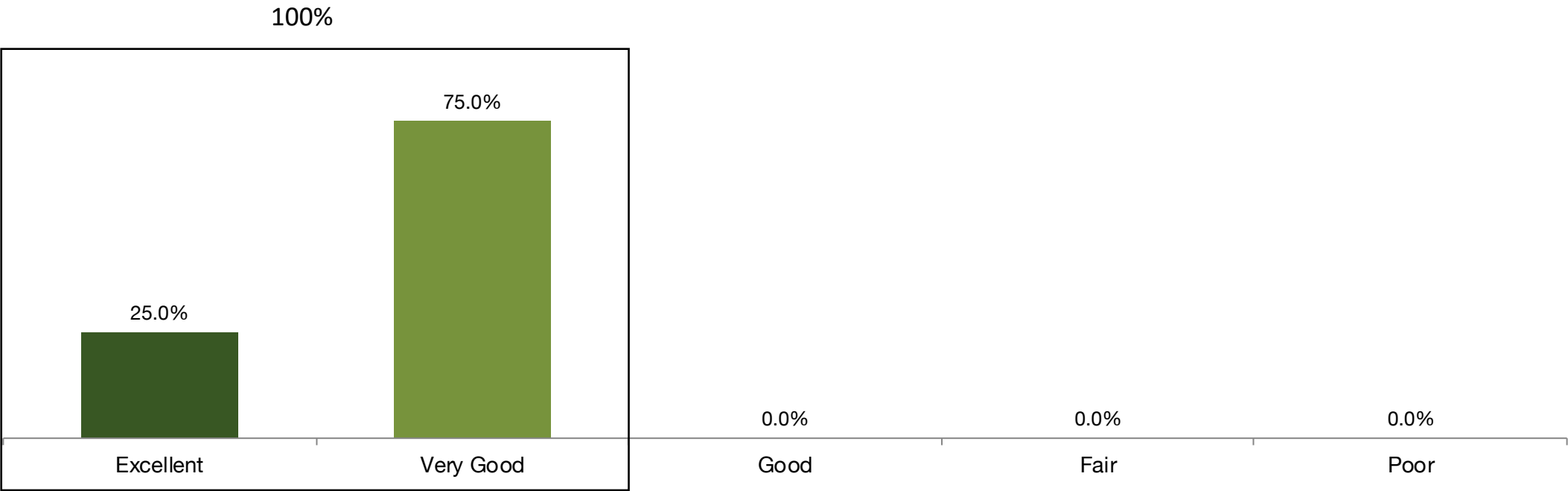
# The Coleman Report (Will be Repeated)

Question 36: Please rate the Early Bird session you attended on Wednesday from 8:30 am to 9:45 am:



# Who is Watching the Hen House? The 457 Nest Egg Dilemma

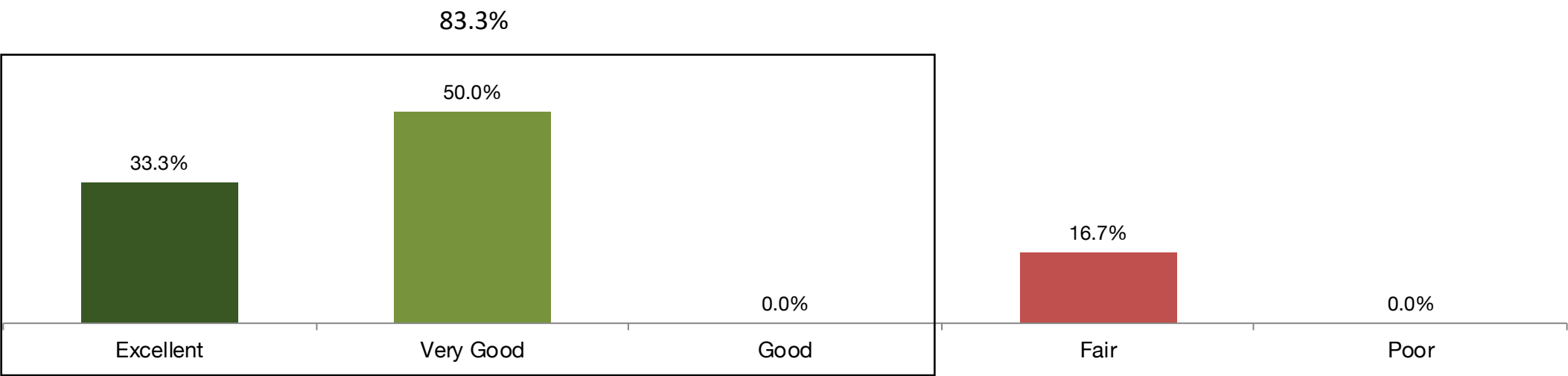
Question 36: Please rate the Early Bird session you attended on Wednesday from 8:30 am to 9:45 am:





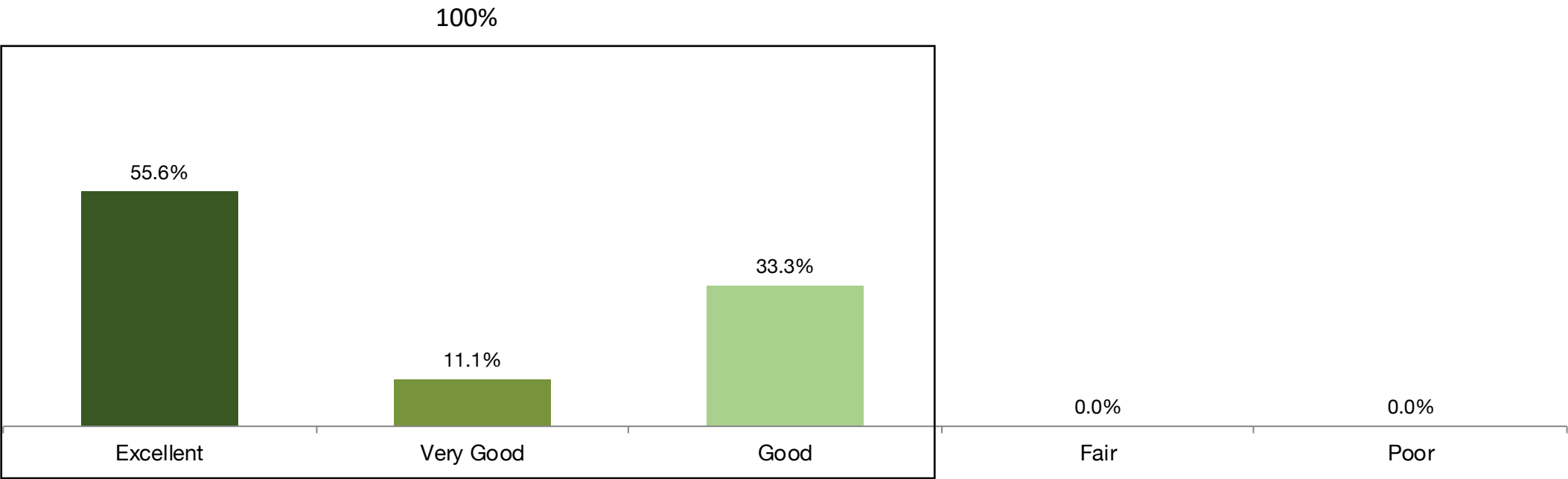
# Purposeful Positioning for Positive Debt Issuance Results

Question 36: Please rate the Early Bird session you attended on Wednesday from 8:30 am to 9:45 am:



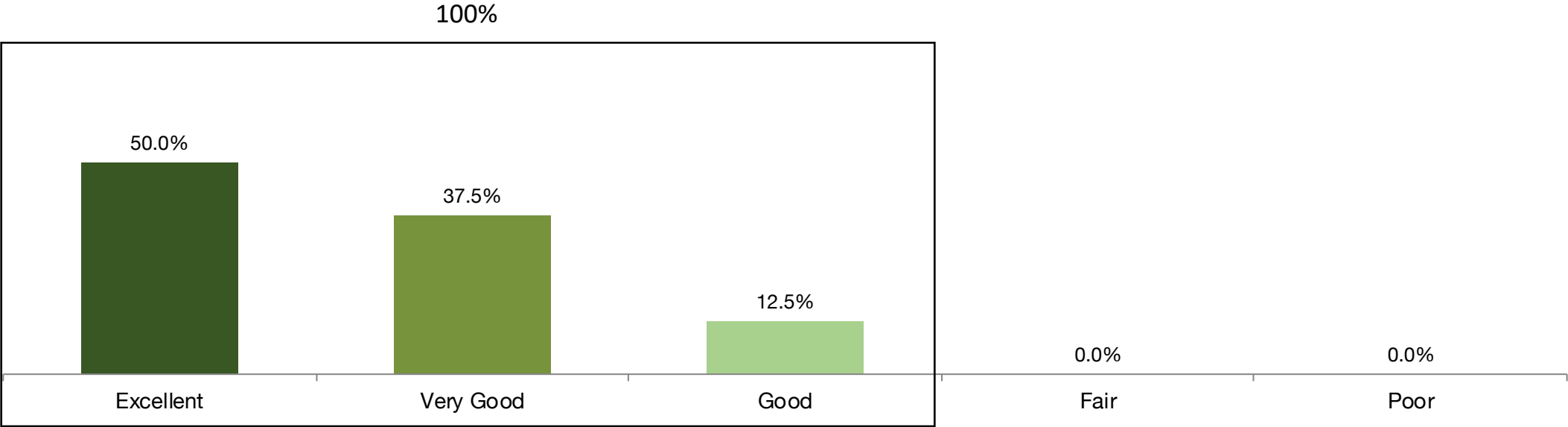
# SB 998- The Do's, The Don'ts, and the "It Depends"!

Question 36: Please rate the Early Bird session you attended on Wednesday from 8:30 am to 9:45 am:



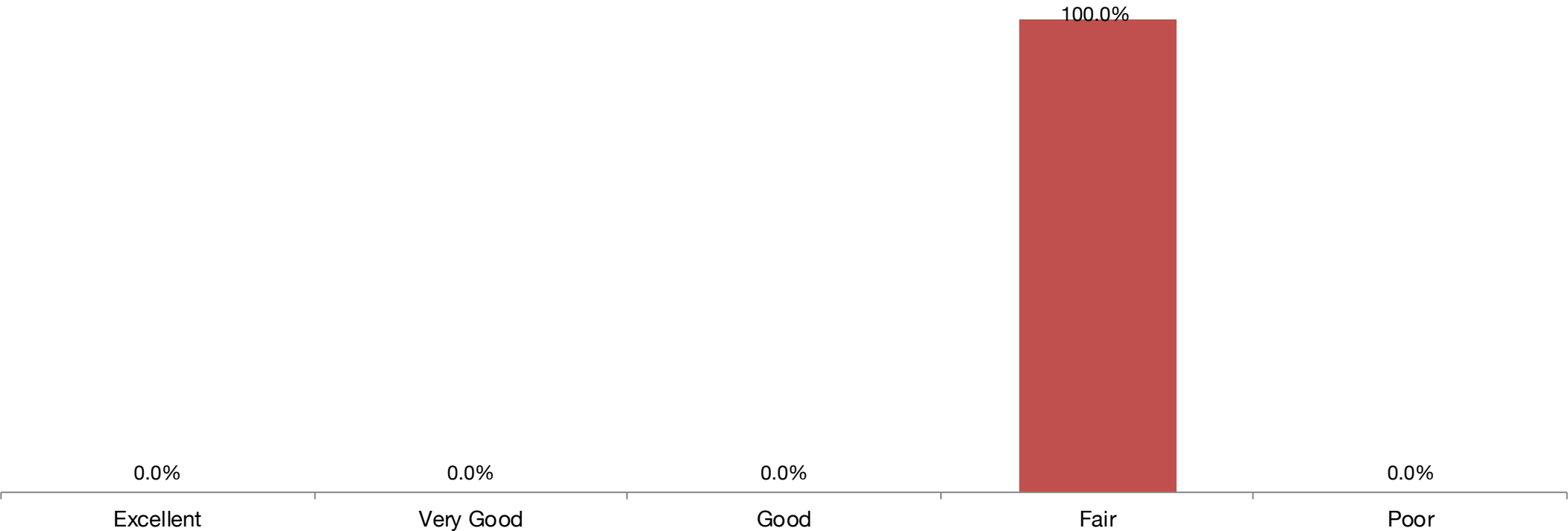
# Actuarial Information/Valuations 101

Question 36: Please rate the Early Bird session you attended on Wednesday from 8:30 am to 9:45 am:



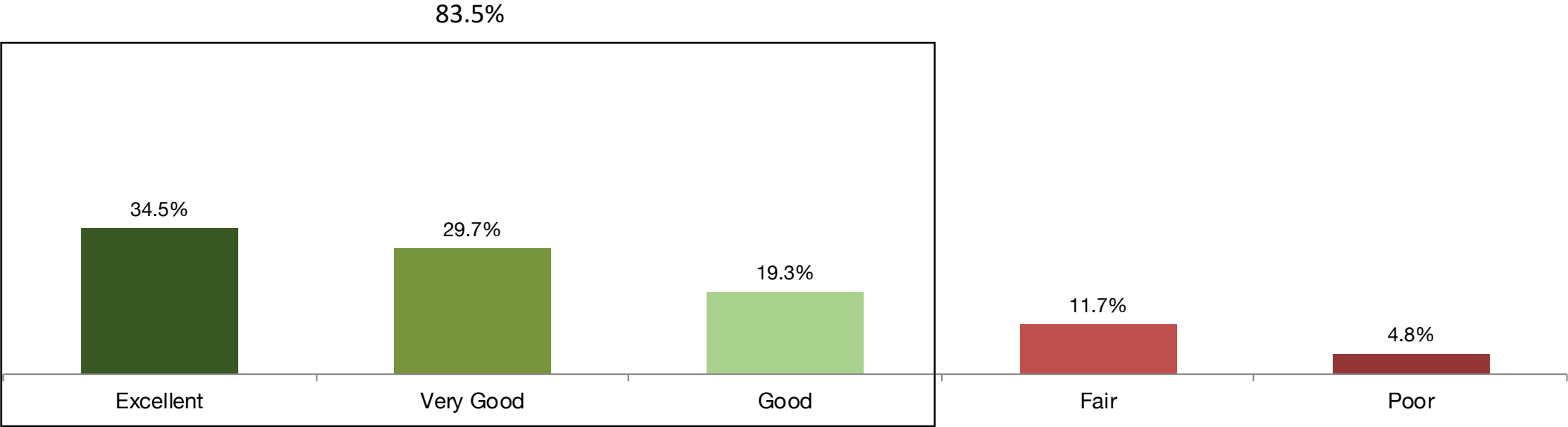
# Interview Quick Takes- Nailing Your Chance to Shine (Pre-Registration Required)

Question 36: Please rate the Early Bird session you attended on Wednesday from 8:30 am to 9:45 am:



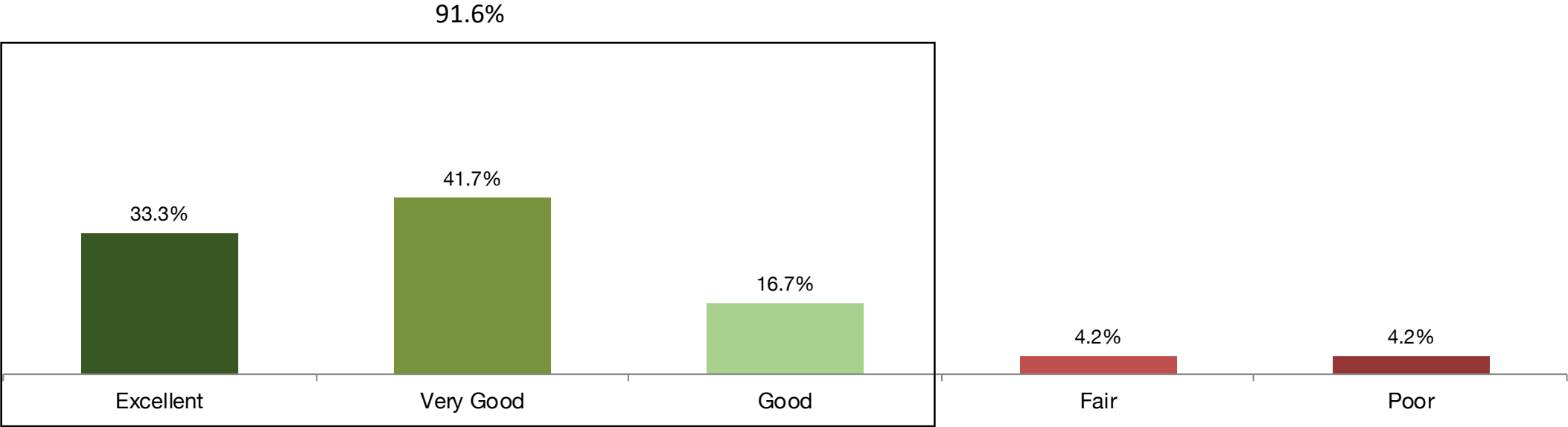
# Please rate the Opening General Session and Keynote Speaker Jeffrey Barnes

Question 38: Please rate the Opening General Session and Keynote Speaker Jeffrey Barnes



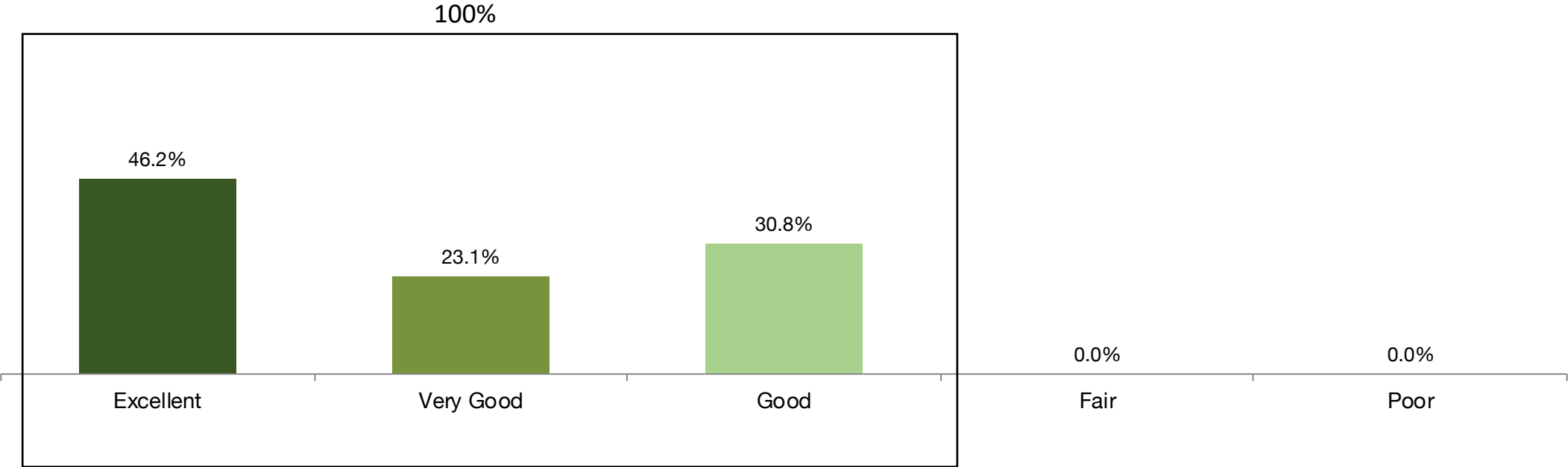
# 7 Solutions to Addressing Pension Liabilities

Question 39: Please rate the session you attended on Wednesday from 2:00 pm to 3:15 pm:



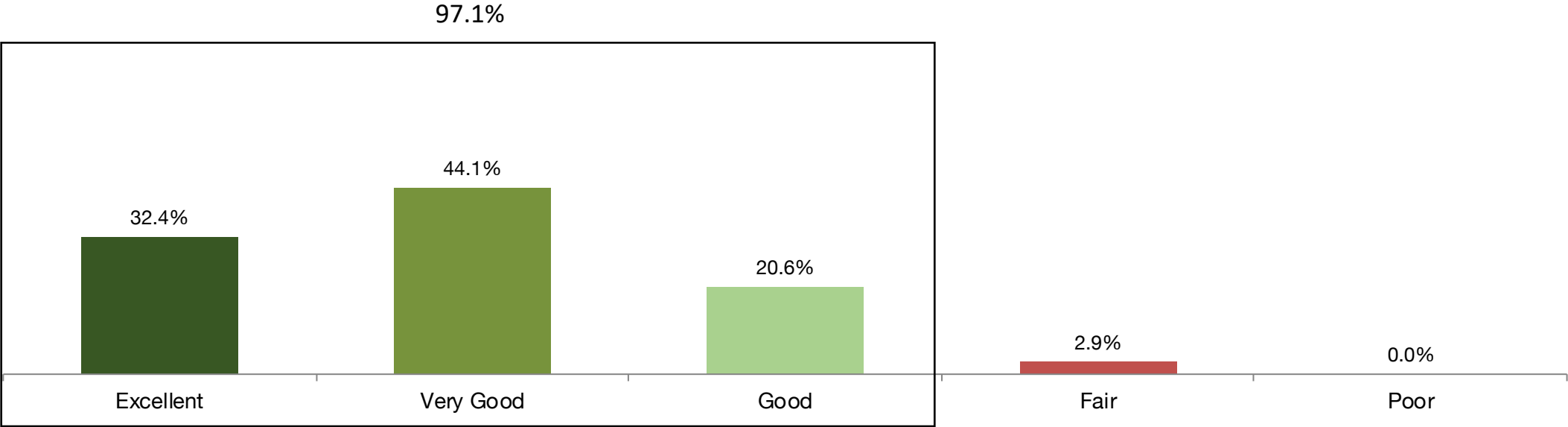
# Hiring CalPERS Retirees the Right Way

Question 39: Please rate the session you attended on Wednesday from 2:00 pm to 3:15 pm:



# One Day You Wake Up and Have Material Weaknesses In Internal Control

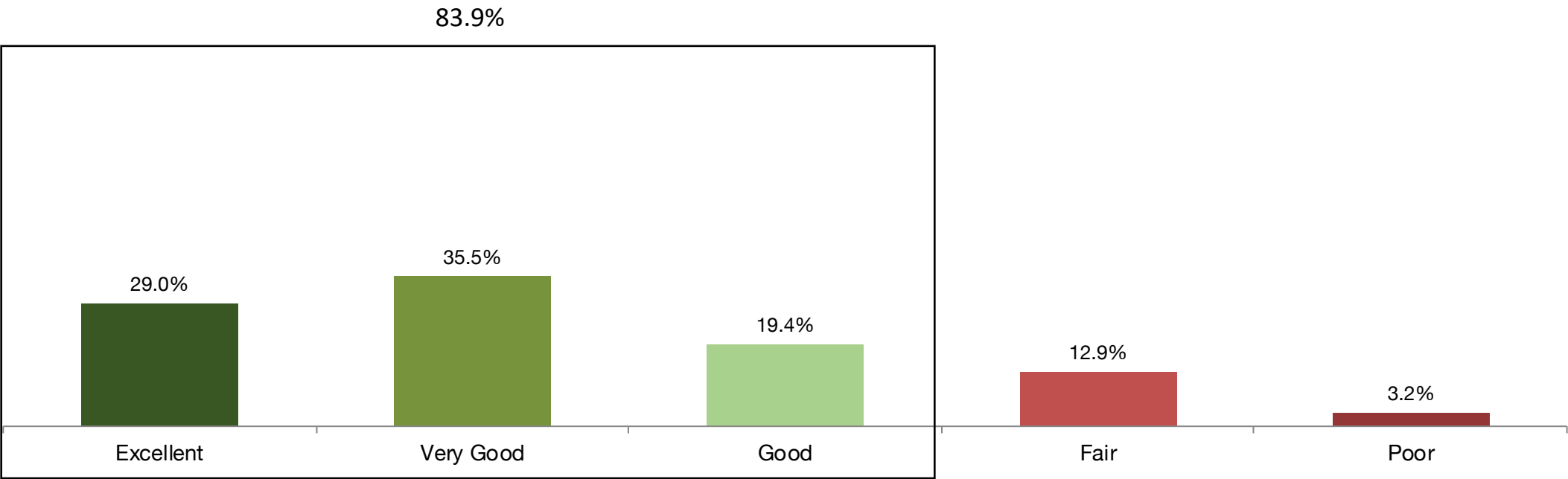
Question 39: Please rate the session you attended on Wednesday from 2:00 pm to 3:15 pm:





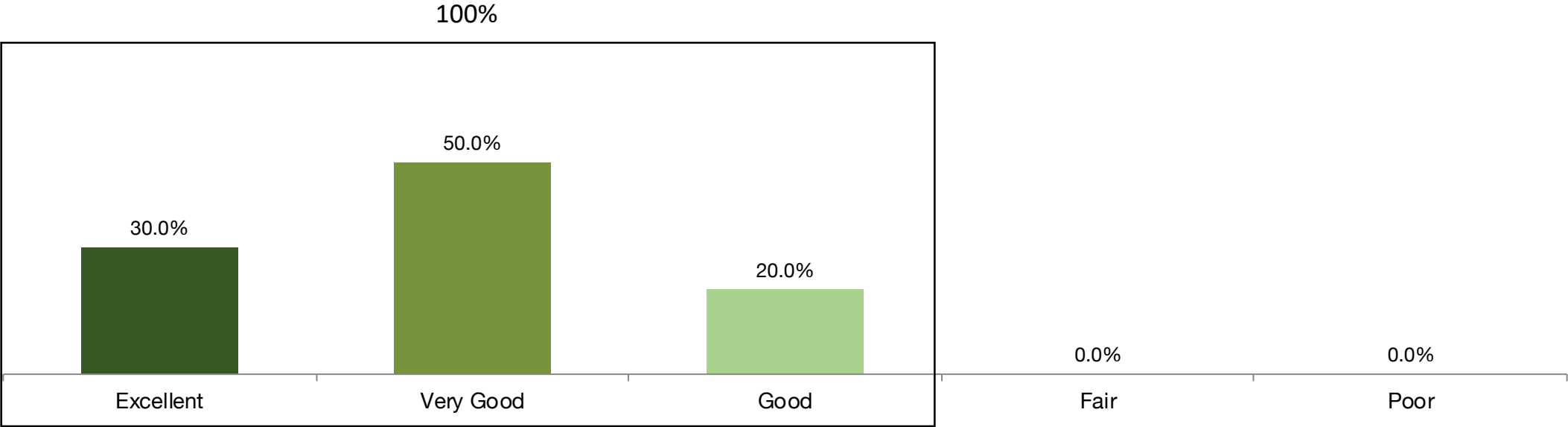
# Are You Ready For the New Fiduciary Activities Rules?

Question 39: Please rate the session you attended on Wednesday from 2:00 pm to 3:15 pm:



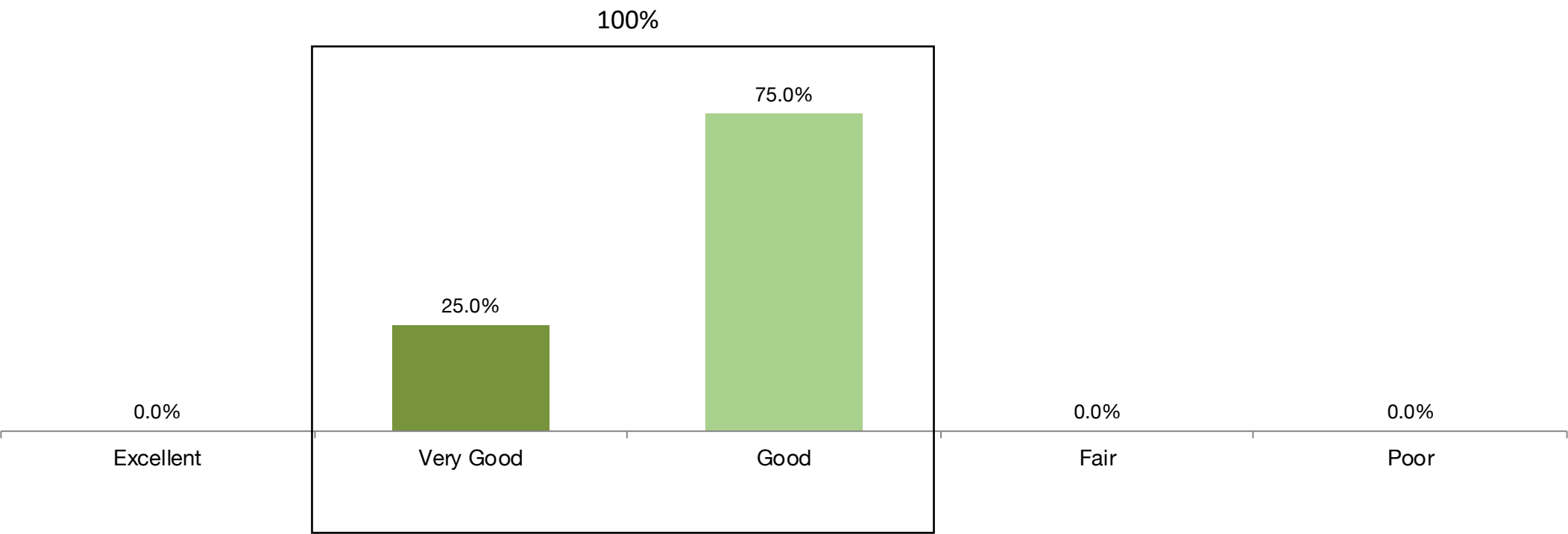
# Hot Topics From the Rating Agency Desks

Question 39: Please rate the session you attended on Wednesday from 2:00 pm to 3:15 pm:



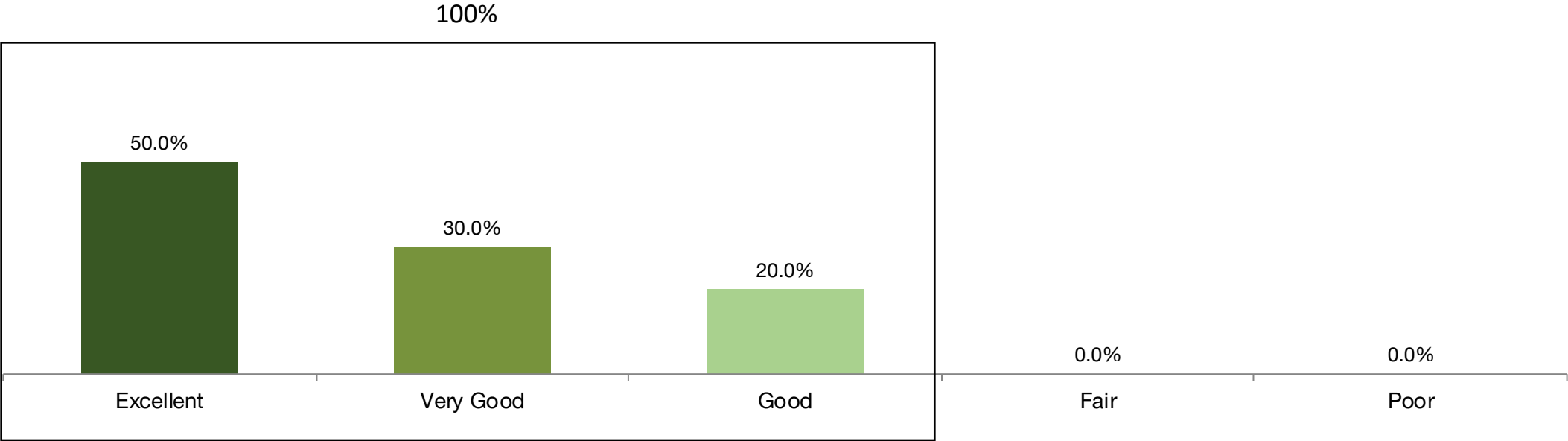
# Health Care Challenges and Outlook

Question 39: Please rate the session you attended on Wednesday from 2:00 pm to 3:15 pm:



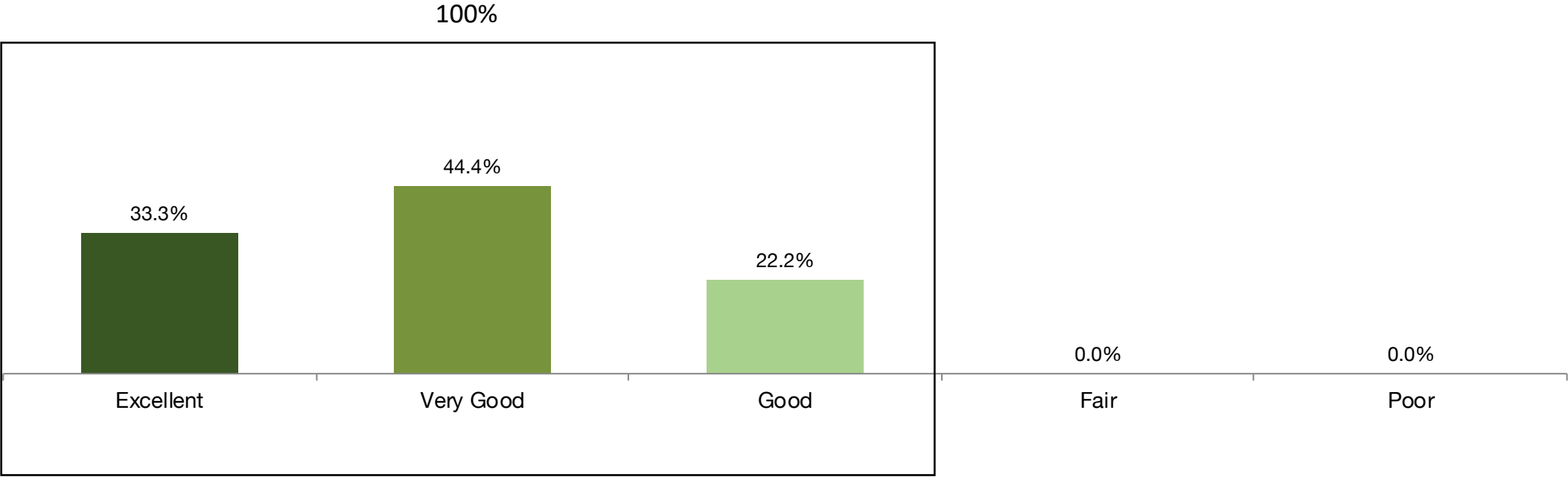
# Flying in Clouds: How to Gain Visibility of Outsourced Information Services

Question 39: Please rate the session you attended on Wednesday from 2:00 pm to 3:15 pm:



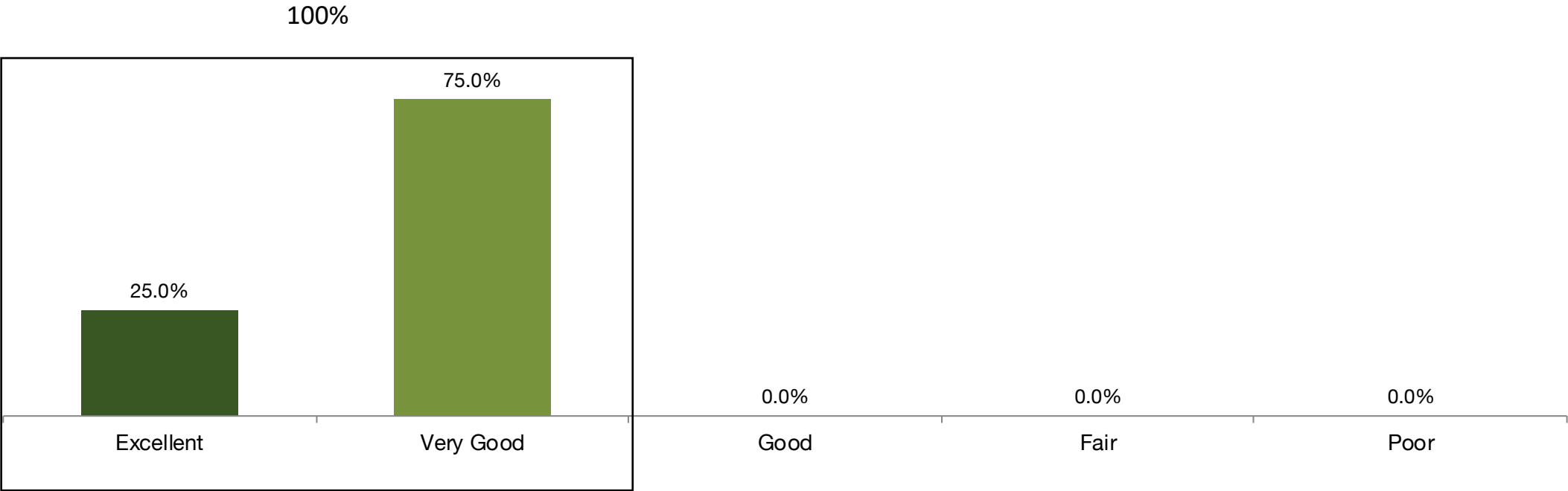
# Rate-Setting With a Diving Rod - Groundwater Fees with the Sustainable Groundwater Management Act (SGMA)

Question 39: Please rate the session you attended on Wednesday from 2:00 pm to 3:15 pm:



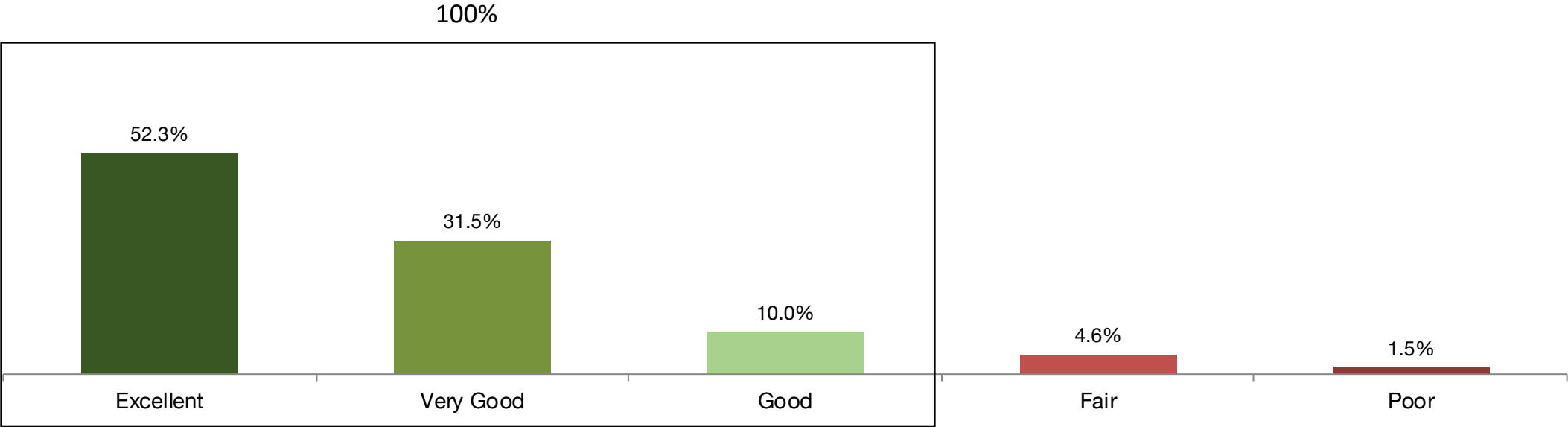
# Interview Quick Takes-Nailing Your Chance to Shine (Pre-Registration Required)

Question 39: Please rate the session you attended on Wednesday from 2:00 pm to 3:15 pm:



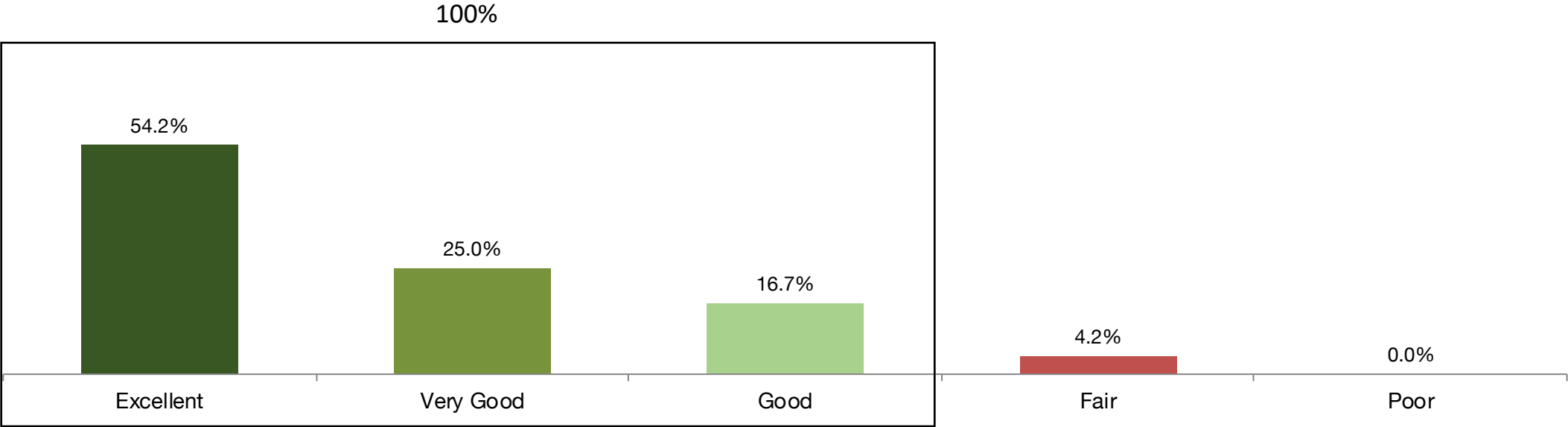
# It's the Housing Supply, Stupid!

Question 40: Please rate the general session you attended on Wednesday from 3:30 pm to 4:45 pm:



# Protecting Your Entity From Fraud

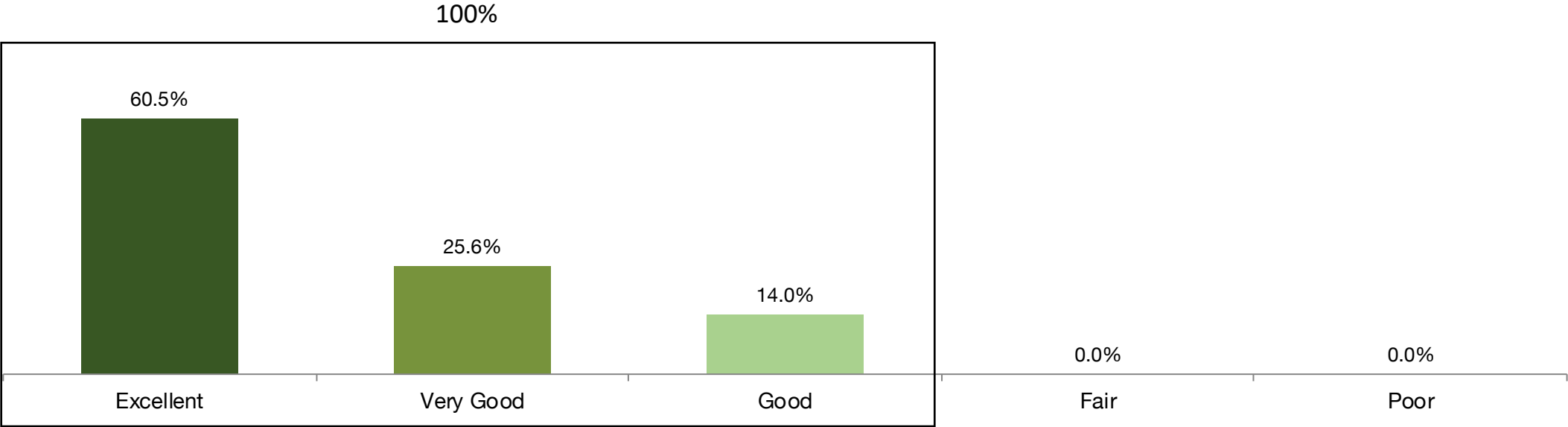
Question 40: Please rate the general session you attended on Wednesday from 3:30 pm to 4:45 pm:





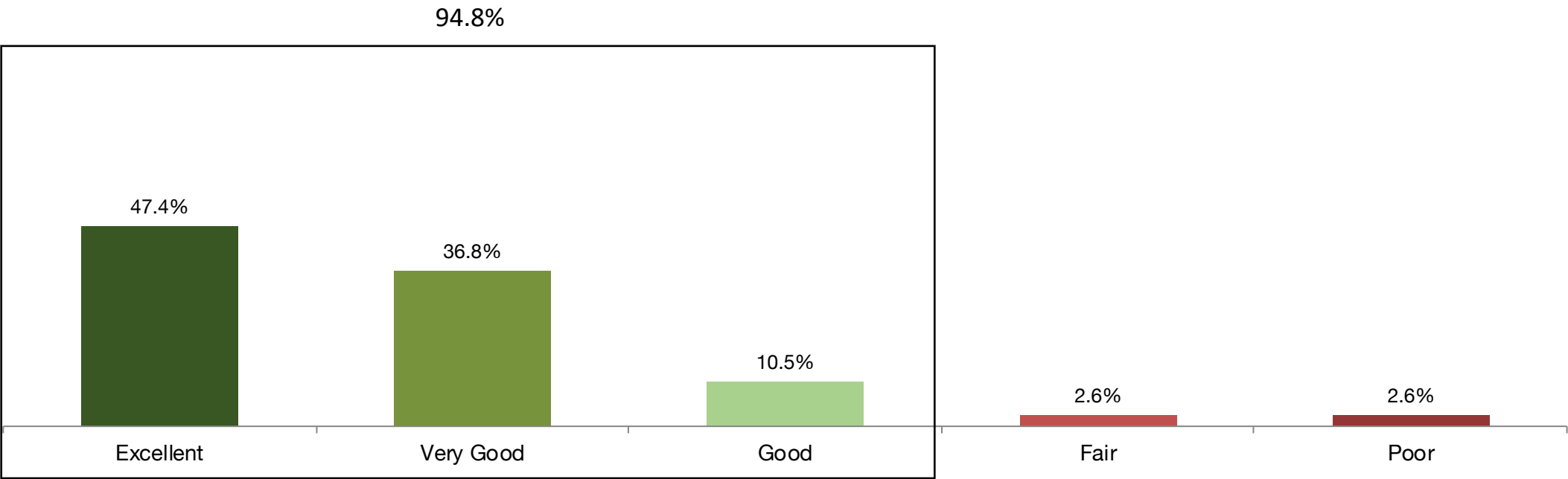
# The Coleman Report

Question 40: Please rate the general session you attended on Wednesday from 3:30 pm to 4:45 pm:



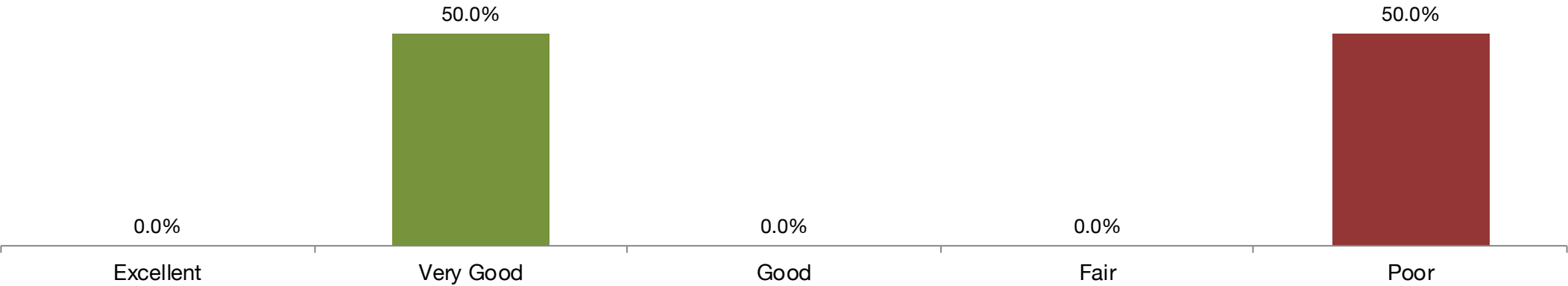
# GASB Update - The Implementation Guides Are Here

Question 40: Please rate the general session you attended on Wednesday from 3:30 pm to 4:45 pm:



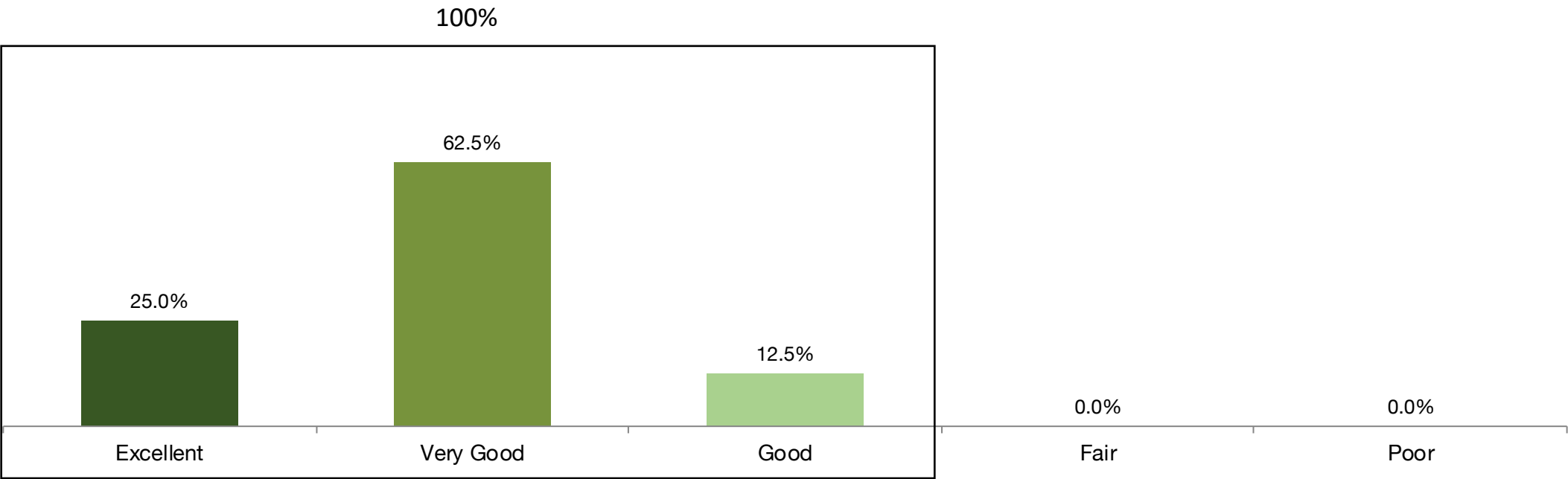
# California Burning: Fight Wild Fire...But How to Pay for It?

Question 40: Please rate the general session you attended on Wednesday from 3:30 pm to 4:45 pm:



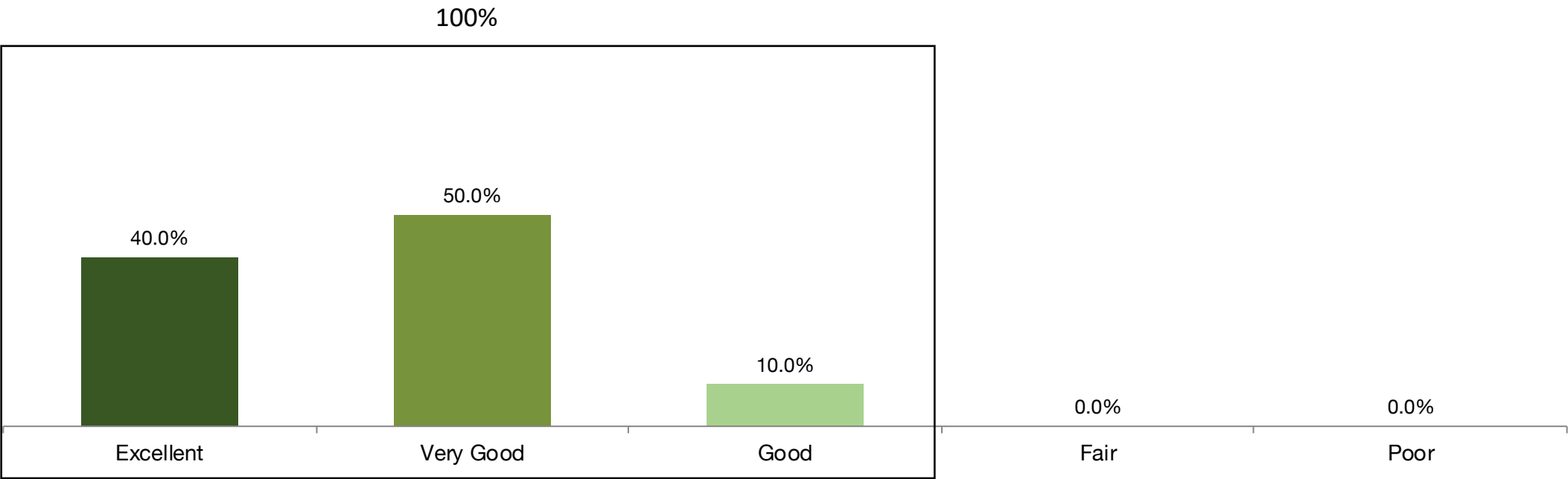
# Yesterday - Cannabis, Tomorrow-Hemp, and Finance-Fiscal Trends

Question 40: Please rate the general session you attended on Wednesday from 3:30 pm to 4:45 pm:



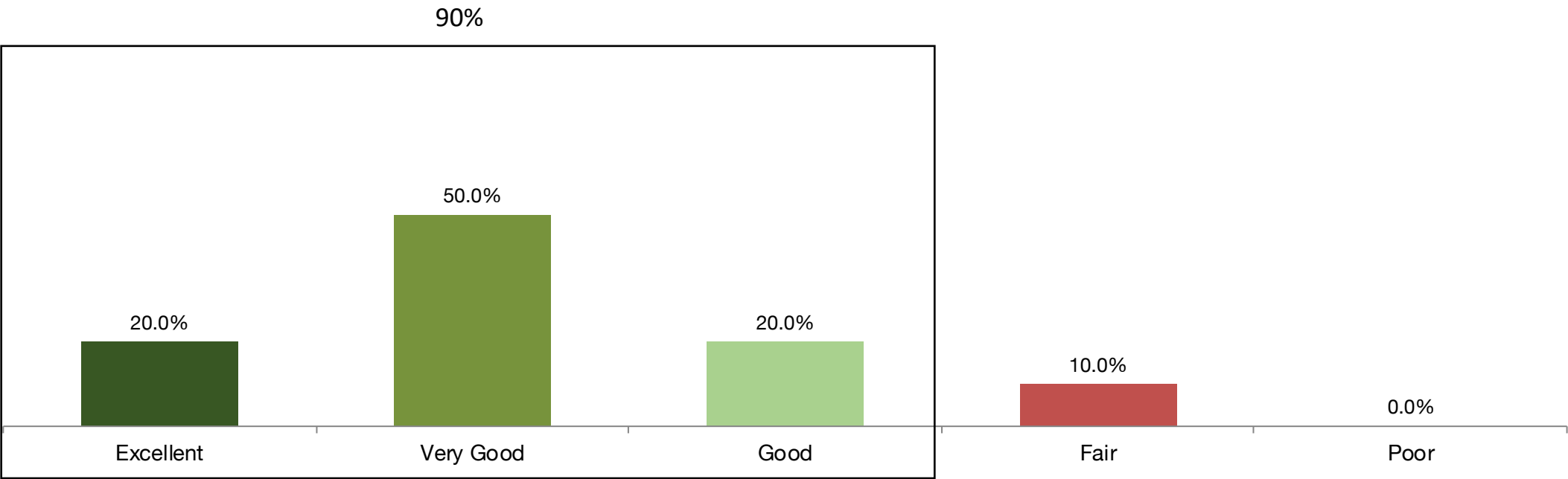
# Inclusion, Diversity and Equity: Building a Culture of Excellence in the Workplace

Question 40: Please rate the general session you attended on Wednesday from 3:30 pm to 4:45 pm:



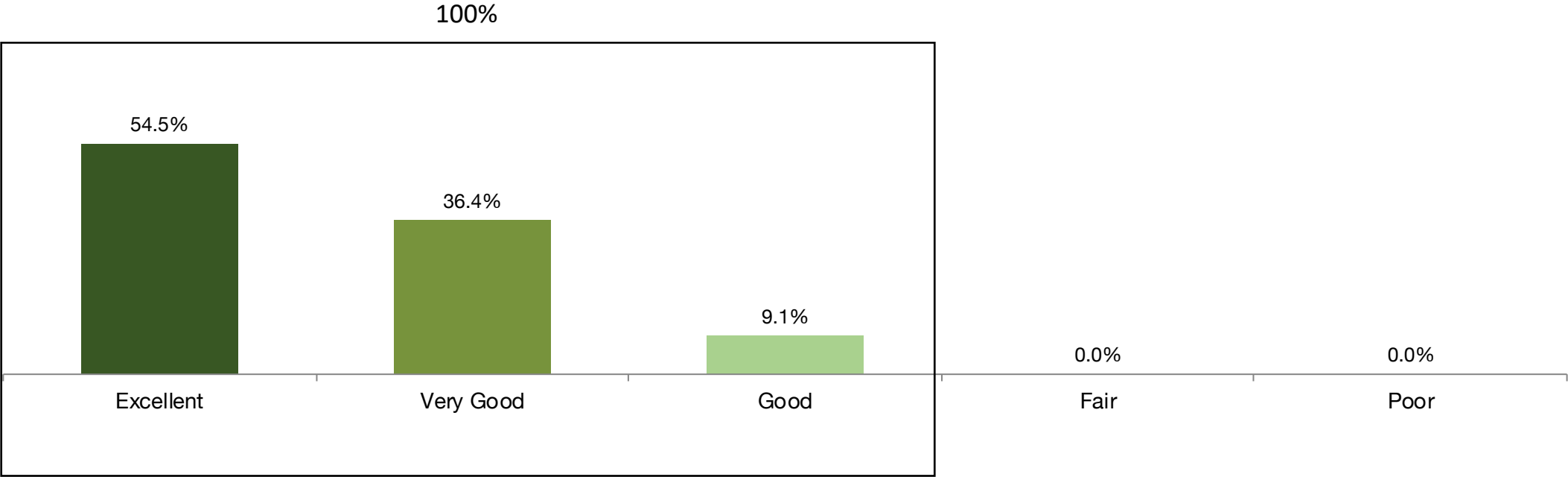
# Do More With Less: The Power of Automation

Question 40: Please rate the general session you attended on Wednesday from 3:30 pm to 4:45 pm:



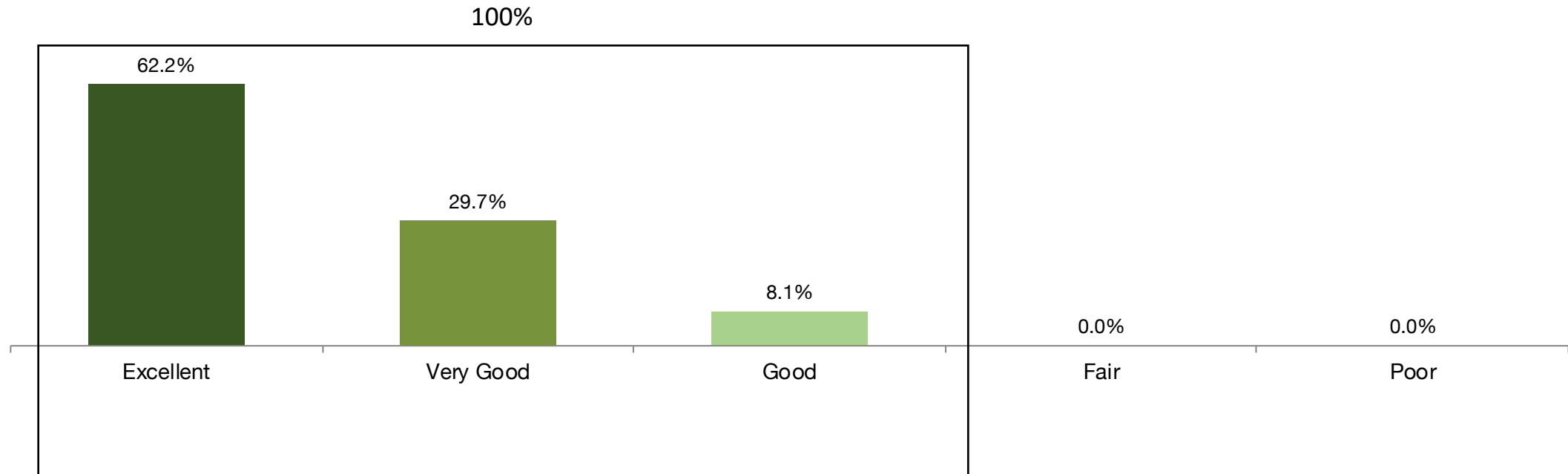
# 7 Habits of Highly Effective Investment Programs

Question 40: Please rate the general session you attended on Wednesday from 3:30 pm to 4:45 pm:



# 62% of attendees rated the session for “Leading Successful Team and Organizational Culture Change” as excellent

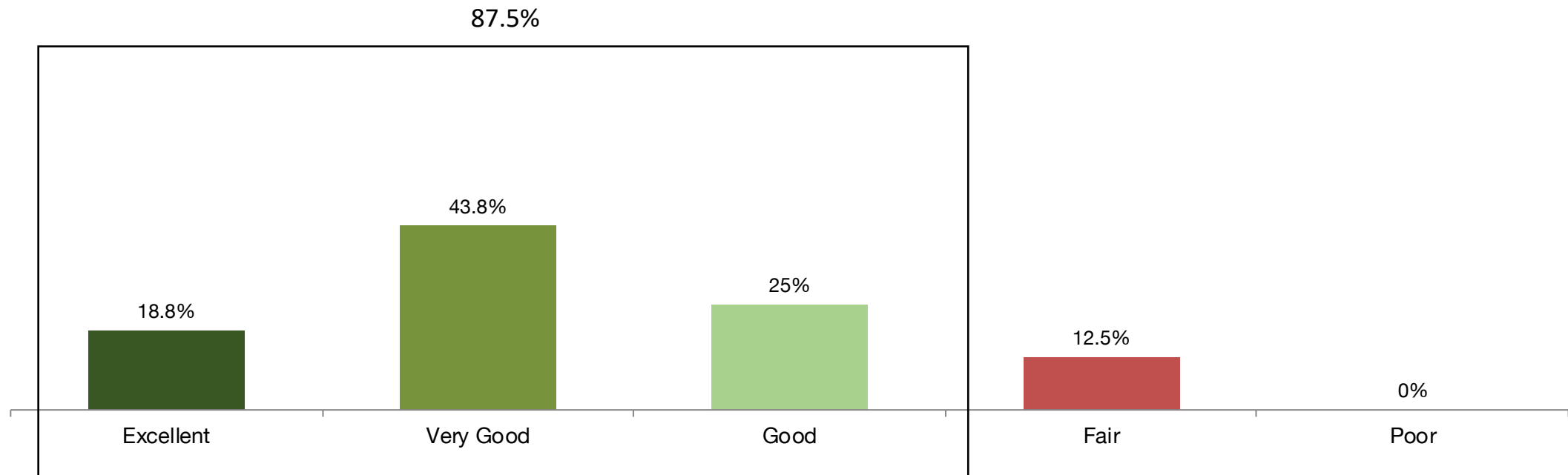
Question 42: Please rate the session you attended on Thursday from 10:15 am to 11:30 am “Leading Successful Team and Organizational Culture Change”





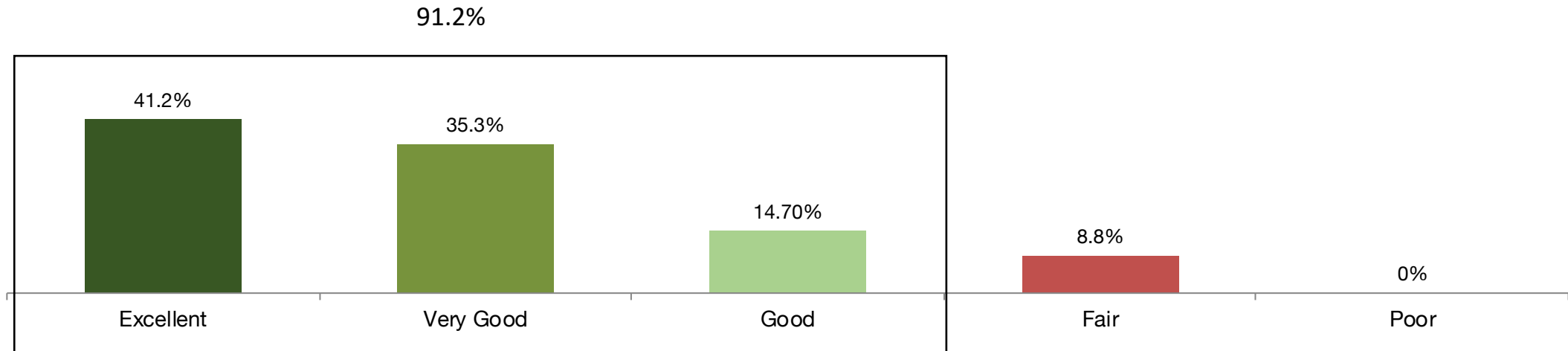
# 44% of attendees rated the session for “Transforming Local Government Finances Through Innovative Use of Special Taxes” as very good

Question 42: Please rate the session you attended on Thursday from 10:15 am to 11:30 am “Transforming Local Government Finances Through Innovative Use of Special Taxes”



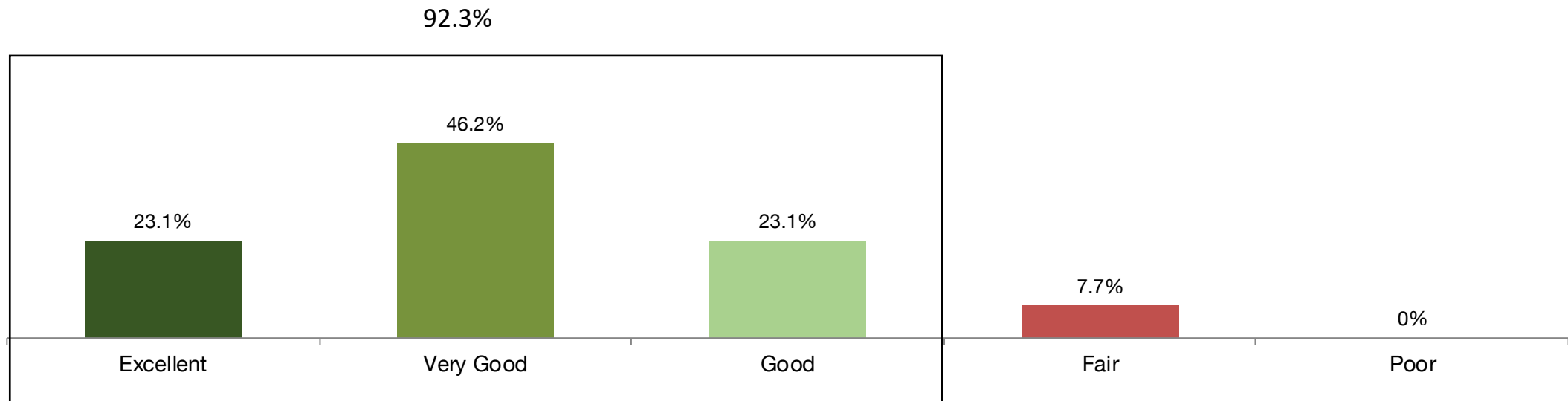
# 41% of attendees rated the session for “GASB Update Projects Under Construction” as excellent

Question 42: Please rate the session you attended on Thursday from 10:15 am to 11:30 am “GASB Update - Projects Under Construction”



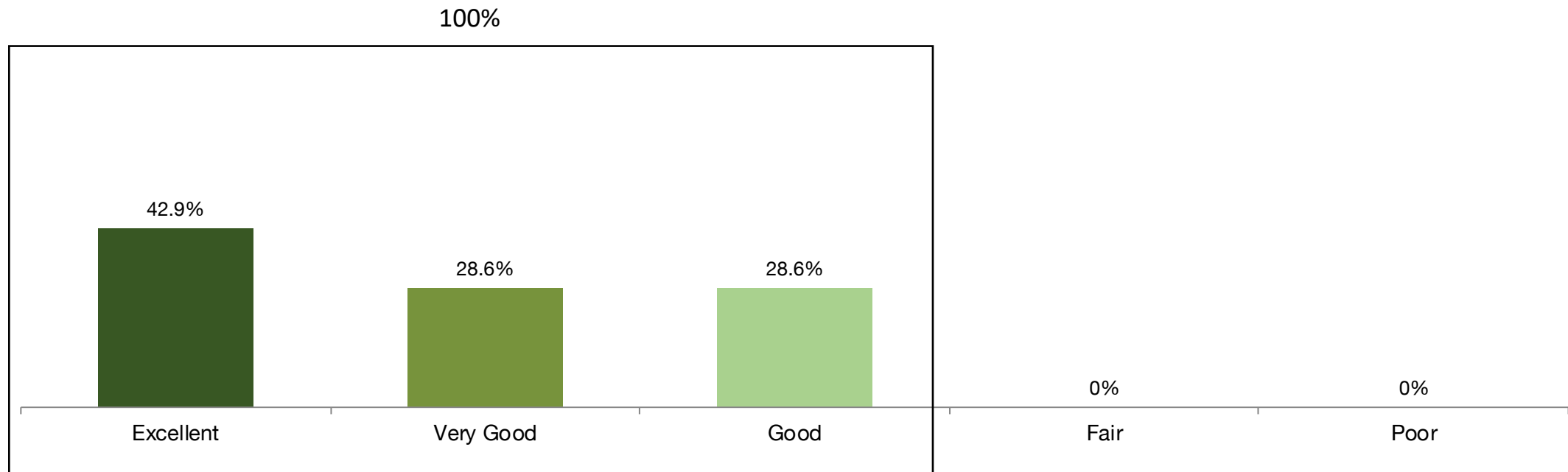
# 46% of attendees rated the session for “The Salinas Plan” as very good

Question 42: Please rate the session you attended on Thursday from 10:15 am to 11:30 am “The Salinas Plan: Creatively Addressing Budget Deficits, The Cost of Services, and Affordable Housing”



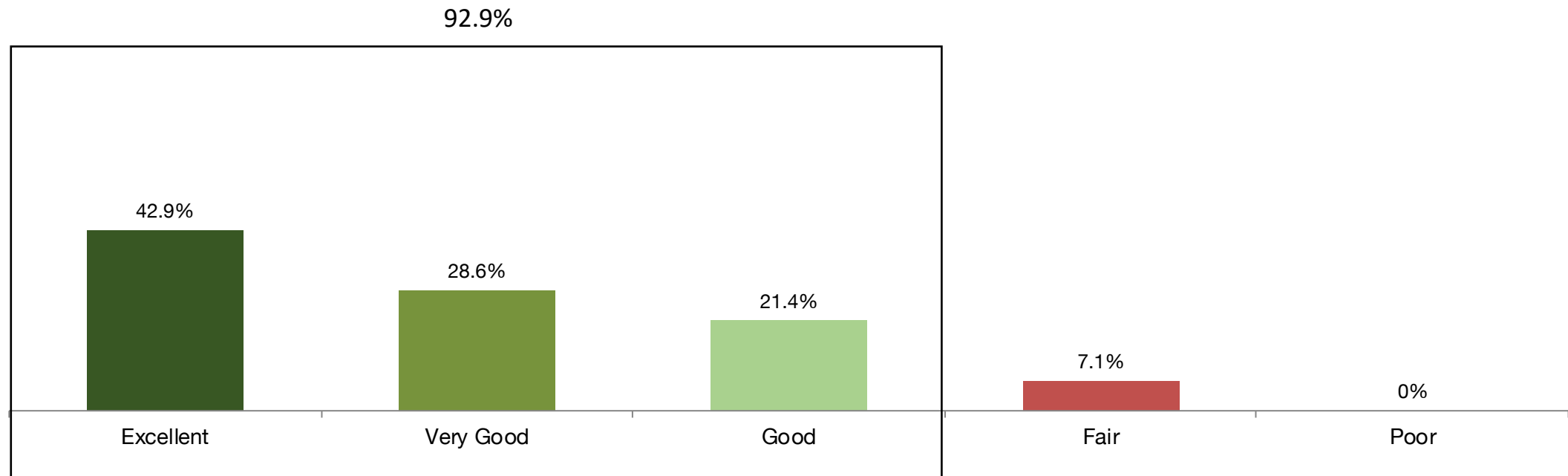
# 43% of attendees rated the session for “Change is Coming” as good

Question 42: Please rate the session you attended on Thursday from 10:15 am to 11:30 am “Change is Coming: Needs Assessments and Software Planning”



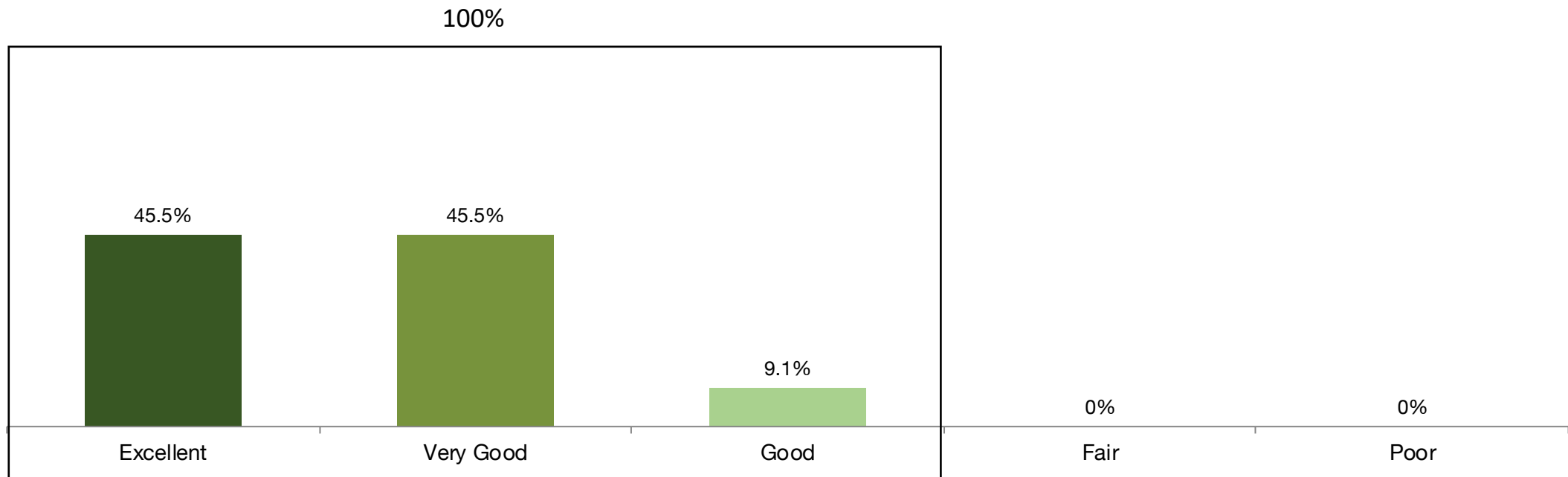
# 43% of attendees rated the session for “Navigating the Raging Rivers of Debt Management” as excellent

Question 42: Please rate the session you attended on Thursday from 10:15 am to 11:30 am “Navigating the Raging Rivers of Debt Management”



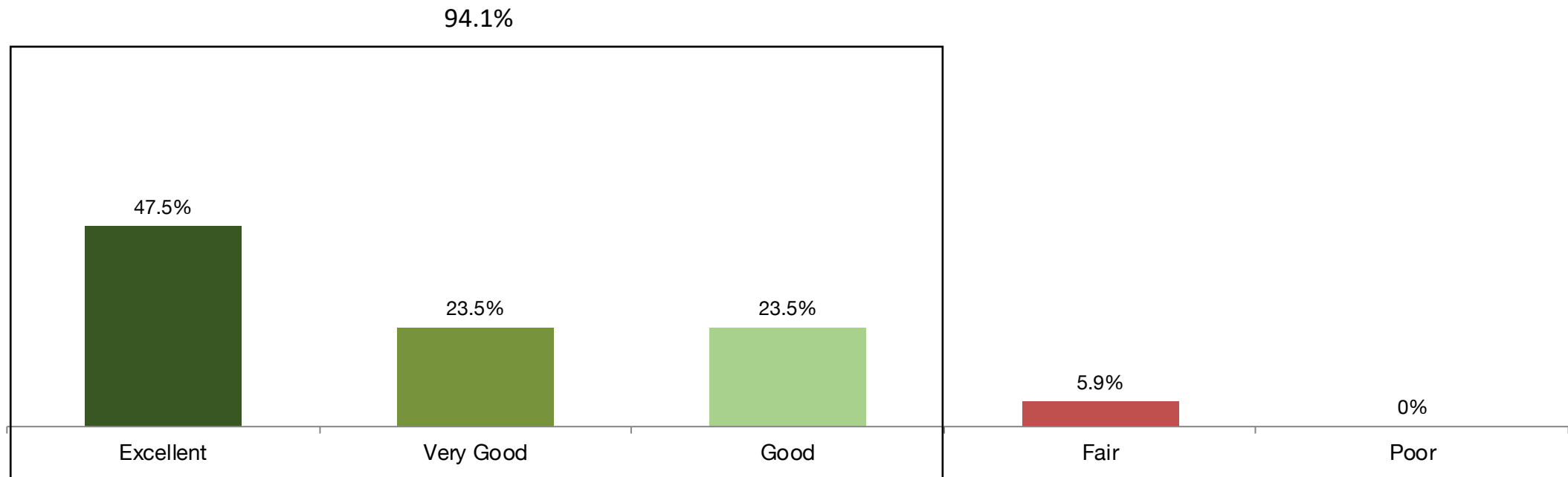
# 45% of attendees rated the session for “Taking a Policy Based Approach to Setting User Fees” as excellent or very good

Question 42: Please rate the session you attended on Thursday from 10:15 am to 11:30 am “Taking a Policy-Based Approach to Setting User Fees”



# 48% of attendees rated the session for “Let's Get Digital” as excellent

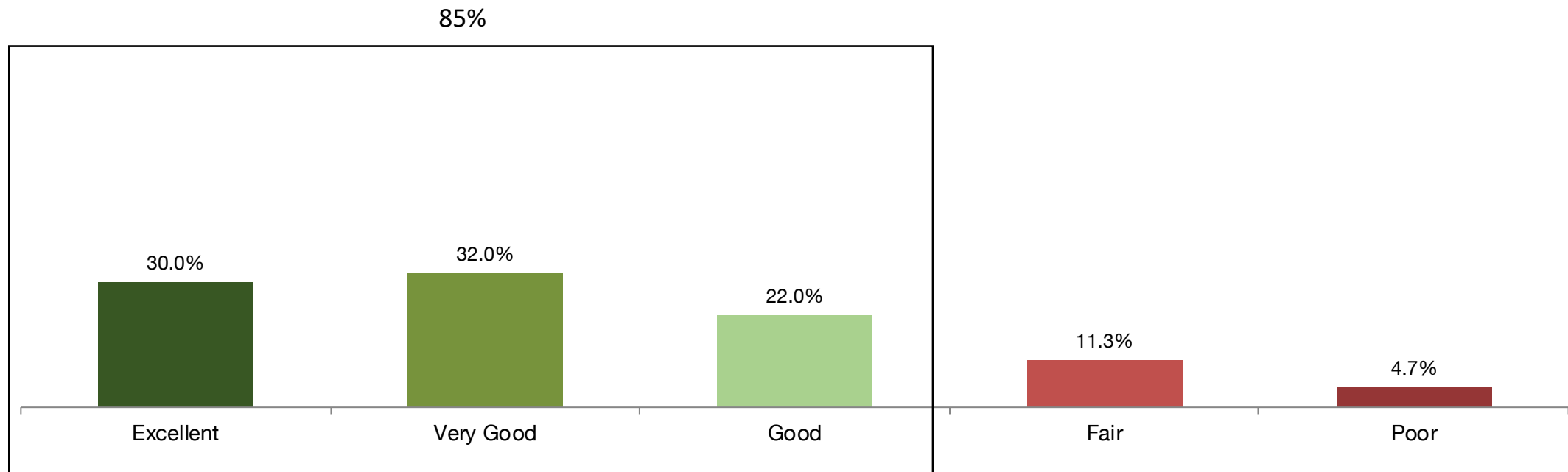
Question 42: Please rate the session you attended on Thursday from 10:15 am to 11:30 am “Let's Get Digital: Understanding Recent Advancements In Banking Technology”



# 32% of attendees rated the lunch General Session

Keynote Speaker Rebecca Ryan as very good

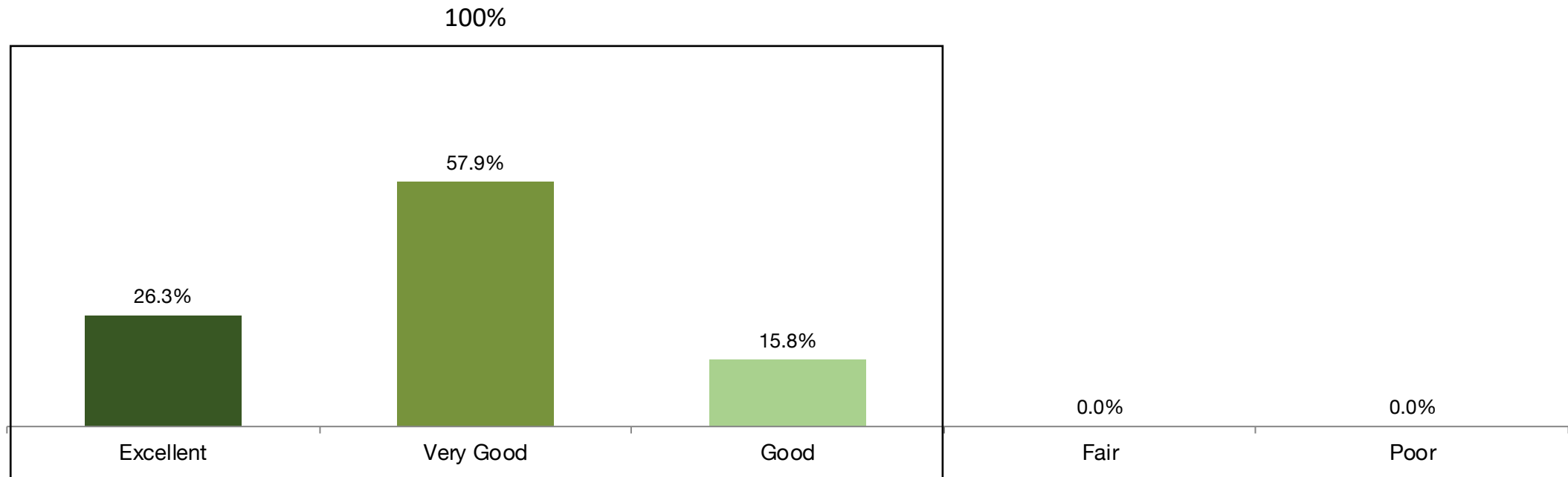
Question 43: Please rate the lunch General Session Keynote Speaker Rebecca Ryan





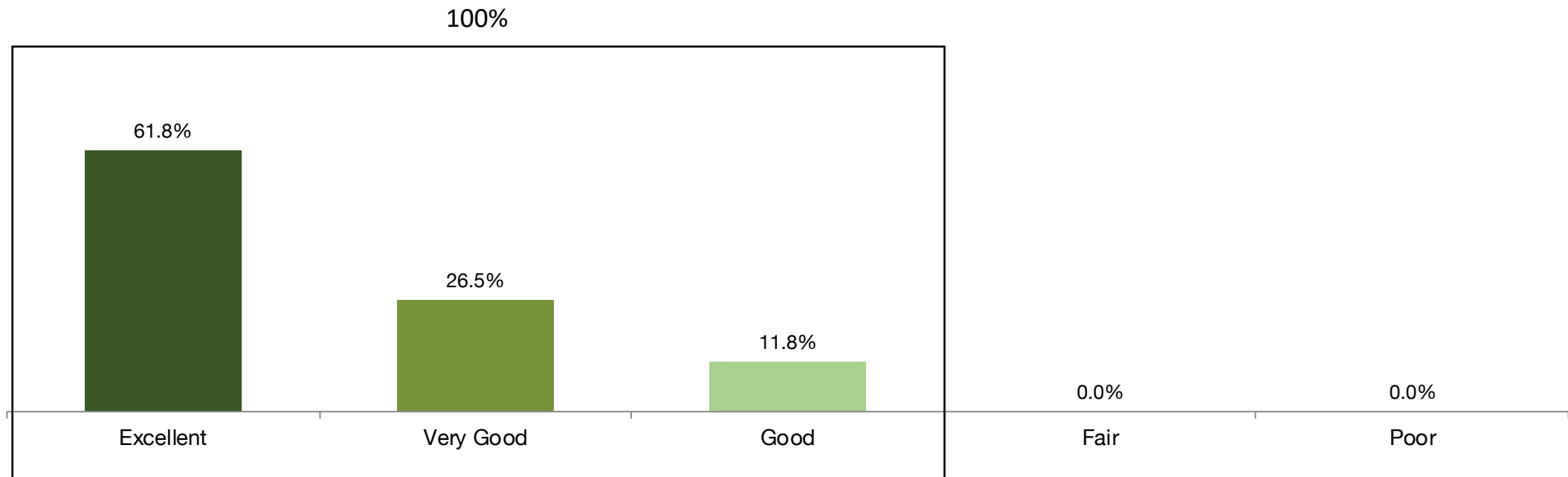
# 58% of attendees rated the session for “Read All About It” as very good

Question 44: Please rate the session you attended on Thursday from 1:45 pm to 3:00 pm “Read All About It: The Blue Book Has Been Updated!”



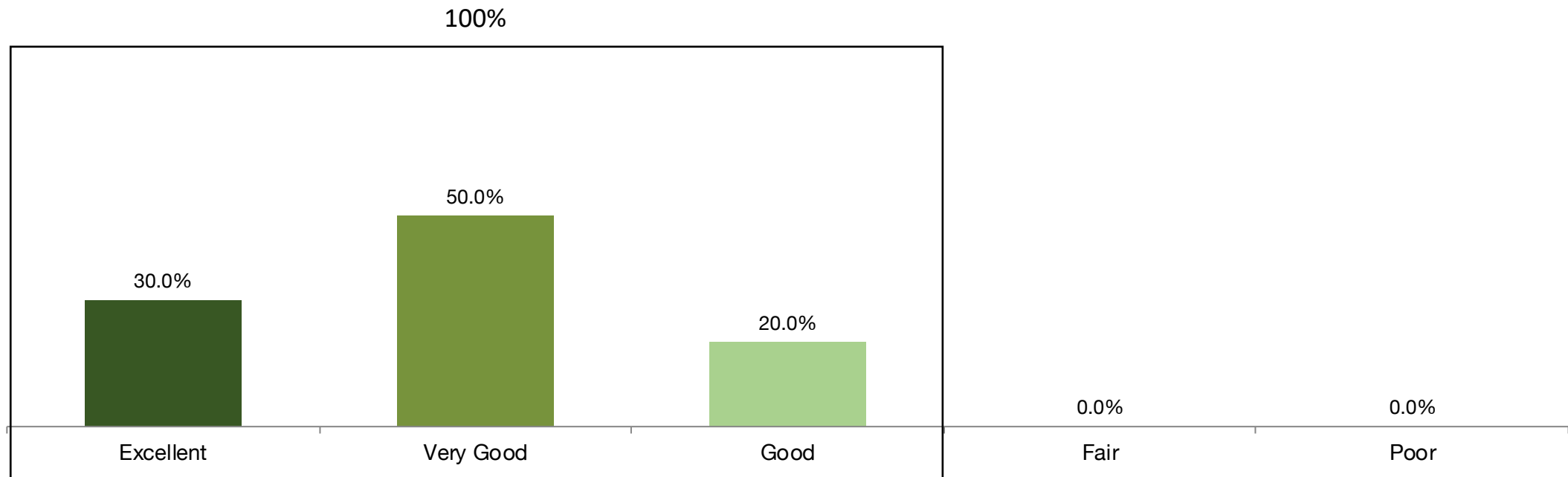
# 62% of attendees rated the session for “Public Speaking Finance Folks” as excellent

Question 44: Please rate the session you attended on Thursday from 1:45 pm to 3:00 pm “Public Speaking for Finance Folks”



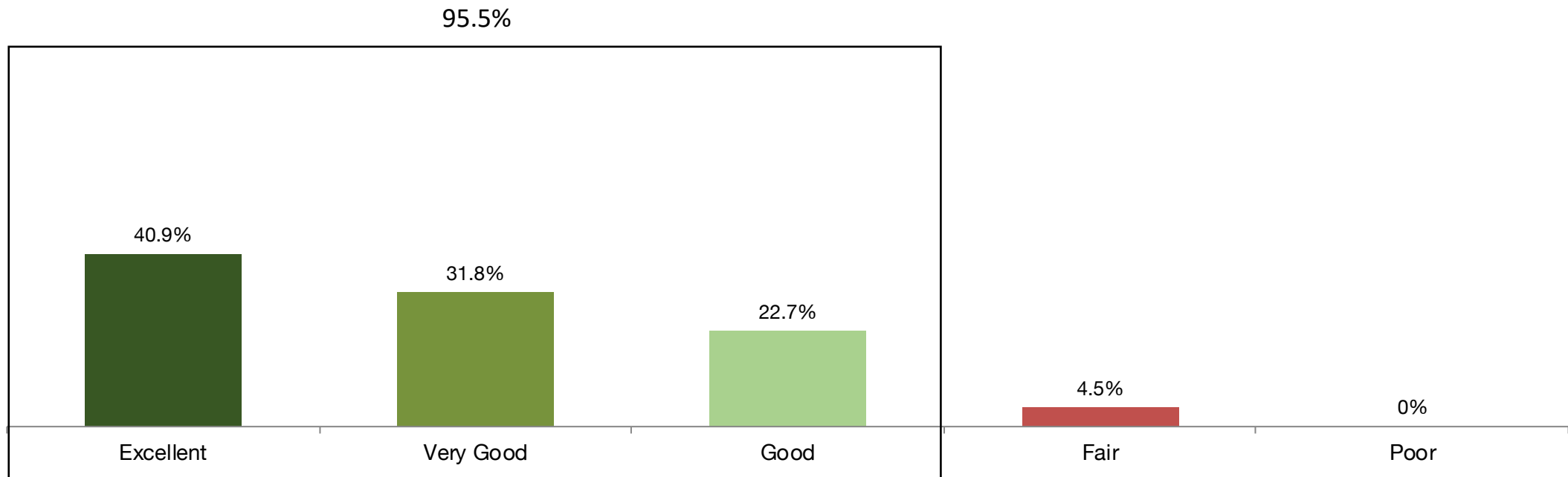
# 50% of attendees rated the session for “Putting Foresight to Work” as very good

Question 44: Please rate the session you attended on Thursday from 1:45 pm to 3:00 pm “Putting Foresight to Work: Are You Future-Ready?”



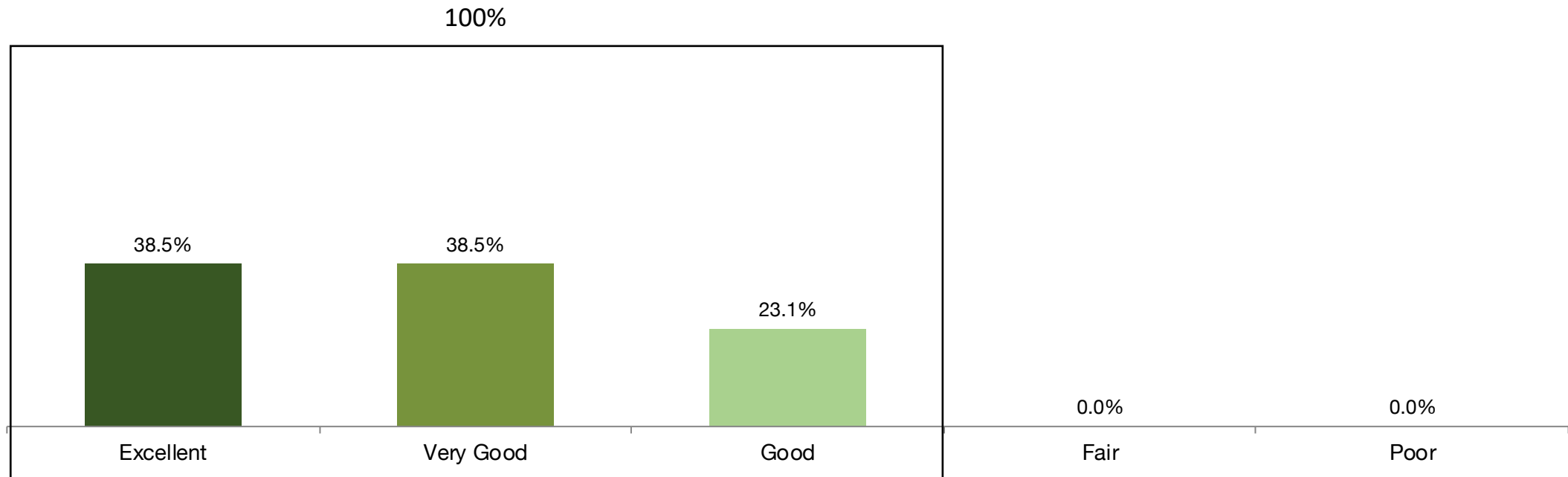
# 41% of attendees rated the session for “Read All About It” as excellent

Question 44: Please rate the session you attended on Thursday from 1:45 pm to 3:00 pm “Read All About It: The Blue Book Has Been Updated!”



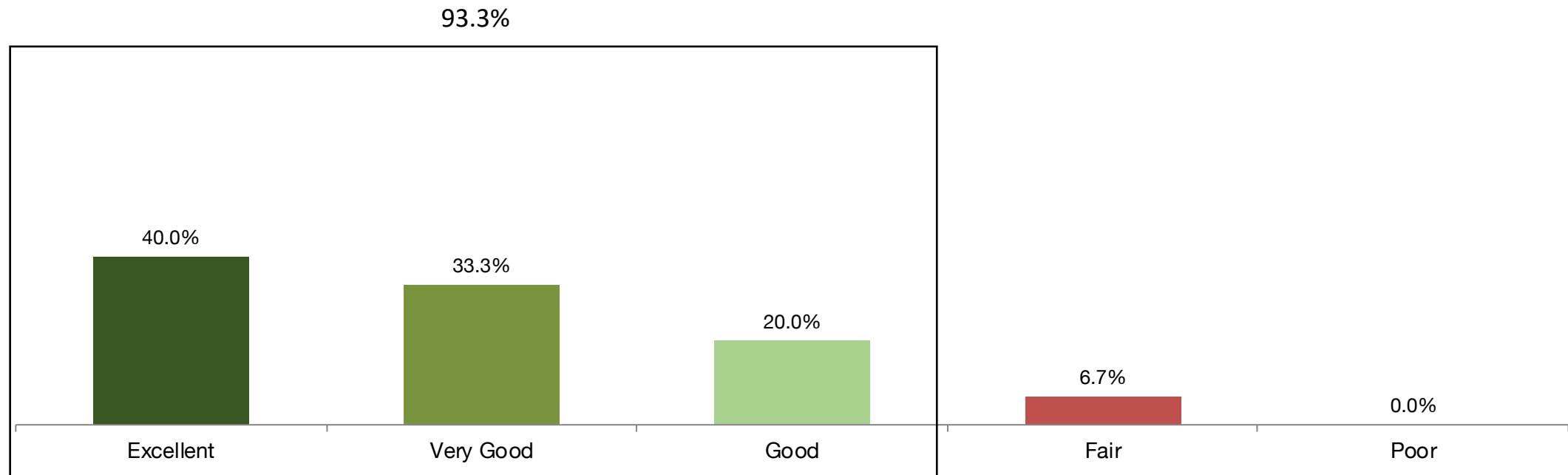
# 39% of attendees rated the session for “Not Just ERP Presentation” as excellent or very good

Question 44: Please rate the session you attended on Thursday from 1:45 pm to 3:00 pm “Not Just Another ERP Presentation: Two Agencies' Experiences”



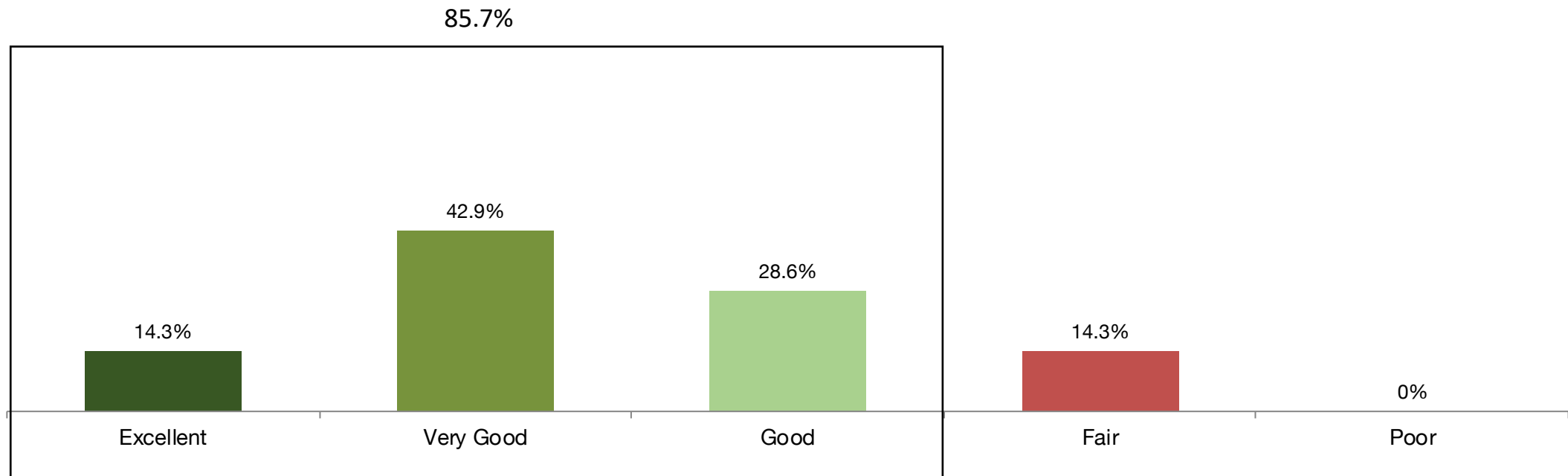
# 40% of attendees rated the session for “Water Rates and Trends” as excellent

Question 44: Please rate the session you attended on Thursday from 1:45 pm to 3:00 pm “Water Rates and Trends - Where Are We Going?”



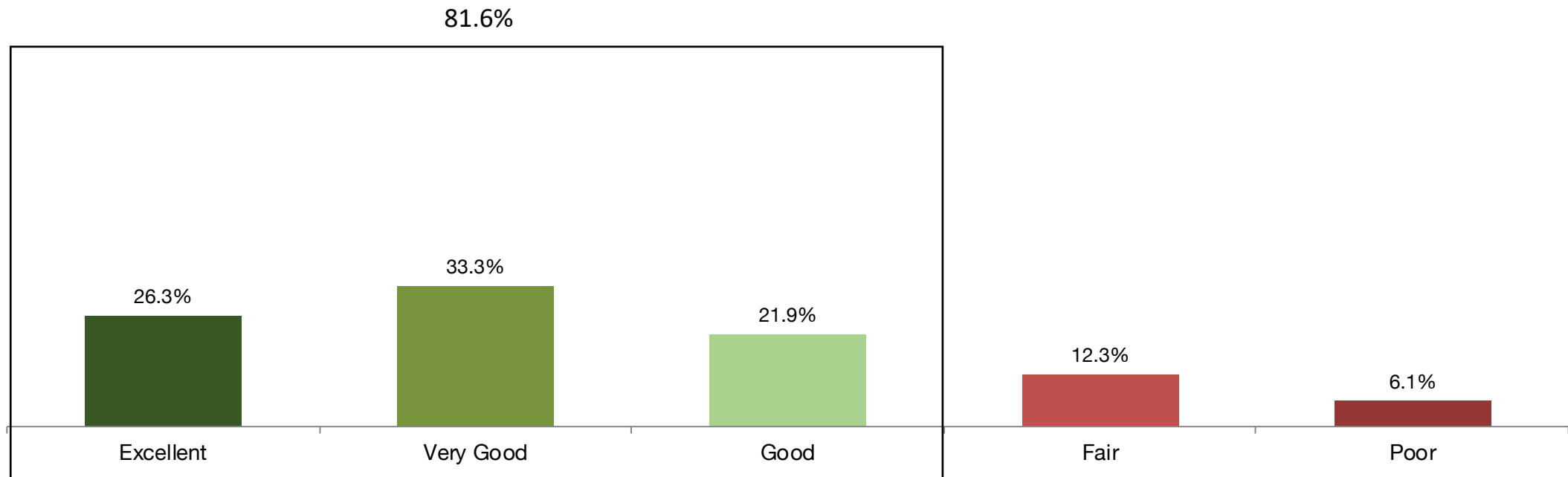
# 43% of attendees rated the session for “Investment Portfolio Solutions” as very good

Question 44: Please rate the session you attended on Thursday from 1:45 pm to 3:00 pm “Investment Portfolio Solutions: Working With an Advisor or Going It Alone, and Other Themes In Public Investments”



# 33% of attendees rated the session for “Yesterday is a Dream, But Tomorrow is a Vision” Transition” as very good

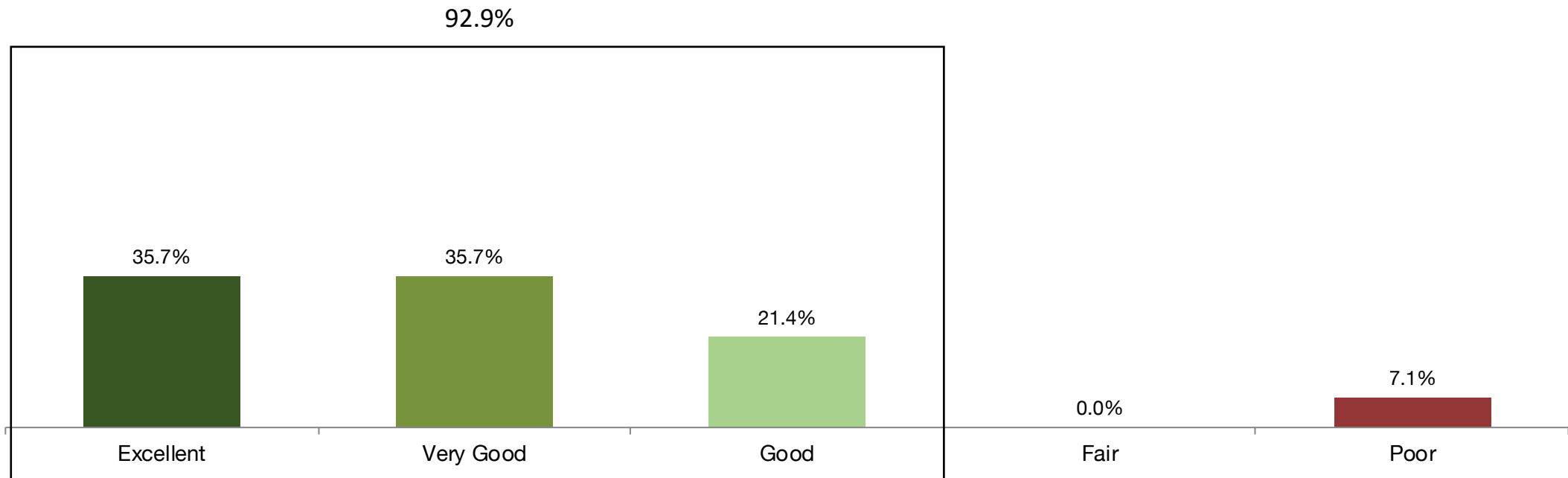
Question 45: Please rate the general session you attended on Thursday from 4:00 pm to 5:15 pm “Yesterday is a Dream, But Tomorrow is a Vision”





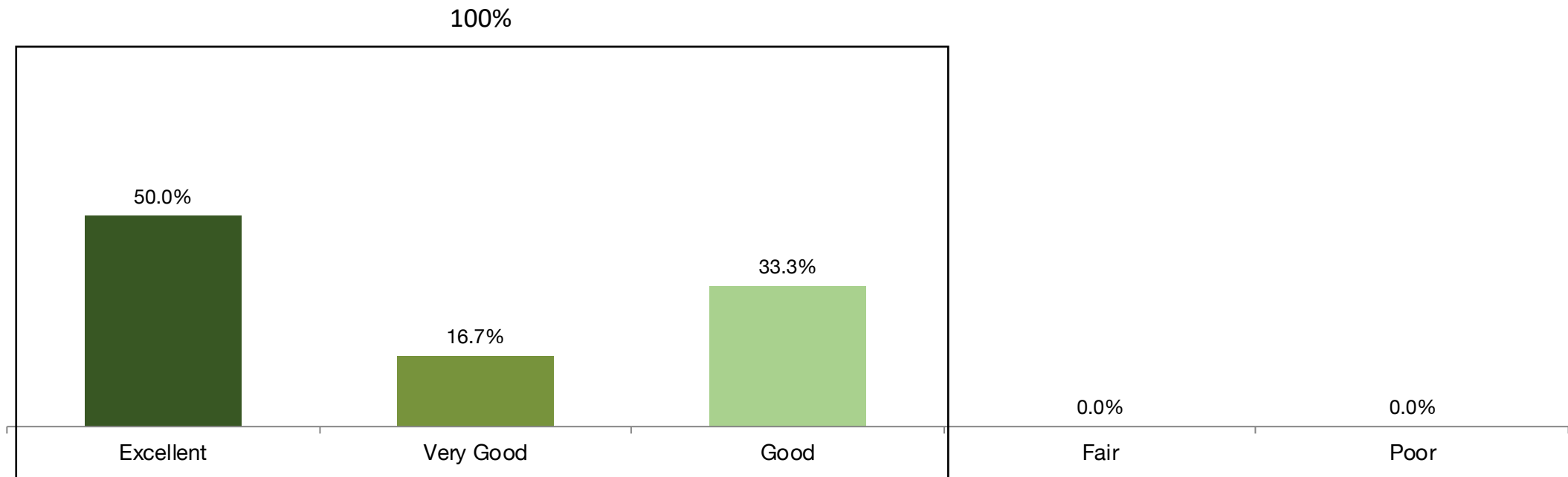
# 36% of attendees rated the session for “Read All About It” as excellent or very good

Question 46: Please rate the session you attended on Friday from 9:15 am to 10:30 am “Read All About It: The Blue Book Has Been Updated!”



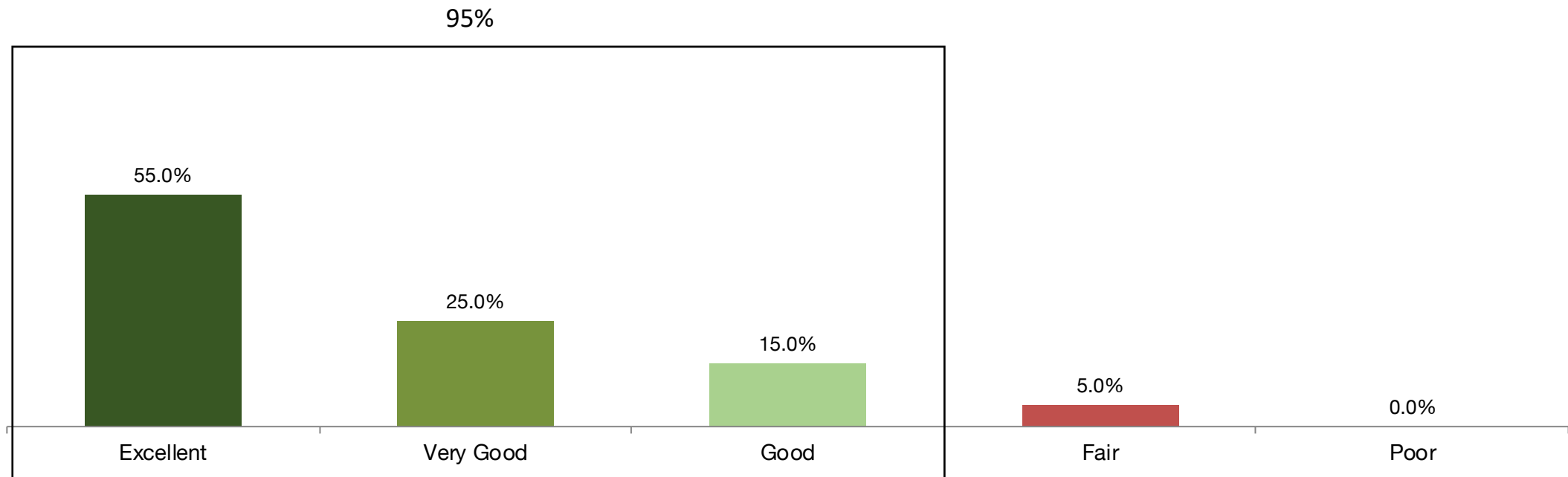
# 50% of attendees rated the session for “Lessons in Cybersecurity From the Hacker’s Playbook” as excellent

Question 46: Please rate the session you attended on Friday from 9:15 am to 10:30 am “Lessons In Cybersecurity From the Hacker's Playbook”



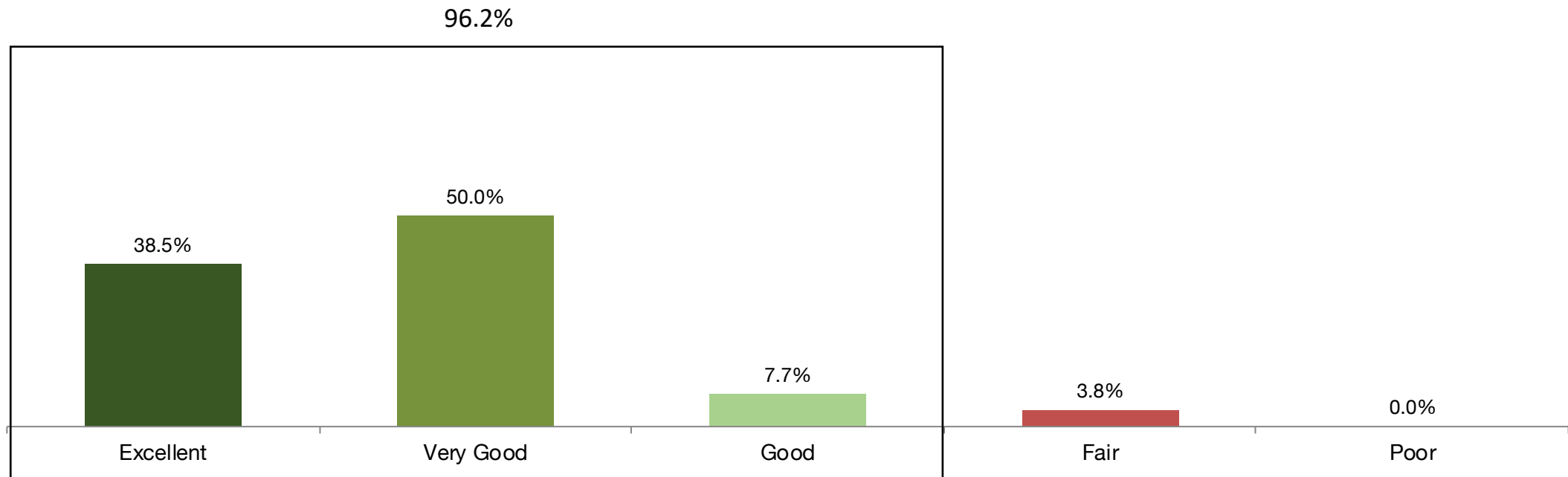
# 55% of attendees rated the session for “On the Horizon” as excellent

Question 46: Please rate the session you attended on Friday from 9:15 am to 10:30 am “On the Horizon: CalPERS' Efforts to Sustain and Protect the System”



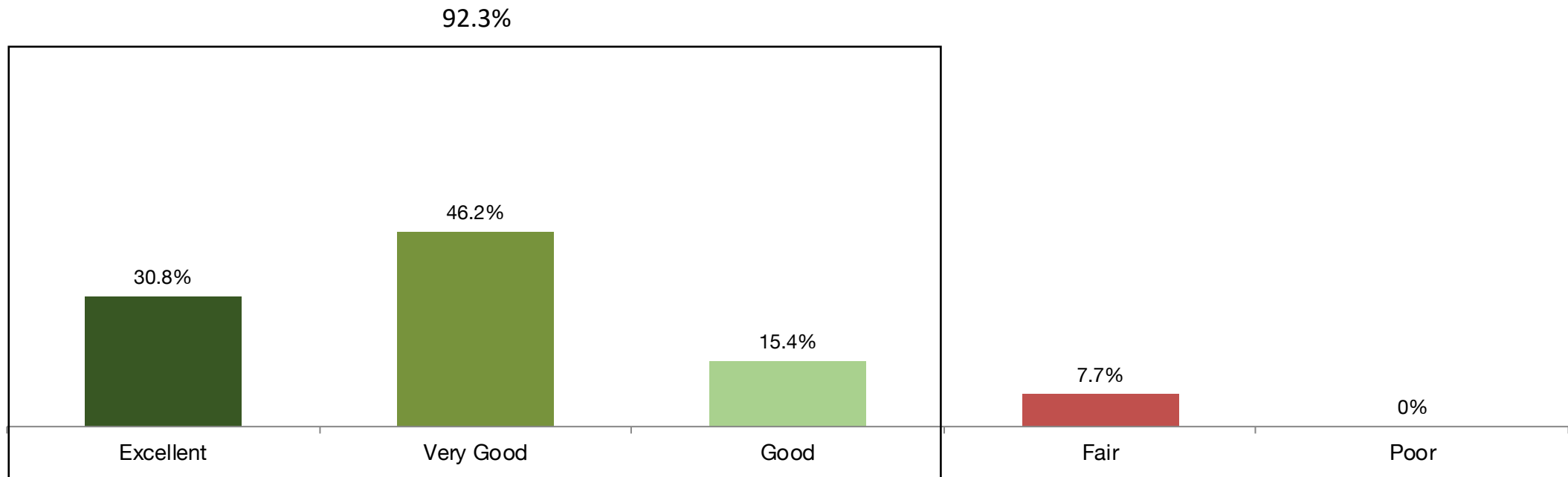
# 50% of attendees rated the session for “Lease Accounting of Tomorrow” as very good

Question 46: Please rate the session you attended on Friday from 9:15 am to 10:30 am “Lease Accounting of Tomorrow”



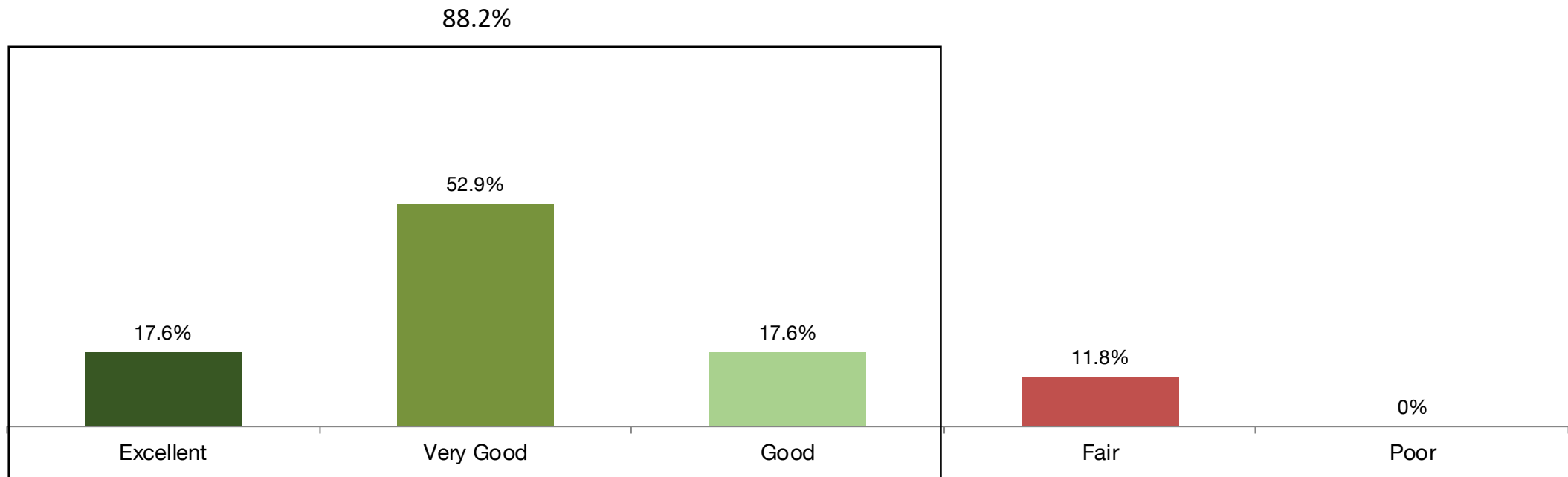
# 46% of attendees rated the session for “Avoid Being the ‘Un-Happiest’ Place in California” as very good

Question 46: Please rate the session you attended on Friday from 9:15 am to 10:30 am “Avoid Being the "Un-Happiest" Place in California”



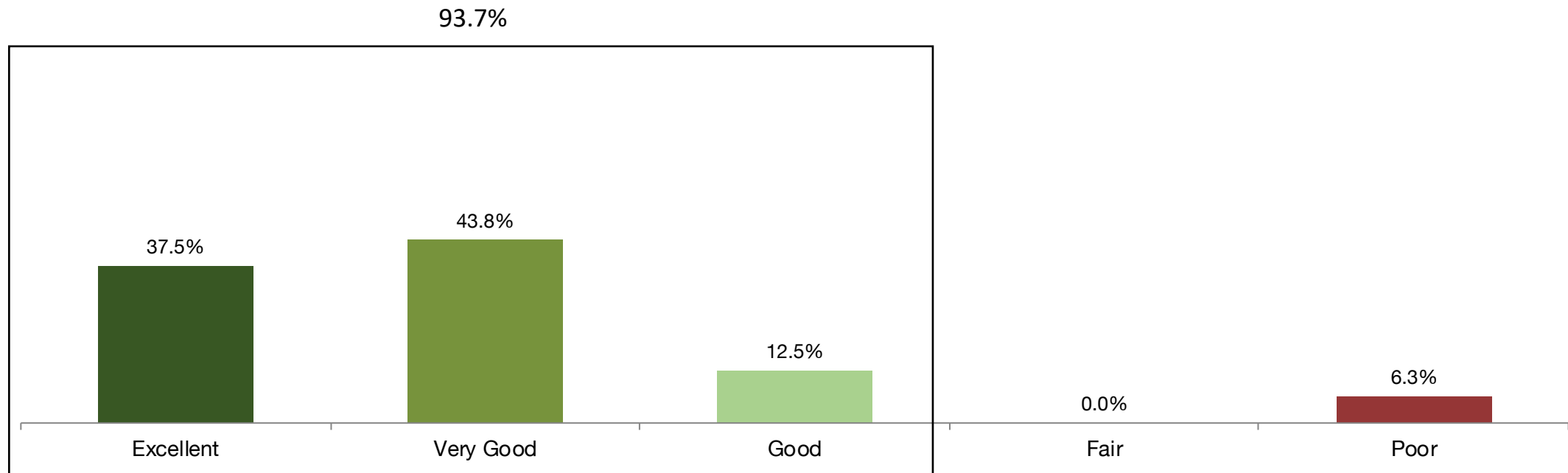
# 53% of attendees rated the session for “Financial Leadership” as very good

Question 46: Please rate the session you attended on Friday from 9:15 am to 10:30 am “Financial Leadership (In Difficult Situations)”



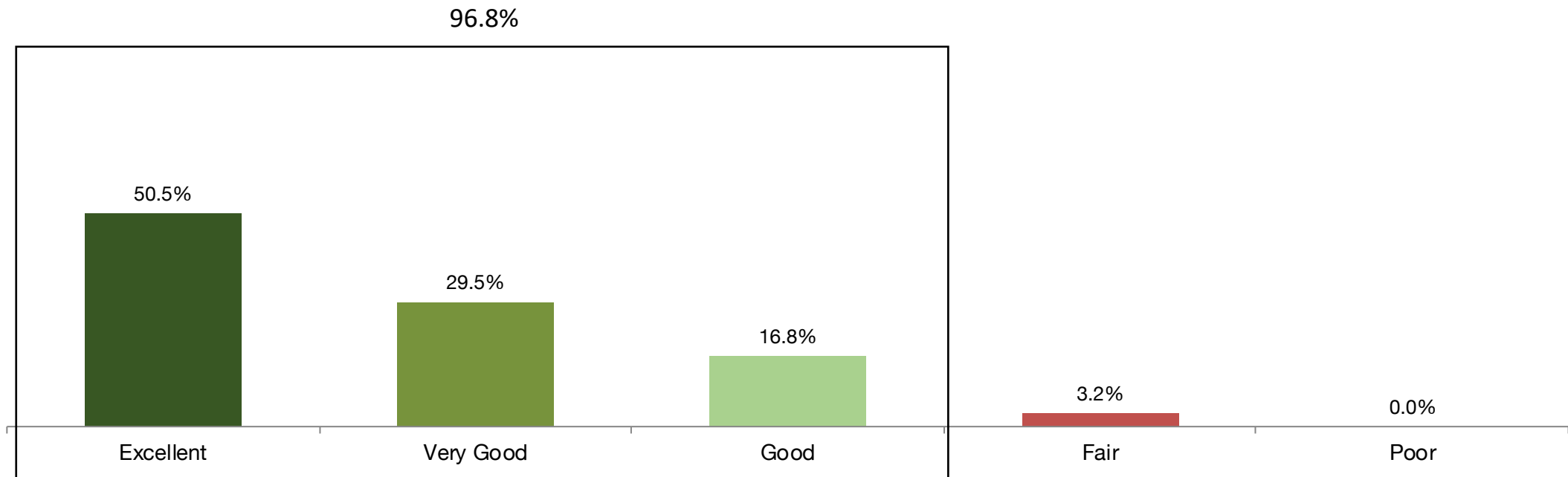
# 44% of attendees rated the session for “How Much Is Too Much” as very good

Question 46: Please rate the session you attended on Friday from 9:15 am to 10:30 am “How Much Is Too Much: Understanding ‘Debt Affordability’”



# 51% of attendees rated the closing general session and Keynote Speaker Steve Grossing as excellent

Question 47: Please rate the closing general session and keynote speaker Steve Gross from Friday 10:45 am to 12:00 pm





# Additional comments

## Question 48: Additional comments

- I was confused and disappointed that there wasn't breakfast served Wednesday morning.
- Please keep to the mid-February schedule. The moving schedule impact agencies' ability to plan, and January dates are difficult due to deliverables (W-2s, 1099s, SCO FTRs).
- As usual, TOO MANY great sessions. Fantastic work.
- Excellent! I have already shared Steve Gross' key message with my staff.
- I thought all of the sessions I attended were great. I'm hoping we haven't outgrown the Disneyland Hotel, but it seemed pretty tight on space
- The overall conference cost was very expensive.
- I was really disappointed in the State Treasurer. She just read her speech and hopped off the stage for pictures.
- Encourage people to rate session right after them on Guidebook.
- It's been bother me why no one addresses "how we as Finance Directors convincing our bosses (City Manager, City Councils)" to deliver our goals? We can learn theory, after theory but without good implementation we are not going achieve our goals.
- All of the general session speakers were excellent. I really enjoyed Steve Gross's very positive speech. It was the perfect ending for the conference.
- I loved that Steve Gross' session was at the end of the conference because it left everything on a positive note. I felt more motivated and inspired after attending his session.

# Session additional comments

Question 49: If you have additional comments on sessions, please write the session title and your comments below:

- many sessions were standing room only.
- The variety of session options was outstanding.
- I liked that there was a session in each block for Yellow Book CPE
- The presentation I found most valuable was not available on the list. It was the pre conference, oh no not another grant. Loved it !!
- The Coleman Report should be a general session to give everyone enough seating.
- Would prefer session go for one hour. Most can be covered in that amount of time, and would allow for more sessions and flexibility for duplicate offerings.
- I hope there is more than 1 repeat sessions so we can attend if there is any time conflict.
- please add more training to internal auditing
- Again, I was very impressed by the presenters at the sessions I attended for Wednesday (only 1 day). It was enough for me to decide I will return for the entire conference next year.
- Almost every session that I attended provided good takeaways. One exception was the 7 Solutions to Addressing Pension Liabilities which promoted pension obligation bonds in contradiction to GFOA best practices.
- The women who spoke on the future started out good, but it was really hard to figure out where she was going. It was really boring.
- Check-in process on first day of full-conference was very crowded. Would have helped to have it open later on Tuesday night so locals could stop on way home.
- Need to have a track for Cities/Districts based on population sizes.
- Lease Accounting of Tomorrow - referred many people who had questions after the session to implementation guide without other guidance GASB update - glossed over GASB 87

# 12% of attendees found the presentation “It’s the Housing Supply! Stupid” to be the most valuable

Question 50: Which presentation did you find most valuable and why?



# Continued

Question 50: Which presentation did you find most valuable and why?



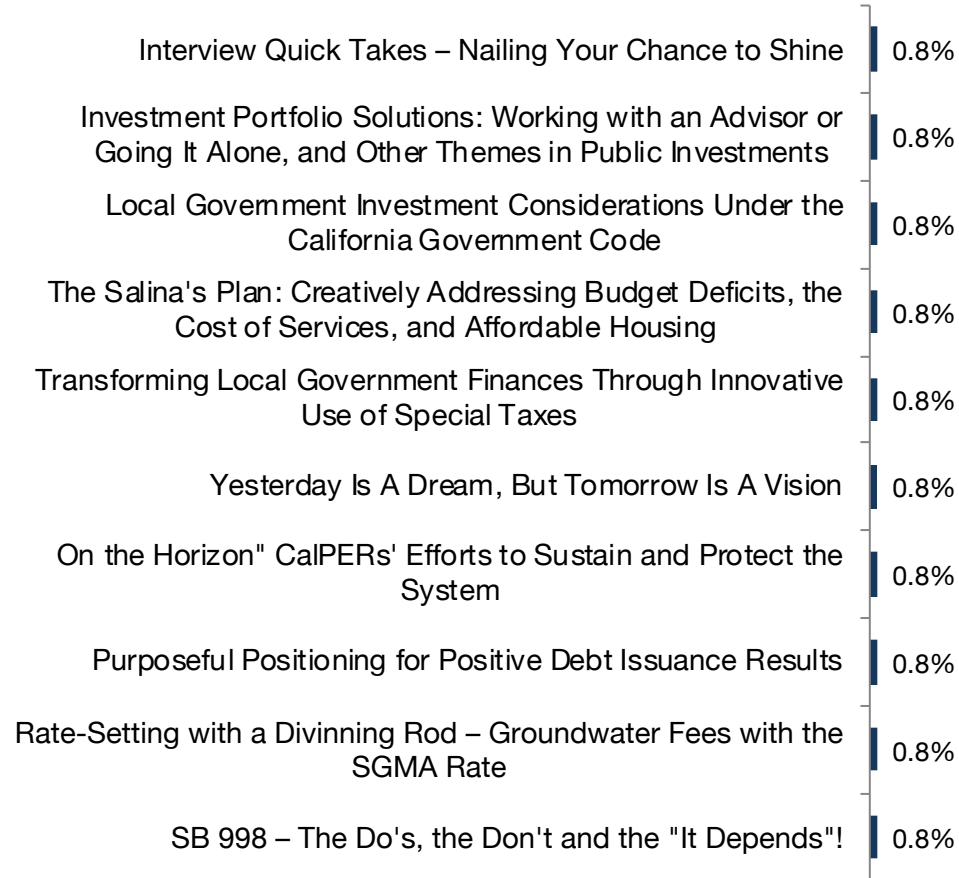
# Continued

Question 50: Which presentation did you find most valuable and why?



# Continued

Question 50: Which presentation did you find most valuable and why?



# Why they found the presentation most valuable

## Question 51: Why

- engaging instructor
- Interesting to see how technology is changing how traditional banking works
- Very informative
- Highly technical area with an excellent array of experts in the field including a GFOA rep
- provided a quick overview of different ways to address this issue
- Thornberg is the best and provides the most useful information.
- We need to make our capital program more robust at work, so any tips or tricks I can learn are valuable to me.
- It felt most relevant and the speakers were excellent.
- New GASB implementation, need more guidance.
- Relevance and speaker
- They talked about things that normally agencies don't think about in an emergency of this magnitude. More planning must be done.
- The information was relevant to me as a new manager.
- I just became a supervisor
- Dynamic presenter who gave practical and immediately useful tools
- Very informative - information I could not get anywhere else
- Session is very useful and easy to follow.
- VERY GOOD INFORMATION AS TO WHAT OTHER AGENCIES HAVE DONE.
- It narrowed the focus of California's problems.
- I am in charge of accounting for capital and fixed assets for my City.
- Chris Thornberg is fantastic. His ability to present economic data is the best.
- Really actionable
- Am currently trying to get this established in my city.
- We have not reviewed our 457 plan and need to. This session provided practical real-world solutions.
- Speakers really broke it down in easy to understand terms from both sides (lessee and lessor).
- Relevant information i can share with my staff.
- most relevant to some topics we're currently dealing with.
- SGMA is a huge issue for agencies and this new regulatory issue is a game changer.
- It was very informativeand I wish it went a little more into the subject.
- good overall visionary financial planning.
- It is important to stay up to date and obtain additional information on implementation.
- I use those information, so good to know more about it.
- Learn how to overcome public speaking fear
- very relevant in my work.
- Neil Kupchin is the best. I always choose his sessions for leadership and motivation improvements
- The topic was interesting, the speaker was engaging. It was definitely the right choice after lunch. I felt invigorated and energized!

# Continued

## Question 51: Why

- dynamic speaker
- I really enjoy the information and find it useful.
- Public speaking is part of my new role in my organization. The presenter was inspiring and I picked up some great tips.
- As an actuary, we get many questions from our clients about how to project future pension liability and contribution levels. This new CalPERS tool should be very helpful to employers
- gave practical tips that can be applied immediately
- It made everyone really think about issues that will possibly affect their agency at some point in time. It is better to have a plan in place now rather than defer the issue as someone else's problem.
- As a treasurer- it was important information that I was able to bring back and discuss with my investment staff.
- Knowledgeable speakers and Kevin Mascaro is hilarious!
- The speaker was very engaging. Many practical tips were given.
- Excellent foundation for fee-setting; engaging presenter
- No one had been able to determine the treatment of OPEB CERBT trusts and RDA Successor Agencies. This session addressed both. This is one of the great things about CSMFO, it focuses on local issued
- Good tips for public speaking and great practice exercises
- a lot of good information which benefited my agency.
- Neil is awesome!
- It gave us helpful information in a fun & entertaining way.
- Very engaging presenter with a lot of information
- I was unaware of the fiduciary responsibility I have as a director. I am taking immediate action to lesson my agencies liability in regards to our 457 plan
- Looking to move to a cloud based system and needed to know what to look out for. This presentation ended up showing me that we should be doing this for every outsourced vendor.
- very relevant to my organization right now
- Great information to take back and help our City!
- need to implement soon
- The speaker was engaging and very relatable. It was a great session!
- Provide insight about the econmy and a different view point
- I am interested in Long Term Financial Planning, and solutions to possible recessions in the future.
- The speaker was AMAZING!
- I did not realize all the things that affect the rates and how important it is to educate and get the publics buy in on rate increases.
- The contrarian point of view provides an alternative viewpoint - helpful to consider other options for the current economy.
- So much good information - general and specific!



# Continued...

## Question 51: Why

- Practical information Also enjoyed the Paradise story and the lessons learned
- Good case studies and information on Special Taxes and Assessment District tools and their application.
- There were ideas and methods presented that I had not heard of before. New content for me.
- One presenter explained in definitions and one explained with really great examples. It was nice to hear it very straight forward and what it actually means.
- Because it is something current and effects water agencies specifically.
- It's hard to find such insightful, candid information elsewhere.
- Provided clarity on the pronouncement.
- Most impactful to my City
- Great info on how to consider various approaches to funding PERS UAL
- Hard to compete with Mr Thornberg
- Liked the relevant tips provided. Can apply them quickly and see results.
- Great speaker and good ideas
- Our city is in the process of implementing the same software as the presenters and they provided valuable real life experiences. Best session.
- Our district is embarking on software updates so very relevant and timely discussion
- Provided a broad overview of the happenings in the State.
- Relates the most to my job.
- It was the only reason for my attendance and most relevent to our work for current and out year projections. In addition, it provides a smell test for us that confirms that what we are experiencing by way of city revenues is in line with overall expectations. We also picked up 3 copies of the revenue handbook.
- It's been our problem .
- Informative and the speaker draws you in with facts and fun at the same time. Speaks from the heart his truth.
- A lot of the work I do in my organization related to the subject matter in this course. It related to purchasing, accounts payable, and accounts recievable.
- Relevant to work
- I liked Rebecca Ryan's presentation because it was new, fascinating information
- The presenters were excellent and they took us to a higher level of understanding and expertise than any other session I attended.
- Timely topic for us right now
- Reinforced what i believe is valuable in great place to work.
- Information provided by the trainers are useful.
- The examples really helped explain if you have any fiduciary activities. They really spelled it out for you.
- I felt like the speaker really knew what he was talking about and gave some valuable information for public speaking. I wish the session would have been longer.
- Charismatic speaker, the evidence takes out the sensationalistic news out the equation and provides real data. The presentation made a lot of sense.
- It was very engaging and stuck out the most in my mind.
- Very relevant and interesting for what is actually happening today
- It is always relevant.
- The speaker was dynamic, the presentation interactive, and topic was on point.
- I need to know what's coming (GASB update). Fraud course is also very helpful as I need both fraud and technical CPE hours. There were several sessions that I liked too but knowing what GASB is up to allows me to plan.
- Most clear explanations and helpful process outline.
- This session was directly relevant to our long-term financial plan we're currently working on.

# 25% of attendees found the presentation “Yesterday is a Dream, But Tomorrow is a Vision” to have little or no value

Question 52: Which presentation did you find of little or no value/why?



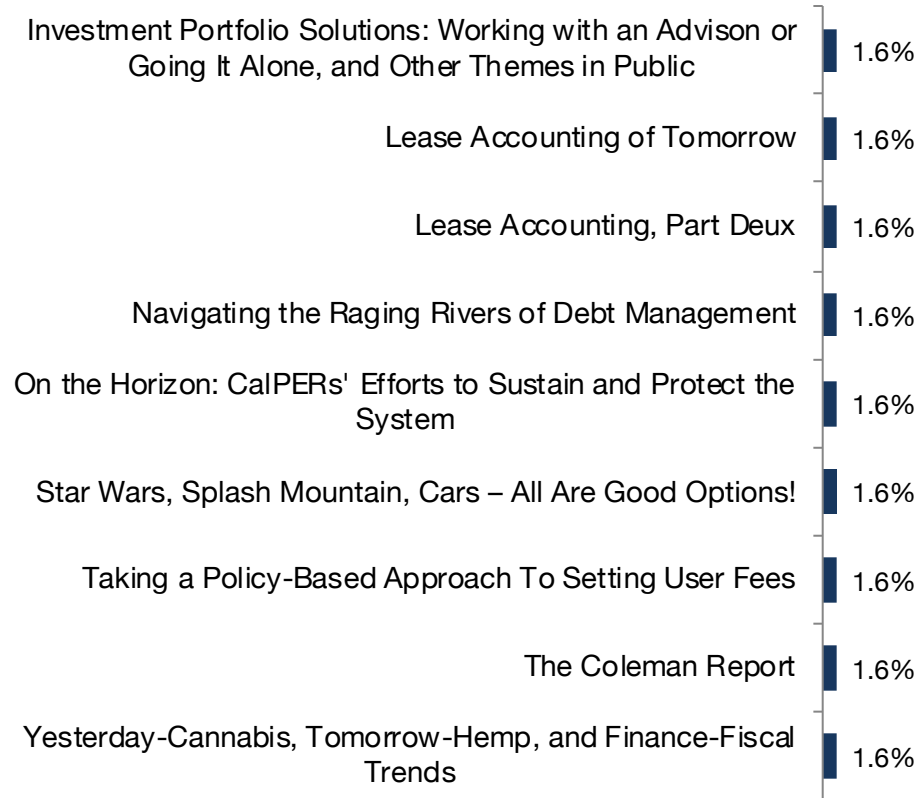
# Continued

Question 52: Which presentation did you find of little or no value/why?



# Continued

Question 52: Which presentation did you find of little or no value/why?



# Why they found a presentation invaluable

## Question 53: Why

- Boring and relavant to our construction projects
- It was ok but lacked concrete information.
- It was mostly about P Cards. Could have been more broad.
- This seemed to be a sales pitch for AMI meters.
- I didn't feel like I learned anything new
- The topic has a lot of value except the presenter did not do a good job.
- Not as familiar with the areas and information discussed so it wasn't as relevant to me as other sessions.
- It was short and not well organized, particularly when compared to Chris Thornberg or Michael Coleman. I was disappointed because I do enjoy Treasurer Ma's informative monthly email newsletters. She's clearly very smart, but perhaps she didn't have enough time to prep for the general session.
- I feel like she read something that could have just been posted.
- Seemed to be more about her than the topic or future expectations.
- The presenters didn't really seem to know that much about integrated payments vs purchasing cards and I think they confused the audience more than helped.
- Speaker did not hold my interest. It did not seem like she had thought about her audience with her comments.
- felt most relevant for cities and counties, which is not where i work. There was less relevance for special districts.
- This speaker was so out of touch of normal average Americans. I don't know many people that liked or agreed with his views.
- boring
- Pretty basic ideas already out there; not much innovation.
- It was WAY too technical and specific to the organizations for which they were presenting. Waste of time.
- confusing
- Presentation promoted pension obligation bonds in contradiction to GFOA best practices
- not applicable
- It just wasn't relevant to me, but the other sessions I wanted to attend were full.
- Very specific capital project topic that wasn't apparent by looking at the slides or description of the session. It ended up not being what I thought it would be.
- speaker got too technical
- No new information. I already knew most of the content
- The sesssion did not cover setting user fees very much.
- failed to attract
- Fiona Ma give practically the same speech at every conference she speak at.
- I usually like his economic forecast sessions. His presentation was a little more opinion based. Working for an actual agency and having specific knowledge on the demographics of my city, I definitely did not agree with some of what he was saying.
- The speakers were very knowledgable about the subject and spoke as though all of us were as knowledgable and it was hard to keep up.
- Too much info
- Terrible speaker and seemed more like a campaign speech.

# Why they found a presentation invaluable continued

Question 53: Why

- Fiona read from a paper, bragged about herself, and went only 30 minutes. I hope we didn't pay for her to come.
- I did not get any new information from this session. It was great information but not new to me.
- The presentation itself was fantastic. I was extremely disappointed in CSMFO for not allowing Treasurer Ma, who intentionally shortened her presentation to accommodate a Q&A session, to field questions from the audience.
- With other programs going on at the same time we need to pick & choose which one is important to us.
- Wanted to learn about GASB 87
- Fiona Ma's presentation when read from a script came off as a stump speech. Nothing collaborative or partnering about it.
- Do I really need to explain? She was terrible at public speaking and even if she was good, it was entirely self-serving. Not relevant - waste of time.
- Not very interesting or topical
- content was not interesting and i couldn't connect with speaker.
- I thought that this session could have been a little more informative. I could have skipped this one as it really did not tell me anything I did not already know.
- GASBs are usually a bit dry and if we are just talking about what's coming down the pipeline, things are still uncertain at this time whether they will be implemented or not.
- Very difficult to follow.....
- Didn't seem relevant at all.
- Presentation was too confusing, presenter kept going back and forth on their powerpoint.
- Did not find tangible/realistic.

# 9% of attendees who were unable to attend the session

“The Coleman Report” would like to see it offered during the coming year

Question 54: Was there a session that you were unable to attend that you would like to see offered during the coming year?



# Continued

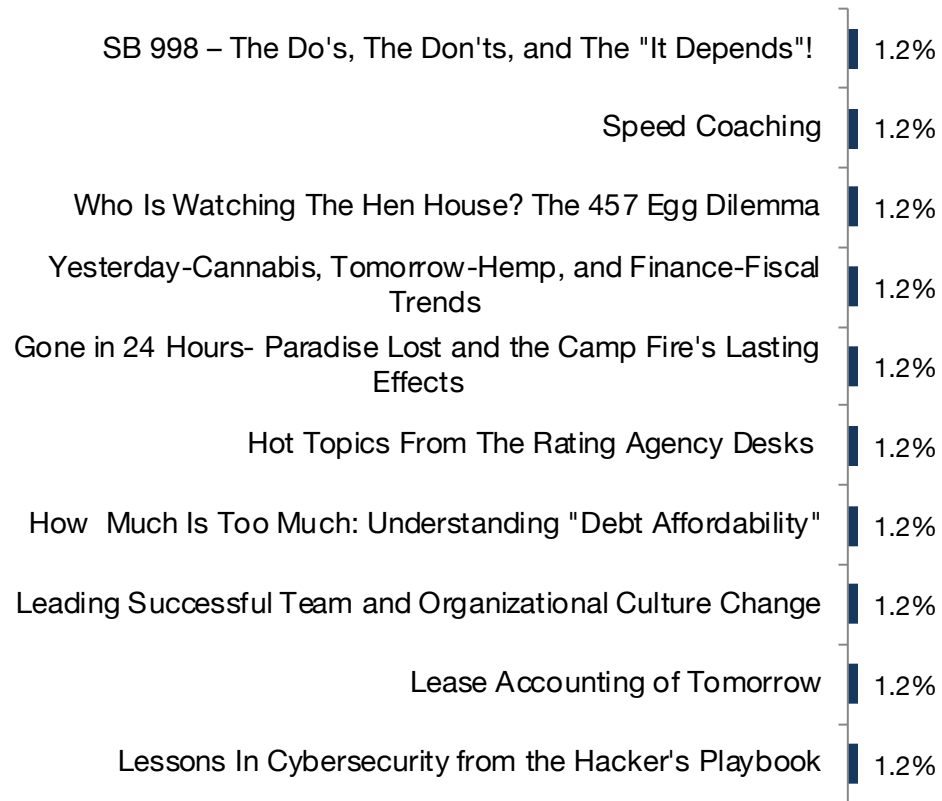
Question 54: Was there a session that you were unable to attend that you would like to see offered during the coming year?





# Continued

Question 54: Was there a session that you were unable to attend that you would like to see offered during the coming year?



# 10% of attendees that attended the session “Public Speaking For Finance Folks” would like to see it offered during the year

Question 55: Did you attend a session that you would like to see offered during the year as a benefit to others or as a repeat for you or your staff?



# Continued

Question 55: Did you attend a session that you would like to see offered during the year as a benefit to others or as a repeat for you or your staff?



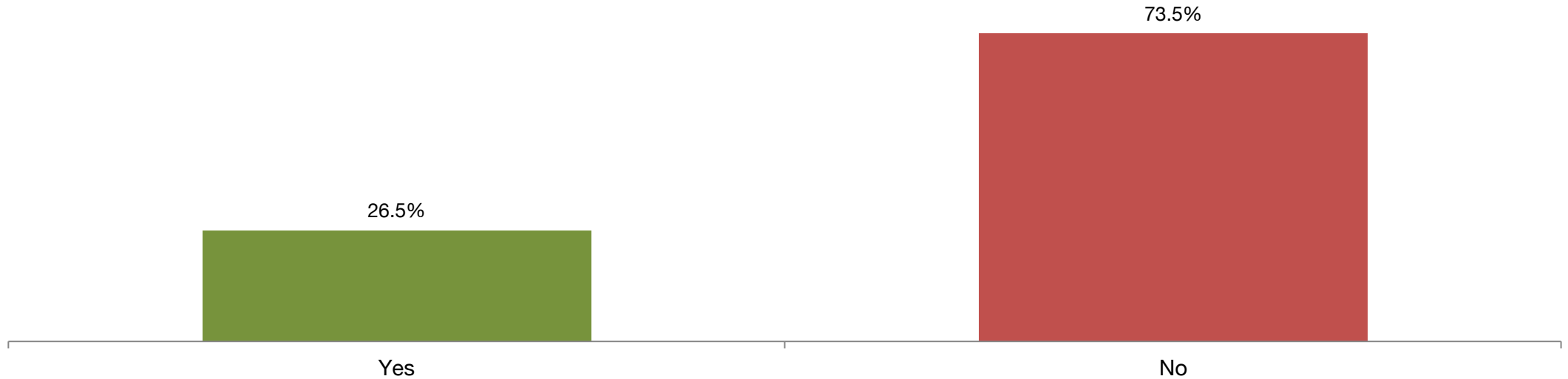
# Continued

Question 55: Did you attend a session that you would like to see offered during the year as a benefit to others or as a repeat for you or your staff?



# 74% of attendees do not think the conference should be longer

Question 56: .Do you feel we should make the conference longer?



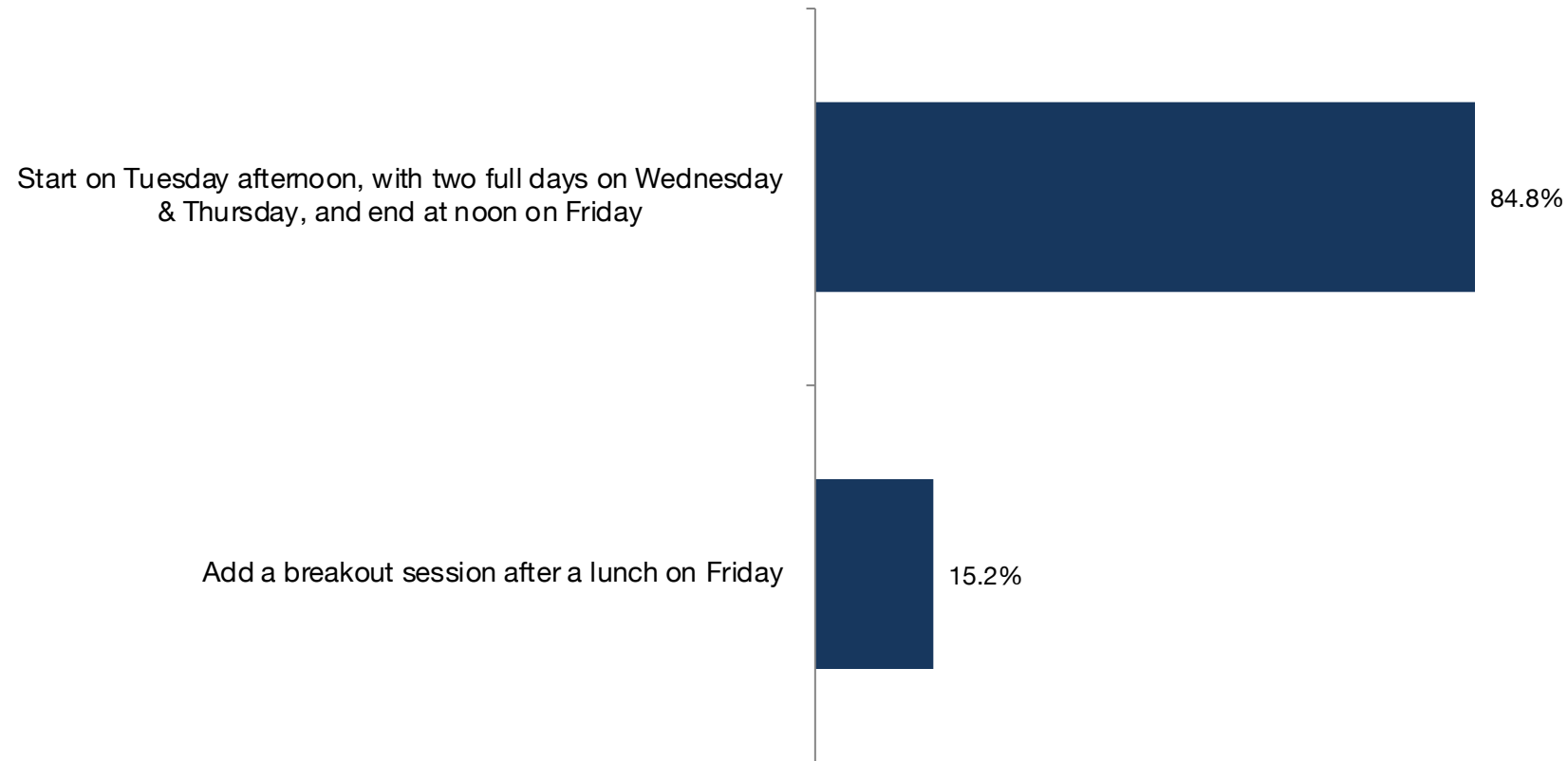
# Verbatims

## Question 57: Additional Comments

- Cut the preconference.
- I didnt go on friday because it was so short. The drive wasnt worth it. If it were longer I would have.
- If extended, this seems to be the better option for travel purposes.
- I would prefer to start Tuesday morning and to make it three full days and add extra sessions on Friday.
- I prefer no extension, but this would be best if you did.
- Have Tuesday be the early bird sessions, with a full start on Wednesday. I'll bet you people will come for it.
- Or can we maybe shorten each session by 15 minutes to squeeze in an extra session each day?
- Yes this could be better as we're already there and you could get some good attendance if you offer just two sessions maybe...

# 85% of attendees think the conference should start on Tuesday afternoon and end at noon on Friday

Question 58: Please indicate where you would like the time added.



# Additional comments

## Question 59: Additional Comments

- It's hard to get away for 3+ days
- I would prefer two full days only on Wed and Thursday. The extra half day Friday makes it a very long conference
- Three days is a good length. I would like to try to attend the Tuesday sessions. Just need to the approval from work.
- too much information to digest
- You should pace out the sessions so it's not too overwhelming.
- IN ORDER TO ATTEND MORE SESSIONS THE CONFERENCE SHOULD LAST AN ADDITIONAL DAY.
- It is the perfect length
- 3 full days would be good
- Should the "fun" evening event be considered for after the final speaker on Friday?
- The Wednesday early bird sessions should just be part of conference. And make Friday longer so worth it to stay.
- As much as I would enjoy the extra sessions, it is difficult to get away for that long from work.
- it's already hard to get away for several days when travel to and from is included.
- The conference should start early and expand to 3 days to make the sessions a little bit longer to be able to pose questions.
- 2 1/2 days are good. Maybe one more 1/2 day for some topics.
- I hope there is no pre-conference. It's all conference with no additional registration fees. Also, It would be nice to start the conference on either Sunday or Monday and ends on Thursday or Friday at Sunday - Thursday Starts at 2pm ends at 4pm or Monday - Friday Starts at 2pm ends at 4 pm
- I bet you there may be some folks (like me) who would consider evening sessions following a quick dinner and depending on the topic (something exciting)
- Yes and no. I would love to be able to take more sessions, but I worry that adding more might hurt the quality of the sessions.
- 2.5 to 3 days is long enough for a conference.
- The length of the conference was perfect.



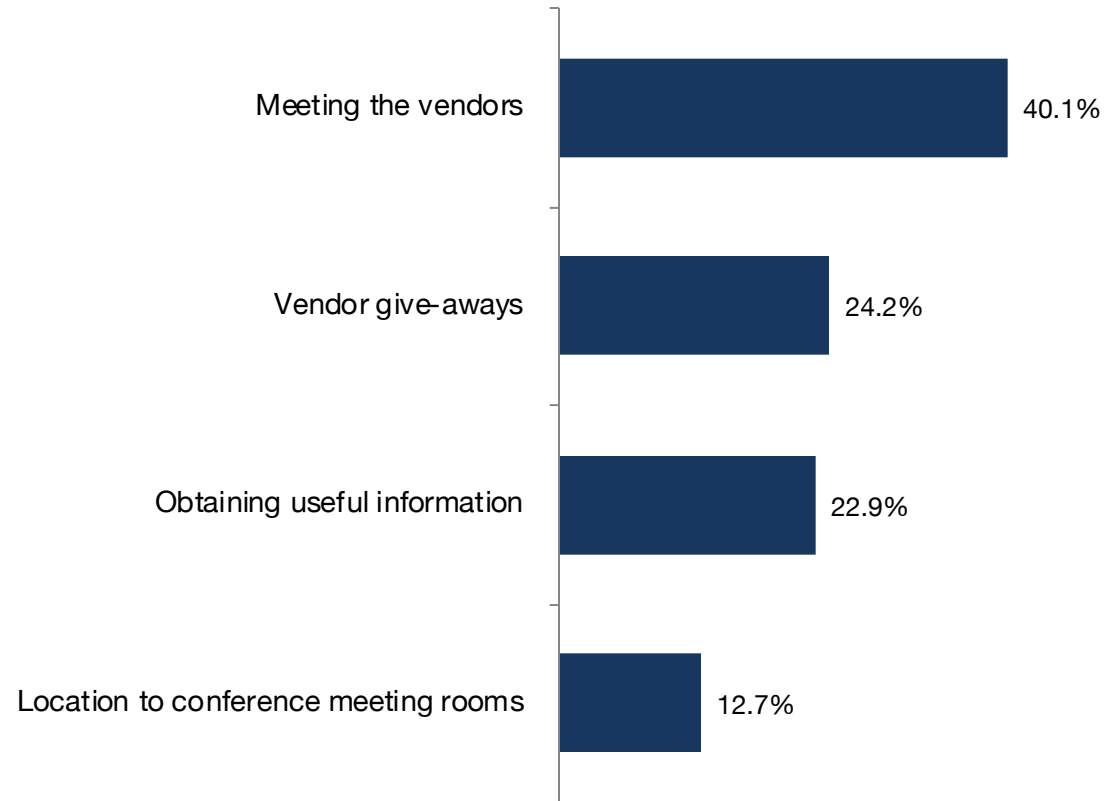
# Additional comments

## Question 59: Additional Comments

- One more day would be perfect, I felt I had to choose between simultaneous sessions that I wanted to attend
- I think to maintain attendee enthusiasm and interest the current duration is appropriate.
- With the addition of the early sessions on Wednesday, the conference is a good length. People who want additional sessions have the option to attend the pre-conference sessions.
- This year appeared to have a few more sessions, which was great.
- Attended 2-days and feel there were more classes I would have liked to attend.
- The conference time is perfect!
- 4 days - not including the pre-conference - would be ideal
- The current format works very well
- Liked the addition of Wednesday morning sessions!
- Possibly a half day
- Conference is too big. More sessions would just add to the situation
- I understand the constraint, but there's just so much good stuff and only so much time. Having 8 sessions competing against each other in a breakout session means there's multiple presentations in not going to be able to get to.
- A longer conference would be too difficult to attend. Can't be away from the office all week.
- I think the conference duration is adequate
- I couldn't get to all the sessions that I wanted to...
- However I wish I had been able to attend the full conference and attend pre-conference workshops. Sigh! But...I am grateful that I was able to attend this year at all. :)
- I think that the conference should be longer but we should avoid January since it's a very busy month.

# 40% of attendees that visited the exhibit hall liked meeting the vendors

Question 60: If you visited the exhibit hall, what did you like?



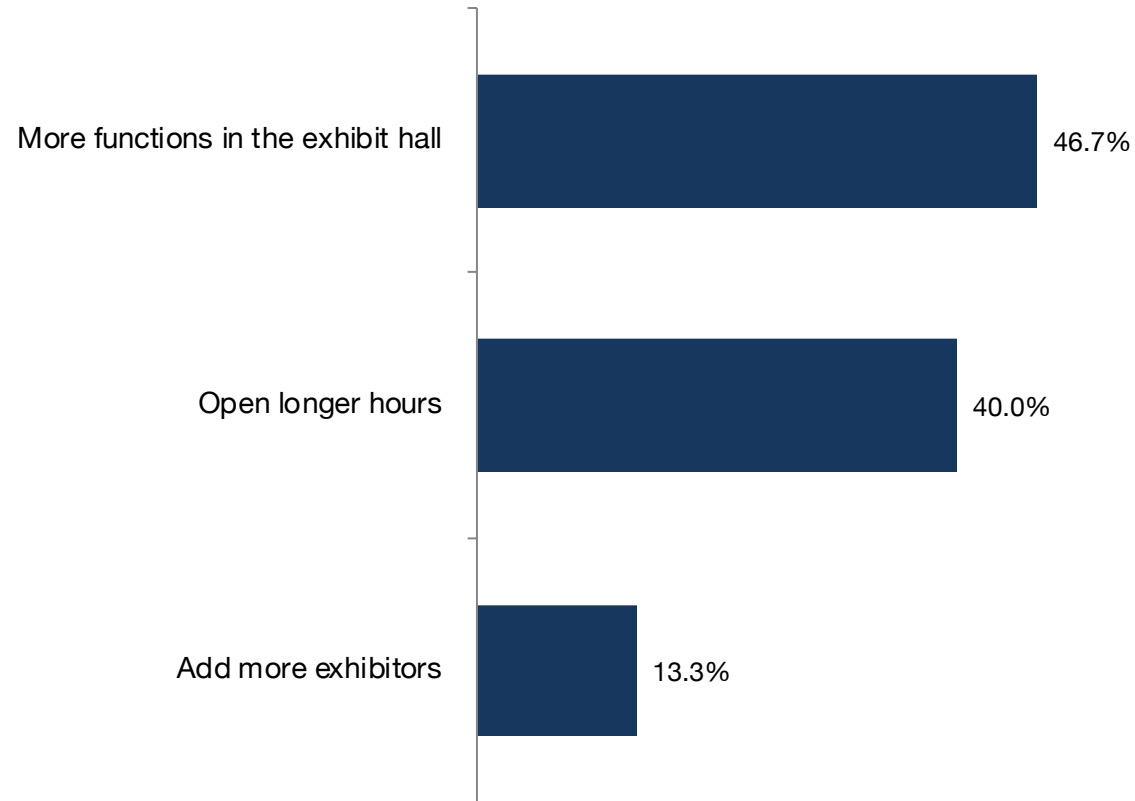
# Additional comments to meeting vendors

## Question 61: Additional Comments

- no need to make longer
- Cut the preconference.
- I didnt go on friday because it was so short. The drive wasnt worth it. If it were longer I would have.
- If extended, this seems to be the better option for travel purposes.
- no additional cost if possible.
- I would prefer to start Tuesday morning and to make it three full days and add extra sessions on Friday.
- I prefer no extension, but this would be best if you did.
- This sounds fine so long as the sessions don't begin before 8. If a breakfast is provided, have that from 7-8.
- Or make Tuesday a full day
- Have Tuesday be the early bird sessions, with a full start on Wednesday. I'll bet you people will come for it.
- Or can we maybe shorten each session by 15 minutes to squeeze in an extra session each day?
- Yes this could be better as we're already there and you could get some good attendance if you offer just two sessions maybe...

# 47% of attendees think the exhibit hall could be improved by adding more functions

Question 62: How could we improve the vendor exhibit hall?



# Additional comments

## Question 63: Additional Comments

- The exhibit hall was very crowded and it was difficult to move around to talk to different vendors.
- I am working on two RFPs, so I liked meeting vendors and getting their information.
- I really appreciate the vendors and understand it is really important to a valuable conference.
- Was too crowded to maneuver around. Did not have enough time to talk to very many.
- Question 51 doesn't have an answer that applies. It was way too crowded during the reception. Need bigger hall or move food and bars to different area
- I actually liked all four options above; however, my main goal is to meet and talk to vendors that may be useful for work purposes. This venue made it easy to stop by and visit several vendors on a break between sessions.
- Looking for CAFR preparation software
- there is always an amazing group of highly relevant vendors at the conference. I've found fantastic resources there again and again over the years.
- It would be nice if some vendors can speak about their products at the breakfast session for EVERYONE. Maybe 30 minutes presentation each
- I like all of the above. It would be nice if you could set this survey up to "check all that apply".
- Space was tight in aisles especially during food/drink events

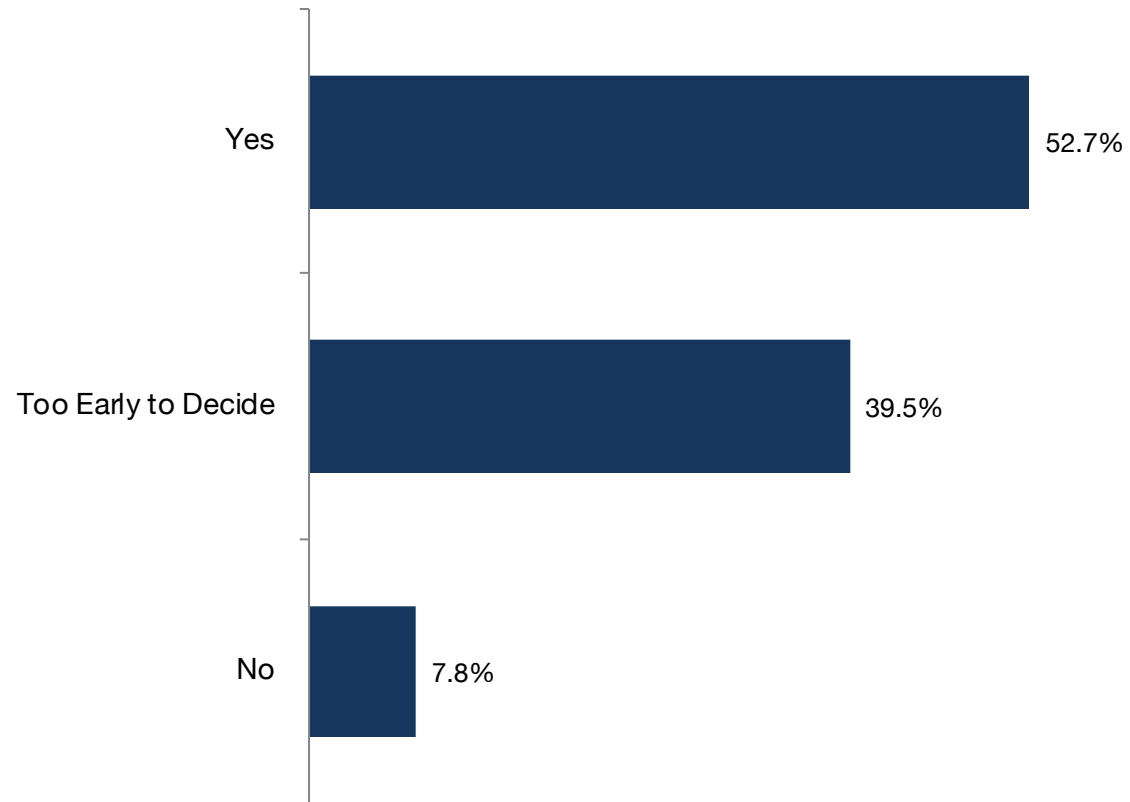
# Additional comments continued

## Question 63: Additional Comments

- It's always nice to talk to the vendors both your current and prospective ones
- Great get-to-know and networking opportunity.
- It is always nice to have an opportunity to network with the vendors at the conference. The vendor space seemed a bit tight this year.
- Footprint was much better than in prior years
- and learning about new software's and services
- The exhibits provided some good information and ideas to take back to the agency
- It was way too crowded, hard to hear/have a conversation and too close together. Didn't leave room to walk down the middle.
- Everyone is so helpful and talking amongst themselves. You really feel the friendships they have built with one another.
- It is surprising to me when vendors have people sit in their booth to promote their product and to answer questions about their product do not know the answers. Huh?
- Also enjoy meeting vendors and hearing what they have to say.
- Aside with obtaining useful information, meeting with vendors who serve our agency and getting issues resolved is also valuable.
- and of course the vendor give-aways!
- It is always nice to keep up to date with the offerings of the vendors. For example, we are going to begin looking for a new ERP system in the next year or so. Having all of the vendors in one place makes the initial research nice.
- I appreciate the time with the vendors to catch up with them on changes/new products and net working.

# 53% of attendees are certain about attending the conference next year

Question 64: Will you be attending the conference next year?



# Ares of interest for training

Question 65: What area are you interested in training for?

- Writing Budgetary Reports for a layman audience
- accounting/finance for transit
- Lease Accounting and Pension/OPEB liability.
- Changes in finance, GASBs and other changes and disaster preparedness. Current scams and examples.
- Water rates, billing, revenue.
- PERS and HR topics
- Executive management
- GASB updates
- Capital Improvement Program budgeting and accounting.
- 1. Accounting/GASBs (with real examples) 2. Long-term Financial Planning models
- Lots of things! Hope there are shorter sessions so we can go to more.
- Anything treasury-related, especially risk management.
- Upcoming implementations and standards, budgeting, forecasting, public speaking, fraud prevention, group dynamics, succession planning.
- Personal growth, becoming an effective leader.
- Stuff that has to do with bank reconciliations for cities.
- budget, software application security protection, Cloud security, capital project forecast and monitoring
- GASB implementation
- leadership, interpersonal skills, along with technical topics
- Leadership, CalPERS, Interviewing
- Leadership (would love to see a session on handling difficult employee situations), Presenting financial information to the public, Changes in technology affecting how we operate
- retirement (pension), OPEB, health benefits, hiring retirees
- Leadership Skills
- Soft skills and GASB updates,
- Budget, Finance, general government, career planning
- Anything property tax or treasury related. Security-economy-improving morale-leadership skills-Inspirational speakers.
- I think having tracks would be helpful - Cities/counties, small districts/JPAs - water, transit, fire. Each have different needs and some overlaps. Also in a small agency we do a lot - I am in charge of overseeing accounting, contracts, procurement, HR, grants, compliance, reporting, and I prepare the budget.
- GASB GAAP reporting
- GASB statement implementation Accounting tips and tricks Common financial reporting deficiencies
- Finances and Investments Long-Term Sustainability
- GASB updates, investing public funds, political impact on agency finances
- Long term planning, debt financing, ERP implementation, GASB updates
- technical accounting



# Training interest continued

Question 65: What area are you interested in training for?

- Pensions, investment reporting
- Budgeting and Long Term Financial Planning
- GASB 87 in-depth by GASB
- Long Term Financial Planning, Budgeting, Pension impacts
- economic updates, leg updates, calpers updates, GASB updates and mgmt./supervisory improvements and citizen engagement best practices
- Accounting for Leases
- Assessment districts and funding options The Coleman Report PERS planning and tools
- Pensions, Leadership, Financial Planning
- Financial planning Cyber Security We had 400+ first time participants. When recruiting, we are seeing declines in applicants with government experience. I really think we should have a whole track on this - several topics throughout the conference that are more beginner in nature that touch on a variety of topics. At a minimum, there should be a few sessions that are basic in nature to help newer government employees/attendees. We need more opportunities for training entry level staff and staff new to government.
- GASB pronouncements
- A session on how to creat engaging presentations displaying confusing and detailed information in an easy to follow format.
- In 2018 and 2019 there was a session on who is watching the balance sheet. I believe one of the presenters was from the City of Tracy and one for Maze and Associates. I would like to see this session come back.
- Pension and OPEB liabilities
- I always desperately need CPE hours, particularly in A&A.
- GASB updates
- keeping up on the latest GASB's and cyber security
- Grants. This seems to be an area that there is little direction in and many of the agencies seem to struggle with. A representative from one of the large Federal Funded Agencies (i.e. HUD) would benefit a great deal of attendees.
- Technical and fraud hours. Because so much fraud is targeting governments, current updates, suggestions to thwart frauds and personal stories can be very helpful. The economics updates at lunch are a great session always.
- Leadership, unfunded liabilities, long-term financial forecasting, excel tools, budgeting techniques, investment management.

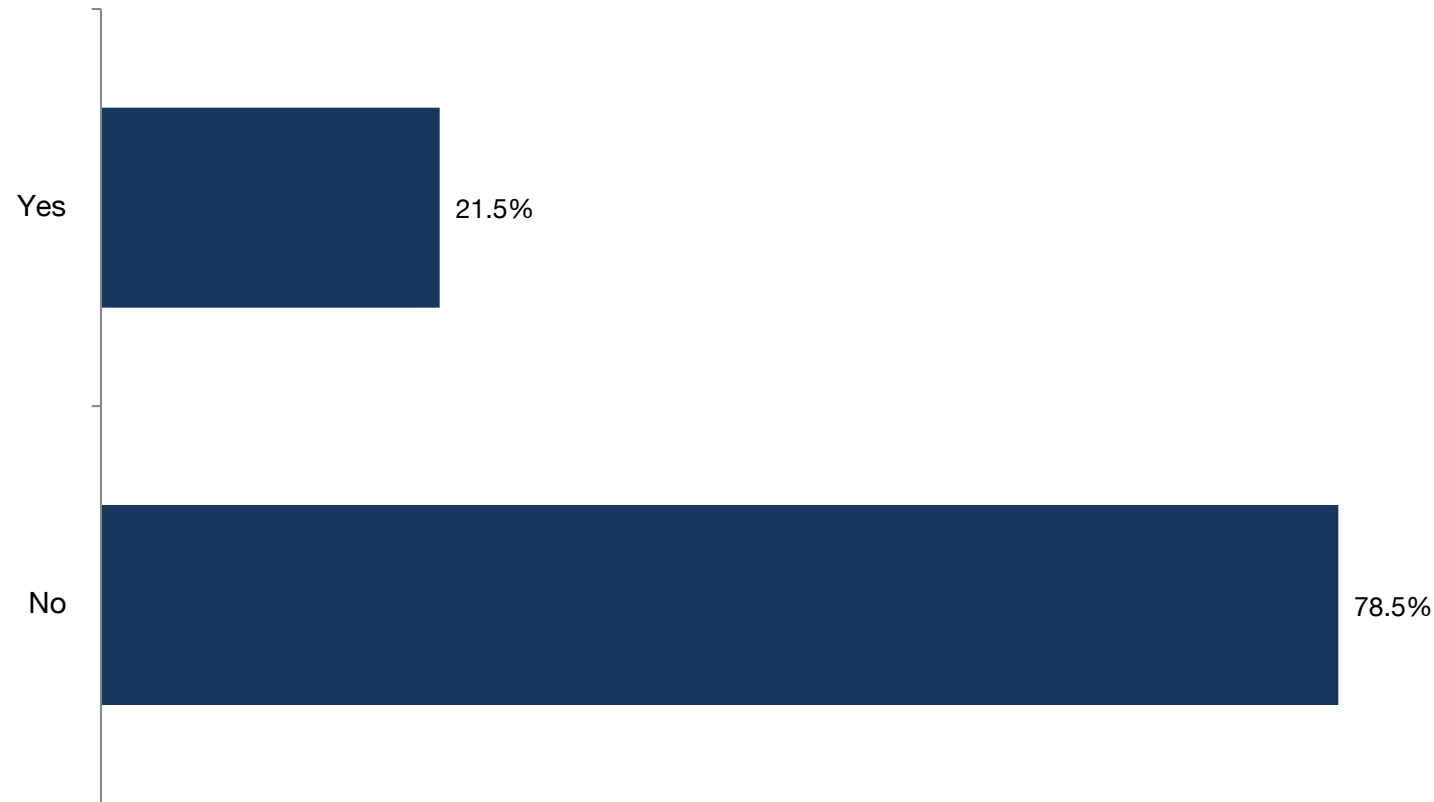
# Overall additional comments

Question 66: Any overall additional comments about the conference?

- I missed having a dinner event.
- Come back to Disney. Loved it!
- Quality conference, best value for it's size. Great participation by state wide peer group. Session on point!
- It was great as usual, the education component was very good
- The conference was very good except the sessions are too close to each one. Need time to breath.
- Since there are all levels of experience and students maybe include a couple introduction / intermediate breakouts.
- Loved it. Especially enjoyed the location at Disneyland!
- Please keep the mid-February scheduling for the 2022 conference and beyond. Also, the conferences in Palm Springs always feel "roomier" and the weather is the best.
- The event this year was a big disappointment, and it was a terrible idea to put it so late on Wednesday night as it impacted my sleep and my Thursday difficult to absorb the info. :(
- Great conference overall. CSMFO does a fantastic job putting it together. Thank you to the committee in charge and all of your hard work!!
- It is so great to see people you met at prior conferences and catch up and meet new people. I love being able to speak with others on issues that all of us are dealing with and getting other viewpoints and suggestions. I learn so much every year. I can't wait until the next conference!
- I am not attending next year as I am retiring. I will not be a consultant or otherwise do professional work in any capacity, but enjoy my well-earned retirement and pension.
- This year there was no dinner reception on the night before the last day of conference. I hope future conference has dinner reception included in the conference registration.
- Some sessions were in rooms that were to small and overflowing, while other sessions at the same time had empty seats. Better planning for popular sessions might be helpful
- Staff was very friendly and helpful when registration lines were very long. No one seemed to get flustered and stopped to answer questions. Nice job.
- The pre-conference budget workshop was very informative but I was expecting practical applications and examples more than insights and overviews. It was a little too much information. I also wasn't aware that the budget documents and reporting are not included until next year. It would have been nice to see the budget process from start to finish in one workshop. One presenter jokingly said she has coronavirus (pointing out that she's getting off a cold). I thought that joke/comment was not needed.
- It was magical and awesome!
- Glad I became a member and attended. Networking with the individuals with whom I do business in the cities within my county was invaluable.
- Too many attendees
- Keep up the good work!
- Great conference overall! Very refreshing to be surrounded by Finance individuals to network and share information. Tons of valuable information in one place! So much great information, but needed more repeat classes to capture the great information. Great Job!!
- I really wish I could have been 2 places at once on a lot of the breakout sessions. There were so many great and relevant topics.

# 79% of attendees do not want their comments to be used as a testimonial for next year's conference

Question 67: May we use your comment as a testimonial for next year's conference? If so, please include your name and organization in the comment box.



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# Questions?

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**Adam Probolsky, President**

O: 949-855-6400 | M: 949-697-6726

E: [adamp@probolskyresearch.com](mailto:adamp@probolskyresearch.com)

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O: 949-855-6400

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*Dedicated to Excellence in Municipal Financial Management*

## **CSMFO BOARD REPORT**

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Date: April 16, 2020  
FROM: Steve Heide, President  
SUBJECT: 2020 Conference Recap

### **DISCUSSION**

#### ***Financials***

The CSMFO 2020 Annual Conference was held January 28-31, 2020. While there remain some expenses still to be booked, below are the preliminary income and expenses to date:

Total Conference Revenue:	\$1,357,695 (budgeted \$1,315,505)
Total Conference Expenses:	\$1,294,985 (budgeted \$1,379,297)
Net Income:	\$62,710 (budgeted \$-63,792)

A final report will be made available to the Board once all expenses are processed, but staff expects no more than \$10,000 in additional expenses.

#### ***Registration Numbers***

Registered and checked in	1867
Staff	13
Speakers (not otherwise registered)	65
CalPERS	14
Total	1959

Registered but did not check in	72
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#### ***Survey***

This year, Probolsky conducted the Annual Conference survey. The results are attached.

### **RECOMMENDATION**

Information only.



*Dedicated to Excellence in Municipal Financial Management*

## **CSMFO BOARD REPORT**

---

Date: April 16, 2020

FROM: Melissa Manchester, Executive Director

SUBJECT: CSMFO Financial Commitments through March 2021

### **DISCUSSION**

With the sheltering in place occurring due to COVID-19 and no real guidance or understanding of when it may end or how CSMFO (and our agencies) will be affected, the Executive Committee felt it prudent to review the financial obligations for events between now and this time next year. They are as follows:

#### ***CSMFO Reception at GFOA***

We have a contract for Muriel's on Jackson Square in New Orleans. If we were to cancel without a force majeure, there would be a cancellation fee equal to 50% of the \$15,000++ guarantee, or \$9,941. We have not yet canceled with Muriel's, as we are waiting to see if the shelter-in-place order extends to the reception date.

#### ***CSMFO Planning Session***

We have a contract for the Monterey Plaza Hotel in October. If we were to cancel without a force majeure, there would be a cancellation fee:

If cancelled less than 6 months in advance, 60% of the room and F&B guarantees, or \$17,787.

If cancelled less than 3 months in advance, 90% of the room and F&B guarantees, or \$26,681.

#### ***2021 Annual Conference***

We have contracts at the San Jose Convention Center and three area hotels. The convention center cancellation fee would be \$119,000 for the convention center and \$300,000 accumulative for all hotels, or \$419,000 total.

### **RECOMMENDATION**

Information only.



## **CSMFO BOARD REPORT**

---

Date: April 16, 2020

FROM: Steve Heide, President

SUBJECT: Mid-Year Budget Review

### **DISCUSSION**

In light of recent economic developments on the local, state and national levels associated with the current public health crisis, it is prudent to begin a discussion regarding the potential associated impacts to the CSMFO operating budget. Accordingly, it may be appropriate to conduct a mid-year budget review to determine if mid-year budget modifications would be appropriate in the near term.

### **RECOMMENDATION**

It is recommended that the CSMFO Board of Directors review and discuss the potential impacts of recession on the association's budget, and whether further action is necessary in the near term.



## **CSMFO BOARD REPORT**

---

Date: April 16, 2020

FROM: Steve Heide, President

SUBJECT: Board Resolution No. 2020-001 – Emergency Executive Committee Authority

### **DISCUSSION**

Resolution No. 2020-001 outlines a process whereby emergency authority may be granted to the Executive Committee under certain circumstances. As a result of the recent national, state and local emergency declarations due to the COVID-19 pandemic, the Executive Committee feels it is prudent to put forth this resolution for consideration by the Board at this time.

### **RECOMMENDATION**

It is recommended that the CSMFO Board of Directors review, approve and adopt Resolution No 2020-001.



**California Society of Municipal Finance Officers  
Board Resolution  
No. 2020-001**

WHEREAS the California Society of Municipal Finance Officers (CSMFO) has a governing board of nine members; and

WHEREAS the Board of Directors generally meets monthly; and

WHEREAS there may be emergent times when an official CSMFO response or action is required between regular Board of Directors meetings; and

WHEREAS it may be impractical or otherwise not possible to call for a special meeting of the Board of Directors under emergent circumstances: and

WHEREAS examples of emergencies might include but not be limited to, natural disasters, such as earthquakes, fires or floods, acts of war or terrorism, or a declared state of emergency by the governor or the President; and

WHEREAS CSMFO has an Executive Committee comprised of the President, President-Elect and Immediate Past President; and

WHEREAS the Executive Committee meets regularly and as necessary;

NOW THEREFORE BE IT RESOLVED that the CSMFO Executive Committee has authority to act on behalf of the organization in an emergency when a response or action is required between regularly scheduled Board of Directors meetings and when it is impractical or otherwise not possible to call for a special meeting of the Board of Directors.

BE IT FURTHER RESOLVED that any emergent response or action taken by the Executive Committee shall be reported to the Board of Directors for ratification at its next regularly scheduled meeting.

REVIEWED, APPROVED AND ADOPTED this 16th day of April, 2020.

AYES:	BOARD MEMBERS:
NOES:	BOARD MEMBERS:
ABSENT:	BOARD MEMBERS:
ABSTAIN:	BOARD MEMBERS:

---

STEVE HEIDE, PRESIDENT

ATTEST:

---

RICHARD LEE, SECRETARY-TREASURER



## **CSMFO BOARD REPORT**

---

**DATE:** March 26, 2020

**FROM:** Margaret Moggia, Certification Working Group Chair

**SUBJECT:** Potential Collaboration with GFOA on Certification Program

At the January 28, 2020 CSMFO Board meeting, the Certification Working Group presented an update on recommendations for a state-specific certification program including key foundation program elements, program content, program administration and budget. This information was a follow-up to the October 2019 presentation made to the Board regarding CSMFO pursuit of a stand-alone program. Through research of other certification programs and a membership survey, a recommendation was made to pursue a state-specific program, help with exam preparation and career development, and improved accessibility to the program. While there is some clarity on the program, there are still some unanswered questions that will need to be still researched to provide a full scope of CSMFO having its own program. As the working group was concluding its follow-up report, it came to our attention that GFOA is looking to revamp its program and that more information is forthcoming in a few months. Based on what we knew at the time, the Board approved the following three recommendations:

1. Approve Certification Working Group recommendation for program elements
2. Follow a concurrent path to continue pursuit of CSMFO-sponsored certification program while monitoring the GFOA certification program
3. Authorize the Executive Director to enter into an agreement with William C. Statler for Phase 2 services to further define elements of a CSMFO certification program, initiate conversations with potential educational partners, and upon further direction, be available for implementation of the program.

On January 30, 2020 representatives from CSMFO Career Development Committee and CSMFO President met with GFOA's Executive Director Chris Morrill and Senior Program

Manager Shayne Kavanaugh to discuss items of mutual interests, and the topic of certification program was discussed. As a follow up to meeting, a call was held on February 25, 2020 with Margaret Moggia and Scott Catlett and GFOA Deputy Executive Director Mike Mucha and their new CPFO Program Manager, Eric Roach. The purpose of this call was to share the background of CSMFO's exploration of a certification program and to hear from GFOA about their efforts to revamp their program, and where we may be able to collaborate.

GFOA shared they have been evaluating their program for the past two years to understand what improvements to make which led GFOA to hire a certification manager, bring the certification program in-house, identify a better correlation between the exams and training, and provide better support to those members going through the program. One of the keys reasons GFOA stated about looking at their program is the realization that there are only 800 CPFOs of the 20,000 members during their 20 years of the program.

We discussed the possibilities to partner, and GFOA is willing to explore; however, they are currently focused on relaunching their program by January 2021. They plan to share more with their membership in June. In the meantime, they are willing to continue the dialogue with us including a meeting/call in May at/before their annual conference. CSMFO began looking at its own certification program because it wanted a program that focused on state specific subjects, and increase accessibility and support to its members. It appears that the efforts currently underway by GFOA could address a number of our areas of concern. Plus, their willingness to work with CSMFO on the state-specific subjects is also promising. Here are some highlights:

- GFOA has expressed interest in working with CSMFO to have state specific areas as a compliment to their program, and would be willing to manage the participant's progress
- GFOA is currently researching testing locations to open up the accessibility and availability of exams
- GFOA is looking to better align their webinars and in person training to better prepare the members to take the exams
- GFOA shared about their acquisition of a learning management system that is essential to track and monitor the progress of participants; CSMFO has not explored this vital tool.

In addition, Certification Working Group Chair Margaret Moggia is aware that the potential collaboration with CMTA may be impacted as currently advertised. One of the educational partners of CMTA's certification program is looking for opportunities to sell the business and there is a concept paper that includes moving the assets to a non-profit that could be the certification partner to several associations including CMTA, California Association of County Treasurers and Tax Collectors (CACTTC), CDIAC and CSMFO is also named. This could be another avenue to explore as we define what are the possibilities for our certification program.

With the new information learned from GFOA about their revised program and the development over at CMTA, the Certification Working Group leadership will hold off on assigning work to Bill Statler for a few months until the CSMFO Certification Working Group has further discussions with GFOA and CMTA to learn about what efforts are underway that can affect our collaboration.

**Recommendation:**

For information only.



## CSMFO BOARD REPORT

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**Date**            **April 16, 2020**

**FROM:**        Yolanda Rodriguez  
                 Recognition Committee Chair

**SUBJECT:**     Relocation of Award Force Data to California

### **Background:**

Currently the CSMFO Awards Program maintained by Award Force has its data hosted in Frankfurt, Germany in the European Union (EU). Storing and processing the data in the EU has helped Award Force to be compliant with the General Data Protection Regulations (GDPR), which takes state of the art measures in protecting personal data and ensuring the program participant's data is safe and secure. Data includes, but is not limited to, CSMFO awards program data, local government applications, and award reviewer data.

On March 19, 2020, the Recognition Committee received an email from Mr. Richard de Nys, Award Force Managing Director, informing the Committee that Award Force is adding two data center locations, one in California and one in Sydney, Australia. The two new locations will have all the same security, data protection and information technology scalability currently in place in the EU. These two locations are available starting in late April.

Adding the two new locations provides additional performance, resilience and scalability. Furthermore, as emerging global regulations continue to evolve, and clients express their desire to have their data stored locally, Award Force is providing these two additional locations.

The Recognition Committee believes that it makes sense to store the data locally if the same levels of protection are provided at all storage locations. While the original request to select a location did not provide a specific deadline, a subsequent request was sent on April 7, 2020, asking CSMFO to select a location no later than April 10, 2020. Failure to select a location by this date would have defaulted the storage of the data to its current location in the European Union. Therefore, the Recognition Committee submitted a request to have the CSMFO Awards Program data transferred to the California data center.

**Recommendation:**

Informational only. No recommendation.

**Attachment(s)**

- Email from Award Force Managing Director
- Email from Award Force Support Final Notice
- Award Force CSMFO CA Data Location Confirmation

**From:** [support=awardforce.com@cs.awardforce.com](mailto:support=awardforce.com@cs.awardforce.com) <[support=awardforce.com@cs.awardforce.com](mailto:support=awardforce.com@cs.awardforce.com)>  
**On Behalf Of** Award Force  
**Sent:** Thursday, March 19, 2020 11:06 PM  
**To:** Boyer, Craig, Auditor Agency <[Craig.Boyer@acgov.org](mailto:Craig.Boyer@acgov.org)>  
**Subject:** Data location options for your Award Force account, action required

Dear Craig,

We're pleased to announce that from late April, we will be able to locate your program data in two new geographical server locations.

The data referred to is all of your user data, their entries/applications, judging data and so on. Currently your **CSMFO Awards Program** account data is hosted in the European Union, specifically Frankfurt, Germany. Storing and processing your data in the EU helps you to be compliant with GDPR, if that's required of your program.

**Adding to our EU (Frankfurt) data centre location, new locations offered are in the United States (California) and Australia (Sydney).**

These two new locations will have all of the same security, data protection and scalability measures you have come to expect from Award Force.

Please complete [this very brief form](#) to let us know whether you would like your account data to remain in the EU or if you would like to transfer your data to either Australia or the United States.

If you choose to use one of the new locations, we'll keep you informed and let you know closer to the time, the exact date your program data will be moved.

### **Why are we doing this?**

Splitting our infrastructure like this provides additional performance, resilience and scalability.

Furthermore— data protection regulations and acts globally are continuing to evolve. For data sovereignty reasons, some of our clients would prefer their data be located in the US or Australia, so we can now facilitate that. Similarly, emerging regulations mean that our international clients will be better served through engagement with our EU entity (Creative Force Ltd) rather than our legacy Australian entity.

Regards,  
Richard de Nys  
Managing Director  
Award Force

**From:** support=awardforce.com@cs.awardforce.com <support=awardforce.com@cs.awardforce.com>  
**On Behalf Of** Karim Osman  
**Sent:** Tuesday, April 7, 2020 4:14 AM  
**To:** Boyer, Craig, Auditor Agency <Craig.Boyer@acgov.org>  
**Subject:** [ACTION REQUIRED] Your Award Force account data location choice

Dear Craig,

This is a final reminder to please let us know your data location choice for your **CSMFO Awards Program** account by completing [this form](#) by Friday 10 April.

Two weeks ago, we emailed you about new data location alternatives (California and Sydney), asking you to confirm whether your data should remain where it is in the EU (Frankfurt), or if you would like to take advantage of one of the two new options.

If we do not hear from you by the above date, we will have to take that as your agreement for your data to remain where it is in the EU. Please be aware that once these changes have happened later in April (date to be announced), your data will not be movable to another region.

Should you have any questions about this data move, please see our [data location choice FAQs page](#).

Regards,  
Karim Osman  
Operations Director  
Award Force



**From:** [support=awardforce.com@cs.awardforce.com](mailto:support=awardforce.com@cs.awardforce.com) <[support=awardforce.com@cs.awardforce.com](mailto:support=awardforce.com@cs.awardforce.com)>  
**On Behalf Of** Award Force  
**Sent:** Tuesday, April 07, 2020 9:21 AM  
**To:** Boyer, Craig, Auditor Agency <[Craig.Boyer@acgov.org](mailto:Craig.Boyer@acgov.org)>  
**Subject:** Confirming your account data location choice

Dear Craig,

Thanks for completing your account data location choice.

This is to confirm that you have chosen for **CSMFO Awards Program** data to be located in California, United States. We'll let you know in the coming weeks when this data move will take place.

Regards,  
The Award Force team

**\*\* This email was sent from an external source. If you do not know the sender, do not click on links or attachments. \*\***



## **CSMFO BOARD REPORT**

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DATE: April 16, 2020

FROM: Jason Al-Imam, Professional Standards Committee Chair

SUBJECT: Proposal to Eliminate Government Content from the CPA Exam

### **Background:**

The American Institute of Certified Public Accountants (AICPA) recently issued an Exposure Draft and Invitation to Comment (attached) on Maintaining the Relevance of the Uniform CPA Examination, which proposes to reduce and then eliminate state and local government accounting and financial reporting content from the uniform CPA exam. The AICPA's rationale is based on the notion that only a limited number of newly licensed CPAs need this knowledge upon the start of their career. However, this rationale does not take into account the significance that state and local governments have in the overall economy and in civic engagement. GFOA has also expressed concern that the proposed changes will encourage colleges and universities to devote less curriculum to governmental accounting content, which may result in fewer accounting graduates with exposure to (and interest in pursuing) accounting careers in government.

GFOA opposes the proposed reduction in, and ultimate elimination of, the coverage of accounting and financial reporting for state and local governments in the uniform CPA exam. A copy of GFOA's comment letter to the AICPA is attached.

GFOA has also drafted a template (attached) that may be customized when submitting a response to the AICPA, which must be e-mailed to [practiceanalysis@aicpa.org](mailto:practiceanalysis@aicpa.org) on or before April 30, 2020.

### **Recommendation:**

It is recommended that the CSMFO Board of Directors consider providing a response to the AICPA's proposed changes to eliminate state and local government content from the uniform CPA exam.



# Maintaining the Relevance of the Uniform CPA Examination<sup>®</sup>:

An Exposure Draft and Invitation to Comment

# Contents

---

2	2019 Practice Analysis and CPA Evolution
---	--

---

3	Practice Analysis and CPA Evolution Timeline
---	--

---

4	Description of Combined Document
---	----------------------------------

---

5	Executive Summary
---	-------------------

---

7	Request for Comment
---	---------------------

---

9	Background and Introduction
---	-----------------------------

---

11	Practice Analysis – Findings
11	11 Understanding the Business
11	11 Digital and Data-Driven Mindset/Data Analytics
12	12 Reliance on SOC 1 Reports
13	13 Focus on Critical Knowledge and Skills
13	13 Technology Used by Newly Licensed CPAs

---

14	Proposed Exam Changes
14	14 AUD
21	21 BEC
24	24 FAR
27	27 REG

---

29	Practice Analysis Process
30	30 Phase 1 – Firm Meetings and Focus Groups
31	31 Phase 2 – Content Rating Panels
32	32 Phase 3 – Confirmation Panels

---

34	Board of Examiners
----	--------------------

---

35	Invitation to Comment
35	35 BEC – Essay Question (Written Communication)
36	36 FAR – Accounting for State and Local Governments

# 2019 Practice Analysis and CPA Evolution

To all Practice Analysis Constituents and Commenters:

It is important to acknowledge and understand the differences between this Practice Analysis (PA) and the current discussions around the CPA Evolution initiative (CPA Evolution).

Conducting a PA is a regular occurrence in the development and production of the Uniform CPA Examination® (CPA Exam). This 2019 PA continues the history of using regular practice analyses, coupled with any quarterly updates required due to technical standards changes, obsolescence, etc. to ensure the CPA Exam always remains current with the profession. It follows similar comprehensive analyses leading up to computerization of the CPA Exam in 2004 and major Exam updates in 2011 and 2017.

As this document further explains in detail, the 2019 PA explores the current impact of technology on the profession and the work of newly licensed CPAs (nICPAs) in today's environment. It also looks at areas where the CPA Exam may have become too broad and not sufficiently focused on the critical knowledge and skills required of today's nICPAs. Changes resulting from this PA are targeted to be operational in the CPA Exam sometime in 2021.

Although these PA concepts overlap with the current discussions around CPA Evolution, it is critical to note that this PA is based on the structure of the current operational CPA Exam, comprising four independent assertions in audit, tax and regulations, financial reporting, and business concepts, as established by joint American Institute of CPAs® (AICPA®) and National Association of State Boards of Accountancy (NASBA) committees that led to the computerized CPA Exam in 2004.

The CPA Evolution initiative is exploring changes to the licensure structure in the future, including exam, experience, and education. Any new exam structure resulting from CPA Evolution will ultimately require a larger, quite different PA.

Please reference the graphic on the following page, which demonstrates the anticipated timing of CPA Exam updates, the PA, and CPA Evolution.

# Practice Analysis and CPA Evolution Timeline

	December 2019	April 2020	Summer 2020	2020 Q3	2020 Q4	2021
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## Current CPA Licensure Model

<b>CPA Exam with 2020 updates</b>		AICPA BOE approves Blueprint with updated audit data analytics changes (January 2020)  Updated Blueprint (audit data analytics) published April 2020	Updated Sample Tests available (July 2020)		Planned audit data analytics launch (October 2020)	
<b>CPA Exam with current Practice Analysis and targeted 2021 launch</b>	Distribute Practice Analysis Exposure Draft & Invitation to Comment	Feedback due to the AICPA Examinations Team		AICPA Subcommittee and Content Committee approves updated Blueprints	AICPA BOE approves updated Blueprints <sup>1</sup>	Updated Blueprint published January 2021 <sup>1</sup>  Updated Exam launches July 2021 <sup>1</sup>

## Future CPA Licensure Model – Currently in discussion

<b>CPA Evolution</b>			CPA Evolution model targeted approval and ongoing implementation planning (TBD)			
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<sup>1</sup> Depending on the nature and extent of comments received on the ED, the BOE could potentially approve Blueprint changes in 2020 Q3, adjusting publication of the updated Blueprint to 2020 Q4 and launch to April 2021.

# Description of Combined Document

This combined Exposure Draft (ED) and Invitation to Comment (ITC) presents the findings and conclusions of a PA conducted by the AICPA Examinations Team over the past year. This PA focused on two major themes:

- The impact of technology on the work of newly licensed CPAs (nICPAs); and
- The identification of areas where the CPA Exam has become too broad and not sufficiently focused on the critical knowledge and skills required of a nICPA.

The document is divided into two separate sections, the ED and the ITC.

The ED presents changes the AICPA proposes to make to the CPA Exam resulting from the PA. Following consideration of comments received, the changes outlined in the ED are expected to be included in a

revised CPA Exam Blueprint to be approved no later than Dec. 31, 2020, and included in the CPA Exam six months after Blueprint publication.

The ITC presents items for consideration that will require additional research and investigation. Dependent upon the nature of the comments received, the AICPA will pursue additional research to determine how and when these matters may be implemented in the CPA Exam. At this time, it is not known if and when any changes resulting from the ITC will be implemented.

All comments, whether related to the ED or the ITC, are due no later than April 30, 2020. See further discussion below under Request for Comment.

# Executive Summary

The CPA Exam provides reasonable assurance to boards of accountancy that individuals who pass the CPA Exam possess the minimum level of technical knowledge and skills necessary for initial licensure. To remain relevant to a dynamic profession and current with the real-world demands on nCPAs, the CPA Exam must continually evolve.

The periodic execution of a PA is necessary to ensure that the CPA Exam:

- Supports the profession's commitment to protecting the public interest;
- Remains current, relevant, reliable, and legally defensible; and
- Fulfills the needs of the boards of accountancy in carrying out their licensing responsibilities.

In early 2019, the AICPA's Board of Examiners (BOE) launched this PA, a research project designed to update its understanding of the knowledge and skills required of nCPAs, particularly focused on the impact of technology on the work of nCPAs. The PA was also designed to identify where the CPA Exam may have become too broad and not sufficiently focused on the critical knowledge and skills required of nCPAs.

A key assumption during this PA was that the current Exam sections and Blueprint structure could accommodate content changes driven by technology. The BOE believes that the previous PA findings and associated Exam changes were appropriately designed to enhance the testing of higher-order skills that include, but are not limited to, critical thinking, problem-solving, analytical ability, and professional skepticism. Further, the Blueprints and associated sections provide a strong foundation for organizing the content assessing the minimum knowledge and skills required of newly licensed CPAs. The strong foundation of the current Exam sections and the focus on skill levels in the Blueprints, including the task statements, allowed the current PA to focus primarily on the impact of technology on nCPA practice and the related changes that should be made to the CPA Exam.

The PA collected input about the work today's nCPAs are required to perform from a variety of stakeholders who share an interest in preserving the strength and mission of the profession—boards of accountancy, accounting firms, academia, standard setters and regulators, and business and industry. Valuable information was collected in three phases from CPA participants, with unique participants in each phase, who directly supervise nCPAs. **Please see the Practice Analysis Process section for more information on the PA process.**

## General Findings and Conclusions

Technology is dramatically affecting the accounting profession and is impacting audit planning and execution, tax compliance and planning, and the nature of professional services provided. The PA focused on the impact of technology on the work of nCPAs. The impact on any individual nCPA will depend on where that individual is employed and the nature of the clients with whom they work.

In the PA's first phase, several findings were identified that more broadly demonstrate technology's impact on nCPA practice. These include:

- Understanding business processes from inception to completion including automated aspects, risk identification and internal control mapping,
- The need for a digital and data-driven mindset and the use of data analytics, and
- Increased reliance on System and Organization Controls for Service Organizations: Internal Control over Financial Reporting (SOC 1®) reports.

As more fully described below, changes addressing these findings primarily affect the Auditing and Attestation (AUD) and Business Environment and Concepts (BEC) sections of the CPA Exam.



The second phase of the PA was to identify where the CPA Exam may have become too broad and not sufficiently focused on the critical knowledge and skills required of the nICPA. The PA research identified content that could potentially be removed or revised in each of the four CPA Exam sections.

As part of the third phase of the PA, confirmation panels indicated their level of agreement with the proposed changes to the CPA Exam. The final changes were reviewed and approved by the BOE.

### **Specific Proposed Exam Changes**

The proposed changes to the Blueprint are provided in the Proposed Exam Changes section below. These changes include content to be added to the CPA Exam in response to the technology findings identified. The changes also include content either

to be removed from the CPA Exam or assessed at a different skill level in response to better focusing on the critical knowledge and skills required of nICPAs. The proposed changes should be reviewed in conjunction with the current CPA Exam Blueprint. After considering the comments received in response to this ED, the AICPA plans to make approved changes to the CPA Exam Blueprint no later than Dec. 31, 2020.

**It is anticipated that there will not be significant changes to aggregate CPA Exam time, or either content allocation ranges or skill allocation ranges within each of the four CPA Exam sections. Additionally, at this time, it is anticipated that the proposed changes to the CPA Exam will not require delayed score reporting (score holds).**

# Request for Comment

The AICPA values the views of all CPA Exam stakeholders and is seeking comments on the questions listed below. The questions have been divided to address:

A — Comments/responses to changes that are proposed for implementation in the next version of the CPA Exam. (ED)

B — Comments/responses that will require additional research/investigation to evaluate and will be considered for potential implementation at a future time.

In your response, please indicate whether the response represents the official response of a state board of accountancy, state CPA society, or regulator. Otherwise, please advise whether the response is on behalf of a firm, business, or represents your individual views. The AICPA will make all comments publicly available by posting the responses to its website for one year.

The AICPA will consider all responses received on or before April 30, 2020. Email your submission to [practiceanalysis@aicpa.org](mailto:practiceanalysis@aicpa.org).

- A. Comments requested on the next version of the CPA Exam as defined in this ED.
- a. Understanding the business, digital and data-driven mindset and data analytics, and reliance on SOC 1 reports have been identified as the three primary findings affected by technology and impacting the profession and nCPA practice. See further details on these findings in the Practice Analysis — Findings section of this document.
- 1. How do the findings align with the changes you see impacting nCPA practice? If the primary findings do not align with the changes you see impacting nCPA practice, please provide your view and explain your rationale.**

- b. The AUD and BEC section Blueprints are each being reorganized to take a more integrated view of technology and business processes, including information systems, risk assessment, and related internal controls. See changes 7, 8, 13, 23, 26, and 27. The PA findings support this more integrated approach to better assess the knowledge and skills required of nCPAs. These changes add, reorganize, and emphasize content.

Additionally, the PA findings support either deleting certain CPA Exam content or changing the cognitive skill level at which the content is assessed. The proposed deletions and changes are also described in the Proposed Exam Changes section of this document.

- 2. Do you agree with the proposed Exam changes? If not, please explain your rationale. Responses should address specific changes by number (see proposed changes beginning on page 14).**

- c. Technology constantly evolves and will continue to impact the work of nCPAs in their role in protecting the public interest. Thus, the CPA Exam will need to continually evolve to ensure the appropriate knowledge and skills are assessed.

- 3. Are there other areas affected by technology beyond the findings identified in the Practice Analysis — Findings section of this document broadly impacting nCPA practice that should be considered in future revisions to the CPA Exam Blueprints? If so, describe them.**
- 4. Based on a review of the CPA Exam Blueprints, do you believe there is additional content that should be removed from the CPA Exam as it is not critical to nCPA practice and the protection of the public interest? If so, describe them.**

B. Comments requested for the future of CPA Exam content and structure changes as defined in this ITC.

- a. The AICPA proposes to remove the essay question (written communication question) given the limitations of the current assessment and its minimal impact on the overall score as described in the ITC section of this document.

**1. Given the considerations in the ITC, do you agree or disagree with the recommendation to remove the essay question (written communication question)? Please provide your rationale.**

- b. Given the specialized nature of the content assessed in FAR Area IV - State and Local Governments and thus the potential limited applicability to a majority of nCPAs, the AICPA is considering the potential removal of state and local government accounting content from the CPA Exam as described in the ITC section of this document.

**2. Given the considerations in the ITC, should accounting for state and local governments continue to be assessed on the CPA Exam? Please provide your rationale.**

### Guide for Respondents

Comments are most helpful when they refer to specific changes or findings discussed and include the reasons for the comments. **When a respondent agrees with proposals in the ED or ITC, it will be helpful for the AICPA to be made aware of this view.**

Written comments on this ED and ITC will become part of the public record of the AICPA and will be posted on its website for one year. Responses should be sent to [practiceanalysis@aicpa.org](mailto:practiceanalysis@aicpa.org) and received no later than April 30, 2020.

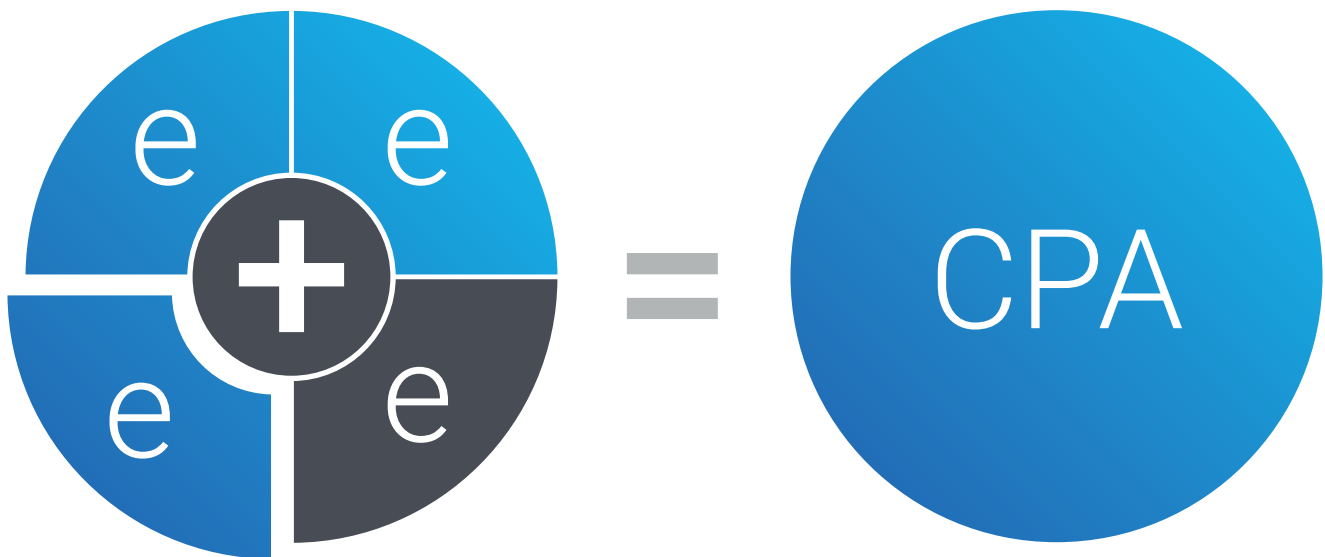
# Background and Introduction

Since 1917, the CPA Exam has a trusted history as one component of the CPA licensing process. The CPA Exam is a licensure exam designed to measure minimum competency and helps to establish the CPA license as evidence of professional qualification. The mission of the CPA Exam is to provide reasonable assurance that individuals seeking licensure have demonstrated the knowledge and skills necessary for a nICPA to protect the public interest in today's business and financial environment.

**For the purpose of identifying the domain of tasks, knowledge, and skills necessary to protect the public interest, a nICPA is defined as someone who has fulfilled the applicable jurisdiction's educational and experience requirements and has the knowledge and skills typically possessed by a person with one to two years of experience.<sup>2</sup>**

Experience

Education



Ethics\*

Examination

<sup>2</sup> \*Certain states or jurisdictions require a separate ethics assessment in addition to what is tested on the CPA Exam

The AICPA develops, maintains, and scores the CPA Exam. The BOE, a senior committee of the AICPA, is responsible for the establishment of policies governing the CPA Exam in accordance with legal and psychometric standards as they apply to licensure examinations. The BOE also has the responsibility for strategic planning and risk assessment to ensure that the CPA Exam continues to fulfill its mission, which is to provide reasonable assurance to boards of accountancy that candidates passing the CPA Exam possess the technical knowledge and skills necessary for initial licensure to protect the public interest.

The BOE conducts a PA at any time the changes in the profession are significant enough to indicate the CPA Exam needs to be updated.

The previous PA was launched in 2014 and completed in 2016. The findings were implemented in the CPA Exam in 2017. The PA completed in 2016 resulted in an increased focus on testing higher-order skills by adding simulation items and increasing the scoring weight of simulations. The need to test higher-order skills was identified in the research as it was deemed critically important that nCPAs are competent in recognizing issues, identifying errors, challenging assumptions, and applying both professional judgment and skepticism.

To assist CPA Exam candidates, educators, and other Exam stakeholders, the AICPA published the CPA Exam Blueprints in 2016.

The goals of the CPA Exam Blueprints are to:

- Provide assurance that the CPA Exam is properly designed to test the required knowledge, skills, and tasks.
- Assist candidates in preparing for the CPA Exam by delineating the knowledge and skills that may be tested.
- Apprise educators about the knowledge and skills candidates will need to function as nCPAs.
- Guide the development of CPA Exam questions.

Between PAs, continuous maintenance of the CPA Exam occurs, and the CPA Exam Blueprints are modified as necessary to remain current with new standards and laws. CPA Exam Blueprint revisions are also made to improve the clarity, organization, and the nature of content assessed. The current CPA Exam Blueprint was published on Jan. 1, 2019, and is located at: [aicpa.org/becomeacpa/cpaexam/examinationcontent.html](https://aicpa.org/becomeacpa/cpaexam/examinationcontent.html).

Given the rapid advancement of technology, in March 2019, the BOE approved the start of a new PA, which focused on technology's impact on nCPA practice. The goal of the PA research is to:

- Provide data that can be used to define the scope of changes to the CPA Exam.
- Serve as the foundation of the validity and legal defensibility of the CPA Exam.
- Provide reasonable assurance to boards of accountancy that individuals who pass the CPA Exam possess the minimum level of technical knowledge and skills necessary for initial licensure.

The BOE believes that over time the CPA Exam may have become too broad and requires additional focus on the truly critical knowledge and skills of nCPAs, particularly given that additional content and skills may need to be added to the CPA Exam to reflect technology's impact on nCPA practice. **Accordingly, the current PA includes two research objectives: first, to assess the impact of technology on nCPA practice, and second, to identify existing Exam content that may be less important to nCPA practice, so the CPA Exam better focuses on what is critical to nCPA practice.**

The ED documents the PA process and methods used to update the domain of tasks, knowledge and skills necessary for a nCPA; explains the types of analyses conducted; reports the results of those analyses; and describes how the results of the PA will redefine the CPA Exam Blueprints.

# Practice Analysis — Findings

*The following discusses the major findings or areas impacting the proposed additions, changes, and deletions to the CPA Exam. The updates are based upon research and input received from the profession and stakeholders regarding the knowledge and skills required of nICPAs for their role in protecting the public interest.*

Several new specific findings were identified in the PA technology research including that nICPAs need to have increased knowledge and skills related to:

- Understanding the business
- Digital and data-driven mindset including data analytics
- Reliance on System and Organization Controls (SOC 1) reports

## Understanding the Business

Newly licensed CPAs need to understand the business including its operations, information systems, underlying business processes, information and data flows, and risks and related internal controls. This understanding is fundamental to planning and designing audit procedures responsive to the assessed risks. Newly licensed CPAs are involved in many aspects of understanding the business. The nature and extent of the nICPAs role in understanding the business will vary based on the size and complexity of the entity.

Newly licensed CPAs roles in understanding the business could include:

- Understanding the source of entity financial and tax information,
- Understanding procedures in manual and automated systems by which transactions are initiated, authorized, processed, and recorded in general ledgers, and
- Mapping internal controls in both manual and IT systems. In particular, nICPAs need to be able to understand the flow of transactions from start to finish, inclusive of both manual and automated systems, along with the related control activities.

Aspects of understanding the business are currently assessed in both the AUD and BEC sections of the CPA Exam. The AUD section generally is more focused on risk assessment and testing of internal controls, while the focus in the BEC section includes governance and the design of internal controls. This focus is appropriate and will continue. However, each of the sections generally assesses processes and internal control topics on a somewhat segregated basis, i.e., looking at manual and automated systems and controls separately. **In response to the PA research, the AUD and BEC Blueprints are proposed to be reorganized to assess major business processes, including manual and IT systems, and related internal controls on a more integrated basis.**

## Digital and Data-Driven Mindset/ Data Analytics

A digital and data-driven mindset includes understanding the potential sources of data as well as the completeness, accuracy and relevance of the data. This mindset is related to the initial finding identified above, Understanding the business. Newly licensed CPAs should understand the flow of transactions within business processes and information systems; this will lead to understanding the availability and reliability, i.e., completeness and accuracy, of the data.

Given the advances in technology, which allow for the extraction of data from systems, it is important that nICPAs at a minimum have an understanding of data—and where and how it may be accessed—to be able to converse with clients about data and its potential use. There are mixed views as to whether nICPAs are actually extracting and transforming the data, and this is often dependent upon the complexity of the client and its systems. If nICPAs are not actually performing these extraction and transformation procedures, they will nonetheless need to be able to communicate effectively about data with either their clients or data specialists supporting their engagements, again requiring a digital and data-driven mindset.

Data analytics is a subset of the digital and data-driven mindset. While the adoption and implementation of data analytic techniques vary widely based on firm size and complexity and size of the client, there is widespread acknowledgment that the use of data analytics is prevalent throughout the profession and nCPAs have an important role.

Since 2017 and concurrent with this PA, the AICPA Exams Team worked with subject-matter-experts, including the AUD subcommittee, to develop audit data analytics (ADA) task-based simulations (TBS) or small case studies that will assess nCPA ADA practice. In addition to generally requiring candidates to address matters surrounding the relevance and reliability of data, these TBS will require the use of Microsoft Excel® (Excel) to sort, filter, and compare data sets to determine trends, identify missing or duplicate transactions, or highlight anomalies within data. The research in this PA has reaffirmed the work completed to date. **Given the research and related work to date, Excel-based TBSs are planned to be introduced in the AUD section beginning Oct. 1, 2020. A revised CPA Exam Blueprint is planned to be available beginning April 1, 2020, which will include new representative task statements aligned with these planned changes.**

Based on the PA research, the BEC section will begin assessing content on data management, data governance, and data relationships. These proposed changes are discussed in the Proposed Exam Changes section below.

## Reliance on SOC 1 Reports

There is significant increased reliance on SOC 1 reports given how businesses are increasingly outsourcing information systems and business processes to third parties and storing data in the

cloud. SOC 1 reports are specifically intended to assist businesses that use service organizations and their auditors in evaluating the effect of the controls at the service organization on the user entities' financial statements. Inasmuch as outsourcing these systems is integral to a company's business processes, nCPAs need to understand the types of SOC 1 reports, how to interpret them, the implications to a client's system of internal controls, and accordingly, the effect on planned audit procedures.

This finding is also an extension of the first finding, Understanding the business. An auditor's need to understand a client's business processes and information systems extends to outsourced processes or systems that could impact the financial statements or taxes. If the client has outsourced business and information systems technology and processes, the auditor still needs to understand how the related transactions are initiated, authorized, processed and recorded, and the responsive internal controls.

The PA results indicated that reliance on SOC 1 reports has dramatically increased—requiring auditors to obtain and evaluate multiple SOC 1 reports on even relatively modestly sized clients. Further, the research has indicated nCPAs are typically involved in reviewing these reports and mapping controls similar to what they would do if the business process or information systems had not been outsourced.

The research has **not** supported that a significant number of nCPAs are involved in performing the underlying procedures that support the issuance of a SOC 1 report. Working on SOC 1 engagements is typically done by specialists or those with significant experience and is beyond the scope of nCPA practice. The AICPA will monitor the SOC suite of services and their impact on nCPA practice, which are continually evolving.



**While the CPA Exam currently assesses reliance on SOC 1 reports, this is a topic that will be further emphasized within the AUD section of the CPA Exam. Additionally, consideration of the reliance on SOC 1 reports will be added to the BEC section of the CPA Exam.**

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The advances in technology do not eliminate the need for basic accounting, auditing, business, and taxation concepts in order for nCPAs to undertake their role in protecting the public interest. The PA supported the need for strong foundational knowledge and skills. In fact, there was universal support that technology advances require nCPAs to have a clear understanding of basic accounting and auditing skills as well as professional skepticism. The BOE believes the current CPA Exam structure and associated sections are well designed to assess the foundational knowledge and skills required by nCPAs, as well as accommodate the changes identified by this PA.

## Focus on Critical Knowledge and Skills

The PA findings supported that certain content currently assessed on the CPA Exam is less critical to nCPA practice and the protection of the public interest. As discussed further under the Phase 2 process below, the CPA Exam subject-matter-experts (SMEs) determined to retain or remove topic content, or alternatively, to change the cognitive skill level at which topics are assessed. The proposed changes have been reflected within the detail changes provided below for each section.

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The AICPA Examinations Team, CPA Exam section subcommittees, the CPA Exam Content Committee, and the BOE have all reviewed and approved these findings and the proposed content changes for each of the sections of the CPA Exam.

## Technology Used by Newly Licensed CPAs

PA research indicates the use of specific ADA software is less important for the CPA Exam to assess. Rather, understanding of the completeness and accuracy of data and data-wrangling skills (transformation, analysis, and use of data) are more critical given the role of nCPAs in analyzing outputs from the specific ADA software. While there was an acknowledgment that the CPA Exam should be tool-agnostic with regard to ADA, there were very strong views expressed for knowledge of Excel, which is used ubiquitously by firms and their clients.

**As noted above, beginning Oct. 1, 2020, the CPA Exam's AUD section plans to include TBS that will assess data analytics requiring the use of Excel.**

The PA considered the following additional technologies that could potentially impact nCPA practice: robotic process automation (RPA), cybersecurity, machine learning, artificial intelligence, and blockchain. The PA research indicates that a nCPA needs to have a basic understanding of these technologies but use and deployment in the delivery of professional services is often extremely specialized, not universal, and generally beyond the scope of today's nCPA practice. The AICPA will monitor these as well as other developing technologies and their impact on nCPA practice, which are continually evolving.

More information about the design and scope of the PA research is discussed below in the Practice Analysis Process section.



# Proposed Exam Changes

This portion of the ED provides detailed information about the proposed changes and considerations for each of the CPA Exam's four sections. Changes discussed below reflect the changing knowledge and skills required of nCPAs as identified in the PA research.

The CPA Exam Blueprints will retain the structure of the area, group, topic and representative task for each of the four sections. **Each change should be considered with reference to the existing CPA Exam Blueprints located at the link below.**

[aicpa.org/becomeacpa/cpaexam/examinationcontent.html](https://aicpa.org/becomeacpa/cpaexam/examinationcontent.html)

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
1	I	B	3	AUD 8	<p><b>Group B: Ethics, independence and professional conduct. Topic 3: Requirements of the Government Accountability Office and the Department of Labor.</b></p> <p>Remove the application skill level content regarding independence rules and ethical requirements for the Government Accountability Office and independence rules for the Department of Labor as PA research indicates this is less relevant to nCPA practice. The Remembering and Understanding skill level content will be retained.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. Accordingly, nCPAs will be assessed on a base knowledge level rather than the application of that knowledge.</p>
2	I	C	1	AUD 9	<p><b>Group C: Terms of engagement. Topic 1: Preconditions for an engagement.</b></p> <p>Remove the topic. PA research indicates that the content in this topic is generally not among procedures completed by nCPAs.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. Current Topic 2: Terms of engagement and engagement letter will remain unchanged. nCPAs will continue to be assessed on identifying the factors affecting the acceptance or continuance of an audit or non-audit engagement.</p>

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
3	I	E	3	AUD 10	<p><b>Group E: Communications with management and those charged with governance. Topic 3: All other matters.</b></p> <p>Remove the topic. PA research indicates that the lack of specificity in the current CPA Exam Blueprint related to all other matters was not useful.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. The critical components of communication with management and those charged with governance are covered in the preceding topics, which will remain. Accordingly, the scope of the group would be limited to communications related to the planned scope and timing of an engagement and internal control related matters.</p>
4	I	F	–	AUD 11	<p><b>Group F: Communication with component auditors and parties other than management and those charged with governance.</b></p> <p>Remove the group. PA research indicates the content in this topic is beyond the scope of nCPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. Accordingly, the content tested in the current Group E: Communication with management and those charged with governance better aligns with nCPA practice.</p>
5	I	G	–	AUD 11	<p><b>Group G: A firm's system of quality control, including quality control at the engagement level.</b></p> <p>Revise the group. PA research indicates that firm-level quality control is beyond the scope of nCPA practice.</p> <p>The change will more narrowly focus on engagement level quality control, which is more aligned with nCPA practice.</p>
6	II	A	2	AUD 12	<p><b>Group A: Planning an engagement. Topic 2: Developing a detailed engagement plan.</b></p> <p>Remove the analysis skill level content on developing a detailed engagement plan. PA research indicates the analysis content tested is beyond the scope of nCPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. The CPA Exam will continue to assess preparing and documenting an engagement plan, as well as supporting client request materials as these are the tasks commonly performed by nCPAs.</p>

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
7	II	B	1 and 2	AUD 12	<p><b>Group B: Understanding an entity and its environment. Topic 1: External factors, including the applicable financial reporting framework. Topic 2: Internal factors, including nature of the entity, ownership and governance structures and risk strategy.</b></p> <p>Expand the group to consider technology's impact on an entity.</p> <p>This change is proposed in response to the findings identified in the PA research, more specifically the understanding of the business and associated processes and the digital and data-driven mindset. The change would include emphasizing technology as an external factor in Topic 1 and expanding the content scope of Topic 2 to include understanding and documenting significant business processes, IT system infrastructure, and data flows (e.g., revenue, production, expenditures, payroll, etc.), identifying significant business processes and related IT systems, and how data generated from those business processes flows through the systems.</p>
8	II	C	1, 2, 3, and 4	AUD 13 and AUD 14	<p><b>Group C: Understanding an entity's internal control. Topic 1: Control environment and entity-level controls. Topic 2: Flow of transactions and design of internal controls. Topic 3: Implications of an entity using a service organization. Topic 4: Information Technology (IT) general and application controls.</b></p> <p>Revise topics in Group C to more broadly consider the control environment, significant business processes, and IT systems.</p> <p>This change is proposed in response to the findings identified in the PA research, more specifically understanding the business and associated processes and the digital and data-driven mindset.</p> <p>There are multiple components to this proposed change.</p> <p>Changes for Group C, Topic 1:</p> <ul style="list-style-type: none"> <li>Revise content on identifying and documenting the significant components of an entity's control environment including its entity-level controls to include IT general controls and associated documentation from Group C, Topic 4.</li> </ul> <p>Changes for Group C, Topic 2</p> <ul style="list-style-type: none"> <li>Revise content on internal control walkthroughs and documenting the flow of transactions to include significant business processes and how they relate to the financial statements, including examples of types of documentation (i.e., flowcharts, process diagrams, etc.).</li> </ul>

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
					<ul style="list-style-type: none"> <li>• Add content relating to obtaining an understanding of the IT systems that are used for financial reporting.</li> <li>• Revise content on identification and documentation of key controls to include manual controls, IT general controls, application controls, and how they relate to specific business processes and their impact on the financial statements. Add content on the effect of these controls on the completeness and reliability of data from Group C, Topic 4.</li> <li>• Revise content on evaluating internal controls and whether the internal controls are effectively designed and placed in operation to include the reference to manual and application controls.</li> </ul> <p>Changes for Group C, Topic 3:</p> <ul style="list-style-type: none"> <li>• Add content regarding SOC 1 (Type 2).</li> </ul> <p>Changes for Group C, Topic 4:</p> <ul style="list-style-type: none"> <li>• Remove the current topic and integrate concepts of IT general and application controls to Topics 1 and 2 above.</li> </ul>
9	II	E	3	AUD 15	<p><b>Group E: Identifying and assessing the risk of material misstatement, whether due to error or fraud, and planning further procedures responsive to identified risks. Topic 3: Further procedures responsive to identified risks.</b></p> <p>Add content regarding the use of audit data analytic techniques to identify transactions that may have a higher risk of material misstatement.</p> <p>This change is in response to the findings identified in Phase 1, more specifically the digital and data-driven mindset, including the use of audit data analytics.</p>
10	II	G	–	AUD 16	<p><b>Group G: Planning for and using the work of others, including group audits, the internal audit function and the work of a specialist.</b></p> <p>Remove content related to the use of the internal audit function. PA research indicates content on the use of the internal audit function is beyond the scope of nI CPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nI CPAs. Content related to the use of internal audit will be removed, and content related to using the work of an IT auditor will be added while maintaining current content on group auditors and using the work of other specialists.</p>

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
11	II	H	3	AUD 17	<p><b>Group H: Specific areas of engagement risk. Topic 3: Related parties and related party transactions.</b></p> <p>Eliminate analysis skill level content and focus on defining and identifying related parties. PA research indicates the content at the analysis skill level is beyond the scope of nICPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nICPAs. The CPA Exam will continue to assess procedures to identify related party relationships and transactions at the application skill level.</p>
12	III	A	–	AUD 18	<p><b>Group A: Understanding sufficient appropriate evidence.</b></p> <p>Revise group title to “Sufficient appropriate evidence.”</p> <p>Expand the scope of Group A to include content focused on determining the sources of sufficient appropriate evidence and identifying procedures to validate the completeness and accuracy of data.</p> <p>This change is proposed in response to the findings identified in the PA research, more specifically understanding the business and associated processes and the digital and data-driven mindset. Content would be added on determining the sources of sufficient appropriate evidence and identifying procedures to validate the completeness and accuracy of data.</p> <p>Additionally, include content on the use of professional skepticism and judgment in analyzing corroborating or contradictory evidence and evaluating whether sufficient appropriate evidence has been obtained.</p>
13	III	B	–	AUD 18	<p><b>Group B: Sampling techniques.</b></p> <p>Revise group title to “General procedures to obtain sufficient appropriate evidence.”</p> <p>This change is proposed in response to the findings identified in the PA research, more specifically the digital and data-driven mindset.</p> <p>Revise Group B and give it the new name “General procedures to obtain sufficient appropriate evidence.” This group would include the existing content on sampling techniques. The concept of using automated tools and audit data analytics in audit sampling would be added. Add existing content found in the current Group C related to (i) inquiry of management (Group C, Topic 3), (ii) observation and inspection (Group C, Topic 4), and (iii) recalculation and reperformance (Group C, Topic 5) to this group. These topics are on page AUD 19. Additionally, content related to the use of automated tools and techniques related to recalculation would be added.</p>

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
14	III	C	–	AUD 18, AUD 19, AUD 20	<p><b>Group C: Performing specific procedures to obtain evidence.</b></p> <p>Revise group title to “Specific procedures to obtain evidence.”</p> <p>This change is proposed in response to the findings identified in the PA research, more specifically the digital and data-driven mindset.</p> <p>Topics 3–5 were moved to Group B in the previous change. This revised Group C would include existing content related to (i) analytical procedures (Group C, Topic 1), and (ii) external confirmation (Group C, Topic 2).</p> <p>A new Topic will be added to Group C, titled “Audit data analytics.” This new topic would include existing audit data analytic content from Topic 1 and Topic 6, such as identifying data needed to complete audit data analytics and analyzing results and outputs. Additionally, the scope of audit data analytics concepts would be expanded to include content on working with data sets and encompassing tasks requiring the use of Excel (i.e., sorting, classifying, summarizing, and comparing data). Further, content will be added related to analyzing the results of an audit data analytic procedure and understanding the significance of notable or unusual items. Given the changes being made to this Group C, Topic 6: All other procedures are proposed to be eliminated as its content is either moved, covered elsewhere, or lacks sufficient specificity.</p>
15	III	D	1	AUD 20	<p><b>Group D: Specific matters that require special consideration. Topic 1: Opening balances.</b></p> <p>Remove topic. PA research indicates that the CPA Exam does not need to assess the verification of opening balances as the concept is relatively straightforward.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs.</p>
16	III	D	2	AUD 20	<p><b>Group D: Specific matters that require special consideration. Topic 2: Investments in securities and derivative instruments.</b></p> <p>Revise topic by eliminating derivative content and focus on the testing of inputs and assumptions relating to the fair value of investments. PA research indicates the testing of derivatives in this context is beyond the scope of nCPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. Derivatives are beyond the scope of nCPA practice. PA research indicates the scope of nCPA practice includes the fair value of investments in securities as currently assessed.</p>

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
17	III	D	4	AUD 21	<p><b>Group D: Specific matters that require special consideration. Topic 4: Litigation, claims and assessments.</b></p> <p>Remove analysis skill level content from the topic. PA research indicates analyzing management's estimates of accruals for litigation, claims, and assessments are beyond the scope of nICPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nICPAs. This topic will now focus on performing procedures to identify litigation, claims, and assessments at the application skill level.</p>
18	III	D	5	AUD 21	<p><b>Group D: Specific matters that require special consideration. Topic 5: An entity's ability to continue as a going concern.</b></p> <p>Remove application skill level content from the topic. PA research indicates that performing procedures related to the assessment of management's evaluation and conclusion on an entity's ability to continue as a going concern was beyond the scope of nICPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nICPAs. The topic will now focus on identifying going concern factors and indicators.</p>
19	III	F	–	AUD 22	<p><b>Group F: Written representations.</b></p> <p>Remove the application skill level content and retain the content related to identifying the necessary representations. PA research indicates the content currently in the remembering and understanding skill level more closely aligns with nICPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nICPAs. The CPA Exam will continue to assess the identification of the written representations that should be obtained from management or those charged with governance.</p>
20	III	G	–	AUD 22	<p><b>Group G: Subsequent events and subsequently discovered facts.</b></p> <p>Revise group title to "Subsequent events." Remove subsequently discovered facts content. PA research indicates subsequently discovered facts are beyond the scope of nICPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nICPAs. The CPA Exam will continue to assess procedures to identify subsequent events and if subsequent events are appropriately reflected in the financial statements and disclosures.</p>

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
21	IV	D	–	AUD 26	<p><b>Group D: Reporting on compliance.</b></p> <p>Remove the application skill level content related to the preparation of draft compliance reports. PA research indicates the preparation of compliance reports is less important to nCPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. The CPA Exam will continue to assess the identification of the factors that the auditor or practitioner should consider when reporting on compliance.</p>
22	IV	E	5, 7, and 8	AUD 27	<p><b>Group E: Other reporting considerations. Topic 5: Single statements. Topic 7: Letters for underwriters and filings with the SEC. Topic 8: Alerts that restrict the use of written communication.</b></p> <p>Remove topics. PA research indicates the content assessed in these topics is beyond the scope of a newly licensed CPA practice.</p> <p>These changes are proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs.</p>
23	I	A, B, and C	–	BEC 7 and BEC 8	<p><b>Group A: Internal control frameworks. Group B: Enterprise risk management (ERM) frameworks. Group C: Other regulatory frameworks and provisions.</b></p> <p>Revise groups. This change is proposed in response to the findings identified in the PA research, more specifically understanding the business and associated processes and the digital and data-driven mindset.</p> <p>There are multiple components for this proposed change. First, for Group C: Other regulatory frameworks and provisions on page BEC 8, remove reference to other regulatory frameworks. The remaining Group C content will focus solely on the Sarbanes-Oxley Act of 2002 and will be moved to Group A: Internal control frameworks as a new topic; Group C as currently displayed would be removed. Including this content in Group A - Internal control frameworks is more logical and clearer.</p> <p>Add a new Group C, titled “Business processes and transaction level-risks and controls” to Area I to emphasize understanding the business processes, integrated with the technology enabling those processes. Process and transaction-level risks and controls from existing Area I, Groups A and B; Area IV, Group A – Topics 2 and 3, Group B – Topic 3, and Group C – Topic 1 would be moved to the new Area I, Group C. Content to be included in the new Group C would be describing business processes and flows of transactions including enabling technology, identifying opportunities to improve efficiency, identifying and designing transaction-level controls, use of</p>



Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
					<p>SOC 1 reports from service providers, identifying risks and control gaps, and using data and business intelligence in the context of an entity's significant business processes.</p> <p>Due to the foregoing proposed changes to the current content of Group A and a new Group C, rename Area I: Corporate Governance to Area I: Business Process, Risks, and Controls.</p>
24	II	A and B	–	BEC 9	<p><b>Group A: Economic and business cycles – measures and indicators. Group B: Market influences on business.</b></p> <p>Revise groups. This change is proposed in response to the findings identified in the PA research, more specifically understanding the business and associated processes.</p> <p>Revise Area II, Groups A and B by removing general macroeconomic content allowing more focus on how economics, business cycles, and market influences more directly impact industries and business entities. For example, remove general macroeconomic content such as calculating GDP, Aggregate Demand Curve, and Money Supply in Group A and analysis of impacts on the overall economy in Group B.</p>
25	III	A	–	BEC 11	<p><b>Group A: Capital structure.</b></p> <p>Remove the analysis content from the group.</p> <p>PA research indicates that comparing and contrasting the strategies for financing new business initiatives and operations is beyond the scope of nI CPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nI CPAs. Accordingly, this change would more closely align with nI CPA practice and allow more focus on describing an entity's capital structure and calculating the cost of capital.</p>
26	IV	A	1	BEC 13	<p><b>Group A: Understanding of information technology (IT). Topic 1: Organization and governance.</b></p> <p>Add content to the topic on understanding the need for SOC 1 reports for outsourced IT functions.</p> <p>This change is in response to the findings identified in the PA research, more specifically, reliance on SOC 1 reports.</p>

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
27	IV	A	3	BEC 13	<p><b>Group A: Understanding of information technology (IT). Topic 3: Data.</b></p> <p>Change the current Topic 3 - Data to be a Group of its own and add content related to working with data.</p> <p>This change is in response to the findings identified in the PA research, more specifically the digital and data-driven mindset.</p> <p>This new Group on data would include expanded content on data management, data governance, and data relationships. Additionally, the Group would include content related to extracting and loading data at the remembering and understanding skill level and content related to transforming and working with data and data relationships at the application skill level.</p>
28	IV	B	2	BEC 13	<p><b>Group B: Risk associated with IT. Topic 2: System development and maintenance.</b></p> <p>Narrow the focus of the topic and revise the skill level from application to remembering and understanding.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs.</p> <p>Revise this topic to focus on recalling concepts related to controls over software changes at the remembering and understanding skill level rather than the application skill level. This change would more closely align with nCPA practice.</p>
29	IV	C	4	BEC 15	<p><b>Group C: Controls that respond to risks associated with IT. Topic 4: Continuity and recovery plans.</b></p> <p>Broaden the topic and revise the skill level from application to remembering and understanding.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs.</p> <p>Revise this topic to focus on recalling concepts related to business resiliency. Business resiliency integrates crisis management and business continuity. The revised content will be at the remembering and understanding skill level rather than the application skill level. This change would more closely align with nCPA practice.</p>

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
30	I	B	8	FAR 9	<p><b>Group B: General-purpose financial statements: for-profit business entities.</b>  <b>Topic 8: Discontinued operations.</b></p> <p>Remove the topic and add discontinued operations as an example to the multiple-step income statement task statement in Area I, Group B, Topic 2.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. As proposed, the CPA Exam will assess discontinued operations in the context of a multiple-step income statement.</p>
31	I	B	9	FAR 9	<p><b>Group B: General-purpose financial statements: for-profit business entities.</b>  <b>Topic 9: Going concern.</b></p> <p>Remove the topic. PA research indicates that this topic is beyond the scope of nCPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. Remove recalling the requirements for disclosing uncertainties about an entity's ability to continue as a going concern from management's perspective. The CPA Exam will continue to assess concepts related to going concern in the AUD section.</p>
32	I	E	–	FAR 11	<p><b>Group E: Financial statements of employee benefit plans.</b></p> <p>Limit the scope of content assessed. PA research indicates that the assessment of defined benefit pension plans beyond basic concepts is not within nCPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. Remove content on the preparation of a statement of changes in net assets available for benefits and a statement of net assets available for benefits for defined benefit pension plans (defined contribution plan content would be retained). The CPA Exam will continue to assess content on the identification of the required financial statements for defined benefit pension plans.</p>
33	II	K	1	FAR 18	<p><b>Group K: Compensation and benefits. Topic 1: Compensated absences.</b></p> <p>Remove the topic and limit the scope of the content assessed to vacation accruals under Area II, Group G, Payables and accrued liabilities. PA research indicates that this topic is less important to nCPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. It is relevant to continue to assess vacation accruals, which more logically fits in Area II, Group G.</p>

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
34	II	K	2	FAR 18	<p><b>Group K: Compensation and benefits. Topic 2: Retirement benefits.</b></p> <p>Remove the topic. PA research indicates that this is beyond the scope of nICPA practice as there has been a significant decline in the offering of defined benefit plans.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nICPAs.</p>
35	III	D	–	FAR 20	<p><b>Group D: Derivatives and hedge accounting (e.g., swaps, options, forwards).</b></p> <p>Remove application skill level content. PA research indicates that this topic is less important to nICPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nICPAs. Derivatives and hedge accounting may be overly complex for nICPAs as they only need to understand the basics of these instruments. Limit the scope of this group by removing content related to preparing journal entries for hedging transactions and for derivative financial instruments (swaps, options, and forwards).</p>
36	III	L	–	FAR 23	<p><b>Group L: Differences between IFRS and U.S. GAAP.</b></p> <p>Remove the group. PA research indicates that this content is less important to nICPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nICPAs. Accordingly, remove this group as the knowledge of IFRS is client-specific, primarily foreign entities or their affiliates, and not appropriate for nICPAs. Additionally, IFRS has not been adopted for U.S. public companies as had been expected when IFRS initially was included on the CPA Exam.</p>
37	IV	B	1	FAR 24	<p><b>Group B: Format and content of the financial section of the comprehensive annual financial report (CAFR). Topic 1: Government-wide financial statements.</b></p> <p>Remove application skill level content. PA research indicates that this topic is less important to nICPA practice. The changes proposed throughout Area IV are intended to simplify the content assessed in this specialized area of practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nICPAs. Limit the scope of this topic by focusing on identifying and recalling basic concepts and principles associated with government-wide financial statements (e.g., required activities, financial statements, and financial statement components).</p>

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
38	IV	B	2, 3, and 4	FAR 24, FAR 25, and FAR 26	<p><b>Group B: Format and content of the financial section of the comprehensive annual financial report (CAFR). Topic 2: Governmental funds financial statements. Topic 3: Proprietary funds financial statements. Topic 4: Fiduciary funds financial statements.</b></p> <p>Remove application skill level content and combine these topics into a new topic titled "Fund financial statements." PA research indicates that this topic is less important to nCPA practice. The changes proposed throughout Area IV are intended to simplify the content assessed in this specialized area of practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. This new topic will focus on the basic concepts and principles associated with the governmental fund, proprietary fund, and fiduciary fund financial statements, but will not include the preparation of specific statements.</p> <p>Additionally, the scope of the content on deriving the government-wide financial statements and reconciliation requirements currently in Group C on page FAR 26 will be limited to recalling basic concepts at the remembering and understanding skill level and moved to a separate topic in Group B. There will no longer be a separate Group C.</p>
39	IV	D	1, 2, 5, and 8	FAR 27 and FAR 28	<p><b>Group D: Typical items and specific types of transactions and events. Topic 1: Net position and components thereof. Topic 2: Fund balances and components thereof. Topic 5: Interfund activity, including transfers. Topic 8: Special items.</b></p> <p>Remove the application skill level content in Topics 1, 2, and 5 and move the remembering and understanding skill level content to the appropriate government-wide and governmental fund financial statement topics in Group B. Remove Topic 8. The changes proposed throughout Area IV are intended to simplify the content assessed in this specialized area of practice.</p> <p>The content will focus on recalling basic financial reporting concepts on net position, fund balances, and interfund activity.</p> <p>In addition, limit the content of Area IV, Group D, Topics 3, 4, 6, 7, and 9 by not testing the preparation of journal entries for specific types of transactions.</p>

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
40	II	C	1, 2, and 3	REG 9 and REG 10	<p><b>Group C: Debtor-creditor relationships. Topic 1: Rights, duties and liabilities of debtors, creditors and guarantors. Topic 2: Bankruptcy and insolvency. Topic 3: Secured transactions.</b></p> <p>Limit the scope of the content to the basic concepts related to debtor and creditor relationships, bankruptcy and insolvency, and secured transactions. PA research indicates that these topics are less important to nCPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. Remove the application skill level content from Topics 2 and 3. The content in Topic 1 and the remembering and understanding skill level content from Topics 2 and 3 will be combined in Group C. There will no longer be separate topics in Group C. This change better aligns to nCPA practice.</p>
41	II	D	1	REG 10	<p><b>Group D: Government regulation of business. Topic 1: Federal securities regulation.</b></p> <p>Remove the topic. PA research indicates that this topic is less important to nCPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. Accordingly, remove this topic as the concepts related to a CPA's liability under the '33 and '34 Acts are not essential to nCPA practice. The CPA Exam will continue to assess SEC reporting requirements in the FAR section.</p>
42	III	C	1, 2, and 3	REG 14	<p><b>Group C: Estate and gift taxation. Topic 1: Transfers subject to gift tax. Topic 2: Gift tax annual exclusion and gift tax deductions. Topic 3: Determination of taxable estate.</b></p> <p>Limit the scope of the content to the basics of gift taxation and remove content on estate taxation. PA research indicates that these topics are less important to nCPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. Accordingly, combine the basic gift taxation content at the remembering and understanding and application skill levels in Group C. There will no longer be separate topics in Group C, and it will be renamed Gift taxation. The content will focus on identifying gift tax deductions and exclusions and calculating and classifying gifts for federal tax purposes. Recent tax law changes have reduced the number of federal estate tax returns prepared and filed. Federal estate tax returns filed are limited in number and complex in nature, further limiting the applicability of this topic to nCPA practice. The CPA Exam will continue to assess concepts related to an individual's tax basis of an asset received from a decedent.</p>

Change number	Area	Group	Topic	Blueprint page number	Change description and rationale
43	IV	H	–	REG 17	<p><b>Group H: Alternative minimum tax (AMT).</b></p> <p>Remove the group. PA research indicates that this group is less important to nCPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. Recent tax law changes enacting higher AMT exemptions and reducing the adjustments required to calculate AMTI further limit the applicability to nCPA practice.</p>
44	V	C	2	REG 19	<p><b>Group C: C Corporations. Topic 2: Net operating losses and capital loss limitations.</b></p> <p>Remove analysis skill level content. PA research indicates that this topic is less important to nCPA practice</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. Given recent tax law changes that net operating losses cannot be carried back and never expire, the analysis skill associated with this topic is no longer critical to nCPA practice.</p> <p>The CPA Exam will continue to assess net operating loss content at the application skill level as it best aligns with nCPA practice.</p>
45	V	G	2 and 3	REG 25	<p><b>Group G: Trusts and estates. Topic 2: Income and deductions. Topic 3: Determination of beneficiary's share of taxable income.</b></p> <p>Remove the topics. PA research indicates that these topics are less important to nCPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. Accordingly, the content in Topic 1 will become a separate group and will focus on recalling basic concepts related to the types of trusts (simple and complex trusts).</p>
46	V	H	2 and 3	REG 25	<p><b>Group H: Tax-exempt organizations. Topic 2: Obtaining and maintaining tax-exempt status. Topic 3: Unrelated business income.</b></p> <p>Remove Topic 2 and limit the scope of Topic 3. PA research indicates that these topics are less important to nCPA practice.</p> <p>This change is proposed to focus the CPA Exam on assessing the critical knowledge and skills needed by nCPAs. Accordingly, focus the content in Group H on recalling the types of tax-exempt organizations and the concepts of unrelated business income. Topic 2: Obtaining and maintaining tax-exempt status will be removed and the scope of Topic 3 will be limited to assessing the understanding of unrelated business income for a tax-exempt organization rather than calculating it.</p>

# Practice Analysis Process

## Goal of Licensure

The goal of licensure is protection of the public interest, or more specifically, providing the public with assurance that those individuals who are licensed possess a sufficient level of knowledge and skills necessary for safe and effective practice. The qualifications for licensure generally include educational requirements, some type of supervised experience, and the passing of an exam assessing the knowledge and/or skills required for competent performance.<sup>3</sup> Some form of practice analysis is typically used as the basis for identifying and supporting the knowledge and skills necessary for competent performance.<sup>4</sup>

## Process

Practice or job analysis refers to a variety of systematic procedures designed to obtain descriptive information about the tasks performed on a job and/or the knowledge, skills, and abilities thought necessary to perform those tasks.<sup>5</sup> A practice analysis is the primary mechanism for establishing the job-relatedness of decisions concerning licensure. That is, if licensure decisions can be linked directly to the outcomes of a practice analysis, they may be said to be job-related.

Similarly, if the content of a licensure exam/test can be linked directly to the outcomes of a practice analysis, the test may be said to be job-related, and inferences from test scores may be supported by arguments of content validity as related to the practice analysis.

The rationale that supports the content of a licensure exam is the demonstrable linkage that exists between the exam content and the performance domain of the associated occupation or profession. Professional standards and legal precedents recommend that a practice analysis include the participation of various SMEs<sup>6</sup> and that the information collected be representative of the diversity within the occupation.<sup>7</sup> Diversity refers to regional or job context factors and to SME factors such as race or ethnicity, experience, and gender. The practice analysis conducted to define the performance domain for nCPAs was designed to be consistent with the Standards for Educational and Psychological Testing (AERA, APA, & NCME, 2014); General Requirements for Bodies Operating Certification of Persons (Organization for Standardization, 2003); Standards for the Accreditation of Certification Programs (NCCA, 2002) and current professional practice.

<sup>3</sup> American Educational Research Association [AERA], American Psychological Association [APA], and the National Council for Measurement in Education [NCME], 2014.

<sup>4</sup> AERA, APA, & NCME, 2014 National Commission for Certifying Agencies [NCCA], 2002; Raymond & Neustel, 2006.

<sup>5</sup> (Arvey & Faley, 1988; Gael, 1983; Raymond & Neustel, 2006).

<sup>6</sup> (Mehrens, 1987; NCCA, 2002; Raymond & Neustel, 2006).

<sup>7</sup> (Kuehn, Stallings, & Holland, 1990).



## Project Organization

### Overview of the Practice Analysis Methodology

## Phase 1 – Firm Meetings and Focus Groups

### Firm Meetings

To initially explore how technology is impacting public accounting firms and nCPA practice, the AICPA met with 13 public accounting firms of various sizes including Big 4, national, and smaller firms. The purpose of these meetings was to ascertain, from the firms' professional services methodology and training leaders, the impact that technology is having on the delivery of professional services. The AICPA specifically inquired about the following:

- How important is a data/digital mindset to the work of nCPAs?
  - What technology skills do nCPAs need in their roles?
    - Are Excel skills or other software skills needed?
  - How does the firm utilize audit data analytics on engagements and what tasks are performed by nCPAs?
    - What tasks are expected of nCPAs regarding data analytics (extracting, transforming, loading, and subsequent analysis)?
  - What technology, systems, and business environments are affecting the work of nCPAs now or in the near term?
  - What is the level of SOC and cybersecurity work in which the firm engages?
  - Has robotic process automation (RPA), machine learning and artificial intelligence, blockchain, or cloud computing changed the skills required of a nCPA?
- How important are critical thinking, professional judgement, problem-solving, and professional skepticism to the work of nCPAs?
- What level of knowledge and skills of business processes and systems understanding are required of nCPAs?

The themes emerging from the firm meetings included:

- Critical thinking and problem-solving skills are paramount.
- A foundation in the understanding of auditing, accounting, taxation, controls, and general business is critical.
- Understanding the business, including information systems and business processes, is critical.
- Digital acumen including a data/digital mindset is critical.
- Excel skills are essential.
- Increased understanding of SOC 1 reports are required given the growth in reliance placed on these reports due to changes in how clients are outsourcing accounting systems and storing data in the cloud.
- Multiple firms indicated nCPAs are required to exhibit higher-order skills earlier in their careers given the advances in technology, the sophistication, and complexity of business systems, and the globalization of business.

In order to further explore the themes identified in the firm meetings and explore other themes regarding technology and nCPA practice, the AICPA conducted eight focus groups with direct supervisors of nCPAs.

### Focus Groups

The AICPA contracted with American Institutes for Research (AIR) to develop the protocol and lead the questions and discussions for the eight virtual focus groups. The purpose of the focus groups was to further explore the themes discovered in the firm meetings and to identify any other technology or business trends that are affecting nCPA practice. The format of the focus groups was similar to the firm meetings and explored the following high-level questions:

- How important is a data/digital mindset to the work of nCPAs?
- How important are critical thinking, professional judgment, problem-solving, and professional skepticism to the work of nCPAs?
- What level of knowledge and skills of business processes and systems understanding are required of nCPAs?

The focus groups were organized by public accounting firm size and included one focus group for the Big 4, three focus groups for large firms, and two focus groups for small firms. Additionally, there was one focus group for business and industry and government, and one focus group with CPAs with state board regulatory experience. The focus group participants represented a wide range of public practice including public practice of audit, attestation, and accounting services, public practice of taxation, and not-for-profits. Additionally, the business and industry and government focus group participants represented controllership roles, internal audit, corporate taxation, and governmental accounting and taxation. Across the eight focus groups, 81 CPAs participated. AIR provided a final report following the completion of the focus groups.

The themes emerging from the focus groups further confirmed the findings from the firm meetings. The AICPA analyzed the firm and focus group themes and identified the findings that are summarized in the Overall Findings section. These findings are fundamental to the proposed changes and reorganization throughout the AUD and BEC sections of the CPA Exam.

## Phase 2 – Content Rating Panels

In an effort to explore the critical knowledge and skills needed for nCPAs in their role in protecting the public interest, the AICPA and AIR developed a process and protocol to rate the most and least important groups and topics within each section of the current CPA Exam Blueprint. Similar to Phase 1, AIR led rating panels and data collection and provided a final report to the AICPA.

The purpose of the content rating panels was to have direct supervisors of nCPAs rate the most and least important groups and topics by area within each section Blueprint of the CPA Exam. This was done to determine if there was agreement or convergence in identifying content that could be considered for potential removal from the CPA Exam to further refine the critical knowledge and skills needed for nCPAs in their role in protecting the public interest.

Participants for the content-rating panels were sent pre-panel work, which included specific instructions on the overall objective of the panels, a review of the current CPA Exam Blueprint for the section under consideration, information on how to do the ratings, and an example rating. By completing the pre-panel work prior to joining the panel session, participants were able to familiarize themselves with the Blueprint layout and content prior to the panel sessions.

Given the focus on finding convergence on the groups and topics most and least important to the work of nCPAs, each panel participant was asked to identify one-third of the groups and topics that they considered most important and one-third of the groups and topics that they considered least important. For example, for the first area of the AUD section (i.e., Area I: Ethics, Professional Responsibilities and General Principles), participants reviewed 15 topics in total (indicated by 12 topics under four groups, plus three groups with no topics) and were asked to identify the five most important topics and the five least important topics in this Area. This approach of identifying approximately one-third of the topics that are the most important and one-third that are the least important was anticipated to be less difficult cognitively compared to sequentially ranking each topic from most to least important, particularly in areas that contain many topics.

During the panel, participants were asked to provide three rounds of independent ratings for each area with two rounds of discussions between the ratings (i.e., discussion after Round 1 ratings and discussion after Round 2 ratings). The ratings were entered using a spreadsheet the remote participants could access via a link provided. Once the participants completed their ratings for Round 1, the ratings were archived, and then aggregated results of the ratings were displayed. This summary of results highlighted the groups and topics that were identified as least important by between 30% and 70% of the participants. The participants were then prompted by AIR facilitators to discuss their ratings for these highlighted topics and share their rationales for why a group or topic was among the least important (or not) to see if their rationales resonated with others or might potentially sway others' ratings for the next round.

Groups and topics that were rated as the least important by either less than 30% or more than 70% of the participants were not discussed because participants had already reached a significant level of agreement. Once the discussion was concluded, the participants were asked to do a second round of rating by keeping the discussion in mind to see if the group reached a higher level of convergence. The results of Round 2 ratings were discussed in a similar fashion as the post-Round 1 discussion. The review of each area concluded with a third and final round of ratings.

After completing their third round of ratings, the participants were asked to provide an overall confidence rating to indicate how confident they were in their ratings for the whole area using a 5-point Likert scale with options ranging from 1= Strongly disagree to 5= Strongly agree. Once the participants entered their confidence rating for the area, the AIR facilitator asked participants to exit the spreadsheet and click on the link for the new sheet for the next area. The panel concluded once all areas were reviewed and the three rounds of ratings with the overall confidence rating for each area were provided.

In total, AIR led eight virtual rating panels (two for each section of the CPA Exam), with an average of 18 CPAs in each virtual rating panel. Nearly 150 CPAs participated in the virtual rating panels. The rating panel participants represented a wide range of public practice including public practice of audit, attestation, and accounting services; the public practice of taxation and not-for-profit. Additionally, CPAs from business and industry and government representing controllership roles, internal audit, corporate taxation, and governmental accounting participated as well. Confidence rankings were very strong (greater than 4.4 on a 5-point scale) across all CPA Exam sections and areas with the exception of FAR Area IV State and Local Governments, which had a confidence ranking of 3.1 on a 5-point scale. The AICPA believes the low ranking in State and Local Governments may be directly related to the specialized nature of this content. See further discussion of FAR Area IV in the ITC.

The results of the ranking panels, and the aforementioned Phase 1 results were presented to each of the AICPA's content subcommittees for further review and discussion. These exam content SMEs determined the content to be added, removed, or changed in the CPA Exam Blueprints, including decisions to change the cognitive skill level at which topics are assessed.

The proposed changes sent to the Phase 3 confirmation panels were inclusive of the changes described in Phases 1 and 2 and were supported by the BOE, Content Committee, and content subcommittees.

## Phase 3 – Confirmation Panels

A confirmation panel was held for each CPA Exam section, and similar to Phases 1 and 2, CPAs from across the profession (direct supervisors of nICPAs) rated their level of agreement with the proposed changes in a virtual meeting. AIR developed a process and protocol and led the confirmation panels and data collection and provided a final report to the AICPA.

In advance of each section's confirmation panel, participants received the current CPA Exam section Blueprint and a narrative of the PA process to date. Because the methodology for Phase 3 relies heavily on the participants fully understanding the process, AIR did not ask the participants to complete practice ratings prior to the confirmation panels.

The confirmation panels began with a thorough review of the project background, efforts to date, and the objectives for the current confirmation panels (e.g., gathering agreement ratings for the proposed changes). After the background information was presented, instructions were given to participants on how to navigate and enter their ratings using a spreadsheet the remote participants could access via a link provided. Once participants had an understanding of the PA and CPA Exam Blueprint review process, the participants entered a numerical rating indicating how well they understood the training. AIR would follow up generally with the group if participants indicated they did not understand the background information and instructions.

After the background information and instructions, the rating on the proposed changes began with AIR presenting the proposed changes and the AICPA observing to answer any content-related questions regarding the change. The participants were then asked to enter their level of agreement with each of the proposed changes within the area on a four-point scale (i.e., Strongly Disagree (1), Disagree (2), Agree (3), Strongly Agree (4)). After participants provided ratings for a proposed change, discussion began on any proposed change for which the average rating was less than 3.0 or the standard deviation of ratings was larger than 1.0, indicating some disagreement with the proposed change and variation among the participants in terms of agreement ratings. Specifically, participants were asked to share their rationale regarding the ratings they had provided. This discussion allowed participants to provide their points of view and potentially change their point of view based on peer input. After discussing areas of disagreement, the participants were asked to provide a second and final rating of their level of agreement with each change. After all of the proposed changes for an area were indicated, the participants were asked to rate their overall confidence in their final ratings for the area.

Confidence rankings were very strong (greater than 4.5 on a 5-point scale) across all CPA Exam sections and areas. This process was repeated until all of the changes were reviewed, and confidence ratings

were obtained. Prior to completion, participants were given a final opportunity to provide overarching comments. This process resulted in both qualitative and quantitative data that can be used to support the validity of changes to the CPA Exam Blueprint.

In total, AIR led four virtual confirmation panels (one for each section of the CPA Exam), with an average of 15 CPAs in each virtual confirmation panel. Nearly 60 CPAs participated in the virtual confirmation panels. The confirmation panel participants represented a wide range of public practice including public practice of audit, attestation, and accounting services, public practice of taxation, and not-for-profit. Additionally, CPAs from business and industry and government representing controllership roles, internal audit, corporate taxation, and governmental accounting participated as well.

The results of the confirmation panels were presented to each of the AICPA's content subcommittees for further review and discussion. Based on the ratings, these exam content SMEs determined to add, retain, or remove topic content, or alternatively, to change the cognitive skill level at which topics are assessed. The final changes are outlined in this document in the Proposed Exam Changes section and are supported by the BOE, Content Committee, and content subcommittees.

# Board of Examiners

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\* Denotes member of the BOE Practice Analysis Sponsor Group (Audrey Katcher – Chair)

# Invitation to Comment

The ITC presents items for consideration that require additional research and investigation and thus will require additional time to define and implement. Depending on the nature of the comments received in response to this ITC, the AICPA will pursue additional research to determine how and when these matters may be implemented in the CPA Exam. It is likely that changes, if any, resulting from the ITC would not be implemented before 2022.

## BEC – Essay Question (Written Communication)

### Introduction

The BEC section of the CPA Exam is currently four hours and assesses knowledge and skills across five areas using multiple-choice questions (MCQs), task-based simulations (TBSs), and written communication questions. The written communication questions represent 15% of the total score weighting in BEC (and approximately one hour of testing time), while MCQs and TBS represent 50% and 35%, respectively.

The written communication question format requires candidates to draft a memo or letter in response to a question or prompt. The assessment of the written communication question focuses on a candidate's writing ability (e.g., organization, grammar, punctuation, word usage, capitalization, spelling, and whether the response is on-topic). **The written communication question does not assess the technical accuracy of the subject matter contained in a candidate's response.**

### Issue description

The AICPA is revisiting the role that the assessment of written communication should have on the CPA Exam. The responses received to the 2014 Invitation to Comment, and through the current PA research, make it clear that stakeholders want the written communication question format in the CPA Exam to measure not just writing ability, but that combined with content knowledge and higher-order accounting, auditing and taxation skills including research, subject-matter knowledge, judgment, and skepticism.

Based on meetings between the AICPA and leading automated scoring vendors and an understanding of what other high-stakes testing organizations use, the BOE concluded in 2016 that it was not feasible to use automated essay scoring for assessing writing ability combined with higher-order skills. The use of the written communication question format to assess knowledge and skills other than or in addition to writing ability would have required the use of manual scoring by human readers/graders. Reverting to all manual scoring would have caused the time for score release to be unacceptably long and the cost to candidates to be too high. Therefore, the updated CPA Exam that launched in 2017 continued to use automated scoring to assess only writing ability. Based on discussions with automated scoring vendors in 2018 and 2019, the AICPA believes that automated essay scoring technology has not yet advanced to a point where it could score CPA Exam content and higher-order skills as noted above.

The CPA Exam assesses a candidate's readiness for initial licensure. It is one of the "Four E's" (Education, Examination, Experience and Ethics), required for licensure as a CPA. The education and experience components inherently assess the use of writing to communicate complex information through an emphasis on, among other things, case studies, reports, and presentations. Similarly, interpersonal skills, oral communication, listening, and working as a team are evaluated through the education and experience components and have never been assessed on the CPA Exam.

The current written communication question only assesses basic writing skills and not in the context of accounting, auditing, and taxation knowledge and skills including research, judgment, and skepticism, which were indicated as critical to nCPAs in the past and current PA. Additionally, the current written communication question does not assess the technical accuracy of the subject matter contained in a candidate's response.

AICPA acknowledges the importance of written communication within the profession. However, given the limitations of the current assessment and



the minimal impact of written communication on a candidate's overall BEC score (15%), the AICPA is recommending removal of the written communication question format from the CPA Exam.

### **Invitation to comment**

Given the considerations above, do you agree or disagree with the recommendation to remove the essay question (written communication question)? Please provide your rationale.

## **FAR – Accounting for State and Local Governments**

### **Introduction**

The FAR section of the CPA Exam is currently four hours and assesses knowledge and skills across four areas. Area IV, State and Local Governments, is tested at the remembering and understanding and application skill levels and is allocated 5–15% of content to be assessed for the entire FAR section.

### **Issue description**

The preparation of financial statements for state and local governments is an area of public practice that requires specialized content knowledge and experience. These engagements are typically performed by firms or separate practice groups within firms that specialize in state and local governments. Area IV tests a nCPA's basic understanding and application of financial accounting and reporting requirements for state and local governments.

Given the specialized nature of these engagements, a large majority of nCPAs are required to have very limited or no knowledge of financial accounting and reporting requirements for state and local governments. Conversely, the FAR section of the CPA Exam currently has an entire Area committed to the assessment of the basic financial accounting and reporting requirements for state and local governments.

For those nCPAs assigned to work in the state and local government practice, they typically receive a significant amount of on-the-job training under the close supervision of individuals who have specialized content knowledge and experience. Additionally, CPAs working on engagements conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) are subject to specific continuing professional education requirements.

Upon deciding to specialize in the state and local government practice, a CPA may pursue additional credentials or certifications that establish competency in governmental accounting, auditing, financial reporting, internal controls, and budgeting at the federal, state, and local levels. These additional credentials are not required to work on GAGAS engagements, nor are they required by boards of accountancy, and support for them varies across employers in state and local government practice.

Given the specialized nature of the content assessed in FAR Area IV – State and Local Governments, the limited or non-applicability to a large majority of nCPAs, and the minimal impact of FAR Area IV on a candidate's overall score (15% maximum), the AICPA is considering removal of state and local government accounting content from the FAR section of the CPA Exam.

It should be noted that the CPA Exam more generally and broadly assesses critical thinking, risk assessment, problem-solving, and professional skepticism skills that are foundational to anyone who is working on a GAGAS engagement. The removal of this specialized content from the FAR section of the CPA Exam would enable the AICPA to place a greater emphasis on other content areas that directly impact a significant majority of nCPAs and better focus CPA Exam candidates' preparation efforts.

### **Invitation to comment**

Given the considerations above, should accounting for state and local governments continue to be assessed on the CPA Exam? Please provide your rationale.



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**Government Finance Officers Association**  
203 North LaSalle Street, Suite 2700  
Chicago, Illinois 60601-1210  
312.977.9700 fax: 312.977.4806

March 27, 2020

American Institute of Certified Public Accountants

To whom it may concern,

On behalf of the Government Finance Officers Association of the United States and Canada, we thank the American Institute of Certified Public Accountants (AICPA) for the opportunity to comment on the proposed changes to the Uniform CPA Exam as outlined in *Maintaining the Relevance of the Uniform CPA Examination®: An Exposure Draft and Invitation to Comment (ED/ITC)*.

The Government Finance Officers Association (GFOA), founded in 1906, represents public finance officials throughout the United States and Canada. GFOA's more than 21,000 members are federal, state/provincial, and local finance officials deeply involved in planning, financing, and implementing thousands of governmental operations in each of their jurisdictions. GFOA's mission is to advance excellence in public finance, which includes accounting and financial reporting for state and local governments. GFOA has accepted the leadership challenge of public finance. This response was prepared by GFOA's standing Committee on Accounting, Auditing, and Financial Reporting (CAAFR). The committee is composed of finance directors, accountants, and advisors from academia and public accounting firms who work for or represent state and local governments (SLGs) from across the United States, including many who are Certified Public Accountants in one or more U.S. states. The mission of the CAAFR is to promote excellence in state and local government financial management as it pertains to accounting, auditing and financial reporting.

GFOA opposes the proposed reduction in, and ultimate elimination of, the coverage of accounting and financial reporting for state and local governments (SLGs) in the Uniform CPA Examination (CPA Exam) which is outlined in the ED/ITC.

The proposed treatment of SLG accounting and financial reporting as a narrow specialty of concern to only the small proportion of Certified Public Accountant (CPA) candidates whose careers are currently expected to be spent serving government does not take into account the centrality of SLG activity to our economy and our democracy. With approximately 90,000 SLGs in the United States comprising approximately 40 percent of the nation's GDP, the current 15 percent maximum contribution of this subject matter to a CPA candidate's score is inadequate rather than being high. Moreover, while only a small percentage of CPA candidates may work in other specialized industries and practice areas, the overwhelming majority are likely to spend their entire careers – indeed, their lives – as citizens of U.S. state and local governments. While job-preparedness may be the appropriate primary focus for the CPA exam, it should never be forgotten that at the center of “Certified Public Accountant” is the *public*. No CPA should be wholly incapable of grasping the basics of financial position and results of operations of their communities' public entities. The AICPA should not be proposing changes that would increase the likelihood of such an outcome; if anything, we believe that CPAs' education should enable and encourage their civic engagement.

Washington, DC Office

Federal Liaison Center, 660 North Capitol Street, NW, Suite 410 • Washington, DC 20001 • 202.393.8020 fax: 202.393.0780

[www.gfoa.org](http://www.gfoa.org)

Recently there has been much concern raised by the Securities and Exchange Commission and others over the timeliness of financial statements for SLGs. In the experience of our members, a major contributor to the delays is the relatively small number of accountants who are qualified to prepare SLG financial statements and small number of CPA firms that are qualified to audit those financial statements. The rapidly increasing complexity of Generally Accepted Accounting Principles (GAAP) for SLGs does, we agree, require more skills, knowledge and experience than can be expected of a CPA candidate, thus requiring further specialized career development. However, without the introduction to SLG accounting and financial reporting that is afforded to candidates by the inclusion of the topic area on the CPA examination, we believe the opportunity to maintain and increase the population of qualified professionals will be irreparably diminished. This will only cause even longer delays in SLGs being able to issue audited financial statements.

By eliminating SLG accounting and financial reporting from the CPA Exam, the already insufficient number of CPA candidates with a basic understanding of SLG accounting principles will be significantly reduced.

Some of the effects of these ill-conceived proposals that we foresee are:

1. Education –

- a. If SLG accounting and financial reporting is eliminated from the CPA Exam, colleges and universities will devote even less of their curriculum to SLG matters, as these institutions focus on the skills needed to pass the CPA Exam. Many students entering the workforce will not have even the merest exposure to the topic or even recognize that SLG accounting and auditing is a specialization and possible career path.
- b. As colleges and universities further reduce and eliminate SLG accounting from their curriculums, support for critical academic research on SLG accounting and financial reporting will also be reduced or eliminated, depriving standard-setters of the understanding needed to ensure high-quality accounting and auditing standards and the citizenry of the most appropriate and reliable information about the collection and use of public resources.

2. Workforce –

- a. SLGs currently have difficulty finding qualified individuals to perform the accounting and financial reporting required for SLGs. The number of qualified individuals will be significantly reduced if the proposed changes go into effect. While CPAs may apply for SLG accounting positions, those with SLG accounting and financial reporting skills will be minimal. As current audit guidance makes clear, SLGs should be fully able to prepare their own financial statements in accordance with GAAP. In fact, however, many they are often already forced to rely on their auditors to prepare their financial statements, and this inappropriate dependency will only increase. *Government Auditing Standards* requires auditors to consider the preparation of financial statements by auditors be a significant threat

to auditor independence. Auditors have to document the safeguards in place to mitigate this risk, which includes assessing the skills, knowledge and expertise (SKE) of the SLG's management and accountants. The likelihood that a lack of SKE will impair auditor independence will be significantly heightened.

- b. SLGs have a limited pool of qualified public accounting firms to choose from to perform the financial statement and compliance audits. The complex nature of SLG accounting and financial reporting requires public accounting firms have knowledgeable staff to perform these audits. The same increased difficulties that SLGs will face finding qualified staff will also be felt by public accounting firms. Those firms that wish to start, maintain or expand audit and consulting services to governments will be even harder-pressed to recruit qualified candidates.

We understand that currently a disproportionate number of the professional ethics violations alleged and sustained by the AICPA's Professional Ethics Executive Committee pertain to the misapplication of technical governmental accounting and auditing standards. Based on this, we believe that it should be clear that these are subjects for which there are existing deficits of expertise among many CPAs and that these deficits are endangering the public as well as the public's trust of the profession.

Finally, we question whether the research and analysis by the AICPA outlined in the ED/ITC provides sufficient justification to eliminate SLG accounting and financial reporting from the CPA Exam. We would like to know, for example, of the various focus groups and accounting firms that were consulted for this project, how many participants were from SLG or from firms with a SLG-dedicated practice? We are concerned, based on the conclusions, that such representation may not have been adequate.

Thank you, again, for the opportunity to comment on this proposal and we would be happy to respond to any of your questions. Please feel free to contact GFOA's Director of Technical Services, Michele Mark Levine, by telephone at 312.977.9700 ext. 6101 or email at [mlevine@gfoa.org](mailto:mlevine@gfoa.org).

Sincerely yours,



Melanie S. Keeton, CPA, Chair  
Committee on Accounting, Auditing, and Financial Reporting



Diane B. Allison, CPA, CGFO, Vice-Chair  
Committee on Accounting, Auditing, and Financial Reporting

The AICPA has proposed to *reduce and then eliminate* state and local government accounting and financial reporting content from the uniform CPA exam.

The proposals can be found at:

<https://www.aicpa.org/content/dam/aicpa/becomeacpa/cpaexam/downloadabledocuments/2019-practice-analysis-report.pdf>

GFOA urges you to express your strong disagreement with this proposal by sending a comment letter NO LATER THAN APRIL 30, 2020, to the AICPA at: [practiceanalysis@aicpa.org](mailto:practiceanalysis@aicpa.org)

Below is a template that you may want to customize for this purpose.

[On your jurisdiction's or organization's letterhead]

April XX, 2020

American Institute of Certified Public Accountants,

On behalf of <JURISDICTION/ORGANIZATION>, we thank the American Institute of Certified Public Accountants (AICPA) for the opportunity to comment on the proposed changes to the Uniform CPA Exam as outlined in *Maintaining the Relevance of the Uniform CPA Examination®: An Exposure Draft and Invitation to Comment* (ED/ITC).

<JURISDICTION/ORGANIZATION> opposes the proposed reduction in, and ultimate elimination of, the coverage of accounting and financial reporting for state and local governments (SLG) in the Uniform CPA Examination (CPA Exam), which is outlined in the ED/ITC.

Framing SLG financial statement reporting as a narrow specialty in the CPA Exam does not take into account the significance SLGs have in the overall economy. Additionally, my jurisdiction/organization believes that the AICPA should consider that:

- Eliminating SLG accounting and financial reporting from the CPA Exam will encourage colleges and universities to devote less curriculum to SLG matters, further diminishing necessary expertise from the workforce. *[If your jurisdiction has had difficulty recruiting for jobs requiring governmental accounting and reporting knowledge, please include that information as a case in point.]*
- SLGs should be fully able to prepare their own GAAP compliant financial statements. Many SLGs are already forced to rely on auditors to prepare financial statements; supporting an inappropriate dependency that has the potential to impair auditor independence.
- The impact of this change will cascade to CPA firms specializing in SLG. The relatively small number of firms qualified to perform audits of state and local governments has contributed to the length of time it takes for governments to issue their audited financial statements. *[If your jurisdiction has found that there are only a few qualified candidates when procuring services of independent CPA firms, and/or have experienced delays in issuing statements because their audit firm is busy with other clients or inaccessible during certain times of the year, please include that information as a case in point.]*

Thank you, again, for the opportunity to comment on this proposal, and I would be happy to respond to any of your questions. Please feel free to contact me <CONTACT INFORMATION>.

Regards,

<NAME>

<Title>



## CSMFO BOARD REPORT

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Date April 23, 2020

FROM: Scott Catlett  
Administration Committee Chair

Laura Nomura  
Career Development Committee Chair

SUBJECT: Renewal of Agreements for Webinar Program Participation by Other State Associations

### Background:

Several years ago, under the leadership of Past President Drew Corbett, Washington, Oregon, and Alaska began to participate in the CSMFO webinar program. At that time, a charge of \$10,000 per year was established for their access to the program, with an allocation between the three states based on each state's count of active government members. This arrangement has continued informally for several years since that time.

In an effort to formalize CSMFO's relationship with the other state associations for the webinar program, the Administration and Career Development Committees have been working together to develop 1) contracts with the state associations, 2) an appropriate charge for webinar program access based on CSMFO's actual costs, and 3) an appropriate allocation methodology to charge the associations for access.

We are recommending that the annual charge be based on the total cost in the current year of the webinar program. At this time, that cost is limited to the \$40,000 contract with GFOA, which is reduced from the costs incurred in prior years for Don Maruska's services. Based on last year's data for webinar program participation, 12.89% of webinar registrations were for outside California. This translates to an allocable share of the \$40,000 contract of \$5,156. While this is lower than the \$10,000 amount charged to the other state associations previously, the reduction is consistent with the reduced costs for the GFOA contract versus the former Maruska contract.

To allocate the \$5,156 between the three states, we recommend that the number of non-commercial members of each state association be used as the allocation statistic,

excluding any honorary memberships for consistency. Using this as the allocation basis will result in the following costs for each state association:

State	Number of Members	Allocated Cost
Alaska	53	198
Oregon	406	1,515
Washington	923	3,443
<b>Total</b>	<b>1,382</b>	<b>\$5,156</b>

In future years, the utilization and membership numbers will be updated based on the same methodology with the annual charge to each state adjusted accordingly.

Recommendation:

That the CSMFO Board of Directors:

1. Concur with the recommended charge and allocation methodology outlined in this report; and
2. Authorize the Executive Director to execute contracts with the three state associations for their participation in the webinar program and authorize the Administration Committee to make minor changes to the form of draft contract as attached to this report based on any changes requested by the three state associations.

## CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS WEBINAR PROGRAM ACCESS AGREEMENT

This Agreement is made and effective as of April 23, 2020, between the California Society of Municipal Finance Officers ("CSMFO"), a nonprofit corporation located in Sacramento, California, and the **Washington Finance Officers Association** ("State Association"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

### 1. TERM

This Agreement is for access to the CSMFO webinar program for members of the State Association during the period beginning January 1, 2020, and ending December 31, 2020. The agreement may be renewed for four additional years upon mutual agreement of CSMFO and the State Association. The State Association shall notify CSMFO prior to January 1, 2021, and each year thereafter during the term of this Agreement should the State Association wish to renew this agreement.

### 2. COMPENSATION

The State Association agrees to pay CSMFO for its share of the costs of operating the CSMFO webinar program. These costs shall be determined based on budgeted amounts for the given calendar year. First the total costs will be multiplied by the percentage of actual prior year webinar registrations by all State Associations currently participating in this program to determine an allocable share of the webinar program budget to be charged to the State Associations. Then, that amount shall be multiplied by the percentage of government members (excluding honorary members) in each State as follows:

Total Prior Year Webinar Program Costs x Percentage Total Webinar Registrations Outside California = Allocable Cost

Allocable Cost / Total of All Participating State Association Members x Number of Members in Each State Association = Allocated Cost for Each State

The State Association will be billed once annually for these costs by CSMFO upon the date of execution of this Agreement and the date of each renewal thereafter.

### 3. ACCESS TO WEBINAR PROGRAM DEFINED

CSMFO will provide the State Association with access to the CSMFO webinar program and all notices distributed to CSMFO members regarding scheduled upcoming webinars. CSMFO will allow any member of the State Association to register for CSMFO webinars during the term of this Agreement. CSMFO's CPE tracking and certificate services will not be made available to members of the State Association, but the State Association may administer its own CPE program related to CSMFO webinars at its own discretion and cost.

4. INDEMNIFICATION

Each party agrees to indemnify, defend and hold harmless the other party, its directors, officers, employees, agents and volunteers, from and against all claims and actions and all expenses incidental to such claims or actions, based upon or arising out of damage to property or injuries to persons or other harmful acts caused or contributed to by the other party or anyone acting under its direction, control, or behalf. This indemnity and hold harmless agreement will not be applicable to any liability based upon the sole negligence of any single party.

5. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

6. GOVERNING LAW

CSMFO and the State Association understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement.

7. ACCEPTANCE AND APPROVAL OF AGREEMENT

The parties hereto have caused this Agreement to be executed and effective as of the commencement date stated herein.

\_\_\_\_\_  
Signature

Melissa Manchester  
CSMFO Executive Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name and Title of State Association Authorized Officer





## COMMUNICATIONS COMMITTEE AGENDA

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Date: Thursday, March 19, 2020  
Time: 1:30 p.m.  
Zoom Meeting: <http://zoom.us/j/392967104> or by phone +1 669 900 6833  
Meeting ID: 392 967 104

### In attendance:

Chair – Karla Romero  
Vice Chairs – ~~James Russell Field~~  
Senior Advisor/Editor - David Cain  
Board Liaison/Editor - ~~Ernie Reyna~~, Marcus Pimentel (via email)  
Committee Members – ~~Maria Blanco, Matt Schenk~~  
SMA Staff: Dayna Dixon

### Agenda Items

#### I. Review of Published and Upcoming Articles

Many committee members were unable to attend due to the evolving COVID-19 stressors being placed on agencies across the State. With multiple emails, webinars, and added tasks for membership; the committee discussed a “pause” from CSMFO news for the month of April with articles limited to the Editor’s Alley (on 4/6/2020), President’s Message( on 4/13/2020), and President Elects message (on 4/20/2020). Vital sources, messaging, and topics regarding COVID-19 will be embedded within these limited articles.

Articles in the que will be run starting in May 2020. All articles would remain relevant for a later publication date.

#### II. Additional Topics from Committee Members

The print CSMFO Annual conference magazine will be completed soon and be made available online via CSMFO news. Many members are working from home due to COVID-19 restrictions and may not receive their print edition until a later date.

#### III. Adjournment @ 2:00 pm

Next Meeting is scheduled for – Thursday, 4/16/2020 at 1:30pm



## **ACTION ITEMS**

### **Conference Print Edition**

- Pending - Preconference Sessions, Public Speaking, Grants, and Ethics **NEED AUTHORS**, [David Cain](#) to get attendees from Harriet
- Pending - Speed Coaching as a Concept, by Don Maruska (Committee Contact: [Ernie Reyna](#))
- Pending - Award Volunteer of the Year, By: [SMA](#), please use scripts from conference, obtain from Terry
- Pending - Award Innovation, By: [SMA](#), please use scripts from conference, obtain from Terry

### **March 2020 Articles**

- 3/4/2020 - CSMFO Proposed bylaw changes By: Margaret (Committee Contact: [Karla Romero](#)) Contact Margaret for article

### **Other Items**

- Can SMA produce a generic email to send to potential authors with a link to the guidelines online? Yes, [Karla](#) to work with SMA and send out to the committee.
- It's Not a Matter of if, BUT WHEN - Article from someone who experienced the recent fires. Disaster preparedness, lessons learned, where to start, how to avoid panicking. (Committee Contact: [James Russell-Field](#)) Will ask City of Venezia for article - preparing, during and aftermath, could be a 3 part series, lessons learned.
- Former/Current City Manager perspective - What City Manager's expect or want from a Finance Director. Possible Author's. (Committee Contact: [David Cain](#)) Will ask former City Manager for article.
- Corona Virus Article EOC activation (Committee Contact: [Maria Blanco](#))
- CalPERS Board member from Palm Springs to write an article (Committee Contact: [Marcus Pimentel](#))
- For Publication on 4/17/2020 - Strategies for writing good/better staff reports, By: [Marcus Pimentel](#)



## **MEETING AGENDA MINUTES**

### **I. Call to Order @ 1:30pm**

### **II. Roll Call**

Chair – Karla Romero

Vice Chairs – James Russell-Field, ~~Natish Sharma~~

Senior Advisor/Editor - David Cain,

Board Liaison/Editor - Ernie Reyna, Marcus Pimentel

~~Wing See Fox~~, Editor

Committee Members – ~~Andrew Ruiz, Carol Williams, Darrylenn Prudholme-Brockington, Maria Blanco, Matt Schenk, Pamela Arends-King~~

~~SMA Staff: David Garrison, Dayna Dixon~~

### **III. Review of Published and Upcoming Articles**

### **IV. Updates on Commitments to Write Articles**

- a) Roundtable Discussion

### **V. Discuss on Publication Ideas**

- a) New Topics –
  - i) Corona Virus (Committee Contact: [Maria Blanco](#))
- b) Thoughts on Authors
- c) Committee Contact Appointments to obtain articles
  - i) CalPERS Board member from Palm Springs to write an article (Committee Contact: [Marcus Pimentel](#))
  - i) For Publication on 4/17/2020 - Strategies for writing good/better staff reports, By: [Marcus Pimentel](#)

### **VI. Additional Topics from Committee Members**

- a) Board Recruitment follow up conversations from the conference

### **VII. Adjournment @ 2:15pm**

**Next Meeting is scheduled for – Thursday, 3/19/2020 at 1:30pm**



## MEMBERSHIP COMMITTEE MINUTES

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Date: Thursday, February 20, 2020  
Time: 3:30 p.m.  
Zoom Meeting: <https://zoom.us/j/926093293> or by phone +1 669 900 6833  
Meeting ID: 926 093 293

### In attendance:

Vice Chairs- Stephanie Reimer, Kate Zawadzki  
Staff- Melissa Manchester, Zach Seals  
Board Liaison- Stephen Parker  
Committee Members- Margaret O'Brien, Allison Tong

### Agenda Items

#### 1. 2020 Strategic Plan

##### a. Engage small and large agencies

Kate volunteered to lead this effort. We discussed breaking this into smaller pieces, beginning with outreach to those member organizations with no participation. Kate will return at the March meeting with contact info and a plan (questions?) for the outreach effort.

##### b. Create opportunities for one-on-one member interactions

No lead for this emerged as of yet. Jennifer will reach out to Scott Catlett/Career Development to find someone to share what work was done on this front last year. Discussed ideas around a "Leadership Exchange" wherein participants don't have to initiate by saying "I need to be mentored".

Other information shared included the consideration of beanies with a new design for the 2021 Annual Conference due to their high popularity. We discussed ordering extras to be used as raffle prizes at chapter meetings after the conference.

#### 2. Next Meeting – Wednesday, March 18th at 3:30 p.m.??

Confirmed the proposed next meeting date and time.

## **April 2-3, 2020 Policy Committees General Briefing**

Thank you for your continued participation in the League of California Cities policy committee and development process. Your leadership is critical as federal, state and local government officials take responsive action to the COVID-19 public health emergency. From aiding healthcare systems to implementing public health measures, and providing critical resources for residents and businesses, we are working collectively, as Governor Newsom states, “to meet this moment.”

To support city officials, the League has launched a [Coronavirus Resources Webpage for California Cities](#). The League’s dedicated webpage curates COVID-19 news, resources, and guidance specifically geared toward local leaders to help navigate the current situation. To support California cities, the League has partnered with the Governor’s Office, the California Office of Emergency Services, the California Department of Public Health, and federal agencies to provide cities with important information as it becomes available.

In following federal, state, and local public health guidance, April policy committees are convening via web conferencing (Webex), allowing us to safely continue the important work of advocating for cities through your leadership.

While responding to the COVID-19 emergency remains the highest priority, the League advocacy team also remains your steadfast eyes and ears in the State Capitol as legislative and budget activity continues, albeit in limited form as the State Legislature has a prolonged recess until at least April 13th in response to public health guidance and orders.

In accordance with the customary practice of convening all policy committee members for a general briefing prior to the start of policy committee meetings, your League advocacy team has compiled an update of the latest on federal and state legislative matters affecting cities within their respective policy areas.

### **Community Services (CS)**

The COVID-19 virus is having a profound effect on communities and changing the way cities operate. With the Governor issuing a statewide stay-at-home order on March 19, millions of Californians have been told to work from home and not leave their homes unless for essential functions. This statewide order was preceded by state guidance advising anyone over the age of 65 to stay at home, as seniors are one of the most vulnerable populations during this COVID-19 outbreak. As a result of this physical isolation, the California Health and Human Services Agency and the Department of Aging are launching the “Community Check-In” campaign. This campaign is focused on raising awareness for the general public to check in on their senior friends, relatives, and neighbors and is tied into the Governor’s existing Master Plan for Aging working group.

As mentioned in the Environmental Quality section, there are numerous bills related to emergency/disaster response and recovery. Additionally, there are many bills ranging from extending existing price gouging protections to utility-initiated power shutoffs to including a power shutoff as a state or local emergency. These bills all address different aspects that seek to make our communities more resilient and prepared for the next inevitable wildfire.

Lastly, the Governor, on March 28, issued a temporary statewide directive closing all state parks and beach parking facilities. With record numbers of Californian’s visiting state parks during the

statewide stay-at-home order, the Governor closed parking at these places in an effort to prevent the gathering of large groups to help “flatten the curve” for the spread of COVID-19.

*-Derek Dolfie, Legislative Representative*

#### Environmental Quality (EQ)

With the State Legislature in prolonged recess in an attempt to “flatten the curve” of the spread of the virus, many of the Governor’s ambitious climate change and environmental programs outlined in the January budget proposal are on hold. For example, in January, the Governor outlined his plan to create a billion dollar “climate catalyst fund,” and put a \$4.75 billion climate resiliency bond on the November ballot. With the state of the budget dramatically altered, these novel programs are likely to be scrapped or scaled down. Additional budget updates will be provided when the May revision is released next month.

Although the Legislature is in recess, legislative discussions around wildfire prevention and emergency response continue. There are roughly 75 bills still moving through the legislative process on this issue. The League is engaged on a number of bills ranging from the undergrounding of city utility lines to establishing penalties for electrical corporations who imprudently shut off the power. While it is anticipated the Legislature will drastically reduce how many bills will move through the legislative process, with wildfire season looming and Pacific Gas & Electric preparing to exit bankruptcy, wildfire prevention and emergency response will most likely continue to be a priority.

Additionally, the California Public Utilities Commission (CPUC) is considering a staff proposal related to the Rule 20 undergrounding program. This staff proposal does a number of things, chief among them, sun-setting the entire Rule 20 program in ten years. The League has been engaged for a number of years on this Rule 20 proceeding and will be submitting a formal comment letter on this staff proposal in the coming weeks. The CPUC is currently soliciting comments from parties to the proceeding by April 21. The League is encouraging all cities to submit comments.

Lastly, on solid waste and recycling issues, CalRecycle will soon issue a final 15-day comment period on their short-lived climate pollutants: organic waste methane emissions reductions (SB 1383) regulations. The Office of Administrative Law recently rejected select parts of these regulations and asked CalRecycle to make some technical and clarifying changes. Although the regulatory changes are not substantive, when these regulations go out for public comment, the League will encourage cities to submit comment letters on these regulations and the challenges it will place on local jurisdictions.

*-Derek Dolfie, Legislative Representative*

#### Governance, Transparency, and Labor Relations (GTLR)

Prior to the advent of the COVID-19 crisis, there was a large and diverse number of labor bills pending for consideration by the Legislature. Now there is a tremendous amount of uncertainty relating to the legislative process and what bills will move and when. However, we know with some certainty that several issues will dominate the GTLR space.

First is CalPERS. The lack of economic activity has resulted in tens of billions of dollars being shaved off of CalPERS valuation. As of April 1, the loss is about \$50 billion, meaning CalPERS has reclaimed about \$25 billion from its most recent low. This is obviously of concern because when CalPERS does not meet their investment target, it creates more pressures on employer

contributions. We continue to monitor the situation at CalPERS and maintain regular conversations with their staff. We encourage cities to participate in the CalPERS Employer Webinar which is scheduled to be hosted on April 8th from 10-11:30am.

Second, there will most likely be a lot of movement in the workers compensation field related to COVID-19. This approach will likely be very expansive and attempt to cover first responders, public safety officers, and other essential workers who are represented. We have already seen one proposal to create a presumption in worker's compensation for both COVID-19- and PTSD-related to front-line work for certain essential workers.

Third, we continue to think holistically about the status of city budgets and what kind of structural pressure has already been created and will need to be managed as the economy and cities recover from this crisis.

As the fate of measures relevant to this space becomes clearer we will provide timely updates.

*-Bijan Mehryar, Legislative Representative*

#### Housing, Community and Economic Development (HCED)

Prior to the onset of COVID-19, lawmakers introduced more than 2,700 bills and resolutions. More than 300 of these pertain to housing and land use authority at the local level. It is very unclear how the Legislature will proceed with committee hearings and floor votes given the shortened legislative timeline and ongoing health crisis. What we do know is that legislative leadership in both the Senate and Assembly will likely reduce the overall number of bills and largely focus on moving legislation that would help address the impacts of COVID-19.

Even if the Legislature does consider fewer bills, it is highly likely that bills pertaining to housing, homelessness, and land use will remain a top priority for lawmakers. Currently, there are numerous bills pending that would drastically alter how cities impose impact fees to mitigate housing development project impacts; expand the scope of density bonus law; require cities to allow up to fourplexes in single-family zones; require by-right approval of certain types of housing development projects; streamline the approval of emergency shelters and navigation centers; and provide up to \$2 billion annually for homelessness and affordable housing.

It is also important to highlight that the Legislature and the Governor recently allocated \$100 million in new funding to help address homelessness. [Click here](#) to view the allocations.

*-Jason Rhine, Assistant Legislative Director*

#### Public Safety (PS)

The COVID-19 pandemic is having a profound effect on communities across the State, and the public safety space is no exception. With the Governor issuing a statewide stay-at-home order on March 19, millions of Californians have been told to work from home, except for those who are deemed "essential workers." Unsurprisingly, these essential workers most certainly include municipal police officers, firefighters and EMS first responders. Given their continuous exposure to the public, there is ongoing demand for personal protective equipment for these workers, as well as expedited testing for symptomatic fire service, law enforcement and EMS first responders.

Relatedly, as of April 1, there are now COVID-19 cases in ten prisons, affecting 22 workers and four inmates. Consequently, in an effort to reduce crowding and mitigate the spread of

COVID-19 infections throughout the prison system, the State of California has granted the early release of nearly 3,500 inmates. The Governor's Administration made it clear that this early release does not apply to those prisoners whose crimes were violent, those classified as sex offenders or those that carry a domestic abuse related conviction.

On the legislative front, more than 450 public safety related measures have been introduced, covering the usual gamut of firearms policy, law enforcement training, emergency medical services, cannabis regulation, and everything else in between.

Unlike in most previous years, none of these measures pose a significant threat to cities' local regulatory authority, while a couple could be of great assistance to cities. For instance, AB 2122 (B. Rubio) would authorize city attorneys to impose civil penalties against unlicensed commercial cannabis operators, of up to \$30,000 per violation, giving cities another tool to use against the illicit cannabis marketplace. In an effort to generate more tax revenues to support essential local services, such as police and fire protection, SB 1092 (Galgiani) would expand local regulatory authority by expressly authorizing cities to determine the number of tables permitted in a gaming establishment within their respective jurisdictions. Lastly, AB 1958 (Cooper) is a common sense measure that simply prohibits the destruction or physical alteration of any levee along a river or bypass to safeguard against flooding.

In light of the current circumstances, with the Legislature in recess for the foreseeable future, it is unclear as to how many, and which of these bills will move forward once the legislative session resumes.

*-Charles Harvey, Legislative Representative*

#### Revenue and Taxation (RT)

In January 2020, collectively the Governor, Legislature, and broader stakeholder community were counting on another year of steady revenue growth in California bolstered by strong budget reserves in contrast to downward and flattening trends across several economic indices in the greater United States and Europe. In a matter of weeks since the growing awareness and spread of COVID-19, the fiscal picture is much different. The state is now preparing a 'bare bones' budget that will focus resources on basic state funding, rather than new or increased spending commitments, and COVID-19 response.

State and local governments are however better positioned to endure the financial impacts of the current public health emergency than in past economic downturns. For one metric, through years of prudent budgeting, the state is in a strong financial position backed by its deep reserves. In addition, the currently expected duration of the emergency and recent federal relief should mitigate significant long term, structural damage to the state or U.S. economy. The possibility for a strong and relatively quick rebound, particularly in consumer spending, provides hope in the forecasts. While cities will face significant revenue and budgetary pressures which will demand additional financial support from the state and federal governments to support critical services, the expected duration of the emergency provides hope that the brunt of the financial impact will be contained in the current fiscal year.

In the genre of good news, there is positive growth in statewide sales tax collection attributable to the implementation of *Wayfair*, which allows for the collection of state and local sales taxes from out of state retailers and requires large online platforms (ex. Amazon) to collect and remit said taxes on behalf of their third party retailers.



On the legislative front, prior to the February 24th bill introduction deadline, nearly 300 measures were introduced pertaining to revenue and taxation. As is usual, albeit prior to the current broader economic conditions, several measures were introduced to provide a host of exemptions or relief from state and local sales, property, and personal income taxes. Whether or not these measures will find a path forward in today's climate, the League will remain active in protection of local revenues. Other measures seek to provide cities with additional economic development tools (SB 795 (Beall) and support collection of local taxes, such as the utility users tax on prepaid Mobile telephone services (SB 1441 (McGuire)). The April revenue and taxation committee will feature in-depth discussions on measures seeking to support collection of transient occupancy taxes on short-term rentals and the latest on housing finance.

The revenue and taxation committee will also be discussing the city relevant details of recently approved federal aid and the fiscal challenges cities are facing as a result of COVID-19.

*-Nick Romo, Legislative Representative*

#### Transportation, Communications, and Public Works (TCPW)

Although the Legislature is in recess, conversations about key bills of interest to the Transportation, Communications, and Public Works Policy Committee continue. One of the most pertinent bills in this portfolio this year is AB 2168 (McCarty), which requires electric vehicle charging station permit applications to be deemed approved within 15 business days after the application was submitted. The League has taken an opposed position on this measure, and has joined a coalition with the Rural County Representatives of California (RCRC) and the California Building Officials (CALBO). Conversations with industry representatives and committee staff have proceeded despite anticipated shifts in legislative timelines.

Additionally, the League is continuing its opposition of AB 1112 (Friedman), a two-year bill that would prohibit local governments from requiring individual trip data from shared mobility device providers as a condition of an agreement to operate within their jurisdiction. Limiting the type of data local governments can acquire to de-identified data can undermine existing agreements between cities and shared mobility device providers, and compromise large scale transportation planning projects that are influenced by such data.

Other key issues, such as broadband deployment, seismic safety, parking penalties, emergency telecommunications, and new and innovative technologies, comprise the numerous bills the League is tracking in this issue area this session.

Lastly, the wireless industry representatives throughout the country are attempting to streamline wireless permitting to allow for the continued execution of infrastructure projects during the COVID-19 pandemic. Industry representatives have expressed that there is an increased amount of priority wireless infrastructure projects in response to the communication needs of critical facilities during this emergency. The League continues to play an important role in this dialogue, ensuring that the voices of cities are heard in this decision making process.

*-Caroline Cirrincione, Legislative Policy Analyst*



## **PUBLIC SAFETY POLICY COMMITTEE HIGHLIGHTS**

**Friday, January 24**

Hyatt Regency, 1209 L Street, Regency E, Sacramento

### **ATTENDANCE**

Members: Marty Simonoff (Chair); Daniel Hahn (V.Chair); Walt Allen; Jan Arbuckle; Bill Baber; John Bauters; Steven Bird; Rebecca Bjork; Lance Calkins; Ken Carlson; Peter Castro; Andrew Chou; Chris Constantin; Lara DeLaney; Pippin Dew; Bea Dieringer; Phillip Dupper; Reva Feldman; Richard Garbarino; Gerardo Gonzalez; Kendall Granucci; Jose Gurrola; Tori Hannah; Mike Healy; Marvin Heinze; Eugene Hernandez; Melissa Hunt; Kenneth Kao; Dennis Kaufman; Ty Lewis; Ray Marquez; Sean McGlynn; Peggy McQuaid; Heidi Messner; Daniel Mintz; Rochelle Pardue-Okimoto; Greg Park; John Pena; Karen Rarey; Gracie Retamoza; Scott Sedgley; Kelly Seyarto; Ed Smith; Laura Sugayan; Drew Tipton; Tami Trent; Michael Vargas; Bob Whalen; Jon Wizard; Jeramy Young

League Partners: Chris Bout; Natalie Dougherty

Staff: Charles Harvey, Legislative Representative

### **I. State Budget and General Briefing**

On Friday, Marty Simonoff, Chair, Public Safety Policy Committee, gave a brief introduction at the General Briefing Session. After his welcome, he introduced League President John Dunbar, Mayor, Yountville, who welcomed everyone and thanked them for their commitment to the policy committee process. President Dunbar then recognized his fellow officers in the room, and shared that they had met with legislators and the Governor's staff earlier that week. He emphasized the importance of League members contacting legislators when in Sacramento to make the most of everyone's time during their visit. President Dunbar explained that there is a lot of value in building relationships and advocating on legislation that could affect cities.

Turning to the budget, President Dunbar stated that he was excited to see money heading to cities. He is encouraged by the relationship between the League and the Governor and the open lines of communication that they share. President Dunbar closed by reiterating the importance of sharing the message of protecting local authority in meetings with legislators and continued participation in policy committees.

President Dunbar introduced Carolyn Coleman, League Executive Director. Ms. Coleman thanked President Dunbar for all of his hard work, and welcomed everyone to Sacramento. Ms. Coleman thanked everyone in attendance for their time engaging and building a strong voice for the League. She explained that the League would not be as effective if it were not for the collective efforts of the policy committee members. Ms. Coleman also acknowledged the League partners present and thanked League staff for all of their hard work. She concluded by introducing everyone to Melanie Perron, League Deputy Executive Director, Advocacy and Public Affairs.

Ms. Perron expressed her appreciation for the introduction, and her enthusiasm for being a part of the League team. She gave an overview of the experience that she brings to the League, having spent many years working in state government. Ms. Perron concluded by conveying her goal of using her experience at the state level to help tackle the priorities of cities.

The League's Fiscal Policy Advisor, Michael Coleman, walked everyone through the State Budget update, which included how the State plans to spend the \$5.9 billion surplus and pay down debts while growing its reserves. He further explained how there is substantial funding in the budget to address housing and homelessness, natural resources and the environment, and fire protection. Mr. Coleman reminded everyone that this is only a budget proposal and is not final. There will be a May revision to this proposal, but this proposal is a good indication of where the Governor's budget is headed. The finalized budget will be voted on by the Legislature and signed by the Governor by the end of June.

Jason Rhine, Assistant Legislative Director, kicked off the legislative update by discussing issues related to housing, community, and economic development. Mr. Rhine emphasized that it is currently the second year of a two-year legislative session, and in addition to the two-year bills, there likely will be over a thousand new bills introduced this year. He emphasized that SB 50 is one of the biggest bills this year for housing, and despite recent amendments, the League remains oppose unless amended on this measure (this measure failed passage by the legislative deadline of January 31). Mr. Rhine then spoke about homelessness. He explained that this is the third year with significant money in the budget to address homelessness, with about \$1 billion in investment. Mr. Rhine explained that the League will continue to work with the Governor's office to address issues related to homelessness.

Bijan Mehryar, Legislative Representative, highlighted issues related to governance, transparency, and labor relations. He began by explaining that this year there will be a large focus on pensions as a component of cities overall fiscal sustainability. In relation to pensions, Mr. Mehryar highlighted SB 266, a two-year bill that may be acted upon this year to require cities to directly pay retirees disallowed retirement benefits using general fund dollars. Mr. Mehryar then discussed labor and workers compensation noting AB 418, which seeks to extend evidentiary privileges between union agents and a represented employee (this measure is a two-year bill currently on the Senate floor). He finished his update emphasizing he will continue to monitor issues related to elections and redistricting into 2020.

Charles Harvey, Legislative Representative, explained several evolving public safety issues. Mr. Harvey expressed that one of the big issues this year will be cannabis. He was happy to report that AB 1356 will not pass off the Assembly floor. Instead, a new bill related to model retail ordinances will be introduced. Mr. Harvey does expect to see a cannabis enforcement bill later this year, extending to cities the authority to impose civil fines and penalties against illicit cannabis operations. He is continuing to monitor issues related to cannabis taxation, including a recently introduced bill to lower excise taxes. Lastly, Mr. Harvey highlighted AB 1190, which the League supported regarding a framework for drone regulation. He explained this bill will be referred to three policy committees in the Senate, and he will continue working with cities in shaping drone policy this year.

Derek Dolfie, Legislative Representative, began his presentation by discussing environmental quality. He highlighted the League is working on issues related to utility initiated power shutoffs, grid hardening, and electrical undergrounding in conjunction with the Transportation, Communications, and Public Works, and Public Safety Policy Committees. Mr. Dolfie then turned to solid waste and recycling, thanking the cities in attendance who weighed in on SB 54 and AB 1080 related to the reduction of single-use plastic waste. He emphasized these bills are still moving through the legislative process, and there will be an updated action alert issued soon.

Mr. Dolfie then discussed community services. He mentioned the Governor issued an executive order last year creating a Master Plan for Aging and a stakeholder advisory committee. Mr. Dolfie highlighted Immediate Past President, Jan Arbuckle, Council Member, Grass Valley currently serves on this committee representing the local government perspective. Mr. Dolfie also added the Governor's budget proposal includes \$65.1 million for the creation of a "Parks for All Initiative," which seeks to expand access to parks, open spaces, and natural lands for all Californians.

Rony Berdugo, Legislative Representative and Federal Policy Liaison, gave a legislative update on transportation, communications, public works and federal issues. He began by reviewing the scooter legislation carried over from last year, AB 1286, which the League co-sponsored, and AB 1112, which the League opposes. Mr. Berdugo then turned to the active litigation that the League is in with the Federal Communications Commission. He explained the Transportation, Communications, and Public Works Policy Committee would get an update on this case later in the day. Mr. Berdugo also mentioned he has been working with the California Public Utilities Commission on closing the digital divide through broadband deployment. Mr. Berdugo finished his update by reviewing federal issues of importance to the League, including remote identification for drones, streamlining of the National Environmental Policy Act, and the recently approved federal budget.

Lastly, Nick Romo, Senior Fiscal Policy Analyst, highlighted issues related to revenue and taxation. He explained the Revenue and Taxation Policy Committee will continue to work with and monitor the activities of the California Department of Tax and Fee Administration as they have begun collecting sales and use taxes from out of state retailers following the passage of AB 147, regarding Wayfair v. South Dakota. In regards to annexation, Mr. Romo highlighted a two-year bill that the League supports, AB 213, currently in the Senate Appropriations Committee. He reiterated the League will continue to support annexations and incorporations into 2020. Mr. Romo closed his update by addressing the Governor's recent streamlining of Enhanced Infrastructure Financing Districts (EIFDs) by removing the 55 percent vote requirement. While helpful, EIFDs remain difficult for cities to initiate.

## **II. Welcome and Introductions**

Chair Marty Simonoff welcomed committee members to the Public Safety Policy Committee. Mr. Simonoff asked all of the committee members to introduce themselves, including their name, title, city, and tenure on the committee. Notably, the committee featured a number of new and first-time members.

## **III. Public Comment**

No public comment.

#### IV. **Overview of Parliamentary Procedures and Robert's Rules**

Legislative Representative Charles Harvey gave a brief overview to the committee on parliamentary procedures and Robert's Rules. He specifically highlighted how to address multiple motions, reminding the committee that the last motion presented should be considered first.

#### V. **Committee Orientation League Strategic Priorities for 2020**

As part of the committee's orientation, Mr. Harvey gave an update on the procedural guidelines the committee will follow for the remainder of the year. These guidelines included how to bring an issue or bill before the committee by either contacting League staff two weeks prior to a policy committee meeting or by drafting a resolution for the League's Annual Conference.

#### VI. **League Strategic Priorities for 2020**

The committee reviewed the League's 2020 Strategic Priorities. This year, there are five main strategic goals:

1. **Improve the supply and affordability of housing.** Provide cities with financial tools to increase construction of housing, particularly for vulnerable populations, reform state regulatory barriers, and ensure cities retain flexibility based on the size, geography, demographics, impact mitigation and land use needs of each community.
2. **Advocate for increased funding and resources to prevent homelessness and assist individuals experiencing homelessness.** Secure additional resources and flexibility to provide navigation assistance, emergency shelters and permanent supportive housing and strengthen partnerships with stakeholders to ensure mental health, substance abuse treatment, and wraparound services are available for adults and youth at risk of – or already experiencing – homelessness in our communities.
3. **Address cities' fiscal sustainability to deliver essential services and meet pension obligations.** Raise awareness among stakeholders about the fiscal challenges cities face and work collaboratively to secure new revenue tools and flexible prudent policies to ensure cities are able to provide essential services to their residents while maintaining their ability to meet pension obligations.
4. **Strengthen community and disaster preparedness, public safety, and resiliency.** Improve community resiliency to disasters and environmental threats, and strengthen infrastructure stability and control, through expanding partnerships, including state and federal agencies, and securing additional resources and support for climate change adaptation, planning, preparedness, response, recovery, and sustainability in our cities.
5. **Address public safety concerns of California cities.**
  - Reform recently enacted criminal justice laws — enacted by both statute and initiative — that have eroded public safety protections of California residents through the passage of the Police Chiefs/Grocer's-sponsored criminal justice reform measure eligible for the November 2020 state ballot, or by equivalent reforms achieved through legislative action.
  - Protect public safety by reducing access to firearms by the mentally ill.
  - Support additional tools and resources to address critical community challenges such as homelessness, mental health, domestic violence, drug rehabilitation, human trafficking, and workforce development for ex-offender reentry.

Mr. Harvey explained that strategic priority number five is directly applicable to the Public Safety Policy Committee for 2020, and that it is identical to last year's strategic priority number four.

## VII. Adoption of 2020 Work Program

The committee then reviewed the proposed 2020 work program. After a robust discussion, the committee amended the work program to read:

- Reform recently enacted criminal justice laws — enacted by both statute and initiative — that have eroded public safety protections of California residents through the passage of the Police Chiefs/Grocer's-sponsored criminal justice reform measure eligible for the November 2020 state ballot, and by reforms achieved through legislative action;
- Protect public safety by reducing access to firearms for the mentally ill;
- Support additional tools and resources to address critical community challenges such as homelessness, mental health, domestic violence, drug rehabilitation, cyber security issues, human trafficking and bridging reentry for previously incarcerated individuals;
- Support legislation and related policies on enforcement against illegal cannabis operators;
- Work with interested stakeholders in shaping drone regulatory framework that is amenable for cities; and
- Focus on victims by strengthening funding for trauma recovery centers.

Councilmember Lara DeLaney from Martinez specifically noted her objections to Work Program item number one.

- **MOTION:** To approve the amended work program for 2020. Unanimous Support

## VIII. Policy Agenda

Update on the "Reducing Crime and Keeping California Safe Act of 2020."

*Speaker: Mike Ziegler, Executive Director of Keep California Safe*

Mike Ziegler, Executive Director for *Keep California Safe*, and Public Safety Consultant for Assembly Member Jim Cooper, briefed the committee on the League supported 2020 ballot initiative, the "Reducing Crime and Keeping California Safe Act of 2020." Mr. Ziegler explained that this initiative was introduced to change specific provisions of Propositions [47](#) and [57](#).

The new initiative expands the list of violent crimes for which early release is not an option. This will reclassify currently "non-violent" crimes such as rape of an unconscious person; sex trafficking of a child; and felony domestic abuse as "violent;" and would prevent the early release of inmates convicted of these crimes. Additionally, the initiative restores theft laws to before Proposition 47 status, revising the theft threshold by adding a new felony for serial theft.

Mr. Ziegler explained that Proposition 57 drastically changed the California parole program. This initiative would require the Board of Parole Hearings to consider an inmate's entire criminal history when deciding parole, and require a mandatory hearing to determine whether parole should be revoked upon a third violation.

Mr. Ziegler then directed the committee to the *Keep California Safe* [website](#), which he explained is home to helpful resources and documents that committee members can explore and share with others. Mr. Ziegler then took questions from the committee.

Update on California Law Enforcement Telecommunications System Advisory Committee Meeting – Tiered Sex Offender Registration ([SB 384](#))

*Speaker: Greg Park: I.T. Coordinator, City of Livermore – Public Safety Policy Committee Member*

Public Safety Policy Committee member Greg Park gave an update on the California Law Enforcement Telecommunications System (CLETS) Advisory Committee related to the implementation of SB 384. He began by explaining that the Department of Justice has been conducting several policy trainings on the deployment of SB 384, which transitions California's lifetime sex offender registry to a tier-based system. SB 384 will create three tiers for adult registrants for periods of 10 years, 20 years, and life; and two tiers for juvenile registrants for periods of five years and 10 years.

Mr. Park explained that the CLETS Advisory Committee works with the Attorney General to oversee the computer network that connects public safety agencies across the state to criminal histories, driver records, and other databases. Mr. Park mentioned that the Committee consists of representatives from nine California organizations. The committee meets twice a year, and will be doing an outreach survey that will be released soon.

Mr. Park then highlighted [AB 1747](#), which requires that the California Law Enforcement Telecommunications System record a reason for initiating an inquiry for information other than criminal history information. He explained that every tech system will need to be updated in order to be compliant with AB 1747. Mr. Park then took questions from committee members.

**IX. Update to Existing League Policy & Guiding Principles**

Committee members reviewed the proposed update and considered whether it accurately reflected the actions taken by the policy committee (and League Board) over the last two years, and whether there were any missing policy items or errors in describing policy.

- **MOTION:** To adopt the proposed Existing Policy & Guiding Principles.  
Unanimous Support.

**X. Legislative Update**

Mr. Harvey briefed committee members on current and pending legislation of interest to the committee. This included an update on [AB 1190](#) (Irwin), which creates a regulatory framework for state and local agencies on the use of unmanned aircraft systems (drones). Mr. Harvey explained that AB 1190, a two-year bill, will be referred to three policy committees in the Senate, and the League will continue to have a support position on this measure.

Mr. Harvey then turned to [AB 1356 \(Ting\)](#), a bill that would have required cities to issue retail commercial cannabis licenses based on the number of liquor licenses within that jurisdiction. He was happy to report that AB 1356 will not be moving forward this session

and instead, a new bill requiring the Bureau of Cannabis Control (BCC) to establish a model retail ordinance will be introduced in its place.

Mr. Harvey also addressed the status of the BCC's regulation authorizing the delivery of cannabis, which was issued last year. This adopted regulation prompted a litigation whereby twenty five cities and one county collectively sued the State of California, arguing the unconstitutionality of the regulation. Mr. Harvey also reported that meanwhile, a private cannabis delivery operator filed suit against Santa Cruz County for limiting deliveries only to those companies licensed by and within the county. Mr. Harvey ensured the committee that he will continue to update them on these pending cases.

Mr. Harvey mentioned that he does expect to see a cannabis enforcement bill later this year, extending to cities the authority to impose civil fines and penalties against illicit cannabis operations.

Mr. Harvey also mentioned the issue of excise taxes, explaining that for the third consecutive year there has been a bill introduced to reduce the excise tax from 15 percent to 11 percent, all in an effort to help promote more legalized cannabis in the marketplace. Mr. Harvey cautioned that while lowered state taxes are good and likely necessary to help vitality of the legitimate market, legislative efforts to lower taxes could be redirected toward local governments in the near future to help prop a fledgling industry.

**Next Meeting: Friday, April 3, Sheraton Park Hotel, 1855 S Harbor Blvd, Anaheim**