

### SB1130 (Jackson) / HB1458 (Carr)

#### BACKGROUND

In 2007, the General Assembly enacted legislation that required each municipality to employ at least one certified municipal finance officer (CMFO), or individual with equivalent educational qualifications. Later, the Comptroller's office developed a similar program for counties – the Certified County Finance Officer (CCFO) program. While the programs were similar, there were some notable differences. The CCFO program required fewer hours and contained a \$1,000 stipend and reimbursement component for course fees and travel reimbursement.

In 2020, TML requested legislation to reduce the continuing education requirements for a Certified Municipal Finance Officer (CMFO) from 24 hours to 16 hours annually; as well as provide a one-time \$1,000 stipend to municipal employees who successfully complete the CMFO program.

The legislation was approved in 2022 as part of the FY 2023 state budget. It reduces the required training hours to 16 hours annually and provides for a \$1,000 in one-time stipend payments to those who successfully complete the CMFO program after July 1, 2022. It also includes reimbursement for travel and fees associated with CMFO classes.

However, these new CMFO incentives do not account for those employees who have been certified municipal financial officers prior to the July 2022 effective date.

SB 1130 / HB 1458 creates a program that provides a \$1,000 stipend to each municipal finance officer who becomes certified and is employed as a certified municipal finance officer for three years. It also creates an endowment fund to provide for the stipends; schedules the stipends, and establishes a sunset date of 2043 (20 years).

#### PROBLEM

While last session's actions provided a \$1,000 stipend and helped reimburse CMFO candidates for travel and expenses associated with attending CMFO certification classes, it does not compensate those CMFOs who were certified prior to July 2022 and have remained for three or more years employed with a municipality.

#### REMEDY

Amend TCA, Title 6, Chapter 56, Part 4 and Title 9, Chapter 4, Part 2, to create a \$1,000 stipend to each municipal finance officer who becomes certified and is employed as a certified municipal finance officer for three years.

