



NASBA

# Uniform Accountancy Act Exposure Draft

## Comments and Summary

Public comment period ended on December 30, 2024.

## Uniform Accountancy Act Exposure Draft Comments and Summary

In September 2024, the American Institute of CPAs (AICPA) and National Association of State Boards of Accountancy (NASBA) exposed [proposed changes](#) to the profession's model law. At the end of the comment period (December 30, 2024) a total of **194 stakeholders submitted comments**.

This document includes all submitted comments and a summary. The names of the responding individuals and organizations are listed below, unless the respondent specifically requested that identifying information be redacted.

### By the numbers

- 124 comments from individuals, including educators, students/candidates, and other stakeholders
- 7 comments from firms
- 39 comments from state CPA societies
- 24 comments from boards of accountancy

### Key themes on the additional licensure pathway (Section 5)

Stakeholder feedback highlights several consistent themes related to the proposed new pathway for CPA licensure.

#### Support from students and educators

- Students and educators who support the new pathway emphasize the significant time constraints candidates face, particularly in public accounting.
- They also note how the new pathway seeks to address the increasing competitiveness of the profession and the demands of higher education.

#### Concerns from firms and CPAs

- Some firms and CPAs opposing the new pathway express concerns that it could dilute the profession.
- A common sentiment is that introducing this pathway may compromise the rigor and perceived value of the CPA profession.
- Firms stress that maintaining the rigor and integrity of the profession should remain a top priority.
- Firms such as EY argue against the continued reliance on substantial equivalency, viewing it as a potential barrier to practice.

- Firms advocate for a future-proof approach that provides flexibility to adapt to evolving market conditions.
- EY and similar stakeholders believe that reliance on substantial equivalency could hinder both current CPAs and those entering the profession.

### **Conclusion**

The feedback reflects a divide between those seeking to modernize the licensure process to address candidate challenges and those prioritizing the preservation of the profession's rigor and integrity. The concerns around substantial equivalency and its impact on mobility and market adaptability further underscore the complexity of the proposed changes.

### **Key themes on practice privileges (Section 23)**

The California Board of Accountancy (CBA), New York State Board for Accountancy, and New York State Society of CPAs provided detailed feedback on the UAA Exposure Draft, reflecting the perspectives of key stakeholders.

#### **California Board of Accountancy (CBA)**

- The CBA compared the UAA Exposure Draft with its own licensure legislation proposal, noting similarities but significant differences in the approach to mobility.
- Both proposals facilitate out-of-state licensees practicing across state lines, but the mechanisms granting this privilege vary substantially.

#### **New York State Society of CPAs and New York State Board for Accountancy**

- The New York State Board for Accountancy expressed concerns about the potential disruption to mobility and substantial equivalency posed by the UAA proposal.
- Organizations in New York employ many CPAs transferred from other states, and the board believes the proposed mobility model could negatively impact these professionals.
- In a follow-up comment letter dated December 20, 2024, the New York State Society of CPAs outlined significant concerns:
  - The proposal's reliance on a national licensee database to determine eligibility for CPA practice shifts oversight away from state boards, undermining their authority.
  - The society emphasized that state boards must retain oversight of CPA licensure and practice eligibility.
- As a result, the New York State Society has chosen not to support the UAA Exposure Draft.

### **Pennsylvania Institute of Certified Public Accountants (PICPA)**

- PICPA highlighted that the proposed UAA revisions fail to adequately address the critical connection between licensing and interstate practice frameworks.
- The Institute views this as a missed opportunity to modernize the profession.
- PICPA recommends conducting a comprehensive practice analysis every three to five years, focusing on education, examination, and experience (the "three Es").

### **Conclusion**

Stakeholders have expressed significant concerns regarding the UAA Exposure Draft, particularly around mobility, state board oversight, and the need for a modernized approach to licensing and practice frameworks. These issues will need to be addressed to gain broader support for the proposed revisions.

## Responses from individuals

### Educators, CPAs, students/candidates, and other stakeholders

#### **Jeff Hulett**

##### **Academia**

Hi,

The biggest challenge to the accounting industry, especially the professional services business model, relates to employer incentives in terms of how they pay their accounting employees.

The exempt employee from the EEOA means that firms do not need to pay them overtime.

This model leads to employer incentives to work their employees very long hours, especially during busy season. These firms' profitability is based on over work - the more the over work, the higher the profitability.

The industry is not attracting people into the CPA path because the workers value a work life balance.

Until the industry addresses the work conditions, all the other proposals are just pushing on a string.

Jeff Hulett

#### **Andrew Brajcich**

##### **Academia**

Let's just do 120 and 2 years of experience. 150 was a mistake. I think that's widely understood save a few holdouts. What does competency based mean? Isn't that what we're doing with the CPA exam?

#### **Name Redacted**

##### **Academia**

The alternative for a competency-based experience pathway to reach the 150 hour requirement is needed to encourage and enable people interested in pursuing a CPA designation in today's competitive job market. I work at a community college. Many of my accounting students are diverse and financially-challenged. A master's degree or equivalent may not be an option for them. We need to help them find workable options for pursuing a CPA designation and welcome them into our profession.

#### **Name Redacted**

##### **Academia**

This is not a good idea to dilute the educational requirements. I do not support the proposed change.

**Name Redacted****Academia**

I believe that modifying the UAA in accordance with the Exposure Draft will ease the costs, in terms of both direct costs of education and opportunity costs of delaying work, for new CPA candidates. This should, in theory, provide incentives for additional candidates to enter the field and improve diversity in the profession.

**Name Redacted****Academia**

This is okay and is moving in a positive direction. But just go back to 120 hours! This is a huge administrative burden that just doesn't make sense. Students want 120. Firms want 120. Stakeholders want 120. Most state board friends that I know want 120. It is okay to go back to 120.

**Name Redacted****Academia**

Overall, a good solution based on the current marketplace dynamics and needs (insufficient supply of qualified accounting graduates).

This could have been prevented by the accounting profession (and the Big 4 firms) substantially increasing the starting salaries (back when the 150 hour rule was implemented) to reflect the need for a five year degree versus a four year degree. The result at that time was the same starting salary but the student/candidate had to go for an extra year (5th year or 120 to 150 hours) to college. This compensation "lag" continued until fairly recently).

The biggest issue/problem is that the academic requirements and the degree of difficulty of the CPA Exam are going in opposite directions (180 degrees). The CPA Exam and the knowledge required to pass the exam (as reflected by the CPA Evolution Model Curriculum - over 850 Learning Objectives) has been changed to be much more challenging - yet the college based academic requirements have been reduced by 20% from 150 to 120 hours. The "response" to this of "the candidates will still get the additional 30 credits (from 120 to 150) it will just be obtained through different channels on a different schedule (on a part time basis whereas employment will be on a full-time employment basis)" is not linear in reasoning as the additional 30 hours will be obtained from "lower quality" resource avenues.

I predict a large and measurable decline in CPA Exam pass rates.

**Perry Moore****Academia**

I recommend that the competency framework NOT be pursued.

Instead, I recommend a 120 + 2 option as described in my supporting document. **[See attached letter.]**

**Name Redacted**

**Academia**

Addressing CPA Pipeline Challenges: Focus on Job Opportunities and Retention

Dear AICPA Committee,

I am interested to know if there have been recent studies on job opportunities for newly qualified CPAs. The current focus on “CPA pipeline challenges” seems to overlook a critical factor: the perceived decline in the value of the CPA credential.

The profession should prioritize addressing the real pipeline issue—ensuring that rigorous CPA standards are matched with meaningful job opportunities and professional support. A simple review of online discussions reveals widespread dissatisfaction among entry-level CPAs regarding working conditions and exploitative practices. As both an accounting educator and a recently licensed CPA, I can personally relate to these challenges. Many candidates who have met the demanding requirements for CPA licensure face limited career growth, low compensation, and discouraging work environments.

Rather than focusing on dismantling “barriers to entry”—which risks diluting the profession by lowering standards—I believe the AICPA, NASBA, and state boards should work together to encourage accounting firms, particularly large firms and government agencies, to innovate their career development programs. This means creating sustainable pathways for advancement and offering better working conditions for those who have demonstrated their commitment by passing the CPA exam and meeting ethical standards. Internships and entry-level roles should not equate to prolonged periods of low pay and poor work-life balance.

The current situation makes it increasingly difficult—and even morally questionable—for me to encourage my students to pursue accounting as a viable career path. Without addressing these structural issues, efforts to resolve pipeline challenges will remain ineffective.

Thank you for considering these perspectives. I hope your initiatives will focus on both attracting and retaining qualified professionals by ensuring the CPA credential remains as valuable as it once was.

**John Dickey**

**Academia**

For the additional pathway for CPA licensure, I would go further. Just say that if pass the CPA exam (which has an education requirement today) and meet the experience requirement, allow person to get the CPA license.

Work experience to me is more important than having taken college classes for 120 hours/150 hours.

If a candidate can pass the CPA exam, why should we care how many college credit hours, if any, that person has? If a person can pass the exam without college classes, that tells me the person has plenty of work experience and qualified to get CPA license.

Food for thought. This opens the pathway to CPA license for people who did not go to college, but have the work experience and gained the knowledge and skills from that experience to be a CPA.

Keeping in mind that most likely any successful exam passer probably will have taken some college classes anyway. Would be difficult to pass an already difficult exam without some college classes. I do not believe this exposes us to getting unqualified licensed CPAs.

**Name Redacted****Business & Industry**

I think this change is a significant help to those who are looking to switch their careers, like a colleague I have who used to work in finance before coming to accounting, but I have some concerns.

My first is that people looking to switch careers won't have the requisite accounting credits to be licensed, so this doesn't matter since they'll have to go back to school anyways.

However, my primary concern is that the accounting firms can't be trusted to act in good faith regarding this. As for profit entities, I believe this will allow them another tool in their repertoires to continue the abuse and burn out of fresh graduates which, in my honest belief, is at the core root of the talent shortage. It's not hard to envision that firms will use this as a promise alongside the current "2 year senior" model, and just like we're seeing 2 year senior become 3 year in some firms, KPMG for one if I'm remembering correctly, I expect this to also be a carrot that's continually dangled in front of the worker but never given.

Currently, at least you still have your degree to point to, and while I \*do not\*, by any means, believe the 150 hours is the correct way to go about gatekeeping licensure, as the financial barriers to entry maintain this field as an ivory tower; putting more power into the entities that are being regulated is a step in the wrong direction. With the US essentially being an employment at will nation, a firm can easily choose to not sign off on work experience for any number of reasons and that could put an employee who spent years working for them at a huge step behind their peers. On that note, it could easily be that firms require two years of work experience to sign off, selling it as a reasonable trade off to a 1-year paid master's degree without students realizing that that means they're a year behind their peers since they'll have to work 4 years to senior instead of the 3 years (1 master's + 2 working) their colleagues did.

I appreciate the willingness to reevaluate the current systems and look towards changes, but I worry that this will be a detriment to incoming accountants and not benefit people shifting careers as much as we would like.

**Jared Lauderdale****Business & Industry**

I adamantly oppose any changes to the existing exam structure or requirements in order to achieve the designation. If we are having a numbers problem, then we need to address the root causes with enrollment, career path, starting salaries, busy seasons etc. Market demand will address

these problems naturally to an extent but I do not see a need to make the designation more easily attainable to address a shortage of CPAs. Are doctor's considering making medical school easier or adding pathways to become an MD? The exam and barriers to entry have been in existence since the inception of the profession and skirting around those barriers doesn't benefit the current CPAs, future applicants or the profession as a whole.

I do agree that portability should be an issue that needs to be addressed. The CPA designation should be recognized across state lines.

**Name Redacted****Business & Industry**

Serious consideration should be given to reducing the total credit hours needed to sit for the exam. The expansion of required credits has led directly to a decrease in candidates due to the excessive cost of an additional year of college that is basically required by the credit hours mandate. Many students who might otherwise choose a career in accounting rule it out due to this extra time and cost required as compared to other business majors. That would be more effective than allowing those without the credit hours but experience in accounting to have a pathway as there are just less accounting graduates due to the hours mandate. The additional pathway does provide an avenue for some additional candidates, but reducing the hours mandate would provide more candidates going forward than the experience pathway would.

**Elizabeth L. Massey, CPA****Business & Industry**

Disagree completely with a new path to licensure as this seems like a way to cheapen a credential that was exceedingly difficult for me to obtain, so it should be the same for everyone else.

Here is what I would change, aside from removing this pathway entirely:

2e-CPA Evaluator: must be a CPA with AT LEAST 12 years under their belt, not a new CPA with less than 12 years' experience working as a CPA. \*\*Add a requirement that the Evaluator and CPA candidate NOT be related to or married to each other.\*\*

3c-remove 'credit for prior work experience is acceptable' because you risk someone saying 'I worked at Firm ABC for a year in 2007, but then it went out of business' so verification would be nearly impossible for the Evaluator.

Add a requirement that ALL CPA candidates must ALSO be US citizens

**Louis Sanford****Business & Industry**

While I agree that the 150 hour standard at present may be unnecessary, a degree, with a minimum number of accounting credits (ie 40 hours) in school, should be in place.

While each person may be attracted to a specific area such as auditing or tax for instance, the attainment of a CPA certificate/license needs to require one to meet all areas. Otherwise, how

does the public have any assurance that the CPA designation mean a certain competence.

While I do support the application of experience, it does bring back the thoughts of days of old if you will. Back in the 70's one had to have 3 years of experience to become licensed (Illinois). Effectively, we can argue that the young accountant was indentured to the firm for that period. Maybe that is how the reputation for long hours and treatment began. Also, judging what experience qualifies can be daunting. For instance only in public accounting, as compared to business. Who makes that judgement?

**Timothy O'Brien**

**Business & Industry**

Please do not decrease the education requirements. The 150/30 requirement should remain in place.

I am licensed in Texas and appreciate the requirement.

**Pat Bartrom**

**Business & Industry**

Would de-value the CPA designation

**Theresa Ashman, CPA**

**Business & Industry**

I applaud the Board's consideration of the challenges facing the profession in terms of ensuring the viability of the profession.

The traditional CPA pipeline of new graduates is certainly preferred, but does not recognize the challenges of a mobile workforce where people have more than one career in their lifetimes. The traditional pipeline assumes a narrow window of opportunity that does not support people retooling later in life. It's not realistic to tell a talented person who is past "new grad" status that they have to complete 150 hours, sit for the exam, and meeting experience requirements.

I think the proposals recognize that people who have taken different professional paths may want to join the profession and need reasonable and cost effective ways to do so. While I know many CPA's and societies will view this as a watering down of requirements, I personally feel it is an appropriate next step. I feel comfortable that the rigor leading to licensure is being respected in the proposal while still providing a pathway for those who did not enter the pipeline at the traditionally expected time.

With continued upheaval in various industries laying off smart, talented, and capable people, providing options for them to join a highly respected profession should be encouraged. Thank you for being open to the challenges facing those who want to be come a CPA later in life and who were previously not welcomed due to unreasonable hurdles placed in their paths.

Thank you

**Name Redacted****Business & Industry**

I support the additional work experience pathway in lieu of the need for 150 credit hours to become a CPA. This is a good step forward to address the various challenges young people face when deciding upon a college major and ultimate occupation: cost of additional higher education; perception (right or wrong) of the attractiveness of an accounting degree/career vs. alternatives that call for similar skills and interests; and the evolving demographics in the US. CPAs have long held a strong reputation as a profession and I believe this proposal will not negatively impact that as much as the potential for a shrinking pool of qualified CPA candidates that are sorely needed in not just public accounting but also in industry, government and non-profits. Thank you for the opportunity to provide comments.

**Name Redacted****Business & Industry**

Given the fact that there is a high demand for more CPAs than are available, I support the new proposal to allow sufficient "experience" to replace a Degree in Accounting. HOWEVER, I feel that they must still PASS the CPA exam. Otherwise, how else can you determine that the candidate has sufficient experience? As a CPA myself, we have to protect the integrity of the CPA designation, otherwise that certification loses meaning and damages the accounting profession overall.

We have to be careful that glorified bookkeepers are not given the CPA designation. There is a huge difference between simple bookkeeping and the skills & knowledge needed to earn the title of CPA. We must protect the reputation of the CPA certification.

**Name Redacted****Business & Industry**

I am in full support of this competency based model. The barriers to entry for a lot of people will be reduced, and we can increase the pipeline for non traditional CPAs, who are desperately needed in the profession.

**Name Redacted****Business & Industry**

I think if the education requirements are going to be modified the trade off should be a period of supervision hours required in order to sit for the exam and firms or current CPA's would have to be certified to provide the supervision.

**Name Redacted****Business & Industry**

I am a licensed CPA and I would like to comment that I don't think the competency-based idea is the right idea.

I think the right approach would be to do something more like what has been done in the medical field, where they have created additional pathways to becoming a practitioner, like becoming a licensed Physician Assistant or a Nurse Practitioner. Having another level of practitioner enter the field is preferable because it doesn't dilute the Physician. You still have to meet the very high

standard to become a licensed Physician, but there are other simpler paths to becoming a practitioner and increasing the number of practitioners to meet the public's need. And in reality, there are already so many other designations like the CMA and the EA that impinge on traditional CPA territory.

The CPA designation is the gold standard, and is very well respected. I'd like to see it stay that way by keeping the standard high.

Thank you.

**Name Redacted**

**Business & Industry**

I graduated with a BBA in 1985 and that was the rule at that time. A bachelor's degree and work experience needed to get your license. I support the return to the old rule. Those of us without the 150 hours are just as productive and knowledgeable as those with the additional educational hours.

**Jess Sweely**

**Business & Industry**

I realize that I am a dinosaur, having passed the November 1964 C.P.A. exam in the District of Columbia and becoming licensed in 1965.

At that time, one had to have a degree and at least two years of experience with a C.P.A. firm doing attestation work. Some states allowed one to take the exam with only a degree in accounting, but one could not be licensed until their experience requirement was satisfied.

In my opinion, the C.P.A. exam requirements have been significantly "watered" down over the years. It has become more of an "academic" requirement than a practical requirement. Eliminating significant experience in the field is a factor.

What is the purpose of having a C.P.A. designation behind your name? What does becoming a C.P.A. mean?

I recently wrote a paper titles "The Status of the Accounting Profession" and submitted it to the Editor of the Journal of Accountancy. I have attached it to this document. **[See attached letter.]**

**Noah Styles**

**Business & Industry**

Hello,

I am very Thankful the 120 + 2 years of experience is becoming an additional pathway to licensure. I am a CPA from a rural state, and we have many individuals who when graduating with a Bachelors degree in accounting, start work immediately to provide income for their families. I am so Thankful once they complete 2 years in accounting work experience, they will be eligible for CPA licensure.

My concern with the exposure draft as it sits regards section 5(f)2(A) which reads:

(A) At least one year of competency-based experience performed in accordance with a competency framework developed by a national accounting organization and administered in accordance with Board rule

We just need to clarify that each states current work experience requirements structure satisfies this provision.

To my knowledge, each state already has a work experience component to licensure. The 120+2 years experience, for example, should utilize the same structure as the 150+1 uses when relating to auditing and substantiating the work experience component.

The goal of clarifying this is to keep substantial equivalency in all states for CPAs. Thank You.

**Name Redacted****Business & Industry**

Happy to see the AICPA looking at ways to create pathways to the CPA credential that do not require a fifth year of school. Sad that it has taken the organization so long to identify the need to adjust this requirement after the number of new CPA candidates dropped so precipitously.

**Name Redacted****Business & Industry**

Drop # of college credits needed back to 120 and increase experience to 2 years. Never understood why this ever was changed - go back to what was working for the profession.

**Name Redacted****Business & Industry**

I don't think the issue with obtaining talent is the 150 hour requirement. I think it's the rigorous exam, followed by mediocre wages (with comparative schooling) and lack of work life balance. I don't think young people want to dedicate their lives to work for the comparatively low pay when there are other professional avenues that offer better balance with equitable or more pay. I think industry is trying to blame something easier to change than address a real issue that would cause an industry upheaval.

**Name Redacted****Business & Industry**

The views expressed herein are my own.

As a CPA with 32 years of public accounting experience, I wholeheartedly support developing alternative paths towards licensure. The institutes and the profession has long failed prospective accountants and CPAs and the future of the profession by ignoring this issue, and it has taken us reaching a near crisis moment to address. The 150 credit hour requirement was never constructed in a way that guaranteed a higher level of education, but rather allowed students to fill the

requirement through unrelated AP credits or irrelevant on-line courses, summer classes, etc. While the intent was good and certainly some students received masters in accounting or coursework in other relevant areas (IT, analytics, etc.), which were accretive to their development, many others have not. It has also been a significant detractor in regards to those who cannot reasonably afford an additional year of education or did not want to forego the opportunity costs of being employed. There are many other professions for accounting and business majors, many of which come with equal or higher pay and without the stress of being a regulated business. For 20 plus years, we have lost potential accountants and CPAs due to what may have been well-intentioned rules, but which backfired on the profession and we have been way too slow to react. In reality, while formal education and a rigorous CPA exam are important to protect the integrity of the profession, that vast majority of learning and development has always come from an apprenticeship-type model.

That being said, in lieu of going back to the 120 credit hour requirement (which I believe is the best answer), I am supportive of alternative path including the competency-based experienced pathway. While this will put additional burden and compliance costs on the employer, it is an improvement for CPA candidates and the profession. In reality, the framework outlined in appendix A, generally follows the philosophy which we are evaluating the performance and development of our professionals currently. In essence, it appears the institutes are attempting to provide further oversight, guidance and formality to CPA evaluators over processes that have long been followed in practice. That being said, the administration and oversight of these requirements will burden employers and likely have a disproportionate impact on smaller CPA firms. I would encourage the institute to carefully consider the substance of the requirements over the form and provide appropriate latitude and flexibility in its adoption and oversight. I would also encourage the institute to listen thoughtfully to the profession in regards to the detailed application and adoption of new requirements given they understand the practical day-to-day challenges of meeting the proposed requirements.

I strongly encouraged all impacted parties to move at pace to adopt alternatives to the 150 credit hour requirement, which has had massive negative impacts on the profession, corporates, financial markets, and other stakeholders. This initiative is long overdue and we should be embarrassed by how long it has taken us to identify this issue and propose a potential solution.

**Name Redacted**

**Business & Industry**

I believe the proposal will open the flood gates and allow people to go for their CPA, who would otherwise be burdened with the high cost or time that is currently required to get the certification.

**Michael Shipman**

**Business & Industry**

I am very encouraged by this exposure draft. Please feel free to get my commentary from the PICPA. In short, since we are not getting rid of the 150 altogether (my preference), it is good to give candidates the option to become a CPA without having to do the extra course work / spend the extra money on such course work. Experiential learning trumps classroom learning almost every time (I did my dissertation on this.), so allowing candidates to complete their requirements via an

assessed extra year of work, which they get paid for, is a great idea.

Substantial equivalency is also a great idea. We need to stop mixing and matching State Board Requirements for CPAs and make it easy for a CPA in one state to be a CPA in any state. A national approach, via substantial equivalency, as opposed to investigating reciprocity on a state-by-state basis, is preferred. The only issue I can see is if the state in question has a higher standard than the state in which the CPA is licensed, but I think that can be addressed via the substantial equivalency.

Thank you for submitting this draft!

**Name Redacted****Business & Industry**

Hello,

I STRONGLY urge you to not proceed with the Competency-Based Experience Pathway. This will have a devastating impact on the quality of CPAs, and will diminish our reputation in industry. The minimum credit threshold is very important as it ensures a CPA is academically proficient. This pays dividends as a CPA progresses in their career. By removing this requirement, you are allowing for CPAs who have not mastered the very basics of Accounting, which is where the value of a CPA lies. Please, do not proceed with this proposal.

**Name Redacted****Business & Industry**

I think the competency-based experience pathway is an excellent idea.

**Name Redacted****Business & Industry**

My understanding of the new Competency Based Experience Pathway ("Pathway") is that the Pathway must be overseen and presented to the Board by a licensed CPA Evaluator in order for the candidate to meet their competency based experience. This brings up the following comments/questions:

Can any licensed CPA be an Evaluator or how will those individuals be identified/assigned?

Would there be any training for the Evaluators?

There seems to be a lot of room for interpretation and opinion on the part of the Evaluator which could affect standardization of the level of experience earned.

Can an Evaluator be related to the candidate?

Will the Evaluator need to attest to the truthfulness of their representation that the candidate met the experience requirement?

Will any liability be reflected on the Evaluator for future performance of the candidate?

Will professional liability insurance policies be affected if a CPA becomes an Evaluator?

What if the candidate is in a role and does not have a licensed CPA available to them to be an Evaluator (ie, a candidate performing bookkeeping for a small nonprofit or for a family business)?

Thank you for the opportunity to participate in this open forum.

**Name Redacted**

**Business & Industry**

To the AICPA/NASBA UAA Committee:

I am a second-year associate at a Big Four accounting firm and feel strongly about the proposed changes. Although I do not oppose any of the proposals, I am writing specifically regarding Section 5.

The 150-credit requirement not only creates a hurdle for all students considering accounting, but it also poses a significant barrier for those who are not from economically advantaged families. I attended undergrad on scholarships and federal aid, and the realization that grad school did not offer financial aid was a serious hardship for me and my family. These loans had double the interest rates of my undergraduate loans. It was very frustrating to see friends who are nurses, saving people's lives with fewer exams and less schooling, especially when those extra credits for accounting could be in any subject. Additionally, as a recent graduate, I remember considering that finance pays double with one less year of school. If we need more CPAs, I truly believe that removing the 150-credit requirement will have a huge impact on students considering the accounting route.

After entering the workforce, I realized that what I have learned in one year at my firm is significantly more than what I learned in both undergrad and grad school, despite the tens of thousands of dollars spent on my education. From a practical standpoint, if these 30 credits can be in any subject (assuming you complete an accounting undergrad), what is the point of the credits? I have friends who fulfilled them with dance courses, which makes me question the significance of those courses in obtaining a CPA.

I am very proud of my hard work, and it is unfortunate that I may miss out on this positive change. However, I truly think this is a huge barrier for those considering the field, especially for students who may choose finance instead for these reasons. Please consider implementing the proposed changes to Section 5. I truly believe it will have a significant impact on addressing the CPA shortage.

**Name Redacted****Business & Industry**

Curious about how we would define qualified experience for two years, and how we would recommend exam dates within those two years or after. For instance, could they take exam before 4000 hrs completed?

**Edward M Avarista****Business & Industry**

I was previously on the RI Board of Accountancy for 10 years. I have been in public practice for 40 years and am also an Attorney in RI & MA.

I have alwayd felt the 150 hr requirement was just a way to get more money for the colleges and provided no reasonable basis for a person to become a CPA. Field experience is much more important and now that the industry has created its own dying profession you want to change. It may be to late.

Good Luck!

**Matthew Currin****Business & Industry**

A Master's program (or equivalent) is important in the development of a successful CPA. This is important for higher level learning that bridges the gap between theory and application in the business world. Not only is a post baccalaureate program critical in development of technical skills, it is also necessary for the development of interpersonal skills that are necessary to make CPAs successful. Whether it is the pursuit of a degree or alternatively a certificate program to allow candidates to sit for the exam, the post baccalaureate education is critical to a future CPAs success. Also, the profession should also subsidize more preparation based programs (Becker/Gleim, etc.) and the cost of the exam. This is probably best completed through CPA firm or other employer sponsorship but additional public profession resources should also be available.

**Dean Portner****Business & Industry**

I am a CPA since 1992 and keep my license current. When I first heard about the change from the 150 hour requirement, I was initially skeptical. After reading the research the various societies and firms have done and explained I fully support the bachelor's degree plus 2 or Masters plus 1 proposals. The experience should be in an area/business where CPAs generally work where current CPAs are involved in the candidate obtaining experience. I do not support the additional burdens of requiring specific competencies and having to report on them. Reviews of people is very subjective and takes a lot of time for little to zero value. We need to use common sense and keep things simple within a framework.

I remember back a number of years ago when the accounting standards went to a principles based model. The argument was to lay out the principle and let us who are working within that framework use experience, judgement and knowledge to determine application. I relate the competencies

evaluation to be similar. Goal should be to keep this reasonable and simple and let the experience and professionalism already in place perform. We will have consistency as well. If you start adding these different requirements to evaluate you will get differing results. And you may get false results that don't help anyone.

Dean Portner, CPA  
CFO  
Holtmeier Construction, Inc.  
Minnesota

**Name Redacted****Business & Industry**

I have been a CPA for 26 years. I have worked in public accounting for big and small firms, government, academia, and now in banking. I am bothered by young people I know getting degrees in accounting and not sitting for the exam. I try to encourage them. They don't want to work 900 hours during tax season and want the easier jobs. They don't see the financial payoff.

I personally needed the master's in accounting to pass the exam, and I went to school when they had just passed the 150 hours. I learned things in graduate school that were key in my profession, various times. So, I am thankful for the 150 rule.

I'm more bothered by these trends I see in our profession:

1)dumbing down the licensure process, including exam (I took it during a two day sit-a-thon) and education requirements. We need to protect the respect our profession has developed as well as protect the quality of financial data. I see an abundance of financial illiteracy in the world of small businesses. People can use Quickbooks, but they have no idea what is in the numbers.

2)An experience pathway is dangerous-I review a variety of CPAs' work. I work in underwriting and play with tax returns and financials all day long for customers, often various CPAs. You'd be surprised at what small businesses submit to banks, poor quality of information. Not all CPAs are equal; some do quality work and others do bare bones. And, there's not substitution for education and working in public accounting to get the judgement/knowledge/stamp of approval. It's vast information. If someone has a math degree, they may be good in math, but they do not know the language of business. Example: I had a young man working as a teller in the bank with a math degree. I thought he might do good in my world of risk and underwriting. He knew nothing of it because he didn't have an accounting degree. I decided it wasn't worth the investment to try to get him up to par on a college degree in accounting by working with me. We learn a language that must be learned with the higher ed accounting degree. Yet, the young man with the math degree could possibly go work for a CPA firm and learn how to use tax software and Quickbooks, but he will not know the theory and judgement. I don't like the competency-based pathway at all. I'd be more apt to say: take out the 150 if you must, but don't create an alternative pathway.

If you take out the 150 and continue to dumb down the ease of passing the exam, the CPA name will not be meaningful at all. I don't have to have the public licensure but I keep it because it has garnered respect in my profession when I deal with third parties. On top of that, I like the things I learn in CPE; it's made me smarter.

Two things I think could help us get more people sit for the exam:

- 1)Push for higher salaries by pushing agendas to get the world to pay for financial data. The real problem is that people do not want to pay for quality financial data and banks are not required to request audits. You'd be surprised at the poor financial data I see in small town TN, and I have worked for "Big 6" firms starting out in my career.
- 2)Instead of 40 hours annually in CPE, we only need 20. It's too much and too expensive to get 40 hours annually.

**Name Redacted**

**Business & Industry**

I hope I am not too late to put in a short comment.

I am a child of the 150 hours. That said I do believe as a profession we must do two things to make our profession more attractive to young accountants:

1. Go back to 120 hours and a bachelors for CPA credential. Eliminate the 150 hours.
2. Reduce the complexity of the CPA exam. It does not need to be this over riding compilation of all possible issues in the accounting and tax world. Instead, test enough to find the best candidates but get rid of this very tough hurdle.

Yes, I am a CPA. But I think we need to wake up soon or we will be on the outside looking in.

**Farah lyad**

**Candidate/Student**

I like it as i only have one exam left and the 150 credits was worrying me alot.

**Bhavinbhai Patel**

**Candidate/Student**

Hi,

I do not have specific comment about this exposure draft.

But I have one suggestion.

1. Can you please divide all the Core Subject into two parts ?

It is very boring to read each and every details and learn. Also, it takes so much time to complete, so that I almost lost my enthusiasm to pass the subject.

2. Also, the 30 month passing rule should be unlimited. Once I pass any subject, I already got the knowledge about that subject. So I do not need to give that exam again in the future to prove my self. This 30 month rule does not make sense to me. In the era of space, everybody is so much busy, that it might happen that we could not complete our study on time.

3. Also, try to improve the course details and make competitive. I still feels that I learnt more in CA course (India) than CPA course (USA).

Thanks,  
Bhavin

**Name Redacted**

**Candidate/Student**

Hello,

I hope this note finds you well! I think it is great that y'all are eliminating the 150 credit requirement to just sit for the exam. I think that will help a lot of individuals to get the exam started, if not completed, before starting a full-time position in the profession.

I also have some thoughts on other items I think are really important to share as well. First, I think that the 150 credit requirement is incredibly important to help ensure a standard for the certification, however, I think it would be much more beneficial if rather than it being just 150 credits, the requirement be any type of Master's degree in business (not necessarily MBA, but MBA or any other Masters degree within the business field). Furthermore, I think that the time restraint is extremely difficult on candidates, especially those within the public accounting industry.

Personally, I have been trying to pass the CPA exam for over 5 years, and it has been very difficult to do so with the time restraints placed on me. My busy seasons are extremely busy and I have taken the exams over 20 times because this certification is something that I truly aspire to obtain. If it wasn't for the 18 (and now 30) month time constraint, I could have had my certification now, as I have passed all exams (some multiple times) but just not all 4 within the time limit. I also know that I am not the only person with this scenario. I truly feel that by putting this barrier in place, the profession is losing many incredible accountants, as most companies require the certification to progress and not everybody has the means to take exams 20+ times over 5 years. By no means do I think the exam should be easier, however, I think that if the time constraint is lifted, then the profession would not see as many young people leaving it.

I really appreciate you accepting comments and feedback on the changes proposed to the certification, and hope that you take some of my thoughts above into consideration as well. Thank you for everything you do. God bless you.

**Paola Baccaro**

**Candidate/Student**

Dear AICPA & NASBA Teams,

I would like to express my support for changes that facilitate the validation of work experience. As a current CPA candidate, obtaining the required work experience certification has been a significant challenge for me. Unfortunately, some CPAs are reluctant to sign off on work experience forms due to competitiveness or personal reasons. This has been a barrier for many, including myself.

Despite having 18 years of accounting experience, I've faced exploitation, threats, and missed out

on better job opportunities because I was dependent on a CPA to certify my experience. In fact, one CPA even admitted to me that he refused to sign my form out of fear that I would surpass him in qualifications and take over his position.

I believe extending NASBA's experience verification service to all states, including Florida, where I am a candidate, would be a critical improvement. Even if there is an associated fee, it would be worth it to avoid being at the mercy of someone else's willingness to sign a form. In today's remote work environment, this challenge is even more pronounced.

However, I do not agree with reducing the number of classes required for licensure. Affordable online education options are available, and lowering academic requirements could potentially reduce enrollment in master's programs and affect the overall quality of the profession.

Additionally, I encourage you to work more closely with current CPAs to foster a workplace culture that supports employees pursuing CPA licensure. This shouldn't be limited to large firms but should extend to smaller and newer firms. Creating a healthier work environment in smaller companies could serve as an alternative to the profit-driven, often exploitative reputation associated with the Big 4 firms, which many candidates avoid.

As someone planning to open my own CPA firm, I aspire to create a supportive environment where employees are encouraged to grow in their careers, and where clients receive high-quality work. If smaller CPA firms receive support and education, they could provide not only exceptional client service but also a positive workplace for employees.

Thank you for considering my input, and congratulations on this important initiative.

Best regards,

Paola Baccaro MBA, MAcc

**Name Redacted****Candidate/Student**

I would like to express my appreciation for the initiatives put forward to improve the CPA experience. I am writing to present other several points for your consideration, particularly from the perspective of candidates in India and other countries pursuing the CPA certification.

**Exclusivity for Commerce Graduates:** I strongly believe there should be exclusivity for candidates who have completed their Bachelor's and Master's degrees in Commerce. It is concerning that candidates from science-related fields can also pursue the CPA exam after obtaining a Master's in Commerce. This creates a pathway for science students to enter the commerce field while commerce students face challenges transitioning into science-related areas. With the growing number of commerce graduates in India, allowing science graduates into the CPA domain dilutes the opportunities for those who have dedicated their education to this field. While I respect the capabilities of science students currently enrolled or qualified for the exam, I urge you to consider the implications for commerce students and the current lack of employees in certain sectors.

**Extension of Validity Period:** I propose extending the validity period for exam subjects from 30 months to at least 36 months or more. This extension would align more closely with other international accounting certifications, such as ACCA, which offers a longer validity period for its candidates.

**Simplification of Exam registration & Evaluation Processes:** The procedures for exam registration and evaluations for candidates seeking eligibility should be streamlined. The existing processes can be overwhelming and would benefit from online resources that clarify requirements and provide guidance.

**Increased Exam Testing Centers in India:** There is a pressing need for more CPA exam testing centers in India. Currently, many of these centers are also allocated for other international exams which attract significantly larger candidate numbers. Given India's vast population and the growing interest in accounting careers, expanding the number of testing centers specifically for the CPA exam would enhance accessibility and reduce the challenges candidates face in securing a spot for their examinations.

**Affordability of Exam Fees:** The exam fees are relatively high, especially for students testing outside the USA. I suggest exploring scholarships or financial relief options for international students. Current scholarship opportunities appear limited to U.S. citizens, leaving many candidates worldwide struggling to afford both exam fees and necessary study materials.

**Job Portal :** There is an urgent need for a dedicated job portal for CPA enrolled/ cleared, particularly for freshers who often encounter difficulties in securing employment. Also many CPA candidates may drop out of the CPA program due to some circumstances, which further exacerbates the issue of unemployment. A job portal that includes reputable companies, particularly U.S.-based firms, could significantly help bridge this gap.

**Consideration of Special Circumstances:** Some candidates may miss out on the expiry of their passed subjects due to unforeseen circumstances such as accidents or health issues. I urge you to consider policies that account for these situations, ensuring candidates are not penalized for factors beyond their control.

**Control Over Evaluation Fees:** The evaluation fees charged by agencies like FACS have been increasing rapidly. Implementing measures to control these fees would alleviate some of the financial burdens faced by Indian candidates.

**Standardization of CPA Review Course Providers:** Implementing standardization or review of CPA review course providers would help ensure candidates receive consistent and high-quality preparation.

I hope these suggestions will contribute to enhancing the CPA experience for all candidates and ensure a more equitable path for those pursuing this esteemed certification.

**Cing Lopez****Candidate/Student**

Can NASBA change the passing score to 70? I failed many times with the score between 70-75. May be do, if a candidate has a Master degree then the passing score shall be 70. But, if a candidate has only Bachelor degree then the passing score shall be 75? CPA exams have really affected my life mentally and physically not accounting the amount of time I lost to be with my family.

**Name Redacted****Candidate/Student**

Lessen the exam requirements..... 4 sections is twice that a CMA. A core Requirement and a concentration should be sufficient enough.

**Durriyyah Abdullah****Candidate/Student**

I recently applied for my evaluation (eligibility to sit for the exam). I was approved as eligible. I've already been practicing for 10+ years and just needing to pass the exams. My biggest concern has been getting an already licensed CPA to sign off on my experience.

**Lauren Schodowski****Candidate/Student**

I love the idea of having another pathway to the CPA that uses experience to fill a gap in courses. I feel that with the immense continuing education requirements & the depth of the exam, CPA's will continue to be experts. Having to take time off of work or delay entering the workforce, or work 70+ hours a week in public accounting while taking courses online is a big barrier.

After you graduate and are a working professional, college professors treat you the same as any other student. One professor I had told me there was a very strict no make up exam policy. Even when I told him I would be away for my wedding for one week for one potential class, or would be giving birth to my first daughter the week before finals.. could I plan to take the test earlier given several months notice? I was not allowed to do this so I decided to halt taking courses. College athletes are given wide accommodations for games where a working professional with major life events should forgo a major life event for a test?

I learned so much in the courses that I took, but I also learn just as much when I open up Roger CPA or other prep course and spend half a year - a year studying each section of the exam (FAR/BEC, etc).

With 7 years of accounting experience, I know that my time working has had more of an impact than any one of my accounting classes too.

**Pearl Jean Oden****Candidate/Student**

It would have helped me get my CPA years ago. I had to take a 3.5 year break from school. If this pathway would have been offered, I would have been able to sit for the exams back then. It wasn't until recently I was able to go back and get the additional credits.

**Name Redacted****Candidate/Student**

Given the recent updates to the Uniform Accountancy Act, is there a proposed plan for CPA candidates who are close to fulfilling the educational requirements but lack one year of experience working under a licensed CPA? These candidates may have relevant tax or bookkeeping experience, be in the process of obtaining the EA (Enrolled Agent) certification from the IRS, or operate their own independent tax or bookkeeping business.

**Name Redacted****Candidate/Student**

I don't believe it would be wise to have an additional method to obtaining the license. The solution to the accounting shortage is promoting the industry more throughout high school. Having anyone show competence in a work place then to get licensed is crazy.

**Name Redacted****Candidate/Student**

I fully support the potential pathway to the CPA that is based on competency. I am currently a grad school student, working full-time, and trying to study for the CPA exam. The everyday schedule I have right now is almost near impossible to accomplish; I have to work to pay for my schooling which doesn't leave much time to study or get schoolwork done after the work day is over. I already have a year of work experience that could contribute to my license instead of schooling, which would give me back about 20-25 hours a week. The path to the CPA exam right now for young working professionals isn't realistic and is attributable to the decline of the industry.

**Name Redacted****Candidate/Student**

What you should do is not do a test at all. You should allow experience to get licensure. Not all people are test takers. Some of us have extreme anxiety with tests and flunk out of the test due to the high stress and anxiety it brings on. I can guarantee you that some of us run circles around some CPAs. All because we cannot pass the test due to our extreme anxiety with test taking, we can't get our license.

**Name Redacted****Candidate/Student**

Dear NASBA,

Thank you for the opportunity to provide feedback on the UAA Exposure Draft. While I believe this is

a strong move in the right direction, I would like to address the need for more consideration for professionals like myself, who bring significant experience and dedication to the field but are constrained by traditional licensing paths.

Over the past 10 years, I have worked an average of 75 hours per week in public accounting, serving as a cross-functional employee across tax, audit, and consulting. The demands of this workload, while also completing my education, have left me burned out as I've had to manage multiple responsibilities within various CPA firms. Despite my extensive experience, I am currently stuck in my career path as an Audit Supervisor simply because I do not possess a CPA license. Since 2022, I have been performing Audit Manager duties, which include overseeing teams and engagements, yet I find myself continually battling for the time to sit for the CPA exam.

The current structure of the workforce has shifted, and the roles of Audit Supervisors and Audit Managers now require more involvement in training and developing the next generation of accountants. This is a vital responsibility, and it demands time that often conflicts with the pursuit of licensure. Given this reality, I believe that professionals like myself, who have demonstrated the necessary skills and leadership, should be allowed to obtain a CPA license with NASBA's approval.

I propose that NASBA consider issuing CPA licensure to individuals in similar situations under the condition of maintaining an annual CPE requirement of 80 hours. Failure to meet this requirement should result in the suspension of the CPA license for one year. If the CPE is not maintained for two consecutive years, NASBA should reevaluate the individual's qualifications for permanent revoking CPA licensure.

This pathway would address the needs of professionals who have proven their capabilities but are constrained by the traditional licensing model. It would also ensure that those granted licensure continue to meet high standards of professional development and accountability.

Thank you for considering this perspective. I believe that by evolving the requirements to match the realities of today's workforce, NASBA can foster a more inclusive and forward-thinking profession.

**Kallie Smeby****Candidate/Student**

I think that the exposure draft is a good policy that will help increase the interest in the accounting field, it would help students be able to afford to become a CPA because having the funds to get your masters can be challenging for many people.

**Name Redacted****Candidate/Student**

The AICPA Town Hall dated October 24, 2024, spoke of competencies stated on the proposed draft for new licensure requirements with no content of how those competencies will be obtained and subsequently measured as compared to obtaining an undergraduate or graduate degree. Who, specific governing entity, will provide and monitor these competencies for the nation?

**Name Redacted****Candidate/Student**

Attached is my comments on the exposure draft and the idea of going away from 150 credits to two years of employment. **[See attached letter.]**

**Name Redacted****Candidate/Student**

Firstly, I want to commend AICPA and NASBA for such an initiative. I believe this path is clear and will encourage lots more individuals to pursue the profession since the barrier to entry will be lessened.

I have been in the auditing and accounting profession with a Big4 firm for the last 13 years. I am a permanent resident of the US and my studies were done overseas. I have a foreign Bachelors degree evaluated by NASBA indicating I have 123 credits. I also have my chartered accounting qualification, ACCA for which I got no credits. I have also sat for all four parts of the CPA uniform exams and passed all four parts with the last part confirmed 10/30/24.

My next step is now licensing and it is quite heartbreaking and gut wrenching that I still have to pursue further studies to obtain the CPA license. Based on conversations with my state board, the representative indicated that I am able to take the additional 27 credits in whatever subject area I would like as I already have the required amount of accounting credits. My thoughts on this is, if I can take a sewing or art class just to get the credits so I can meet the requirements, seems somewhat nonsensical to me as this has no direct bearing on the profession or my line of work. There is no direct correlation between the additional courses to be taken and the underlying objective of AICPA and NASBA.

As a result of this I welcome the change being proposed by this exposure draft. I would be a direct recipient of this change and it would certainly propel my career to obtain my CPA license after working so hard to pass the exams. I'm passionate about accounting and auditing as it is an ever evolving and current profession filled with expansive learning opportunities.

Thanks for providing this forum so our voices can be heard on this important issue.

**Name Redacted****Candidate/Student**

The proposed change will allow greater access for students to begin working without having to worry about how they can afford another 30 credit hours. In today's world the cost of education is placing an undue burden for people to become CPAs. As a result the pool of applicants has been shrinking. While some firms offer to support for the 5th year it does mean that the candidate would need to work potentially take longer than a year to complete the 30 credit hours. Once the proposed changes are made by the states they will see an increase in applicants over time.

**Name Redacted****Candidate/Student**

Dear AICPA and NASBA

I support the proposed Competency based Experience Pathway and UAA changes. Allowing candidates to sit for the CPA Exam with 120 credits and a bachelors degree makes the process more accessible helping attract more talent to the profession. I also appreciate the focus on practical skills and efforts to maintain mobility while balancing flexibility with high standards.

**Name Redacted****Candidate/Student**

We are students at CUNY Hunter College and submit our changes to the Exposure-Draft as attached.

Thank you to NASBA and the AICPA for the opportunity to provide feedback on the Uniform Accountancy Act Exposure-Draft. We appreciate the chance to contribute to this important discussion and have outlined our revisions below, reflecting our perspectives on the subject matter. **[See attached letter.]**

**Name Redacted****Candidate/Student**

I am in favor of the proposed changes to the 150 credit requirement.

As a student Accounting major in my third year of college, I can attest to the fact that many students consider changing their major to one where they can make a similar amount of money as would a CPA but, only have to complete four years of college.

College Professors also take advantage of this by attempting to recruit accounting majors to change to Statistics and Risk Majors, for example. I must admit that they are often successful and I am considering changing because I enjoy and excel in areas other than accounting. The outcome of this requirement will most likely affect my future career choice.

Changing the 150 credit minimum will allow me to avoid another year of student loans, enter the workforce sooner where I can apply my skills to the real world and begin preparing for the CPA exam.

I hope that under careful consideration for prospective accounting majors and CPAs, the board realizes that the benefits of this proposal out weight the negatives.

Thank you for your time.

**Name Redacted****Candidate/Student**

I've been a Canadian CPA for five years, with extensive work experience in the private and public sectors. However, I am ineligible for the IQEX exam because I was previously an ACCA (UK) member, adding further complexity to my licensure journey in the U.S. As a result, I am currently in the process of completing the four-part CPA examination.

My undergraduate degree, completed over 10 years ago, fulfills only 129 of the required 150 credit hours for licensure in the state I'm applying to. Meeting this requirement would entail completing an additional 30 credit hours, which essentially equates to pursuing another master's degree. While I fully support the rigor of the four-part examination, I believe the 150-hour requirement duplicates competencies I have already demonstrated through education and professional experience.

I believe this will alleviate the gridlock for many experienced professionals like myself, who have already demonstrated significant competencies, to achieve licensure without needing to return to school for another master's degree.

**Greg Anton****Retired CPA**

One of the pathways should include 120 hours of education +2 years of experience.

**Michael Daillak****Retired CPA**

Language which specifies "a baccalaureate degree or higher" "or 15 years as a Staff Accountant or higher in a CPA firm".

When I sold my firm (which was 25% tax and was 75% bookkeeping and out-sourced controller services [as well as audit services in the first 30+ years]) in 2019 after 50+ years, my onsite Managing Accountant for the previous 7 years was a staff person who had worked for me for 15 years, who I hired and trained after he decided to dropout of college in his freshman year. I have no doubt that he could pass the CPA Exam, however, that option remains unavailable under your planned revisions.

Please consider that "a baccalaureate degree or higher" isn't required in many states for someone to take "the bar exam".

**Stephen Theuer****Retired Audit Partner**

The Competency-Based Experience Pathway is a welcome, overdue improvement in the options available to certified public accountants-to-be. The 150-hour educational requirement was expensive and discouraged students from selecting the accounting major at the undergraduate level. Higher cost (through more education) reduced the quantity of students which has reverberated through the profession for years. Students voted with their feet and chose careers

with higher starting salaries and less onerous educational requirements.

The value of the certified public accountant is embodied in the mastery of knowledge and adherence to a high standard of ethical behavior. The CPA exam was and remains the element that distinguishes the CPA as competent. So long as the CPA exam is comprehensive, the public will have confidence that the title has value.

I was active as an auditor with a Big Four accounting firm from 1986-2022. I supervised people who obtained the 150 hours through a masters program and through a combination of AP credits and overloads in a four-year degree program. In my experience, those who possessed the masters degree did not outperform those who had only the bachelors degree. Those who only possessed the undergraduate degree were more valuable because we could teach them practical auditing skills in the year that their former classmates spent in graduate school. Beginning their careers one year earlier provided an advantage that their former classmates who pursued the Master's degree could never equal. That, to me, validates the concept of an experienced-based pathway as more than equal to an extra 30-hours of education.

The fact that existing practitioners in the 1980's were grandfathered and exempted from the 150-hour rule established from the beginning that it was not a serious protection of the public interest. It was a barrier to entry that raised starting salaries less than the cost of the additional education. An understanding of basic supply and demand curves would have enabled the prediction of the difficulty that the 150-hour rule has imposed on the profession.

#### **Name Redacted**

#### **Government Audit**

I've spent that last 3 years of my life putting everything on hold to get 150 credit hours, this attempted change is laughable and will be whole heartily abused. I'm so disappointment in whoever cooked up this half thought out idea. The extra course work teaches candidates soft skills that they will not be able to get through your joke of a competency based program. It's very clear and obvious to everyone who reads the news at big four constantly cheat and abuse the system. I have zero faith in whoever proposed this idea and urge you to rethink everything about this proposed change.

I am going to write my board and urge them to not only reject this change but I am also going to urge them to legislate, AICPA does not have our best interests in mind and needs to be regulated. I look forward to the day your entire board is fired. My disappointment is measurable and this is a step in the wrong direction. If this is what is the profession is to become, then I've spent the great part of my life working towards something that I no longer want to be a part of.

#### **Name Redacted**

Pay attention to what the California CBA has commented about this draft. The whole concept of freewheeling the experience and loosening up the pathway is not in favor of keeping professional quality or consistency. The entire profession rests on the workers, and this draft wants to bring variability into that level of minimum quality for licensing. I don't look for licensees for the sake of filing a pipeline count, but rather the ability to work with them in tandem. This exposure draft is not

tailored to what it needs to accomplish but instead trying to create an open highway into staff counts.

If that practical experience was multiple years restricted to being under approved licensees within the population, or requiring panel members of firms to jointly approve of experience while the candidate is fully independent of corrective action required from a licensee supervising, then we start to get somewhere that is more modernized. Then we can blend in a more complex and narrow bachelor's degree only.

But my concept of core competencies is not the same as what others practice daily in accounting, which does not bode well. My standards are much higher if I was asked to sign off on someone else today. Take a long review of this draft and go back to the drawing board of just how liberal you are with the membership's sign offs in this exposure draft.

#### **Frank R DeLuca**

This is long overdue. The CPA professional is dwindling due to the very difficult demands of the profession with respect to standards, changing tax laws, privacy laws etc.

The lack of talent forces those already talented people in the profession to burn out and leave for private industry.

CPA's have been promised relief in the workload compression area as well and it never has, and likely, never will happen.

The next step is to review and access continuing education requirements and standardize them. Most CPA's are lucky enough to find the time to do an online educational webinar or self-study yet this is frowned upon because their are interests that would lose revenue.

But don't listen to me, poll any senior accountant CPA at any firm and see what their thoughts are. I am sure my narrative would be considered tame compared to what you will learn!

#### **Priyankara Silva**

Hello there,

I am pleased to provide my suggestions on the UAA exposure draft as a CPA working for a firm in the state of Utah. I am submitting these suggestions on a personal basis as a professional with over 17 years of experience in the public accounting industry. Please find my comments and the basis for my recommendations in the attached memo.

Thank you for the opportunity to share these insights. I would be happy to discuss this proposal further or provide additional data to support its implementation.

Priyankara Silva **[See attached letter.]**

**Ted Brosius**

Can't do this soon enough!!! Approve it now!!!

**Harlan Kahn**

Dear NGB,

The reason there are so few accounting students is because you have made the entry level too high. I am in the profession for decades. When I was a college student accounting was one of the 'most popular' majors because it guaranteed work at good pay, once you graduated.

When I was in college, if a 5th year was required for my bachelor's degree, I would have majored in IT.

Accounting is cumulative knowledge from the first class! Performing write-up, financial statements, audit and reviews require an enormous amount of prerequisite knowledge. Not all accountants go on and become CPAs. Since the rules have been 'enhanced' to include a 5th year of school and more, fewer want to make the journey.

I have been certified for decades and love my work and career choice. Yet, faced with paying for my own college education, the current rules would preclude me from entering the profession.

**Name Redacted**

Once again, our profession establishes standards that are either unachievable or cause more problems than they solve (the 150 hours), then rather than fix the mistake we offer a new work-around. The problem is the 150 hours. That is directly tied to the lack of students pursuing accounting as a career. Admit the mistake - remove the 150 hours. Then add a 2 year work-training requirement.

I know it is very difficult, but please try to ignore the academics when it come to the 150 hours. They have a self interest in forcing more education when it is unnecessary. Training is necessary.

Think about this, potential accounting candidates have an innate sense of cost benefit analysis. What is the cost of the additional schooling verses potential entry pay? How soon can I pay down my student loans? Simple - get out of school as fast as possible and get into the workforce.

Academics were not independent on this issue. We deal with independence every day. Academics should have been excluded from the decision making process regarding the 150 hours.

Lastly, what was the point of the 150 hours with out a content requirement? Just to force people to take more classes? Why? Who benefits? Oh, that's right, academics.

**Jeff Voreis**

In the IRS Pub 970 Tax Benefits for Education it specifically indicated that a CPA Review Course is not qualifying work-related education because it is part of a program of study that can qualify you for a new profession. As a result my understanding is that any expense reimbursement for these

courses would be considered taxable compensation. I have heard that some employers do pay for the course so I am skeptical whether these expenses are taxed appropriately. Will there be any involvement with the IRS to address this rule that defines this type of employer benefit as taxable or nontaxable to the employee?

**Curtis**

On the job experience is always more valuable than book learning. If a candidate can achieve licensing with out the burden and addition expense of post graduation, that would make the path to licensing a lot more attractive, as well as give a boost to small firms as the talent pool would be able to look at firms that are not involved in audits. I support that change as a very good start at helping with the talent shortage.

**P. Malcolm Gulley, CPA**

I am opposed to making any kind of modifications to the UAA that would create any “competency-based” experience that would alter the current 150 credit hour for testing for and obtaining a CPA certificate. I oppose any form of “dumbing down” of the testing process that is currently used in becoming a CPA.

The college graduates that we currently hire already have to be “taught” most of the accounting knowledge that is required to be a worthwhile accounting employee by the employer! Making it easier for them to be able to take the exam to become certified will not make them any more knowledgeable or any smarter.

**Robert Bryant**

As a practitioner in a small firm of 2 partners and 20 employees, I have to admit i am extremely concerned with what I see in the pipeline of new CPA candidates, or more accurately, the lack thereof.

I also can say that, on the ground so to speak, I see a large differentiation in firm types. Many smaller firms are very tax focused, with little or no audit or review clients. I am curious if it has ever been considered to have different types of CPA designations. For example, have a CPA/tax, or CPA/audit, etc. In this world, someone could earn a CPA for the field in which they work, without spending months of time studying for a discipline which they will never use. There could also be a full CPA that encompasses all of the disciplines. I believe such a system would encourage more young people to pursue the career, without facing such a daunting task of passing the Uniform exam in a "all or nothing" atmosphere. It would be akin to the different series of licensure in the investment management world, ie Series 6, Series 7, Series 65 and so on.

This is a thought that has been on my mind as I try to build out our staff with the next generation.

**Constance Cardamone**

I fully support the proposed UAA changes.

**Tricia Duncan**

We are excited to see the additional pathway to CPA licensure.

A) a post baccalaureate degree with a cumulative 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(B) a baccalaureate degree plus additional credits totaling 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(C) a baccalaureate degree conferred by a college or university acceptable to the Board, the total education program to include an accounting concentration, or equivalent as determined by Board rule and the completion of competency-based experience prescribed in section 5(f)(2).

Oregon currently requires candidates to meet competencies to be licensed. I would like clarity of whether options A and B would require competencies or just the year(s) of experience.

I think clarity and simplicity for candidates and firms will be very important to ensure consistent quality of CPAs entering the profession.

**Name Redacted**

I would like to provide input on the proposed changes to the CPA exam eligibility requirements. With a Finance degree, a Master's in Business Administration (MBA), an Enrolled Agent (EA) certification, and 13 years of experience in accounting, I believe it's important to recognize the value of real-world experience, diverse certifications, and broader educational backgrounds in the accounting profession.

While a traditional accounting degree provides core knowledge, individuals with degrees in Finance and an MBA often possess a comprehensive understanding of financial management, business operations, and strategic decision-making—all crucial in today's accounting environment. The EA certification further demonstrates a deep proficiency in tax law and the ability to represent clients before the IRS, which adds significant value to one's accounting expertise.

Additionally, 13 years of practical accounting experience showcase a thorough grasp of accounting standards, financial reporting, and tax regulations. By considering candidates who hold diverse educational credentials like Finance degrees, MBAs, and certifications such as the EA, combined with extensive accounting experience, the CPA exam could attract professionals with a broader range of skills that meet the evolving needs of businesses.

Therefore, I advocate for the inclusion of candidates with Finance degrees, MBAs, Enrolled Agent certifications, and significant accounting experience as qualifying criteria to sit for the CPA exam.

This would enhance the pool of qualified professionals while maintaining the rigorous standards of the accounting profession.

**Jim Wilhelm**

Please do this. Offshoring for talent is not the way to develop future partners and leaders in the industry. Many professions do not have a 150 hour requirement and they do not suffer the same labor shortage we do.

Save new graduates time, stress and money. They have a lot to learn after graduating, they need to pass the CPA exam as well. The extra 30 credits, even if 100% paid by their employer, still causes them stress, detracts from on the job learning and costs them time.

This change is long overdue.

Thanks

**Melissa Williamson**

I am pleased to see the option finally become available to apply well earned and valuable experience to meet eligibility requirements for individuals. Within our on firm we have many seasoned individuals who - for whatever reason - do not have their CPA certification and the thought of returning to school while also functioning as a manager is daunting and honestly unrealistic. The classes provide no more value than the experience the individuals have earned on their career paths. Unfortunately, like many CPA firms one cannot move into a leadership or ownership role without a CPA certification. This would open the door for those individuals and for our firm to increase our bench strength for future owners/leaders.

Looking at this from a recruiting perspective - we also receive many resumes for individuals who want to make the leap from industry to public but know that without their CPA certification their options are limited for upward mobility. This would again allow these individuals who have received the bachelor's degree (usually in accounting) and work experience to apply for the competency based model and seek eligibility to sit for the exam.

Reviewing this model and the approval process the profession would still retain the quality oversight to ensure that only qualified individuals are receiving approval to sit for the exam. This is literally a win-win for future CPA's and current business/firms to create more depth in hiring options.

**Paul Neltner**

The 150 hour requirement was and is a poorly thought out requirement. The lack of any requirement for them to be related to anything business or accounting related illustrates this fact. This also created a huge obstacle to those looking to enter the profession. If you can pass the exam with fewer credit hours, you have obtained the knowledge necessary to enter the field with the credential. The additional credit hours aren't some life-changing event.

If select employers want their candidates to have more credit hours, they can incentivize or require

their candidates to do so. This shouldn't be something forced on every employer or candidate. People need to be able to get into the workforce as quickly as possible and begin earning a living. Depriving them of graduating a year earlier is an additional opportunity cost beyond the cost of the tuition.

Any professor or university espousing a need for the 150 hour requirement is conflicted and cannot offer an independent opinion as they are working in their own self-interest. The financial interests of these opinions needs to be considered. Forcing students to obtain and pay for additional credit hours only serves the university and professor. The student should have the option to choose to obtain additional education should they desire that additional designation, but it should not be a requirement.

This requirement insinuates that those who obtained their CPA prior to the requirement are somehow lesser than those who obtained the designation afterwards. It seems like the industry was doing just fine before the introduction of this arbitrary requirement.

The biggest obstacle of removing the requirement is the mobility issue. All states must get onboard with this change or there will be problems. CPA firms have clients stretching across the country and the need for uniformity is great.

Please make this change to the standards as quickly as possible. The CPA is a dying designation as the wave of retirements is nearing a tidal wave and will leave the industry reliant on overseas workers. With the number of CPA's leaving the industry growing faster than the numbers entering the field, we are looking at a massive self-inflicted problem. Thank you for the opportunity to express my opinion. I have been pushing for this change for years and didn't think anyone was listening.

#### **Christopher Alan Foley**

I completely support the removal of the 150 hour rule.

I obtained my CPA license before the 150 hour rule was adopted, and I doubt that I would have pursued my CPA if graduate courses, and for me, the required debt to obtain the extra hours would be worth it.

The removal of the 150 hour rule would eliminate a hurdle for qualified, but financially disadvantaged individuals, to obtain their CPA and thus contribute to the profession.

#### **Name Redacted**

I like the idea of reducing the credit requirement. But, I think the real barrier, rather than having the exams, is not being able to sit for the exams until one is practically working.

I think we have so many issues in the profession that cheapening the title of CPA by giving employers the ability to bypass the exams may be profitable... but it would not help the profession. It would only reduce the wages of those who took the time to study and finish their exams.

**Name Redacted**

With the decrease in individuals entering the field, giving consideration to individuals with work experience in the field, but do not meet the 150 credit hours, should strongly be considered.

Consideration should even be given to go back to the 120 credit hour requirement.

Many college students that I have asked all say the same thing - why should I do an additional 30 credits when I could get a finance degree (an example) and potentially make the same, if not, more money and save paying for additional schooling.

The 150 credit hours along with COVID causing aging CPA's to retire, has had a detrimental impact on the number of eligible candidates in the field.

**Name Redacted**

Wow thanks for devaluing the hard work I put into getting a Master Degree in Accounting to get my License. Makes me sick. Oh and I paid my student loans off so I really did earn my degree.

**Michael J. Singer**

The experience requirement instead of passing the exam is a bad idea.

We have the respect of the public, because of the breadth of knowledge required to pass the exam.

A better idea would be to require 2 years of apprenticeship, after passing the exam to become licensed and use the CPA designation.

The college curriculum is inadequate by itself.

The real world is different and to become a competent CPA requires experience in the real world.

**Name Redacted**

Acknowledge that the 150-hour requirement was a mistake and eliminate it. At the same time, you handed out thousands of CGMA designations without requiring any qualifying exam, which comes across as a bit hypocritical. There's new leadership at the AICPA, time to fix past mistakes so we can move forward.

**Elliot Boisvert**

The exposure draft proposed by the UAA makes complete sense and should have been implemented a while ago. There's no reason for accounting students to have to take 150 credits especially when they can just take non-accounting classes to get there. I currently am working for a tax firm and haven't attained my CPA license or 150 credits yet. I was doing a masters program in accounting to get the 150 credits but dropped out because it was costly and work at my tax firm was so much more valuable to my improvement in this field. Continued education makes sense in some fields, but not accounting. Undergrad provides a good baseline, and the rest can easily be learned on the job. With a shortage of CPAs, the 150 credit requirement serves as a useless barrier just worsening the shortage. The CPA exam is hard enough and a huge time commitment as well.

**Name Redacted**

I strongly encourage approval of the amendments allowing licensure for applicants who have completed a Bachelor's degree plus two years of qualified experience. This was the path I followed when I passed the CPA exam in 1984 and then worked under the guidance of CPA's for the next 10+ years. I learned as much or more in my first year of experience than I learned in the four years I attended college. I am a partner in a CPA firm today. We are struggling to find young CPA's and I firmly believe the 150 hour credits requirement is a major obstacle. Thank you.

**Erin Carter**

Fantastic idea. No need for anyone to be forced into 150 school hours when you can get all of the required accounting courses in 120. This aligns the profession with other countries, such as Canada.

**Name Redacted**

I am in favor of changing the requirements as suggested. The pathway into this industry must be changed and these proposals are reasonable.

**Name Redacted**

The proposal for allowing a candidate to replace the 150 hour requirement with 2 additional years of experience is a great commons sense approach. Quality experience is better than additional education.

Excellent proposal.

**Susan Ellison**

I think the proposed path of using work experience to qualify for the CPA exam is great. I wish it'd been available when I wanted to sit for the exam. Despite having an undergraduate business degree from an Ivy League institution I had to get 39 credit hours, 21 of which were not accounting related. It was a big hurdle for me and I'm sure is a roadblock for candidates who are interested in sitting for the exam.

**Jason Loiselle**

I think the proposals for a new pathway to CPA is fantastic. It eliminates some of the additional educational costs that would deter some from getting their CPA license. I got my license in 2001 when the additional 30 hours of education was not required however we were required to get 4000 hours of experience at anCPA firm. For me, the experience requirement helped me be a more practical experienced accountant and also helped me pass the exam. Finally, I believe many students want to finish school and start working in the profession instead of obtaining a masters or MBA. This flexibility and option will be attractive to potential CPA candidates.

**Name Redacted**

Greetings:

I would like to briefly comment on the Proposed Uniform Accountancy Act Changes.

The education requirement to sit for the Uniform CPA Examination should be no more than 120 semester hours. Beyond the accounting concentration I suggest the curricula include no math classes beyond one algebra class and one statistics class. As CPAs do a significant amount of writing I suggest English literature and writing classes be added to the curricula. If needed to reduce the course load to 120 semester hours fewer humanities classes be required.

I further suggest a pathway be established that would allow accounting students be able to finish a bachelor degree in 3 years. This would allow students to graduate quickly and join the work force and they would be able achieve this with less expense and lower student loan balances at the beginning of their careers.

I was able to finish an Associate of Applied Science degree and two Bachelor degrees within five years of graduating from high school so I believe one Bachelor degree is very achievable within three years of high school graduation.

If a student intends to become a CPA with a Bachelor degree in a major that is not an accounting degree, they should be able to sit for the Uniform CPA Examination after they have completed the accounting concentration classes that would prepare them for the Examination. There would be no requirement for them to earn a separate accounting degree.

For licensure I agree with the proposed changes.

For reciprocity I agree with the proposed changes.

Thank you for your time and consideration of my comments.

**Name Redacted**

I don't think just having one technical competency is adequate. The other 2 should also be at least in the professional competency category. The picnic and professions expectation for example for tax technical CPA's is that they should at least have some generalized subject matter expertise about the other technical competencies (audit/assurance and business and financial reporting in my example). This would be non-negotiable change to the model for me to vote for it.

**Name Redacted**

Hello,

I am a CPA in New York for over 20 years. I did not agree with the change years ago to move from the 2 years of experience for licensure to the 150 credits and one year of experience. I feel the extra year of experience is more important. Now I have a son who is a freshman in college and considering majoring in accounting. The additional 30 credits are a deterrent to him. He does not know if he wants to do the additional schooling plus study for the exam. I think this is affecting the

pipeline of new accountants. I hope that we go back to the 2 years of experience the way it used to be. If so my son will most likely decide to go the accounting route.

Thank you for allowing me to express my opinion.

**Name Redacted**

I believe the 150-credit hour requirement has deterred the more outgoing students from pursuing our profession. We lack those with management skills, sales skills, the ability to communicate to clients and staff, etc. Those super smart students are great at the technical side, but when offered a promotion to management, they shy away.

**Name Redacted**

This a great idea! It will result in more students enrolling in Accounting and consideration for accounting careers

**Name Redacted**

Hello,

In reading through the exposure draft. I agree that we have to create an additional pathway to become a CPA. With a significant number of CPAs retiring within the next 10 years, we have to attract more individuals to the profession.

I think an additional pathway, to avoid obtaining 150 semester hours is the right way to go. I'm having a challenge accepting the competency framework. My personal outlook is that I think all CPAs should strive to grow their team using a Competency Framework, I started doing it in my practice a few years ago and I think it is a great road map. With that said, I think it puts a burden on a lot of CPAs evaluating candidates and I think there is too much subjectivity involved. My suggestion is to change the UAA to allow for this additional pathway. I would also suggest that in moving the "experience" to two years under the supervision of a CPA, allow that to be general and allow our licensed CPAs to grow their people how they see fit. At the end of the day, if the CPA signs off on a candidate, we have to trust that CPA.

Thank you,

**Name Redacted**

I am opposed to the UAA Exposure draft. I do not see how this protects the business community and the general public that have placed their faith and trust in the Certified Public Accounting profession.

**Name Redacted**

To the AICPA/NASBA Joint UAA Committee,

I appreciate the opportunity to provide feedback on the proposed amendments to the Uniform Accountancy Act, particularly regarding the Competency-Based Experience Pathway.

While I recognize the intent behind the proposed changes—namely, addressing the decline in CPA candidates and improving accessibility to the profession—I am concerned that introducing this pathway may inadvertently weaken the rigor and perceived value of the CPA designation.

The CPA license has long been regarded as a symbol of excellence and professionalism, and its strict requirements play a key role in maintaining the trust and credibility of the profession. Easing the requirements for obtaining the license, even with the best intentions, risks diluting its value. Specifically:

**Concerns:**

- **Perceived Rigor:** Substituting education hours with competency-based experience could create the perception that licensure standards have been relaxed, potentially eroding public confidence in the CPA designation.
- **Inconsistent Implementation:** Competency-based programs may vary significantly between employers and jurisdictions, leading to inconsistencies in how candidates are evaluated.
- **Public Protection:** The current high standards ensure CPAs possess a deep foundation of technical knowledge, which is vital for protecting the public. Reducing reliance on formal education could impact the readiness of new CPAs to meet these demands.
- **Long-Term Implications:** While addressing pipeline challenges is critical, the solution should focus on enhancing the profession's appeal rather than lowering the bar for entry.

**Recommendations:**

- Maintain the 150-hour education requirement as a non-negotiable standard to preserve the rigor and uniformity of licensure.
- Invest in outreach programs, scholarships, and mentorship opportunities to make the CPA pathway more accessible without reducing its requirements.
- Emphasize the value of the CPA profession to attract more candidates, particularly highlighting the career benefits and long-term opportunities that come with licensure.

In conclusion, while I appreciate the committee's efforts to innovate and address the profession's challenges, I believe that preserving the rigor and integrity of the CPA designation should remain the top priority. Any changes to licensure requirements must ensure that the profession's high standards are upheld.

Thank you for considering this feedback.

**Alyssa Reed**

Problem 1: Time to study is the most prohibitive to becoming a CPA, not scholastic requirements

First, I teach continuing education courses to hundreds of staff accountants across the country each year and ask my group - are you a CPA or not? If not why? The number one response is "I don't have enough time to study" followed by how many hours they work. In my experience, which is developed based upon hundreds of staff I speak with at firms each year, students who wait to take the CPA before being employed are significantly less likely to ever take and pass the CPA. Life happens - they get married, they have children, they work too many hours, they join boards to

advance their career, etc. CPA falls lower and lower on the priority list. The majority of students in my classes who have the CPA passed it during college and say "I don't know how people who work pass".

If we think back, this was a recognized issue about 15 years ago and NASBA permitted people to sit with 120 hours (but still needed 150 to be licensed) to combat the fact that people who wait never sit. Please do not reverse the course we are on. Students will think on the surface it sounds great - less time in school! But, they do not understand how hard it is to find time to study later on until they encounter it first hand.

**Problem 2:** This encourages circumvention of masters degrees which are designed towards passing the CPA exam

Second, the enrollment in master's degrees will decrease drastically. Why spend money in school if you can be a CPA with just 120 and work experience? This, again, seems good on the surface to new grads but is detrimental and misleading to students whose chance of being a CPA declines drastically. Many successful CPAs come from a Masters program designed with success on the CPA exam in mind. At University of Tennessee, the master's program is entirely geared to helping students take the CPA exam and pass. Course work is practice quizzes from a review program. At Clemson University, the same theory applies. A student simultaneously meets the 150 hours and is studying for the exam. By having students obtain 150 hours, it is actually creating built in study time for the CPA exam. Look at the statistics. I can only say based on my experience that more of us who went the Masters route passed the CPA than those who took the bachelor's and were "going to work first before sitting". They never sit because, again, back to point 1, there becomes less study time. Requiring the "extra" 30 hours forces many students study time during their masters program.

**Problem 3:** It essentially duplicates the experience requirement - and not all experience is created equal

Simply put, the experience requirement is already a factor. By removing 30 hours and adding an extra year, it does not make the CPA more obtainable because experience is already a factor. Further, not all experience is created equal and for kinda forces students to begin in public accounting, which discourages some from joining the profession.

Possible Solutions:

**Solution 1:** Teach CPAs how they add value so they can bill accordingly

The #1 reason not to be a CPA is salary and hours. Plain and simple. We know it, let's fix it. Show CPAs how they add value (with emails on examples) so they can bill more and make more. I was told "if I want to work investment banking hours, I'm going to just do it so I at least get paid". CPAs are smart and can be anything - people are not picking CPA because they have the intellect to do another job and make more. Very simple.

**Solution 2:** Keep the credential pure and respected

By trying to let more into the profession by lowering requirements, it decreases the value of the CPA - meaning we earn less. The talented students will leave the profession and go where we earn more. We don't need a certain quantity of CPAs, we need quality CPAs in order to have a respected license, which attracts students.

**Name Redacted**

Thank you for the opportunity to provide commentary on the UAA Exposure Draft. As a professional that has been involved in this discussion for the past several years, I believe we are close to providing a solution that will provide additional pathways to CPA licensure. I am supportive of maintaining the existing pathways of a post baccalaureate degree with a cumulative 150 semester credit hours and a baccalaureate degree plus additional credits to attain 150 semester credit hours. I do not support the proposed wording in section 5(c)(2)(c) requiring one year of competency-based experience in addition to the baccalaureate degree and one year of general experience. While this solution may get us closer to the desired state in offering an additional pathway, it creates an additional administrative burden on the CPA candidate, firms, businesses, and state boards. This additional administrative burden is unnecessary and could easily be overcome by requiring two years of general experience in addition to the baccalaureate degree. Most organizations and firms currently have training programs in place that require specific experiences in order to remain an employee of the organization.

When counting the hours needed to qualify to meet the experience requirement, I am supportive of the need to provide 2,000 of professional services over a specified period of time to count as one-year of service. Thereby, the individual would need to provide 4,000 hours of professional services to meet the two-year requirement I am in support of.

Last, the UAA should be amended to allow for automatic mobility with some guardrails for experience, education, and the CPA exam. Several states are already operating under automatic mobility with many other states poised to introduce legislation to do the same.

NASB and the AICPA could demonstrate forward thinking leadership by championing the efforts underway in many states related to alternate pathways and automatic mobility. With the support of NASB and the AICPA, the length of time to adopt uniform practices across the many jurisdictions will be streamlined and the administrative costs will be reduced.

Again, thank you for the opportunity to provide commentary on the UAA exposure draft.

**Steven Boussom**

I am an over 30-year AICPA and Indiana CPA Society member and I originally voted for the 150 credits to take the CPA exam.

The market has said NO and I now have concluded, in agreement with the marketplace, that bachelor's degree holders should be able to take the CPA exam and then after passing the CPA exam and with two years of experience can be a licensed CPA.

**Dennis Paul Spackman**

I am in favor of adopting the UAA Eighth Edition -January 2018 Exposure Draft after having carefully reviewed it.

It is well done. My conclusions:

It articulates well with the CPA Competency-Base Experience Pathway Exposure Draft.

It is a positive action to address the pipeline issues the profession is now facing.

It provides an equitable approach to offering an alternative path for entry to the profession.

It provides an effective approach to ensuring the profession's concerns for substantial equivalency.

Properly administered it, will preserve the public protection interests that are a primary interest of our profession.

With NASBA's credentialing support it will not place an unreasonable burden on State Board's of Accountancy while preserving their public protection interests.

Suggestion:

1st paragraph, Substantial Equivalence, end of second line, rather than using "may". I suggest we use the word, "will". This verification is essential to maintaining trust and integrity within the proposal.

Measures need to be put in place to ensure, under paragraph (23) licensees obtain verification of their substantial equivalency. State Societies and Boards of Accountancy need to take-on that responsibility to ensure this happens.

Thank you for your excellent work on this very important matter.

**Robert Counts**

Accepting relevant experience as a pathway to the CPA license is admirable, but it must be recognized that an individual's experience within a practice is usually limited considering all of the areas of knowledge to which a CPA may be exposed. I did not read much language concerning the CPA examination within the Draft. Any consideration of granting a license without the proof of a broad knowledge that a newly minted CPA may be called on to use within any practice, and is demonstrated by passing the CPA exam, will constitute a dumbing down of the profession.

**Jacqueline Atanasoff**

My thoughts are that proficiency comes from on the job training Not from college classes. Getting a college degree proves you are teachable and can learn. I passed when a bachelor's degree was required and all parts of exam were required to be taken at once and to keep credit for passed parts, you had to pass 2 and score 50 on the other 2. If you didn't pass all within 2 years you had to

start over. It was grueling. Working under a CPA for 2 years was also required. Now they allow taking one part at the time and 30 months to pass all. I've worked in public accounting and state government in a variety of positions and excelled in every position. The Equivalent of a masters in my opinion makes no difference in what kind of work ethic or proficiency you will have. Passing the exam shows great determination and that you can follow through.

## Responses from boards of accountancy

### Iowa Accountancy Board

We do not believe the proposed Pathway is understandable. We are unsure how this is different from experience requirements currently in place? Not clear how guidelines would be implemented. Definitions of competence can be different among CPAs. Record keeping and implementation is also challenging. Worries about mobility and whether this is accepted among different states/transitions.

Yes, we believe the proposed framework is relevant and applicable to the work of candidates applying for licensure. However we are unclear how this is different from current experience requirements for licensure. Because items in the draft are not prescriptive, there is some grey area on what experience is needed.

We believe the framework sufficiently describes the competencies, performance indicators, and tasks you would expect. The examples provided seem sufficient, but because items in the draft are not prescriptive, there is some gray area on what experience is needed. As it relates to performance indicators, there is a necessity of timely communication with external clients, confidentiality should potentially be included.

We do not believe the framework includes sufficient example performance indicators and tasks to ensure adequate certification of the required competencies., More quantification of results would be helpful, there is a lack of measurability in the examples. Is it possible to include measurable indicators of a competent CPA? Do we need to see progression in results?

It seems clear that the performance indicators and tasks are examples of what a candidate may do to exhibit the competencies.

We believe it is clear that candidates may use different performance indicators or tasks to adequately exhibit the competencies.

We do believe it is clear that the professional and technical competencies must work in tandem.

We do not believe the requirements outlined for a CPA evaluator to certify candidate experience are sufficiently rigorous. There is open interpretation as to what an evaluator can consider competent. Is there risk to the Evaluator's license if something comes up in the future?

We think a longer timeframe like 5-7 years would be more appropriate for certification

requirements for CPA evaluators.

We believe the maximum timeframe to complete the pathway of, five years seems appropriate

We believe the time for the credit for prior work experience should be consistent with the timeframe to complete the pathway, 5 years.

In Iowa, a rule change would be required to adopt this change. It would be around 18-24 months as an estimate. Could be faster if we can update language to match NASBA's language. We are switching databases soon and would need to implement this process into the new database.

The Iowa Board would need support with tracking individuals. This would be an additional burden on state licensing boards. Would NASBA be tracking or state boards? Who would be responsible for costs? Are there grants available to assist State Boards? Would we need to monitor CPA evaluators to make sure they have the required years, no discipline? NASBA's technological resources need to be improved as there are currently issues with reporting technology today related to exam scores.

The Iowa Board would definitely need and want NASBA to create an electronic tracking system to automatically report completion of the Pathway to the Boards. Would this be an additional cost to the applicant to NASBA? Would it be included in NASBA dues for the state board? Would this be similar to reporting exam scores or implemented in a database

After this is implemented and adopted, is it opening up the barrier to entry and addressing the pipeline issue? Is the goal accomplished? There is additional tracking for candidates, CPA evaluators, state boards and does all of the additional steps achieve the goal that was set out? Seems to be a way to preserve 150 hours vs. accomplishing the goal? Could this exposure draft be presented to potential candidates, CPAs currently in the field? Has NASBA investigated the impact on test scores of candidates that have sat for the exam with 120 hrs vs. 150?

December 30<sup>th</sup>, 2024

Thomas Neill, CPA, Chair, AICPA UAA Committee  
American Institute of CPAs  
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New York, NY 10105

Nicola Neilon, CPA, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

Subject: Comments on Uniform Accountancy Act Exposure Draft

The Alaska Society of CPAs (AKCPA) currently has over 600 members that include students, educators, and CPAs and accountants in both public and private practice. Our Board of Directors and members value the opportunity to provide comments on the proposed revisions to the Uniform Accountancy (UAA) exposure draft.

## Concerns & Recommendations

### Section 5: Qualifications for a Certificate as a Certified Public Accountant

The proposed competency-based experience pathway raises several issues:

- **Complexity and Subjectivity:** The process is burdensome for employers and candidates, relying on subjective evaluations that are difficult to standardize.
- **Potential Liability:** Feedback indicates concerns about evaluator bias and liability due to the subjective nature of competency assessments.
- **Legislative Pushback:** Legislators view the pathway as overly complex and an encroachment on state licensing authority.
- **Existing Alternatives:** Many jurisdictions propose allowing licensure with a bachelor's degree and two years of experience, emphasizing flexibility and state-level discretion.

### Section 23: Substantial Equivalency

Modernizing CPA licensure is critical for attracting diverse talent and addressing mobility challenges. However:

- **NQAS Authority:** Granting the National Qualification Appraisal Service (NQAS) authority to override jurisdiction decisions undermines state licensing autonomy.
- **Proposed Solution:** Support automatic mobility with guardrails related to education, experience, and passage of the Uniform CPA Exam. Automatic mobility, as successfully implemented in four states simplifies regulation and facilitates CPA practice across boundaries.

## Recommendations

1. **Licensure Pathways:**
  - Bachelor's degree plus two years of experience as directed by board rule.
2. **Automatic Mobility:**
  - Adopt language supporting practice privileges with guardrails for education, experience, and exam passage.

Thank you for the opportunity to provide input. We look forward to continued collaboration with the AICPA, NASBA, and other stakeholders to attract and support future CPAs. Please feel free to contact me at [akcpa@ak.net](mailto:akcpa@ak.net) with any questions.

Sincerely,



Margaret Hernandez, CPA

2024 – 2025 President, Alaska Society of CPAs Board of Directors



Crista C. Burson

President & CEO, Alaska Society of CPAs



Jeannine P. Birmingham, CPA, CAE, CGMA  
President and CEO

December 4, 2024

Mr. Thomas Neill, CPA, Chair, AICPA UAA Committee  
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Ms. Nicola Neilon, CPA, Chair, NASBA UAA Committee  
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Nashville, TN 37291

Dear Committee Members:

On behalf of the Alabama Society of CPAs (ASCPA) and our 6,000 members, we wish to thank you for the opportunity to submit comments in response to the AICPA-NASBA CPA Competency-Based Experience (CBE) Pathway and Uniform Accountancy Act (UAA) proposals. Since the release, ASCPA has held member focus groups and ultimately formed a task force to fully process what we learned from our members. The ASCPA Board of Directors reviewed the task force group's working product on its November 15, 2024, board meeting, and submits the following comments.

**Competency Based Experience Pathway (CBE) – 2 categories, 10 sections 7/3 split between Leadership and Technical**

In general, we agree there should be an alternative pathway to certification where the current 150 hours is one option, but an alternative option is needed to future-proof licensure and the profession. We also agree that if an optional pathway is created, it should be straight-forward and simple, such as the bachelor's degree plus two years of experience concept.

If the proposal moves forward with a competency-based element, we believe that as written, the competencies are too subjective and inconsistent. Instead, allow firms or organizations of exam candidates the fluidity to establish competencies, as they do now, to ensure that candidates and new CPAs are competent.

The AICPA-NASBA exposure draft offers that CPA license applicants can avoid the postbaccalaureate education requirement by completing 2,000 hours of work involving "accounting, attestation, compilation, management advisory, financial advisory, tax or

consulting”, and that the experience must be certified by a “CPA Evaluator.” Below are examples of where we have concerns:

**Student Perspective** – Cost savings could be a pro, but will this pathway exploit low-income students? That is, students with a bachelor’s degree may be hired primarily for labor without enough time to study and sit for the exam.

What about students who enter business and industry, or another field, before two years of experience and can never be certified? This situation could lead to the profession losing these candidates entirely.

**Educator Perspective** – Students will choose the easiest path, and if they perceive CBE as the easiest, the goal of expanding the CPA pipeline may not be met, as work hours could interfere with time to engage and substantiate competencies, and study time needed to pass the CPA exam.

In many accounting programs, advanced accounting and business courses are part of the post-undergraduate curriculum. Since most education programs include a standard business core in the undergraduate curriculum, pulling advanced courses into the undergraduate program would not allow students to complete everything within the (120) hours required for a bachelor’s degree.

If students bypass a master’s pathway or an additional 30-hour pathway, they may lack the technical knowledge needed for the exam. Thus, in the long term, there may be fewer CPAs due to inadequate preparation.

The CBE option appears counterintuitive to the CPA evolution, which broadened eligibility for the CPA Examination. Experience might prepare candidates for specific exam components but not the general knowledge required.

**Practitioner Perspective** – While we recognize the need to reduce exam barriers and open more opportunities to expand the CPA pipeline, there are genuine concerns about the proposed CBE pathway being “more attractive” for candidates. This could lead to a decline in the traditional master’s degree pathway.

Based on experience, those who pursue a master’s and start the exam before beginning full-time work pass at a significantly accelerated rate compared to those who try to take the exam after starting full-time work. Therefore, while the CBE pathway aims to expand the pipeline of CPAs, it may not have the intended effect if candidates take longer to pass the exam or fail to pass it altogether.

Firms are reluctant to take on the responsibility or liability of reviewing candidates’ competencies: A less experienced CPA will likely be assigned the duty of reviewing a candidate’s competencies. Will regulators feel assured that a CPA with only a few years of

experience, who may have just gone through this process, possesses the professional and leadership qualities to function as supervisor or validator?

The draft states that the Board “may” require substantiation of competencies – what would that entail? The profession is concerned about any potential liability that could arise from the “supervisor” role, especially as it pertains to substantiating required CBE competencies.

How are competencies to be measured, substantiated and validated? The CBE proposal is a checklist of general skills without tools for assessing those skills.

Lastly, tracking CBE hours is a concern. What is the expectation of how CBE hours and work requirement hours are to be tracked? Will it include all work hours or only specific task-related hours? In public practice, would these hours be based on true billable experience and client work or simply on overall hours?

Shifting next to **UAA Section 23, Substantial Equivalency**, overall, we believe that a dedicated national conversation around mobility is necessary to ensure future proofing. For instance, is the profession considering how “mobility” would function if states removed substantial equivalency language from the UAA?

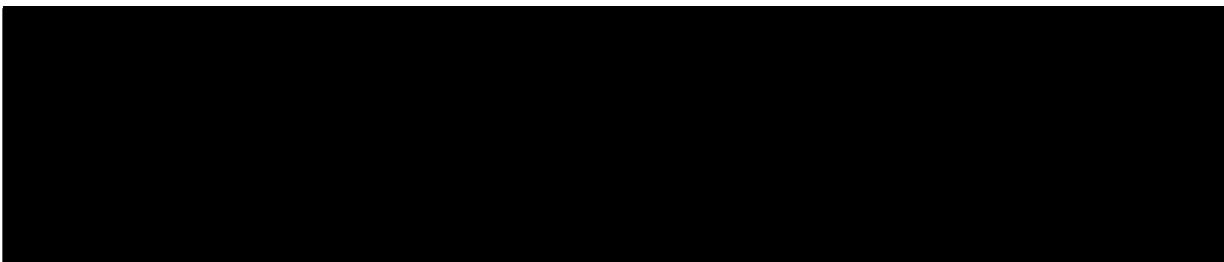
We also believe that auto-mobility is a viable solution. One benefit of auto-mobility is that enforcement would remain intact, and regulators could still discipline someone practicing in another state. Auto-mobility guardrails could include minimum education requirements, completion of the CPA examination, and adherence to the rules of the practicing state.

All fifty states and U.S. territories—Puerto Rico, Guam, and the U.S. Virgin Islands—would need a consistent approach to cross-state practice to avoid challenges with current practice rules. This is a major concern for national, major, and G400 firms.

A disruption in mobility would require an educational effort by the profession. First, we need to explain what mobility means, as many licensees do not fully understand it in its current form. Second, we should consider how a loss of mobility could disrupt today’s internet-based practices.

With much appreciation, the Alabama Society of CPAs is grateful for the opportunity to be a part of the national conversation around protection of CPA licensure and mobility.

Sincerely,

A large black rectangular box used to redact a signature.



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December 3, 2024

Thomas Neill, CPA, Chair, AICPA UAA Committee  
American Institute of CPAs  
1345 Sixth Avenue, 17<sup>th</sup> Floor  
New York, NY 10105

Nicola Neilon, CPA, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700  
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**RE: Comments on Exposure Drafts:  
CPA Competency-Based Experience Pathway  
And Uniform Accountancy Act (UAA)**

Dear Chairs Neill & Neilon:

The Arkansas Society of CPAs (ARCPA) appreciates the opportunity to respond to the CPA competency-Based Experience Pathway Exposure Draft and the Uniform Accountancy Act (UAA) Exposure Draft issued by the AICPA and NASBA. The ARCPA represents approximately 2,300 member CPAs. As an advocate for our members and Arkansas' 6,000 licensed CPAs, our leadership has been a part of discussions about the pipeline crisis for several years. While we have been encouraged that the AICPA and NASBA have moved on their positions on the 150-hour rule, we have concerns with the current proposals as outlined in our comments below:

**Comments on CPA Competency-Based Experience Pathway**

We at ARCPA are in support of the additional pathway to licensure which includes an additional year of experience in the place of 30 additional college credits, but we do not support the proposal's competency-based framework as outlined in the exposure draft. The competencies as outlined in the framework have merit and may serve as a resource for firms; however, when relying on subjective evaluations the framework cannot be expected to be consistently applied across firms of various sizes and markets. Larger firms with broader levels of services and clients will have less difficulty assessing the range of competencies. Conversely, smaller firms with a narrower level of service offerings, and client base will most likely struggle with these same assessments. The subjectivity across the spectrum of firms and markets can likely lead to unfair outcomes for some CPA candidates, and our profession.

The pathway's requirements for CPA evaluators will most certainly place additional pressure on CPAs who are already struggling from the current pipeline crisis. This will exacerbate the problems and issues noted above. If the candidate works for an employer that does not have a CPA to directly supervise the

candidate, it is unknown how a third-party would or could be able to attest to the candidate's skills as outlined in the framework, or otherwise.

Across the nation, there is a push to remove unnecessary barriers to licensure for CPAs. The complexity and subjectivity of this proposal could prove very difficult for states to adopt in its current form considering the current anti-regulatory climate. We believe that any new pathway to licensure must be consistent and fair for all candidates and stakeholders for state legislatures to adopt it.

#### **Comments on the Uniform Accountancy Act (UAA) Proposal**

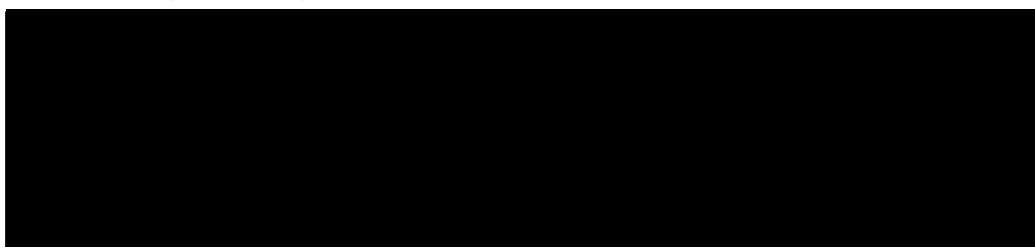
We also do not support the draft UAA proposal to adopt a modified version of the current substantial equivalency system to provide for interstate mobility. Instead, we support the concept of "automatic mobility," which provides mobility privileges to any person with a CPA license in any other state, so long as they have passed the CPA Exam and either received a bachelor's degree and have two years of general experience or earned 150 credit hours or master's degree and have one year of general experience.

We also do not support using the Accountancy Licensee Database (ALD) and CPAVerify database to determine substantial equivalency. This approach is likely to add an unnecessary administrative burden, and potentially cause confusion for users. This could also negatively impact CPAs' employment opportunities. For these reasons, we are in favor of and advocate for a straightforward mobility framework based on state-issued licenses and our trust in the respective states when the guardrails as noted in the previous paragraph are in place.

#### **Conclusion**

For the reasons noted above, we respectfully recommend that further consideration be given before finalizing the changes to the alternative pathway(s) and the UAA. In addition to these reasons, we were disappointed to learn that the committees charged with the development of the exposure drafts had limitations placed on them by the organizations' leadership as to what their recommendations must include and/or exclude thereby limiting the recommendations. We are ready and willing to work alongside the AICPA and NASBA in addressing the profession's pipeline crisis and ensure mobility for our CPAs while keeping the importance of the public's interest and trust in the forefront of any changes.

Respectfully submitted,





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December 4, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

## **RE: Proposed Amendments to the Uniform Accountancy Act**

The Arizona Society of CPAs (ASCPA), the leading professional association representing over 4,500 CPAs in Arizona, is committed to advancing the CPA profession and ensuring that its future is based on high standards of quality, consistency, and ethical practice. We appreciate the opportunity to comment on the proposed amendments to the Uniform Accountancy Act (UAA) and thank you for your continued efforts to modernize licensure pathways and adapt to the evolving needs of the profession.

After careful review, the ASCPA does not support the inclusion of the competency-based experience pathway in the UAA, as noted in our prior comments on the competency-based pathway exposure draft. While we understand the intent to offer more flexible licensure pathways, we do not believe that the proposed competency-based experience pathway will result in better candidate outcomes compared the two-year general experience requirement.

### **State-Specific Experience Requirements**

We believe that the UAA should not reference a competency-based experience requirement, but rather prescribe two years of experience as determined by board rule. States already have varying degrees of experience requirements through rule - the better place for guidance on experience requirements.

### **Lack of Evidence Supporting the Competency-Based Pathway**

Moreover, there is insufficient evidence to demonstrate that the competency-based experience requirement would result in better candidate outcomes compared to the two-year general experience requirement. A two-year general experience requirement offers a solid foundation for the application of accounting principles and professional judgment. Until there is compelling evidence to show that the competency-based approach provides clear advantages, we believe it would complicate the licensure process without offering significant benefits in terms of candidate preparedness or public protection.

### **Licensure Pathways Under the UAA**

We strongly believe that the UAA should provide for the following licensure pathways, which strike the right balance of education and experience while allowing for flexibility:

1. **Bachelor's Degree Plus Two Years of General Experience**
2. **Master's Degree Plus One Year of General Experience**
3. **150 College Credit Hours Plus One Year of General Experience**



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These pathways ensure that candidates are sufficiently educated and experienced while maintaining flexibility for those pursuing different educational routes. They also reflect the value of hands-on experience in developing professional skills and judgment.

### **Automatic Mobility with Guardrails**

In addition, we support the adoption of automatic mobility in the UAA, with appropriate guardrails related to education, experience, and the exam. This approach would allow CPAs to practice across state lines without unnecessary barriers, improving mobility while maintaining state boards' authority over the CPAs practicing within their jurisdictions. Automatic mobility would streamline the licensure process, allowing CPAs to more easily meet the demands of the workforce, while ensuring they meet the high standards of practice and ethical responsibility required of the profession.

### **Regular Practice Analysis and Licensure Review**

Finally, as the UAA currently lacks a mandated timeframe for a practice analysis and licensure review, we recommend including a provision for this, such as every three to five years, to ensure regular updates to align with evolving industry standards.

### **Conclusion**

In conclusion, while we recognize the need for flexibility in licensure models and appreciate the intent behind the proposed amendments, the ASCPA does not support the inclusion of the competency-based experience pathway in the UAA. We also advocate for the adoption of automatic mobility with appropriate guardrails, and for a regular practice analysis to ensure licensure standards reflect the evolving needs of the profession.

Thank you for considering our feedback. We look forward to continued collaboration to ensure the CPA profession remains strong, relevant, and capable of meeting the needs of both the public and the profession.

Sincerely,  
Lauren Murro, CPA, Board Chair  
Oliver P. Yandle, JD, CAE, President & CEO  
Arizona Society of CPAs (ASCPA)



Dec. 4, 2024

Maria Caldwell, CPA  
Chair, NASBA

Stephanie Saunders, CPA  
Past-Chair, NASBA

Nicola Neilon, CPA  
Chair, NASBA UAA Committee

Daniel Dustin, CPA  
President & CEO, NASBA

Carla McCall, CPA  
Chair, AICPA

Okorie Ramsey, CPA  
Past-Chair, AICPA

Thomas Neill, CPA  
Chair, AICPA UAA Committee

Susan Coffey, CPA  
CEO of Public Accounting, AICPA

Submitted via email and the online comment portals for both exposure drafts.

**RE: Comments on Proposed CPA Competency-Based Experience Pathway & Proposed Revisions to the Uniform Accountancy Act**

Dear AICPA, NASBA and UAA Committee Leadership,

On behalf of the California Society of CPAs (CalCPA), we appreciate the opportunity to comment on the proposed CPA Competency-Based Experience Pathway (CBE Pathway) and related revisions to the Uniform Accountancy Act (UAA), jointly developed by the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA). Although the CBE Pathway and UAA revisions were presented in separate exposure drafts, we have chosen to submit a single comment letter, as the issues in both drafts are closely related and should be considered together.

We are encouraged by the steps being taken to address talent and pipeline challenges in the CPA profession and commend the AICPA, NASBA, state societies, state boards and industry leaders for their dedication to exploring innovative solutions to these complex issues. We fully support efforts to modernize CPA licensure with flexible pathways that reflect the evolving needs of candidates, practitioners, firms, consumers and the public. We also strongly support preserving the CPA interstate mobility framework, which is essential for delivering quality services efficiently and protecting the consumer interest.

We believe the proposed changes fall short on both fronts and do not sufficiently address the current and future needs of the profession and consumers. Instead, the proposed CBE Pathway adds complexity without sufficient research validation, complicating an already rigid model and potentially worsening pipeline challenges rather than improving them. Further, the proposed UAA changes miss an opportunity to address the link between the licensing and interstate

practice frameworks. Instead, the proposal maintains a status quo that has been shown to have limitations in accommodating changes in the profession. Factors like demographic shifts, market demands, technology, and evolving approaches to higher education and professional careers have created fundamental shifts within the profession and have exasperated an already stagnate supply of CPAs and accounting professionals. As CPA organizations and regulators develop strategies to attract and retain talent in the field, it is becoming clearer that substantive changes to the licensing and regulatory model are needed.

We respectfully request the AICPA and NASBA reconsider the proposed CBE Pathway and avoid embedding it into the current UAA framework. CalCPA recommends a comprehensive approach that includes immediate, straightforward licensing changes to create simplified, inclusive and flexible pathways while progressing toward a competency-based licensure model informed by data and a deliberate practice analysis, as envisioned by the National Pipeline Advisory Group (NPAG).

This approach aligns with California's efforts, where CalCPA is collaborating with the California Board of Accountancy (CBA) on a legislative proposal to modernize provisions, strengthen the mobility framework and introduce a licensure model that supports multiple pathways into the profession. By focusing on flexibility between licensing pathways and mobility rules, this proposal ensures seamless interstate practice while offering candidates greater flexibility in meeting requirements. Developed with awareness of national discussions, the proposal incorporates built-in adaptability to include competency-based concepts as they evolve, leveraging a lengthy legislative process to refine and integrate exposure draft concepts once finalized.

While we respect the exposure draft process and the importance of uniformity, we will continue to support the CBA to advance California's proposals to modernize CPA mobility and licensure so that California is in position to quickly implement changes to support licensee and consumer needs. Waiting for finalized national proposals would limit flexibility and hinder California's ability to act effectively. However, we do not believe our efforts in California are mutually exclusive to the important work happening at the national level and we remain committed to collaborating with the AICPA, NASBA and other stakeholders as the process moves forward. Importantly, we remain optimistic that state approaches, including California, and the national approaches will align as stakeholder conversations continue and feedback is considered and incorporated into final concepts.

### **About CalCPA & Comment Development**

CalCPA represents Certified Public Accountants (CPA) and related professionals in public accounting firms and businesses across California. As a leading voice, CalCPA collaborates with policymakers, government agencies, regulatory bodies and other key stakeholders to shape policies that advance the public interest and help CPAs and our members meet the needs of their clients and employers. We also provide CPAs and our members with up-to-date information and practical guidance to support their personal and professional growth as trusted advisers to individuals and businesses of all sizes.

To address matters related to the CPA pipeline and licensure, CalCPA established the California Pipeline Advisory Group (CPAG), which includes members from diverse backgrounds within the profession representing firms of all sizes, academic institutions, various demographics and career stages. The group's purpose is to evaluate potential changes to the CPA licensure framework; provide feedback; assess the impact of possible changes on California candidates, licensees and consumers; and help guide efforts to address CPA pipeline challenges. The

group's work was aided by the participation of representatives from the California Board of Accountancy (CBA) who provided regulatory insights and context.

CalCPA's comments are informed by input from the CPAG, member leaders, staff leadership, and professional and regulatory stakeholders nationwide. These insights are provided to foster collaborative discussions with profession stakeholders to address CPA pipeline challenges and ensure the long-term success of CPAs and the clients and consumers they serve. Detailed feedback on the proposed changes in the two exposure drafts is outlined below.

### **Comments Specific to the Proposed Competency-Based Experience (CBE) Pathway**

While we support exploring a competency-based approach to CPA licensure that meets the evolving needs of the profession and aspiring CPAs, we have significant concerns with the proposed CBE Pathway. It lacks validation from a dedicated practice analysis, is overly complex and fails to address the risks of a subjective assessment process. Given the availability of simpler more straightforward alternatives, we cannot support the pathway as currently proposed. Our concerns are outlined below and responses to specific questions posed by the exposure draft are included in **Attachment 1**.

### **Lack of Evidence to Validate CBE Pathway for Licensure and Relevance for Candidates**

A licensure framework should be built on a robust foundation of evidence and input from subject matter experts to identify the knowledge, skills and competencies most relevant to newly licensed CPAs and their role in protecting the public. This information is typically gathered through a practice analysis, which ensures the framework is directly linked to the mission of public protection. A well-designed framework avoids imposing artificial barriers or requiring expertise beyond what is minimally necessary for newly licensed CPAs to provide adequate public protection.

While the CBE Pathway incorporates research and competency frameworks that may help aspiring CPAs in professional development, the proposal lacks evidence or data demonstrating that the assessed competencies and skills are suitable and necessary for licensure and for consumer protection. Since the CBE Pathway is designed for licensure—not career development—it must be grounded in a practice analysis or similar assessment to identify the practical skills required for entry-level competence and what is minimally necessary for public protection. Without evidence validating the necessity of the CBE Pathway, it risks being perceived as an unnecessary barrier to entry and not justifiable for licensure in California.

Further, the CBE Pathway lacks data or supporting analysis to demonstrate how it may be perceived by students, candidates, and aspiring CPAs, particularly in terms of its potential to make the profession more appealing and relevant. While the NPAG made extensive efforts to collect stakeholder input on the broader challenges affecting the CPA pipeline, these efforts did not specifically address perceptions of the current proposal. If candidates do not find the CBE Pathway attractive or practical, the time and resources invested in its development and implementation may ultimately fail to achieve the intended goal of bolstering the CPA pipeline.

We strongly recommend conducting a comprehensive practice analysis and updating it regularly. This approach, similar to the approach used to determine the knowledge and skills assessed on the CPA Exam, ensures that competencies are appropriate for licensure and linked to public protection. Such a practice analysis is a critical step to validate and ensure a CBE-type program is suitable for inclusion in a licensure framework. Additionally, we recommend expanding on NPAG's efforts by collecting additional data and feedback directly from students and candidates through focus groups and surveys. This will help ensure that

proposed competency pathways and other components of the licensing framework are relevant, clear, and appealing to those exploring careers in accounting and pursuing licensure.

### **Feasibility Hindered by Complexity**

We are particularly concerned about the CBE Pathway being overly complicated. Ideally, it should offer an alternative, flexible pathway that enhances the licensure framework by offering a more streamlined entry into the profession. However, if the pathway only achieves this in theory and, in practice, is overly complex to the extent that it replaces one barrier with another, it will not achieve the pipeline relief we all desire.

While we understand that the CBE concept is still a proposed framework with many unresolved logistical details, the lack of clear implementation specifics and the complexity of the known elements raise concerns about its feasibility. Key questions—such as how CPA candidates would navigate the pathway, how firms would support it and how regulators would validate completion—create uncertainties and confusion not only with current CPA professionals but more importantly with those considering entering our profession. Efforts to address these logistical challenges, either in the CBE proposal or assumed by stakeholders, risk creating an overly complex system that could unintentionally become a barrier for aspiring CPAs.

Candidates excel when provided with clear, simple, and achievable steps toward licensure and career growth. Data from students, candidates and NPAG analysis highlight that more work can be done to address this in the current licensure framework. However, the proposed CBE Pathway seems to do the opposite by presenting a complex and overly challenging process. Candidates may be unsure if their employer or position provides enough opportunities to meet required competencies, struggle to identify which performance indicators to demonstrate, and face difficulties resolving disputes over competency evaluations. This could ultimately cause candidates to question the relevance of the CBE approach, wondering if it truly supports their licensure and career goals or simply serves as a “check-the-box” requirement.

Firms would need to adjust their processes to support and monitor candidate experience under the CBE Pathway. For instance, they would need to separate time spent on CBE requirements from general accounting experience and track which staff can serve as CPA Evaluators versus supervisors for documenting experience. Without clear performance standards, it is uncertain whether firms would invest in training Evaluators or setting benchmarks for determining when competencies are sufficiently exhibited.

Practical limitations may further limit the accessibility of the CBE Pathway. Candidates at firms with limited resources, service lines or client opportunities may struggle to meet the requirements. Smaller firms and industry roles, in particular, may face challenges in managing the demands of a CBE Pathway or providing the necessary range of experiences. Limited client opportunities could also prevent candidates from gaining exposure to required competencies. These issues could make it harder for small and medium-sized firms or industry roles to attract and retain candidates if they cannot offer a viable pathway to support licensure and career aspirations.

State boards of accountancy will face significant challenges and uncertainties in overseeing and maintaining consistency and relevance within a CBE approach, which may fall outside their current scope or expertise. This could create a substantial administrative burden as boards work to provide guidance and clarity for candidates and employers navigating the requirements. Additionally, boards may find themselves in the difficult position of mediating disputes between candidates and employers, which would be especially challenging without clear guidance on

assessing competencies. Furthermore, if boards are expected to report on how each licensee met the licensure requirements under the CBE framework, this would add a considerable workload that many states may not be prepared or willing to manage.

### **Subjectivity is Insufficiently Addressed**

The proposed CBE Pathway offers some guidance to employers and candidates in defining competencies, but it lacks clear direction on how these competencies should be assessed. This raises concerns about the accuracy and consistency of the competency certification process, regardless of the number of example performance indicators provided.

While subjectivity and professional judgment are inherent in the current experience requirements, the structured approach of the CBE Pathway will amplify these risks. The proposal does not do enough to sufficiently address how to mitigate subjectivity to ensure fairness, accuracy, and consistency. For example, vague terms like “exhibited” and an open-ended list of performance indicators create unclear standards, leading to inconsistent application and potential biases.

Such inconsistencies could result in significant variations in how the CBE Pathway is interpreted and applied by candidates, CPA Evaluators, firms and boards of accountancy. This lack of clarity could create equity concerns for candidates, increased liability risks for employers when disputes arise regarding differing interpretations of competencies, and consumer protection concerns for state boards if they are unable to ensure consistency across all candidates.

### **Cost-Benefit Analysis and Consideration of Alternative Concepts**

We suggest a thorough evaluation of the full implications of the CBE concept, including the costs for profession leaders, candidates and regulators to implement, navigate and oversee it. This assessment should also measure how effectively the pathway alleviates pipeline challenges and enhances quality within the profession. When compared to other proposed licensure pathways—particularly those leveraging existing general experience requirements to address changes in education—a simpler and more straightforward pathway may prove more practical, easier to implement with minimal disruption and better suited to current needs. Lastly, we believe this assessment should remain dynamic. As the CBE model is refined and its complexities and implementation challenges are resolved, steps can be taken to incorporate a competency-based licensure pathway into the broader framework.

### **Recommended Approach**

We recommend pausing the implementation of the CBE model and related UAA language to revisit the NPAG’s recommendations, which advocate for a gradual transition toward a competency-based licensure framework. This phased approach would provide time for essential research, data collection and addressing logistical challenges. As part of this process, we suggest conducting a comprehensive practice analysis focused on experience licensure requirements to ensure the proposed competencies are both appropriate for licensure and aligned with public protection.

In the interim, efforts should prioritize simplifying, streamlining and improving accessibility using existing licensure concepts. Many states, including California, are already pursuing such changes, and AICPA and NASBA could play a vital role in coordinating these efforts to ensure consistency across jurisdictions. Small, practical updates to current experience requirements could help candidates and supervisors transition smoothly to future competency-based models. For example, defining how applicants demonstrate critical thinking and apply professional standards as they progress from basic to complex tasks, or showing growth from working under

supervision to working independently, could enhance the current system. These changes would maintain flexibility, support the move toward a competency-based approach and avoid the complexities of the current CBE proposal. It could also build positive momentum and help inform stakeholders as the profession evolves and builds towards a future-proof licensure model.

Additionally, we strongly support regular updates to the licensure framework to ensure its relevance and effectiveness. Licensing models should evolve through periodic reviews and updates to keep pace with changes in the profession and ensure consumer protection. Proactively modernizing the licensure framework will help address pipeline challenges before they escalate into critical issues, as we are currently experiencing.

### **Comments Specific to Proposed Revisions to the Uniform Accountancy Act**

We recognize the important role the UAA plays in serving as a guiding document for profession and regulatory stakeholders when establishing accountancy laws and regulations and promoting consistency across states. At the same time, we understand the UAA is intended as a set of model statutes, offering states reasonable flexibility to adapt provisions in a way that aligns with the spirit of the approach, even if they do not strictly adhere to the exact wording of its provisions. The UAA Committee's efforts to balance these priorities in advancing proposed language for an alternative licensure pathway and related changes to substantial equivalency and mobility provisions in Sections 5 and 23 are commendable and greatly appreciated.

We have significant concerns that some of the proposed language is overly restrictive, complex, unnecessary and inconsistent. We question whether the proposed changes effectively support efforts to modernize licensure and preserve critical mobility frameworks and we are also concerned about the process used to develop the proposed language and whether it accurately reflects the committee's true intent. While we support the goal of promoting uniformity across states, we cannot support the proposed changes as presented.

### **Process Concerns**

Profession stakeholders have long called for coordinated and meaningful nation-wide action to address the growing challenges in the CPA pipeline. However, progress has been slow, uncoordinated and lacking a clear national strategy. As a result, profession leaders have turned to state-specific initiatives to address pipeline issues at the local level.

As these state-level efforts gained momentum, national profession leaders rushed to develop and propose national solutions aimed at preserving uniformity across jurisdictions. Unfortunately, this hasty, top-down approach was advanced without full alignment or buy-in from UAA Committee members. The result has been a fragmented and disjointed process, with proposed UAA changes that fail to adequately reflect the needs of many profession and regulatory stakeholders. These proposals also fall short in implementing the necessary updates to modernize licensure and mobility frameworks meaningfully.

Addressing CPA pipeline and mobility challenges requires a collaborative, deliberate approach that values input from all stakeholders. We urge the UAA Committee, AICPA and NASBA leadership to carefully consider feedback from this exposure draft through a transparent process that incorporates the perspectives of their members and delivers a revised UAA proposal that better addresses the concerns raised by profession and regulator stakeholders.

### **Section 5—Qualifications for a Certificate as a Certified Public Accountant**

Regarding the proposed UAA language, we support the inclusion of licensure pathways that are not solely based on 150 semester units of education. However, we do not support the CBE

Pathway being the only accepted alternative to the 150-unit pathway, nor do we support embedding it directly into the UAA or state laws and regulations. We oppose delegating the development of the competency framework to a “national accounting organization.” While national organizations should provide concepts, best practices and guidance to promote consistency, the final authority to determine what is acceptable for a competency-based licensure pathway should rest solely with state boards of accountancy.

The language in Section 5 of the UAA should instead outline a broad and flexible licensure framework. It should focus on simple, clear definitions of the three E’s of CPA licensure—education, exam and experience—while providing enough flexibility for states to adopt pathways that best serve their unique stakeholders, candidates, academia and state boards. This approach is consistent with the current approaches to licensure as states already have varying degrees of nuances in licensing requirements that remain aligned with broad profession concepts. We recommend shifting from defined unit thresholds to academic degree completion, allowing more flexibility and preserving relevancy as academia explores options like 90-unit bachelor’s degrees.

### **Section 23—Substantial Equivalency**

We appreciate the recognition that maintaining mobility is crucial as the profession navigates licensure changes across states. However, the proposed UAA language misses an opportunity to decouple licensing requirements from the mobility framework, which could create a more flexible and resilient system capable of adapting to evolving licensure standards while enhancing public protection. Instead, the draft retains the current system based on “substantial equivalency,” tying mobility to licensure standards that match or are “equivalent to” 150 semester hours of education. This rigid approach limits flexibility for state boards considering alternative licensure pathways and fails to address the profession’s evolving needs.

This rigidity risks undermining seamless interstate practice by excluding states that adopt new licensure pathways not aligned with the narrow definition of substantial equivalency, thereby adding complexity and expense for licensees and state boards while hindering the development of a modern, adaptable licensure framework. The proposed mobility rules, while preserving access for CPAs licensed under the 150-hour requirement or earlier standards, exclude newer entrants unless they are from substantially equivalent states or undergo additional evaluations. This creates unnecessary complexity by requiring verification for CPAs from non-compliant states, potentially leading to tiers of licensure, unfairly penalizing states exploring alternative pathways, and complicating the process for licensees, candidates, consumers, and state boards.

Additionally, giving the National Qualification Appraisal Service (NQAS) authority over substantial equivalency determinations undermines the ability of state boards to manage no-notice mobility in their jurisdiction. States should have the option to use NQAS determinations as a resource, but should not be required to defer to them. Retaining this authority at the state level ensures flexibility and accountability in licensure and mobility decisions.

Instead, Section 23 should provide states with options for overseeing interstate CPA practice: a simplified substantial equivalency approach and an open/automatic mobility framework. No matter which approach a state chooses, the result is a streamlined mobility framework that supports interstate practice and adapts to changing licensure requirements.

The simplified substantial equivalency approach would let state boards assess whether another state’s licensure requirements broadly align with flexible licensure concepts. This holistic

assessment would help preserve mobility while allowing states to adapt their requirements without losing equivalency or causing disruptions. The open mobility approach, already in use by several states, would provide guidance for establishing a sound mobility program with appropriate consumer protection guardrails. Under this model, a CPA's ability to practice across state lines would depend on their licensure, regardless of the state or pathway. States would retain their autonomy and authority to exclude other states from open mobility if their licensure standards pose a consumer protection risk.

California is moving forward with an open mobility approach. This approach builds on strong consumer protection measures already in place, such as prenotification requirements for licensees with disqualifying conditions, clear jurisdiction over out-of-state CPAs, the ability to revoke or suspend practice privileges, and authority to remove no-notice mobility for CPAs from states that pose risks to California consumers. These safeguards ensure the California Board of Accountancy maintains oversight of accounting services provided to California consumers, regardless of where or how a CPA is licensed.

### **Conclusion**

The CPA profession exists to serve the public trust. To maintain and strengthen this trust, we need a robust CPA profession. This requires, in part, establishing licensure pathways that are simple, clear, and provide reasonable means for candidates to demonstrate the necessary level of competency for consumer protection. While fatigue, frustration, and impatience are understandable, settling for options that lack support, are impractical, or fail to meet our shared goals could harm the profession's long-term success.

Thank you for dedicating time, energy and resources to exploring alternative pathways to licensure and addressing the challenges in the CPA pipeline. These issues are complex and require coordinated efforts among stakeholders to implement a comprehensive strategy. While progress has been made, there are still many opportunities to advance meaningful and timely solutions. We are optimistic that through focused collaboration, we can achieve our shared goals and ensure the long-term success of the profession.

We appreciate your consideration of our comments and look forward to continuing to work together. Please don't hesitate to contact us with any questions.

Sincerely,



Denise LeDuc Froemming, CPA, CAE, MBA  
President & CEO  
California Society of CPAs & CalCPA Education Foundation



Matthew Martin, CPA  
2024-25 Chair  
California Society of CPAs

## Attachment 1: Responses to Specific Questions Posed by the Exposure Draft

### **1. Is the proposed pathway understandable?**

No. Significant questions remain about the proposed CBE Pathway, including how candidates would navigate it, how CPA firms would support it, how CPA evaluators would assess competencies and how regulators would validate completion. These uncertainties risk creating an overly complex and confusing process that could unintentionally become a barrier for aspiring CPAs.

### **2. Is the proposed framework relevant and applicable to the work of candidates applying for licensure?**

No. Licensing frameworks in California are rigorously evaluated to ensure they establish minimum competency for licensure without imposing unnecessary burdens or barriers to entry. While the CBE Pathway draws from existing competency frameworks that may support the development of aspiring CPAs, the proposal does not provide evidence or data to demonstrate that the proposed competencies are both suitable and necessary for licensure purposes. Without proper support to validate the necessity of the proposed CBE Pathway, it will be difficult to justify its use for licensure in California.

### **3. Does the framework sufficiently describe the competencies, performance indicators, and tasks you would expect?**

No. While the competency frameworks underlying the CBE Pathway may be valuable tools for academia and firm leaders to support aspiring CPAs' professional development and career preparation, the proposal lacks evidence or data showing they are suitable and necessary for licensure. Since the CBE Pathway is intended for licensure—not career development—we expected its competencies to be based on a practice analysis or similar assessment of the skills required for minimum entry into the profession.

### **4. Does the framework include sufficient example performance indicators and tasks to ensure adequate certification of the required competencies?**

There are concerns about the accuracy and clarity of the competency certification process, regardless of the number of example performance indicators. While subjectivity and professional judgment are accepted aspects of the current experience requirements, the structured approach proposed by the CBE Pathway could amplify these risks. The proposal does not adequately address how to manage subjectivity to ensure fairness and accuracy. For example, vague terms like "exhibited" and an open-ended list of performance indicators create ambiguous standards, which could lead to inconsistent application. This inconsistency could result in significant variations in how the CBE Pathway is interpreted and applied across candidates, CPA Evaluators, firms and state boards of accountancy.

### **5. Is it clear that the performance indicators and tasks are examples of what a candidate may do to exhibit the competencies, and that candidates may use different performance indicators or tasks to adequately exhibit the competencies?**

While it is clear that performance indicators and tasks are intended as examples rather than a finite list, it remains unclear how an open-ended list should be evaluated to determine if a competency is "adequately exhibited" for licensure.

**6. Component 1 discusses how the professional and technical competencies are related. Is it clear that the professional and the technical competencies must work in tandem?**

No. While the proposed CBE Pathway states that professional and technical competencies are “blended in practice,” “jointly applied” and that technical competencies are “exhibited in tandem with professional competencies,” it raises practical questions and could create uncertainty for CPA Evaluators and candidates. For example, can a single task demonstrate both technical and professional competencies? Can one task fulfill multiple competencies within the same category, such as ethical behavior, critical thinking and professional skepticism? How should a CPA Evaluator assign tasks to specific competencies, and how will consistency be ensured across evaluators, especially when comparing competency-based experience to general experience?

**7. Component 2 outlines the requirements for a CPA evaluator to certify candidate experience. Are these requirements sufficient?**

The high level of subjectivity and ambiguity in the process makes it difficult to assess whether the requirements for CPA evaluators to certify candidate experience are sufficient. Factors such as how firms and employers manage the challenges of dedicating resources, training and adapting systems for the CBE Pathway; how candidates handle the uncertainties of a new process as they attempt to exhibit competencies that may not align with their scope of work; and how CPA Evaluators interpret undefined terms and unclear procedures will all impact the quality of the competency certification process. These issues should be thoroughly addressed before deciding if the process is suitable for use in a licensure framework.

**8. Component 2(e) outlines a three-year certification requirement for CPA evaluators. Do you agree with this requirement? If not, why?**

No. The CBE Pathway requires CPA Evaluators to have three years of experience, while the UAA imposes no such requirement for certifying general accounting experience. The inconsistency across experience types creates unnecessary confusion and complexity without clear justification.

**9. Component 2(f) outlines a board of accountancy possible request when a CPA evaluator refuses to certify a qualified candidate’s competency to the board of accountancy. What does your board of accountancy require of licensees who refuse to certify a candidate’s work experience for general experience?**

In California, licensees who supervise an applicant’s general accounting experience are required to certify it. If a supervisor refuses to sign the accounting experience form, Board staff will notify them of their obligation. If the licensee still refuses or fails to submit the form, the Board may review the applicant’s work papers and ask the supervisor to justify their refusal. Persistent refusal could result in enforcement action.

**10. Component 3(b) proposes a maximum of five years to complete the Pathway. Should there be a maximum time frame?**

No. We support a more flexible approach with less restrictive time limits. In California, continuing education is required if accounting experience or exam scores are older than five years, allowing candidates to refresh their knowledge and skills while still recognizing older experience. This approach may be more accommodating for candidates while maintaining reasonable oversight.

**11. Component 3(c) proposes credit for prior work experience. Should there be a maximum time frame for this lookback period?**

We appreciate the effort to include past work experience for candidates from non-traditional routes. However, the CBE proposal lacks clarity on what qualifies as “sufficient evidence” or “sufficient exposure” for CPA Evaluators to certify prior competency-based experience. Without clear standards, this could cause confusion, inconsistent application and potentially give CPA Evaluators overly broad authority to certify a wide range of experiences that may not meet the intended criteria.

**12. What type of legislative support and time would state boards of accountancy need to implement the framework?**

None at this time. The California Board of Accountancy, supported by CalCPA and other stakeholders, is pursuing a legislative proposal that takes a different approach to adding flexibility to licensure requirements, accommodating diverse pathways into the profession. Acknowledging the ongoing national discussion on the CBE Pathway, the CBA's proposal includes flexibility for future adjustments to incorporate competency-based concepts if needed.

**13. What other types of support, administratively, would boards of accountancy, employers, and candidates need to implement the framework?**

None at this time. The California Board of Accountancy, supported by CalCPA and other stakeholders, is pursuing a legislative proposal that takes a different approach to adding flexibility to licensure requirements, accommodating diverse pathways into the profession. Acknowledging the ongoing national discussion on the CBE Pathway, the CBA's proposal includes flexibility for future adjustments to incorporate competency-based concepts if needed.

**14. If the Pathway is adopted, should NASBA create an electronic tracking system to automatically report completion of the CPA Competency-Based Experience Pathway to the boards of accountancy?**

We believe this consideration is premature until the fundamental questions about the proposed CBE Pathway are addressed. If a tracking system is intended to monitor licensing paths for mobility or the impact of states not adopting the Pathway, we address this in our comments specific to the proposed UAA changes.

**15. Would your board utilize a NASBA electronic tracking system if developed? If not, would your board create its own reporting mechanism?**

We believe this consideration is premature until the fundamental questions about the proposed CBE Pathway are addressed. If a tracking system is intended to monitor licensing paths for mobility or the impact of states not adopting the Pathway, we address this in our comments specific to the proposed UAA changes.

**16. Provide any other comments that you may have.**

Our detailed comments on the CBE Pathway proposal are included in our accompanying comment letter.



December 10, 2024

To: To AICPA and NASBA  
RE: September 30th, 2024 Exposure draft: Proposed Uniform Accountancy Act Changes

We appreciate the opportunity to review and respond to the Exposure Draft of the *Uniform Accountancy Act, Eighth Edition (January 2018)*, issued by AICPA and NASBA on September 30, 2024. The Uniform Accountancy Act (UAA) serves as foundational model legislation designed to foster consistency across all U.S. accounting jurisdictions. Its effectiveness and continued relevance hinge on securing the collective buy-in of diverse stakeholders and maintaining a transparent process for timely updating to respond to evolving needs.

In today's dynamic political landscape, striking a balance between public protection and workforce development is essential. Colorado lawmakers' recent support for interstate compacts that rely on agreement between states highlights the need for re-evaluating licensure standards and interstate practice privileges.

After careful review, we offer the following comments on the proposed changes:

## **Section 5 — Qualifications for a Certificate as a Certified Public Accountant**

### *Support for Alternative Pathways*

The Colorado Society of CPAs (COCPA) supports the exploration of additional pathways to CPA licensure and has provided detailed feedback on the proposed Competency-Based Experience Pathway Framework in a separate response. While we understand the urgency that led to the simultaneous release of both exposure drafts, our comments focus on the UAA language itself and may change depending on resolution to our concerns addressed about the Competency-Based Experience Pathway.

### *Reference to 150-Hours*

In the revised pathways, the reference to 150-credit hours should align with the intent to focus on degrees conferred rather than prescribed credit hours. Therefore, we do not support the language in pathway (A) as currently written. We recommend the following revision:

(A) a post baccalaureate degree ~~with a cumulative 150 semester credit hours~~, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or...

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For pathway (B), referencing a bachelor's degree and additional credits totaling 150 semester credit hours, we acknowledge that this reflects the current licensure model and concur that it should be maintained as a substantially equivalent pathway. However, we find the language of pathway (B) inconsistent with the communications by AICPA and NASBA, describing a pathway of a bachelor's degree with an additional 30 semester credit hours. In a possible future scenario where a bachelor's degree could be obtained with less than 120 credit hours, there could be confusion on whether the intent is to obtain an **additional** 30 semester credit hours or to obtain a **total** of 150 semester credit hours.

#### Competency-Based Experience vs. General Experience Delineation

We oppose requiring candidates who have demonstrated competency-based experience to complete an additional year of general experience. Instead, we recommend extending the minimum competency-based experience to two years and eliminating the general experience requirement. Requiring additional experience after a competency evaluation is both confusing for candidates and undermines the purpose of a competency-based framework. As such, we would recommend removal of Section 5(f)2(A) and (B).

#### Oversight for the Competency-Based Experience Framework

The ownership, oversight, and standard-setting body for the Competency-Based Experience Framework remains vague. Currently, the framework is described broadly as "*being developed by a national accounting organization and administered by Board rule*". This leaves room for divergent interpretations by individual boards, which could burden candidates and firms by creating inconsistent applications of the framework, making it impractical. The current language in Section 2(A) conflicts with the definitions as stated in Article 3. The COCPA supports one standard model for purposes of the UAA and encourages clear reference to an entity or to incorporate by reference the models broadly accepted.

### **Section 23 — Substantial Equivalency**

Substantial Equivalency has played a critical role in supporting interstate practice privileges for CPAs under mobility and its ties to determining reciprocity. As states evaluate alternative licensure pathways now and into the future, it is essential to preserve interstate practice privilege.



### National Individual Mobility Database

While we support efforts to preserve mobility even when state-level equivalency is questioned, we are concerned that using a national licensee database could create the perception of national/federal control, undermining state boards' authority to determine who may practice within their jurisdictions. Balancing uniformity with state autonomy is essential to maintaining the integrity of the licensure process.

Evaluating substantial equivalence through a national database introduces barriers, contrary to the intent of Colorado's HOUSE BILL 20-1326, Occupational Credential Portability Program, granting regulators, including the state board, the authority to define substantially equivalent experience or credentials to facilitate credential portability. In the bill, legislators emphasized the importance of reducing barriers, stating that "each regulator shall strive to reduce barriers for applicants under the occupational credential portability program...and shall adopt rules to implement the program in the least burdensome way necessary to protect the public." This directive underscores the need for streamlined processes that maintain public protection without imposing unnecessary obstacles.

### Support for Automatic Mobility

We favor a more simplified approach to a CPA's practice privilege across state lines, whereby a natural person is granted the privilege to perform, or offer to perform services, without notice to the state board of accountancy, or the payment of any fees if the individual holds a valid license in good standing as a certified public accountant issued by another state, territory of the United States or the District of Columbia, and in so doing, the person consents, as a condition of this privilege, to (a) the disciplinary authority of the state board of accountancy, and (b) comply with the laws and rules of the state.

Additionally, state boards must retain the ability and responsibility to reevaluate practice privileges if another state introduces licensure standards that could jeopardize public protection. This ensures that while mobility is supported, the state board of accountancy can continue to safeguard its primary responsibility of protecting the public through appropriate licensure rules.

Decoupling mobility practice privileges from the current definition of substantial equivalency, which is subject to the joint UAA committee's review process, enables state boards of accountancy to remain responsive and retain authority over all CPAs practicing in their jurisdictions.



This approach ensures that state boards are not limited to overseeing only those CPAs deemed substantially equivalent as currently defined in the UAA. If another jurisdiction adopts a licensure pathway that does not meet the criteria for substantial equivalency as defined by NQAS or the UAA, state boards could face enforcement challenges. Specifically, they may be forced to pursue CPAs not meeting substantial equivalency standards for unlicensed practice through the state attorney general, rather than addressing the specific infraction directly. This process would likely cause delays and risks to public protection.

### **Conclusion**

The COCPA has been an active participant in the ongoing discussion to address CPA pipeline concerns and is encouraged by the proposals from AICPA and NASBA to update the licensure model. We support the introduction of alternative pathways to licensure, including the exploration of a competency-based approach. However, as outlined in our separately issued comment letter on the Competency-Based Experience Pathway Exposure Draft, we have significant concerns about its current form and implementation.

We are also deeply concerned about the potential disruption to mobility for current and future licensees under the proposed UAA changes. This is why we strongly support the concept of individual mobility for all licensed CPAs.

We believe the most effective path forward is a nationally coordinated approach to introducing new licensure pathways through the UAA, one that garners broader stakeholder support to ensure successful adoption and implementation in Colorado and beyond. Given these concerns, we urge the Joint UAA Committee to revisit the proposed changes and incorporate additional revisions. Without meaningful progress on both the competency-based framework and mobility provisions, we may be compelled to explore and advocate for alternative solutions.

Sincerely,

A handwritten signature in black ink that reads "Alicia Gelinas".

Alicia Gelinas, CPA  
President & Chief Executive Officer  
On behalf of the Board of Directors of the Colorado Society of CPAs

November 22, 2024

AICPA/NASBA Joint Uniform Accountancy Act Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors  
Re: Competency-Based Experience Pathway Proposal & UAA Proposals

Dear Committee Members:

Thank you for the opportunity to comment on the CPA Competency-Based Experience Pathway exposure draft and the Uniform Accountancy Act proposals (UAA). On behalf of our nearly 20,000 members, we applaud the UAA, AICPA, and NASBA for taking proactive steps to address the pipeline challenges facing the CPA profession.

Florida has recently been named the No. 1 state in the country for both domestic migration and corporate migration. We have experienced historic levels of population growth both for individuals and businesses. The companies and clients that are moving to Florida need access to CPAs, and that includes CPAs that may be living and working virtually from their home state. The economic health of our state and the businesses that now call Florida home will depend on it. When coupled with the pipeline shortage facing our profession, we are at a crossroads.

We need solutions that will increase access, enhance the efficacy of our infrastructure, and modernize the license while upholding our standard. We cannot afford to put up unnecessary barriers to entry. In short, we cannot afford not to be a leader in this space.

It is for these reasons that the FICPA has endeavored to be a thoughtful partner in national discussions around pipeline solutions. We have also been listening. Listening to our members in public accounting and corporate finance. Listening to students and young CPAs. Listening to educators. Listening to the managing partners of firms across the state. With each conversation, we listened to their opinions on potential solutions, reviewed research and data, and discussed the risks. Between July 1 and Nov. 1, 2024, we met privately with 76 office managing partners representing the Big 4, G400 group, regional firms, and small firms. We have also conducted student focus groups, had joint meetings with the accounting program leadership of all major public and private universities in Florida, and held regional Town Halls with members from Jacksonville to Miami. These actions were the culmination of a multi-year effort to both educate our members on the issue at hand and capture their feedback. We have also launched creative solutions to address barriers to licensure, chief among them our Bridge to CPA program, which allows students to enroll in the MAcc program at an AACSB-accredited institution at no cost and

no debt to the student. Lastly, at each step along the way, we have had thoughtful dialogue with both our FICPA Board of Directors and the Florida Board of Accountancy.

The comments in this letter represent the official position of the FICPA after undergoing a thorough approach to considering solutions that can protect the financial health of our business community while upholding the quality of our license and streamlining our processes to eliminate unnecessary barriers.

#### COMPETENCY-BASED EXPERIENCE (CBE) PATHWAY PROPOSAL

We recognize that the CBE exposure draft is the culmination of work done in 2024 between NASBA's Professional Licensure Task Force and members of the National Pipeline Advisory Group and appreciate the many hours of volunteer effort that went in to creating such a model. We do, however, have concerns about the proposal.

1. The model was developed to be highly flexible but as a result has created a tremendous amount of subjectivity in the assessment process. There is a high risk for subjectivity of what constitutes proficiency amongst CPA verifiers at the same employer and subjectivity from employer to employer when assessing candidates.

In the absence of having the prescribed competencies delivered via an experiential-learning program assessed by an accredited college or university, we strongly encourage NASBA to seek a neutral and qualified third party to assess the candidate's skill proficiency and minimize the subjectivity and inherent bias that the proposed model will create. This third-party entity should have a rich background in assessing experiential-learning programs and have established mechanisms in place to measure competency mastery. The involvement of such an entity will also decrease the burden and potential liability for employers.

Florida employers in both public accounting and corporate finance have expressed concerns that this pathway could open them up for potential liability given the subjectivity and potential for inherent bias. Employers, particularly small firms, are also concerned about their ability to validate and prove how they determined skill proficiency if audited by the Board of Accountancy. In the absence of a robust performance-assessment system or a third party, validating these decisions if audited become difficult.

2. The model also adds more burden for employers by requiring them to adequately train, assess, and report the skill proficiency of their employees to the Florida Board of Accountancy against a defined regulatory standard (or lack thereof). Some Florida employers, specifically those working for the government, have questioned their ability

to even perform these duties given the limitations of the labor laws by which they are governed.

3. The model adds more regulation, as the state Boards of Accountancy will now regulate the soft skills included in the proposed professional competencies. Apart from ethical behavior, the Florida Board of Accountancy does not currently regulate CPA proficiency in things like teamwork and collaboration. The added reporting required will also add an additional layer of regulation and complexity.
4. Students have expressed concern that they will not be protected from potential unfair treatment, inaccurate assessment, or bias by their employer or CPA verifier. In a typical employer-employee relationship, if an employee has a concern about their supervisor, they can go to Human Resources or a similar entity to advocate for themselves. There is no such entity in this model, as the student would not be able to go to the regulatory board to request mediation should an internal-performance-assessment disagreement transpire between employer and employee.

Given the evolution of higher education, we are supportive of moving away from a defined number of credit hours and over to a degree-based prescription for the educational requirement for licensure. For example, we are supportive of requiring a master's degree – instead of 150 credit hours – for those seeking licensure through a postbaccalaureate pathway that is coupled with one year of experience and passage of the CPA exam.

The FICPA supports an additional pathway to licensure that includes bachelor's degree plus two years of experience. To access either the current pathway or this new pathway in Florida, candidates would need to pass the exam and obtain a minimum concentration in accounting or finance as prescribed by our Board of Accountancy. The Florida Board of Accountancy's Education Committee, which is comprised of university leaders from across the state, currently oversees the process for colleges and universities seeking to have classes approved for the accounting and business credits required for licensure today. We see no need to change this process. The Board can continue to ensure public protection by upholding the quality-assurance check of the core content that is most critical for licensure success.

**Currently, we are not in support of the proposed CBE pathway.**

We are also concerned that the development of this pathway was fast-tracked in response to a group of states introducing, or seeking to introduce, legislation to move to a 120+2 licensure model. We strongly oppose the development of any fast-track adoption for the purpose of slowing down other states. The development of a competency-based licensure pathway should be proactive and not reactive. To modernize the license, competency-based licensure should be rooted in a practice analysis that is developed and universally accepted by the profession before

the framing of a program model is crafted. While there are many examples of best-in-class competency models for licensed professions, we encourage AICPA and NASBA to review the analysis of practice project undertaken by the National Council of Architectural Registration Boards that informed the development of their competency-based licensure pathway. When done correctly, such proposals can be transformative for a profession.

With any new pathway that is added for licensure, we encourage NASBA and AICPA to track data around the efficacy of the pathway. Data points should include exam-passage rates and any increases or decreases in CPA exam-takers seeking licensure through the pathway.

### UAA PROPOSALS

The UAA plays an extremely vital role for the accounting profession in offering model legislation that can promote consistency amongst states and territories. The development process for this language must prioritize transparency and public protection. The process must also reflect a commitment to representing the positions of the constituent members of each national organization, which can be further captured through letters such as this.

Practice mobility – both inbound and outbound – is of paramount importance to the FICPA. Mobility does not just impact the national and regional firms in Florida. More than 80 percent of our member firms, with less than 50 employees, currently service clients in other states. As stated, the companies and clients that are moving to Florida also need immediate access to CPAs.

We can protect the financial health of our business community, while upholding the quality of our license and streamlining our processes to eliminate unnecessary barriers, by strengthening our mobility infrastructure.

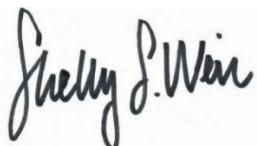
The FICPA supports enhanced mobility or automatic mobility. We also strongly support including the appropriate guardrails within that concept to protect the public. This proven concept strengthens our current interstate mobility system and ensures continued access to out-of-state CPA experts. In fact, we are only able to move forward with automatic mobility because of the foundational mobility pieces that have been put into place over the last 20 years. CPA mobility enabled trust between state boards, trust in the profession, and trust from the public. Twenty years was a good run – and now it is time to modernize. That modernization is automatic mobility. Four states have had automatic mobility in place for years and can speak to how it has streamlined the regulatory system for CPAs.

We must trust each other and this profession, and we must work collaboratively during this period of transition.

**FICPA is not in support of the proposed mobility solutions in the UAA exposure draft.** We are also not in support of deferring our state's substantial equivalency determinations to any national entity and strongly believe that Florida should make all decisions regarding what is best for the public in Florida.

Thank you for the hard work done to date. All comments in this letter are presented in the spirit of collaboration for what we believe is in the best interest of the profession and the public. Although we are not in support of the concepts presented in the exposure drafts, the FICPA stands ready to help foster productive dialogue as the profession enters this next phase in its history.

Sincerely,



Shelly Weir  
President & CEO  
Florida Institute of CPAs



Ed Duarte, CPA  
2024-2025 Chair  
Florida Institute of CPAs

CC: FICPA Board of Directors, FICPA State Legislative Policy Committee, Florida Board of Accountancy



# The Georgia Society of Certified Public Accountants

December 30, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership Board of Directors  
NASBA Leadership and Board of Directors

## **Response to the Joint AICPA/NASBA UAA Committee Exposure Draft**

On behalf of The Georgia Society of CPAs (GSCPA), we appreciate the opportunity to provide further feedback on the proposed amendments to the Uniform Accountancy Act (UAA) and related Model Rules. This response builds upon our previous comments submitted on December 5, 2024, regarding the Competency-Based Pathway (the Pathway).

### **1. Reaffirming Our Position - Issues with the Proposed Competency-Based Pathway**

While we commend the intent behind exploring additional licensure pathways, the proposed Competency-Based Pathway introduces unnecessary complexity and risks, including:

- **Misalignment with Needs:** The proposed pathway adds complexity without addressing financial and workforce challenges.
- **Administrative Burden:** Places unnecessary demands on firms and CPAs with unclear implementation for non-traditional candidates.
- **Ambiguity:** Relies on subjective assessments, raising fairness and consistency concerns.
- **Legislative Barriers:** Complexity makes it difficult to gain support in anti-regulatory environments like Georgia.
- **Employment Issues:** Employer-led evaluations risk conflicts of interest and ethical challenges.

### **2. Lack of Alignment with State Legislative Realities**

The proposed changes do not account for the ongoing legislative efforts in many states to introduce alternative pathways, such as a bachelor's degree and two years of general experience. By focusing narrowly on the Competency-Based Pathway, the proposal risks creating a disconnect with these state-level initiatives, making the UAA less adaptable to the current regulatory landscape.

### **3. Impact on Substantial Equivalency and Mobility**

The proposed changes to Section 23 regarding substantial equivalency tie licensure recognition to frameworks that may not be widely adopted. These changes risk disrupting practitioner mobility, a cornerstone of the CPA profession's adaptability. Ensuring seamless interstate mobility is critical to maintaining a competitive and collaborative environment for CPAs.

We strongly support automatic mobility, even if paired with certain guardrails, such as education, exam, or experience requirements, to ensure public protection while maintaining the



## The Georgia Society of Certified Public Accountants

seamless interstate practice of CPAs. Georgia's stakeholders recognize that mobility should not be contingent on a framework that may not gain universal adoption across jurisdictions.

### 4. Administrative and Financial Strain on State Boards

The proposed changes would place significant administrative and financial burdens on state boards of accountancy. These include managing subjective competency evaluations, overseeing new frameworks, and maintaining additional databases. This detracts from the boards' primary role of public protection and adds complexity to an already intricate process.

### Recommendations

To address these concerns, we urge the Joint UAA Committee to:

1. Specifically consider a bachelor's degree plus two years of experience pathway, which offers simplicity and accessibility while maintaining high standards.
2. Preserve and promote automatic mobility across all states and jurisdictions to avoid fragmentation of licensure recognition.
3. Ensure any proposed amendments align with existing state legislative trends and account for jurisdictional differences.
4. Prioritize reducing financial and administrative burdens on state boards, practitioners, and candidates.

### Conclusion

The GSCPA remains committed to supporting initiatives that advance the CPA profession while preserving its integrity and adaptability. However, the current proposal introduces unnecessary complexity and risks that could hinder these objectives. We respectfully request that the Joint UAA Committee reconsider the approach outlined in the Exposure Draft.

Thank you for your time and consideration. We look forward to continued collaboration on initiatives that both support the CPA profession and uphold the public trust.

Sincerely,

Kathryn Fletcher, CPA  
Chair, Board of Directors

Boyd E. Search, CAE  
President & CEO



Nov. 25, 2024

To: AICPA/NASBA Joint UAA Committee, AICPA Leadership and Board of Directors, NASBA Leadership and Board of Directors

From: Greater Washington Society of CPAs

RE: Exposure Drafts-CPA Competency-Based Experience Pathway and Uniform Accountancy Act

The Greater Washington Society of CPAs (GWSCPA) has reviewed the two related Exposure Drafts (ED) — *CPA Competency-Based Experience Pathway and Uniform Accountancy Act, Eighth Edition - January 2018* — issued by the AICPA and NASBA. The GWSCPA represents more than 3,000 members in the Washington, DC metropolitan area.

We appreciate the opportunity to comment on the two exposure drafts, and we commend the AICPA and NASBA for undertaking this endeavor. It is overall heartening to have this conversation about the existing 150 hour requirement finally be moving forward and we appreciate that attempting to align the entire profession around such a significant change has been a daunting task. However, we have significant concerns with the proposals, for the following reasons:

1. The proposal increases complexity and administrative burden for employers  
The competency-based experience adds unnecessary administrative burden and overhead for employers and boards of accountancy to manage the assessment/verification process.
2. The proposal introduces potential liability for employers  
The competency assessment presented is inherently subjective, introduces too much opportunity for bias and may expose employers to legal challenges resulting from these assessments.
3. The proposal increases complexity and confusion for candidates  
This additional pathway creates confusion for students by adding a complicated new pathway and an assessment that could jeopardize their potential licensure due to subjective factors.
4. The proposal disadvantages some employers  
The administrative requirements of this year of assessment will disadvantage small firms, industry or government agencies who may not be equipped to take on this additional burden.

As we are not in support of the competency based pathway proposal, we are also not in support of the proposed UAA revision that would enable this change.

We do support creating an additional pathway to licensure based on a Bachelor's degree and two years of experience. However, we are aligned with many other states in believing the best course of action for the profession is to enable licensure at Bachelor's degree plus two years of general work experience, as was the case for decades in the profession.

We additionally support the concept of "automatic mobility" as it exists in several states today and which several other states are pursuing. It is our intention to advocate for automatic mobility and a pathway at Bachelors plus two years of general experience in the District of Columbia and we hope that AICPA and NASBA will consider sifting to that approach as well.

Again, we appreciate the opportunity to comment on these proposals and look forward to working with you and the state level leadership of this profession to move forward together.

If I can answer any questions, please don't hesitate to contact me at 202-347-3050 or [kbedell@gwscpa.org](mailto:kbedell@gwscpa.org)

Sincerely,



Kari Bedell  
Executive Director

December 30, 2024

TO: AICPA/NASBA Joint UAA Committee, AICPA Leadership and Board of Directors, NASBA Leadership and Board of Directors

FROM: Iowa Society of CPAs Board of Directors

RE: Feedback on Proposed Uniform Accountancy Act Changes exposure draft

Thank you for the opportunity to provide feedback on the proposed changes to the Uniform Accountancy Act outlined in the UAA Exposure Draft. The Iowa Society of CPAs (ISCPA) represents over 4,000 CPAs and accounting professionals across public accounting, industry, government, and education. We are sharing the perspectives of our members on this critical issue, which carries significant implications for the accounting profession and aspiring CPAs.

First, we commend AICPA and NASBA for undertaking this comprehensive review of the CPA licensure process. The proposal reflects a clear understanding of the challenges facing the profession, particularly the need to expand the CPA pipeline, attract a broader pool of candidates, and remain competitive with other professions. These efforts are vital for sustaining the relevance and accessibility of the CPA designation.

However, we have concerns about updating the UAA Model Rule to include the Competency-Based Experience Pathway as an additional path to CPA licensure. As outlined in the ISCPA's feedback on the CPA Competency-Based Experience Pathway exposure draft submitted on December 6, 2024, our concerns center the potential for subjectivity and inconsistency, particularly in the role of the CPA Evaluator. Relying on the evaluator's "professional judgment" rather than clearly defined, measurable competencies could lead to inconsistencies in candidate assessments. These variations risk creating uneven standards for licensure, introducing ambiguity, and undermining trust in the process.

Additionally, firm-level incentives may inadvertently influence evaluators' decisions, compromising their objectivity. Without clear guidelines and accountability mechanisms, the framework could fail to ensure a reliable and equitable standard for qualifying CPA experience. For these reasons, we strongly urge a reevaluation of the competencies to establish a more effective, verifiable, and consistent measure of CPA experience.

As an advocate of the accounting profession, ISCPA is committed to licensure requirements that prioritize critical competencies for entry into the profession while avoiding undue subjectivity and burdens on candidates, firms, and state boards of accountancy (SBOAs).

Through extensive information-gathering efforts, ISCPA has identified an overwhelming majority support for an alternative pathway based on the following:

- Completion of a baccalaureate degree – with 120 semester hours (or the trimester/quarter equivalent) and the required accounting and business concentration.
- Completion of two years of general accounting work experience.
- Passage of the Uniform CPA Exam.

We believe such a pathway offers a practical, transparent, and equitable solution that addresses many concerns raised by the pipeline crisis. It reduces barriers to entry, alleviates cost and time burdens for candidates, and ensures that CPA candidates acquire essential competencies while supporting the profession's growth.

Furthermore, we are concerned that the proposed framework and the UAA updates omit automatic mobility. With appropriate guardrails —such as education, experience, and the CPA Exam—automatic mobility would strengthen the foundation for CPA licensure while minimizing the risk of disruption. It would also ensure that boards of accountancy maintain jurisdiction over complaints involving CPAs practicing under licenses issued by other states. Given its importance for public protection, we are surprised and disappointed by its exclusion.

ISCPA supports efforts to explore alternative pathways to CPA licensure, recognizing their importance in expanding the talent pipeline and addressing the profession's long-term needs.

Thank you for considering this feedback.

We look forward to ongoing updates on the exposure drafts and appreciate the opportunity to contribute to this important discussion.

Sincerely,



Erik Bonstrom  
Board Chair  
Iowa Society of CPAs



Ardis Kelley  
Interim CEO  
Iowa Society of CPAs



November 24, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

The Indiana CPA Society (INCPAS) appreciates the opportunity to provide comments on the proposed amendments to the Uniform Accountancy Act (UAA) as issued in the September 30, 2024, Exposure Draft. INCPAS recognizes the importance of modernizing the CPA licensure process to address the talent pipeline challenges while maintaining the high standards of the profession and public trust.

After nearly two years of internal discussion and debate, our board of directors and government relations advisory council (GRAC) agree: additional pathways to licensure should be pursued and validated. These varied pathways, so long as they include analogous combinations of education from an accredited college/university, professional experience, and uniform examination, help remove unnecessary barriers.

At the same time, we believe that we must avoid, when at all possible, adding unnecessary barriers that don't add value for the candidate, profession or public. It is these positions that shaped our comments. While the concept of a competency-based education (CBE) pathway has potential, the proposed CBE Pathway raises significant concerns:

- **Complexity and Accessibility:** The pathway introduces additional complexity, which may confuse candidates and deter participation. Research shows navigating the pathway to licensure is already a huge barrier for candidates considering pursuing a CPA. Current complexity would be further exacerbated by the proposed CBE pathway. In addition to the vague, checkbox attestation that fails to meet common CBE standards; the fact that the requirement only applies to one of three candidate scenarios, will be difficult to explain. This inconsistency creates confusion and a needless barrier for candidates as they navigate licensure options. Such complexity undermines efforts to broaden the pathways to licensure and is particularly problematic as the profession competes with other career opportunities for talent. A streamlined and clear pathway is critical for enhancing access and reducing candidate attrition.

- **Subjectivity and Consistency:** Evaluating subjective competencies such as ethical behavior and teamwork introduces variability, which can undermine the reliability and fairness of licensure decisions. CBE is typically designed to rely on clear, outcome-focused standards with well-defined performance indicators. However, the proposed pathway lacks the structured and measurable approach that is usually associated with CBE frameworks.
- **Administrative Burden: Administrative Burden and Evaluator Challenges:** The proposed pathway adds significant new responsibilities for boards of accountancy and CPA evaluators, making implementation difficult without major investments in resources and training. Boards would need to create and manage new systems to evaluate competencies, train evaluators consistently, and ensure they have enough staff and tools to oversee the process. This would require a lot of time, money, and effort to get right.

CPA evaluators face challenges under this system. Assessing subjective qualities like ethical behavior and teamwork is difficult because these areas are hard to measure consistently and fairly. Evaluators have shared concerns about being held responsible if a candidate they approve later acts unethically, which could harm the evaluator's reputation. These concerns could discourage evaluators from participating and make the system less reliable.

A more robust dialogue on this subject lies in our response to the pathway's exposure draft attached to this submission.

INCPAS recommends following an analogous approach across the proposed pathways. We believe a simplified approach—**a bachelor's degree, two years of professional experience, and passing the CPA Exam**—would meet the needs of the profession while also protecting the public interest. This approach would ensure clarity, accessibility, and—most importantly—consistency across jurisdictions.

We are particularly concerned that the UAA proposal falls short in addressing the critical issues outlined in Section 23. The current UAA links substantial equivalency with both mobility and reciprocity, and the proposed amendments suggest maintaining that connection. While we would support the many calling for automatic mobility, we believe this is only a partial solution to the issues at hand. Universal mobility addresses the ability of CPAs to serve clients across state lines without obtaining additional licenses, but it does not resolve the challenges tied to reciprocity.

Reciprocity—the ability to relocate and obtain a license in another state—would still depend on the proposed definition of substantial equivalency, which raises concerns about fairness, consistency,

and administrative burden. The language in this exposure draft would, we fear, create barriers for licensees from a jurisdiction that has adopted alternative licensure pathways, such as our proposed pathway of a baccalaureate degree, two years of professional experience, and passage of the CPA Exam. These candidates would face additional evaluations to prove they meet substantial equivalency, even if they were originally licensed under similar pathways. This inconsistency undermines equity and creates unnecessary complexity.

Further, we oppose including the National Qualification Appraisal Service (NQAS) in model rules or legislation. NQAS is a service provider, not a regulator, and delegating regulatory authority to NQAS dilutes the power and accountability of state boards of accountancy. The inclusion of NQAS risks creating a fragmented system where regulatory decisions are outsourced, rather than being made by the entities directly responsible for public protection.

To address these concerns, we recommend decoupling mobility from substantial equivalency and adopting universal mobility language that allows CPAs in good standing to practice across jurisdictions without additional licensure requirements. For reciprocity, we urge reconsideration of the proposed definition of substantial equivalency to ensure fairness, simplicity, and alignment with the evolving needs of the profession. By taking these steps, the UAA can modernize the licensure framework while addressing the challenges of both mobility and reciprocity in a balanced and equitable manner.

INCPAS is committed to collaborating with NASBA, AICPA, and state boards of accountancy to facilitate necessary changes, ensuring that the UAA continues to serve as a relevant and effective framework for the regulation of the profession.

We thank the Joint UAA Committee for the opportunity to provide feedback and look forward to continued collaboration to strengthen the CPA profession.

Sincerely,



Courtney Kincaid, CAE  
President & CEO



Kyle Simmerman, CPA  
INCPAS Board Chair



Kentucky Society  
Certified Public Accountants

December 29, 2024

Thomas Neill, CPA, Chair, AICPA UAA Committee  
American Institute of CPAs  
1345 Sixth Avenue, 17<sup>th</sup> Floor  
New York, NY 10105

Nicola Nielon, CPA, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

**Subject:** Response to the UAA Exposure Draft dated 9-30-2024

Dear Chairs Neill and Nielon:

On behalf of the Kentucky Society of CPAs, I appreciate the opportunity to comment on the recent Uniform Accountancy Act (UAA) Exposure Draft.

While we commend the efforts of NASBA and the AICPA to address challenges in the CPA profession, including pipeline issues and the need for modernized pathways, we do not support the current draft due to significant concerns related to **Section 5 (Qualifications for Licensure)** and **Section 23 (Substantial Equivalency and Mobility)**. These proposed changes could unintentionally limit flexibility for states, increase regulatory complexity, and undermine public confidence in the CPA profession.

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#### **Section 5 – Qualifications for Licensure**

We recognize the need to explore alternative pathways to licensure to address CPA pipeline challenges. However, the proposed competency-based experience pathway risks creating more complexity and reducing state flexibility in adapting licensure requirements to local needs.

#### **Concerns:**

- The competency-based experience pathway, as currently defined, will pose undue burdens on employers and CPA candidates as the process is complicated, cumbersome, and very subjective.

- Feedback from our members indicates that there could be a potential liability for CPA Evaluators as the competency components are subjective and difficult to standardize. There is also concern that a CPA Evaluator will bring their own unconscious biases when evaluating a CPA candidate.
- Introducing a competency-based framework without clear criteria risks inconsistent application among the states and confusion for candidates, state boards, and employers.

**Recommendation:**

We recommend amending Section 5 to retain the UAA's traditional structure. This approach would prescribe general licensure requirements while allowing states to determine details through state board rules;

- bachelor's degree, two years of general experience, and passage of the CPA Exam
- masters degree, one year of general experience, and passage of the CPA Exam

This approach balances innovation, preserves the UAA's evergreen nature, and respects the autonomy of state boards.

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## Section 23 – Substantial Equivalency and Mobility

The proposed changes to Section 23 present serious challenges to CPA mobility, substantial equivalency, and the autonomy of state boards.

**Concerns:**

● **Mobility Framework:**

- The exposure draft does not consider language being proposed in many jurisdictions that would enable a person to meet education requirements with a bachelor's degree plus two years' experience as determined by board rule.
- We have concerns about the disconnect between what is being proposed in the UAA model laws and rules and what many states are currently developing for proposed legislation regarding automatic mobility. **To address these concerns, we recommend decoupling mobility from substantial equivalency and adopting universal mobility language that allows CPAs in good standing to practice across jurisdictions without additional licensure requirements.**
- Mobility should be simple and based on the principle that "CPA = CPA," allowing CPAs in good standing to practice freely without additional verification requirements.

- **Substantial Equivalency:**

- The proposed reliance on external verification through the National Qualification Appraisal Service (NQAS) diminishes the role of state boards and creates unnecessary layers of bureaucracy. The criteria NQAS could use for making determinations on substantial equivalency is not in the model language, which results in too much subjectivity.
- Using databases like ALD and CPAVerify to assess substantial equivalency risks stigmatizing CPAs from states with different pathways, effectively creating multiple classes of licensees. This contradicts the profession's principle that "CPA equals CPA."

- **State Board Autonomy:**

- The exposure draft limits state boards' ability to independently determine substantial equivalency. State boards are best positioned to oversee licensure and discipline within their jurisdictions, and any model language should reinforce their authority, not diminish it.

**Recommendation:**

We urge NASBA to preserve flexibility by maintaining broad licensure requirements, such as the requirements outlined above, while allowing state boards to define additional pathways via rulemaking. **We recommend adopting automatic mobility ensuring CPA = CPA.** This approach balances innovation with state autonomy, ensuring the UAA remains adaptable to the diverse needs of jurisdictions. Additionally, references to NQAS should be removed to maintain trust in state-issued licenses and avoid unnecessary bureaucracy. This will preserve state boards' authority to regulate and discipline licensees.

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**Conclusion**

While we commend NASBA and AICPA for addressing the profession's challenges, the current UAA Exposure Draft risks creating unnecessary complexities that could hinder state flexibility and mobility. Kentucky supports the profession's continued evolution but urges NASBA to adopt a more measured approach that builds on proven frameworks and respects state boards' autonomy.

Sincerely,



Darlene Zibart, CPA  
President & CEO  
Kentucky Society of CPAs



December 17, 2024

To: Thomas Neill, CPA, Chair, AICPA UAA Committee  
Nicola Neilon, CPA, Chair, NASBA UAA Committee

**Re: Comments on Proposed Revisions to the Uniform Accountancy Act (UAA)**

On behalf of the Maryland Association of CPAs, we appreciate the opportunity to provide feedback on the proposed amendments to the Uniform Accountancy Act (UAA). We commend the efforts of AICPA and NASBA in addressing the evolving needs of the CPA profession and ensuring its continued relevance and integrity. However, after a thorough review of the exposure draft and related discussions, we have identified several concerns and recommendations for your consideration.

**Competency-Based Experience Pathway (Section 5)**

While we acknowledge the intent behind introducing a Competency-Based Experience Pathway, we find that it presents significant challenges:

**1. Overly Complex Framework:**

While the pathway is conceptually understandable, the detailed execution introduces unnecessary complexity.

**2. Misalignment of Competencies:**

We believe the proposed competencies are more aligned with senior-level roles rather than early-career professionals.

**3. Challenges with the CPA Evaluator Role:**

The requirements for CPA Evaluators, including liability concerns associated with "certifying" competencies, are excessively burdensome and may deter participation by both candidates and those that support them.

**4. Scope and Relevance of Technical Competencies:**

The current focus on audit, tax, and financial reporting is too narrow and does not reflect the full scope of the CPA profession or the CPA Evolution initiative.

**5. Administrative and Legislative Implications:**

Implementing the framework will require significant administrative support.

**Substantial Equivalency and Mobility (Section 23)**

Mobility is a cornerstone of the CPA profession, enabling professionals to serve clients seamlessly across state lines. However, the proposed amendments to Section 23 could inadvertently undermine this principle.

1. **Automatic Mobility:** We strongly support adopting automatic mobility with a guardrail to ensure CPAs have passed the uniform CPA exam and are in good standing. This approach reduces administrative complexity while maintaining public protection.
2. **Opposition to National Database:** Relying on a national database to verify licensure raises privacy, reliability, and constitutional concerns. State boards should retain primary oversight authority to safeguard public interest.
3. **Grace Period for Implementation:** A transition period for states to align their statutes and rules with mobility changes is critical to minimize disruption.

We appreciate the opportunity to engage in this discussion about the future of CPA licensure. By focusing on flexible and forward-looking policies, we can collectively strengthen the profession while maintaining the high standards that underpin public trust.

We look forward to collaborating with AICPA, NASBA, and other stakeholders to implement a balanced and effective solution.

Sincerely,



Rebekah Olson, CPA, CEO  
Maryland Association of CPAs

December 23, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

**RE: Proposed Changes to Section 23 of the Uniform Accountancy Act (UAA) Eighth Edition - January 2018, issued by the AICPA and NASBA on Sept. 20, 2024**

The Michigan Association of CPAs (MICPA) appreciates the opportunity to provide comments on the Exposure Draft titled Substantial Equivalency.

Established in 1901, the MICPA is the leading statewide professional organization dedicated to promoting and enhancing the value of the CPA and accounting profession. Serving more than 17,000 members residing or practicing in Michigan, the MICPA provides its members with unique opportunities to learn, connect and grow, serving as trusted advisors of the highest professional and ethical standards.

It is the MICPA's position that the proposed changes to substantial equivalency would negatively impact CPA mobility, and create a complex, tiered licensing structure that hinders pipeline growth. Our key concerns are as follows:

- The Exposure Draft does not adopt automatic mobility. This creates a significant new barrier to the cross-border practice environment which has been enjoyed by states and CPAs alike. The Draft language does not acknowledge the four jurisdictions (Alabama, Nebraska, Nevada and North Carolina) that have automatic mobility provisions in their current statute which remove barriers to practice in each state.
- To date, several states have expressed their intent to introduce legislation to amend their current licensure pathways and adopt automatic mobility, with a few who have already done so. Should any of these bills pass, newer CPAs from non-substantially equivalent states would need to verify with NASBA (which administers NQAS) that they meet substantial equivalency requirements. Given that NASBA is not a regulatory entity, it is inappropriate to grant them authority similar to that of licensing and regulatory agencies and/or state boards of accountancy.
- NASBA's proposed "national licensee database" would note how and where a license was obtained. This could result in a tiered system that confuses clients and employers about CPA qualifications across states. It may also create an administrative burden for regulatory agencies who would need to integrate this new process into their established framework.

The CPA profession is at a critical juncture; immediate, collective action is essential to addressing the talent shortage within the pipeline. The MICPA is committed to working collaboratively with the AICPA and NASBA to find solutions that address the challenges we currently face while advancing the CPA profession.

If the MICPA can be of any further assistance, please reach out to me at [bdoyle@micpa.org](mailto:bdoyle@micpa.org) or 248.267.3730. Thank you for considering our concerns and perspectives.

Sincerely,



Bob Doyle  
President & CEO  
Michigan Association of CPAs

November 15, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

The Minnesota Society of CPAs (MNCPA) appreciates the opportunity to provide comments on proposed amendments to the Uniform Accountancy Act (UAA), issued Sept. 30, 2024. The MNCPA represents more than 7,000 CPAs working in public accounting, industry, government and education.

We appreciate that NASBA and the AICPA acknowledged the need for an additional pathway and shifted their position to broadening the pathways to CPA licensure. Given the vital importance of CPAs in building trust and supporting business growth leading to vibrant communities, a lack of CPAs is a crisis. We also recognize the value of the regulatory role in establishing CPAs as trusted advisers.

The CPA exam is the most consistent requirement across all jurisdictions to become a CPA. Education and experience are equally important, but these requirements vary by state. We support the requirement for candidates to earn a bachelor's degree with a concentration in accounting or equivalent as determined by board rule. This provides a solid foundation for passing the CPA exam.

We also agree that experience is a vital component of licensure. CPAs work across all sectors of our economy, which provides a diverse range of opportunities to gain experience. In all of these sectors, systems are in place to review employee performance and provide feedback and coaching to develop future CPAs. Performance is assessed on both technical and nontechnical skills.

Licensure requirements are designed as an entry point. They set a minimum standard, and changes should not add complexity for regulators, candidates or employers.

We do not support the proposed competency-based framework for the following reasons:

1. The competency-based experience duplicates existing employee review systems and adds unnecessary administrative overhead for employers and boards of accountancy.
2. The requirement only applies to one of three candidate scenarios. This adds complexity for candidates in making a licensing path decision adding a needless barrier. This is especially true as we compete with other career options available

to candidates. This is counterproductive to the goal of broadening the pathways to licensure.

3. There is no evidence to support that the competency-based requirement will result in better candidate outcomes compared to the alternative of a two-year general experience requirement. Systems to support the requirement will require a significant ongoing investment not to mention the initial challenges that will come with implementation.
4. The competencies identified in the framework — critical thinking, teamwork, communication — are highly subjective, context sensitive, difficult to standardize and assessments are easily influenced by evaluator bias. This type of assessment as a licensure requirement creates liability concerns and challenges to its perceived fairness.

Modernizing the requirements to become a CPA is critical to remaining a top career choice and attracts a diverse range of talented individuals from all backgrounds. This will not only strengthen the profession but also better reflect and serve our increasingly diverse society.

As noted in the proposal, the key challenge to licensure changes is mobility as it is currently determined. To resolve the mobility challenge, we support automatic mobility with guardrails related to the CPA exam, education and experience to ensure minimum requirements making mobility less vulnerable to disruption while maintaining strong public protection.

Automatic mobility provides jurisdiction to boards of accountancy when a CPA is practicing in their state, which is fundamental to serving as a regulator protecting the public and the CPA's role a trusted financial adviser. It significantly reduces complexity for regulators, CPAs, clients and employers in determining if they have practice privileges. In a digital world, with the common practice of remote work, automatic mobility facilitates the delivery of CPA expertise to large, small, urban and rural communities.

Four states have operated under automatic mobility for multiple years, which is a natural experiment demonstrating that it works. Boards of accountancy executive directors from these states have publicly supported the adoption of automatic mobility.

We support the following amendments to the UAA:

1. Allow the following paths to CPA licensure:
  - a. Bachelor's degree plus two years of general professional experience.  
*(New)*
  - b. Master's degree plus one year of general professional experience.  
*(New)*

- c. 150 college credit plus one year of general professional experience.  
*(Existing)*
- 2. Adopt automatic mobility as the standard for practice privileges with guardrails related to education, CPA exam and experience.
- 3. Allow an adoption period where states maintain mobility while changes are made to statutes and rules modify licensure requirements. We recommend a grace period through Jan. 1, 2030, given the legislative and rule process that govern the processes each state must navigate.

The timing to make these changes is urgent with the ongoing decline in high school graduation sizes. Adopting automatic mobility is forward-thinking and positions the profession to remain a trusted adviser. A grace period ensures CPAs will continue to provide valuable services without the distraction of mobility disruption, which leaders within the profession have the ability to avoid.

Thank you for your consideration. We look forward to a CPA licensure model that meets the needs of CPA candidates, the clients and businesses the profession serves and the public.

Respectfully,



Boz Bostrom  
Board Chair  
Minnesota Society of CPAs



Linda Wedul  
President & CEO  
Minnesota Society of CPAs

December 23, 2024

TO: AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

FROM: MOPCA's Blue Ribbon Committee on Alternative Licensure Pathways

RE: Proposed Amendments to the Uniform Accountancy Act

On behalf of the Missouri Society of CPAs' (MOPCA) Board of Directors and 8,500+ members, we appreciate the opportunity to respond to matters in the Proposed Amendments to the Uniform Accountancy Act. Our committee consists of MOPCA members from public accounting and private companies of all sizes, educators, a past AICPA Chair, and a founding member of the AICPA's/AAA's Pathways Commission. Our input is based on feedback gleaned across Missouri from firm partners, accounting program leaders, young professionals, and those who hold leadership roles in related national profession organizations. This proposal is of significant importance to our profession, and we are committed to providing thoughtful and constructive feedback, and to supporting a national, collaborative solution to reducing barriers to entry into the profession.

We recognize the significant time and effort the UAA Committee, AICPA, NASBA, and volunteers have dedicated to evaluating pathways to CPA licensure and mobility frameworks. However, we have strong concerns about the proposed competency-based experience pathway and related changes to substantial equivalency and mobility provisions in UAA Sections 5 and 23, respectively.

### **Section 5: Qualifications for a Certificate as a Certified Public Accountant**

While we understand and appreciate the intent behind introducing flexibility in CPA licensure pathways, we do not support embedding the competency-based experience (CBE) pathway into the UAA. The following key concerns underlie our position:

1. **Burdensome for Candidates and Employers:** The proposed competency-based pathway would introduce a complex, costly, and administratively burdensome process for candidates, employers, and CPA supervisors. For smaller firms and companies, the supervisory expectations could exacerbate existing challenges in supporting CPA candidates, further reducing access to licensure opportunities.
2. **Lack of Practical Application:** Many CPA stakeholders have expressed liability concerns related to attesting to candidates' competencies in the proposed areas. Additionally, the approach does not address an identified problem—as disciplinary cases do not suggest that general experience requirements are failing to uphold public protection.
3. **The Role of State Boards:** The competency framework's development should not be delegated to a "national accounting organization." Final authority should remain with state boards of accountancy, allowing states to tailor pathways that meet their unique needs. NASBA is a trade association operating for the benefit of its 55 jurisdictional members. It is not a regulator, and it is not a standard setter.

Instead of embedding the competency-based pathway, we strongly encourage the UAA to provide for clear, practical licensure pathways that focuses on education, exam and experience, that ensure candidate preparedness, and allow for state-level flexibility to best serve their stakeholders.

### **Section 23: Substantial Equivalency and Mobility**

Maintaining interstate mobility is crucial for the CPA profession, and we are committed to preserving the practice. However, the current proposal doesn't address the realities of today's regulatory environment. Key concerns include:

- **Outdated Substantial Equivalency Framework:** Tying mobility to the rigid definition of "substantial equivalency" based on 150 credit hours limits flexibility for states pursuing alternative licensure pathways. This approach risks complicating mobility for newer CPAs and undermining efforts to modernize CPA requirements.
- **Preserving State Board Authority:** The proposed authority for the National Qualification Appraisal Service (NQAS) to determine substantial equivalency undermines the autonomy of state boards. While NQAS can serve as a resource, state boards must retain the authority to assess mobility frameworks within their jurisdictions.

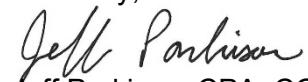
### **Conclusion**

The UAA serves a critical role in promoting consistency across state accountancy laws. However, we believe the current proposals are overly restrictive, complex, and unsupported by sufficient evidence to justify their adoption. Our Committee is currently considering the numerous proposals being put forward and assessing what is best for Missouri CPAs, firms and industry employers. We would be happy to meet with AICPA and NASBA leadership to answer any questions and to elaborate on our research and insights.

We know that the major player organizations get together for periodic summit meetings. The MOCPA leadership recommends that as soon as possible, the CEO leaders of the AAA, AACSB, and the relatively new leaders at NASBA and AICPA get together to discuss and address their common, significant issues facing each of their organizations and our broad profession. MOCPA will be pleased to host that summit meeting and provide agenda items.

We appreciate the opportunity to share our perspective and remain committed to supporting the development of a UAA that reflects the evolving needs of the profession while upholding the public trust. We look forward to continued collaboration with the UAA Committee, AICPA, NASBA, and other stakeholders to advance meaningful solutions.

Sincerely,

  
Jeff Parkison, CPA, CGMA  
Chair, MOCPA's Blue Ribbon Committee on Alternative Licensure Pathways  
2023-2024 MOCPA Board Chair

To: AICPA/NASBA Joint UAA Committee  
From: Montana Society of CPAs (MTCPA / Society)  
Regarding: UAA Exposure Draft

Thank you for the opportunity to submit our thoughts. Our comments will cover both the proposed competency model and proposed changes to the Uniform Accountancy Act. While the exposure drafts are separate, their implied intent is to work hand and glove to create a new pathway to CPA licensure and to protect CPA license mobility.

## Uniform Accountancy Act Exposure Draft

### Section 5

In section (c)(1) an update is made to allow candidates to apply to sit for the exam with a baccalaureate degree instead of 150 hours. This change recognizes the current law in most states and on its own would be a valuable change.

Our concern centers on creating an efficient and effective environment for candidates to navigate the process. We know from research that candidates perform best when they can sit for the exam immediately following the completion of the relevant coursework. Many master's programs, including those in Montana, accomplish this through block scheduling their students to take the parts of the exam following the courses that relate to those sections. If we create a pathway to licensure that does not include post baccalaureate hours, candidates will not have an opportunity to sit for the exam until they have completed all their education. Additionally, the requirement to have education completed prior to sitting for the exam and then again for licensure creates additional work for candidates and state boards while providing little, if any value.

Our recommendation is to eliminate any prerequisites to sit for the CPA Exam. This creates flexibility for candidates who learn in different ways to be able to prove their knowledge when they feel most confident. The existence of significant fees and the CPA Exam window provide adequate hurdles to prevent candidates from starting the process too early. Streamlining the application process will also save time for both candidates and state boards.

Section (c)(2) outlines three educational pathways to licensure. Options A and B mirror the current pathway and option C creates a new pathway.

Our concerns with this section are focused on adding complexity and having overly wordy language that is not necessary. Specifically, options A and B feel redundant. We are not aware of a circumstance where a candidate could fulfill option A without also fulfilling option B. If the

requirement is 150 semester credit hours, then why specify that candidates can have either a post baccalaureate degree or not? Many state legislatures are pushing for less regulation and language like this draws unwanted attention. While we feel this attention is misguided, we should not ignore the potential issues created by having unnecessary language. Having two options performing the same function also creates confusion for candidates.

Our recommendation is to remove option A from this section.

Section (f) outlines the experience requirements for licensure. This section creates the new category of competency-based experience and explains the two types of experience and their relationships to the pathways outlined in section (c)(2).

Our concern with this section is complexity with little to no value being added. Specifically, if candidates using the new competency pathway are required to have two years of experience including one where they are meeting specific competencies, why create two types of experience for these candidates. Candidates will not be able to earn their license until they have two years of experience and fulfilled specific competencies. Arbitrarily defining each year differently provides little value and could create pressure for candidates if they are not completing the competencies in their first year.

We have a fundamental question related to the role that experience plays in the licensure process. If there are skills and competencies that are best learned and evaluated by an employer, should all candidates be required to demonstrate those competencies to an employer to earn licensure? The proposal appears to create an equivalency between earning a post baccalaureate degree and demonstrating a list of competencies. The competencies in the proposal cover both technical and non-technical subjects. For candidates who earn a post baccalaureate degree in a technical field, should employers verify the candidate has the non-technical competencies?

Our recommendation is to invest time in re-thinking how the experience requirement is applied to all candidates. The initial licensure process should recognize the variation in how competencies are best taught and in how different candidates learn. This points towards a fully competency-based model where candidates can obtain competency through education or experience. Applying competencies verification from an employer to all candidates could set the stage for future adoption of a fully competency-based model.

## Section 23

Section (a) outlines the process for licensees to earn practice privilege.

Our first concern with this section is that it is overly prescriptive in defining the tools to be used by state boards to perform this task. Fundamentally, state accountancy law should be defining the state board's responsibilities. This section references the NASBA National Qualifications Appraisal Service and a national database. While each of these is a valuable resource for state boards to fulfil their responsibilities, we feel it is unnecessarily constrictive to list them in law.

Our recommendation is to remove reference to specific tools or resources and simply communicate the responsibility of the state board.

Our second concern with this section is the complication created by trying to navigate an environment where pathways to licensure evolve over time. We understand that some jurisdictions will be

pursuing pathways that do not align with the UAA but could mirror historic pathways. Language in this section references individuals being evaluated based on the laws and rules in place at the time of licensure. To navigate this added complexity a new database is proposed to capture this data.

When substantial equivalency was initially created, the profession was converging to a common solution. In that environment, having a very specific definition worked to ensure states adopted very similar language. The state of the profession today is expanding towards multiple solutions. In an environment like this a less specific definition of substantial equivalence could allow the profession to continue to easily provide service across state lines, while also protecting the public.

Our recommendation is to revise how substantial equivalency is determined and replace the specific language with a set of guardrails that define what is acceptable. Keeping those guardrails as broad as possible allows for controlled variation as the profession adapts to a different environment.

## CPA Competency-Based Experience Pathway

Below are responses to the specific questions asked along with some general comments.

### Question 1: Is the proposed Pathway understandable?

Yes, the concept is understandable.

### Question 2: Is the proposed framework relevant and applicable to the work of candidates applying for licensure?

Yes, we shared the competencies with members and the response was that the listed items are relevant and would indicate what makes a newly licensed professional successful.

### Question 3: Does the framework sufficiently describe the competencies, performance indicators, and tasks you would expect?

No, we feel the performance indicators need better definition to be effective. We received additional guidance that the competencies are to be evaluated for a person with two years of experience. For evaluators to understand that expectation and evaluate a candidate's performance, we feel more detail is needed.

### Question 4: Does the framework include sufficient example performance indicators and tasks to ensure adequate certification of the required competencies?

No, we feel for existing CPAs to comfortably and consistently verify competencies there needs to be more detailed guidance on the expectations for each competency. The potential issue created with the current proposal is the *may include* language creates an environment where CPA evaluators could either over or under scrutinize candidates.

### Question 5(a): Is it clear that the performance indicators and tasks are examples of what a candidate may do to exhibit the competencies?

Yes, but the decision to use this wording creates ambiguity.

### Question 5(b): Is it clear that candidates may use different performance indicators or tasks to adequately exhibit the competencies?

Yes, but again the ability to use other indicators creates ambiguity.

**Question 6: Component 1 (Defined Competencies) discusses how the professional and technical competencies are related. Is it clear that the professional and the technical competencies must work in tandem?**

Yes, for the public to be adequately protected it is critical that CPAs have these professional competencies to be able to explain how their technical competencies are applied to client circumstances. For example, the communications competency is critical as it determines if a CPA can explain technical issues in a way that a non-technical client will be able to understand.

**Question 7: Component 2 (Process for Evaluating and Certifying Competencies) outlines the requirements for a CPA evaluator to certify candidate experience. Are these requirements sufficiently rigorous?**

Yes, this section creates appropriate rigor for the evaluator. One question is on item g, we do not see any clarification on what documentation would be used to substantiate a certification. Due to the ambiguous language with the variety of potential ways to perform this task it is not clear what would be adequate to document the certification process. If CPAs are asked to provide voluminous records on their process it could act as a deterrent to perform this service to assist CPA candidates.

**Question 8: Component 2(e) outlines a three-year certification requirement for CPA evaluators. Do you agree with this requirement? If not, why?**

We are not comfortable commenting on this as we do not see any documentation supporting the decision to select three years as the correct number. It is also unclear if the verifying CPA needs to have three years of experience at the beginning or the end of the process.

**Question 9: Component 2(f) outlines a board of accountancy possible request when a CPA evaluator refuses to certify a qualified candidate's competency to the board of accountancy. What does your board of accountancy require of licensees who refuse to certify a candidate's work experience for general experience?**

This is a question best answered by our state board.

**Question 10: Component 3 (Timing and Transition Provisions) proposes a maximum of five years to complete the pathway. Should there be a maximum time frame?**

We see no value in having a maximum time frame. For the public to be protected the critical issue is the candidate has the competencies, not the length of time it took them to acquire the competencies.

**Question 11: Component 3 proposes credit for prior work experience. Should there be a maximum time frame for this look-back period?**

Again, we see no value in creating a maximum constraint around the amount of time involved in acquiring the competencies.

**Question 12: What type of legislative support and time would state boards of accountancy need to implement the framework?**

In Montana our legislature meets only in odd numbered years. Due to the timing of the process, it is unlikely that anything could be done in 2025. Our next opportunity will happen in 2027.

**Question 13: What other types of support, administratively, would boards of accountancy, employers, and candidates need to implement the framework?**

For employers, it would be helpful to have more materials that outline possible timelines and activities for their candidates to obtain the competencies. Specific training on how to fulfill the role of reviewer would also be helpful for employers to ensure their staff can consistently verify their staff's competencies.

For candidates and employers, it would be helpful to have a tracking dashboard that documents progress and captures any required verifications. Additionally, creating templates that capture the required information would be helpful to ensure that the process is properly documented.

The included form provides a good starting point, but employers, reviewers, and candidates would be helped by creating an additional layer of guidance and documentation to help make the process clear for everyone involved.

**Question 14: If the pathway is adopted, should NASBA create an electronic tracking system to automatically report completion of the CPA Competency-Based Experience Pathway to the boards of accountancy?**

If the competencies are reported using a form, then that form should be the basis of tracking. Creating another system feels redundant. Alternatively, if a system could be created to track progress as a candidate acquires specific competencies that could be helpful for candidates and employers to keep track of where people are in the process. It could also help candidates who may change jobs during the process.

**Question 15: Would your board utilize a NASBA electronic tracking system if developed?**

This is a question best answered by our state board.

**Question 16: Provide any other comments that you may have.**

The Society supports a competency model that allows candidates to acquire competencies through work experience. We recognize there are many things that are best learned in an educational environment and others best learned through experience. We also recognize that candidates learn in different ways. Creating a program that allows for different learning styles while ensuring candidates develop the needed skills is the key to the new pathway being proposed.

Our core issue with this section of the proposal is the level of judgment being asked of the CPA signing off on the candidate's experience. We see potential for issues on both ends of the spectrum. An evaluator could be too lenient and not adequately verify the competencies have been gained. An evaluator could also be too strict and not recognize a candidate has acquired the competencies. Additionally, the evaluator may lack the competency themselves, or they may lack the ability to evaluate the competencies.

In discussions with members of the UAA committee, we learned that the goal is to have candidates exhibit competence at the two years of experience level. Clearly communicating and defining this will be critical to the success of the effort. If the goal is that of a candidate with two years of experience, it would be logical to require two years of experience to fulfill this requirement. Expecting candidates to

obtain the skills of a person with two years of experience in one year implies a greatly accelerated year of experience.

The included example performance indicators provide some guidance, but many are highly subjective and would be difficult to consistently evaluate. The first competency is ethics, does the public have a different ethical expectation based on the years of experience of their CPA? We are not aware of a resource that outlines different levels of ethical standards based on years of experience. The example performance indicators imply candidates will encounter potentially unethical behavior. Is there a responsibility of the evaluator to create situations to test the candidate's ethics if none naturally occurs during the evaluation process?

Our recommendation is to create examples that are more specific and clearly defined so there is less subjectivity. The examples should also clearly define the expectations of a two-year staff.

## Closing

In closing, we feel the exposure drafts create a pathway to licensure that could be attractive to candidates who might be turned away by the current pathway. The proposal also includes a reasonable level of rigor to ensure the public is protected. Our concerns are focused on creating a final product that recognizes the changing environment in which we operate today.

An interesting aspect of the MTCPA Board of Directors is we have multiple members who did not follow the traditional pathway to licensure. For people coming to accounting as a second, third, etc. career this proposal does little to recognize the skills they develop in their experience. While this group was not the target for the proposed changes, we feel a long-term move towards a fully competency-based model of licensure would create an environment that fully recognizes the variety of ways an individual can learn how to be a CPA.

Thank you for the effort that has gone into creating this proposal. We feel it is a step in the right direction, but this should be a first not final step towards modernizing the CPA licensure process.

Thank you,

MTCPA Board of Directors



December 18, 2024

Dan Vuckovich, CPA, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

Thomas Neill, CPA, Chair, AICPA UAA Committee  
American Institute of CPAs  
1345 6th Avenue 27th Floor  
New York, NY 10105

**RE: Proposed Changes to the Uniform Accountancy Act and UAA Model Rules**

Dear Joint UAA Committee members:

The North Carolina Association of Certified Public Accountants (NCACPA), representing more than 12,000 members in public practice, industry, government, and education, welcomes the opportunity to respond to the request for comment on the Exposure Draft referenced above.

NCACPA supports consideration of alternative pathways to licensure. The accounting talent pipeline is a top concern of our membership, including leaders in public accounting firms, businesses, government entities, and nonprofit organizations. NCACPA has long been committed to identifying and enacting solutions to attract and retain the next generation of CPAs. An alternative pathway is seen as one lever, alongside others, to ensure qualified talent is attracted to the profession and the public maintains access to qualified CPAs.

In our letter dated December 4, we identified several concerns with the Competency-Based Experience Pathway proposal, including:

- The unnecessary complexity of the framework;
- The ambiguity and subjectivity of the professional and technical competencies;
- The lack of specificity about the voluntary tracking system to be developed by NASBA;
- The absence of an explanation of the funding method of administrative costs associated with the framework; and
- The reputational and legal risk associated with subjective evaluation of prospective licensees by market participants, which may be seen as anti-competitive.

While we commend the work the AICPA and NASBA have invested in evaluating additional potential pathways to licensure and the presented proposal, we do not support the Competency-Based Experience Pathway proposal and oppose its inclusion in the Uniform Accountancy Act and UAA Model Rules. We offer the following additional feedback on specific elements of the proposed changes in the Exposure Draft.

## **Section 5 – Qualifications for a Certificate as a Certified Public Accountant**

For the reasons outlined above, the language in Section 5(c)(2)(C) and Section 5(f)(2) should not be included in the UAA. We further oppose the language in Section 5(f)(2) referencing a competency framework “developed by a national accounting organization.” While such organizations play an important role in facilitating discussion and promoting ideas, this authority should rest solely on the state boards of accountancy.

## **Section 23 – Substantial Equivalency**

The proposed changes ignore the reality that multiple states are poised to propose and adopt alternative pathways to CPA licensure that are not based on the Competency-Based Experience Pathway framework. The UAA and Model Rules must not be developed in a vacuum, incognizant of the legislative and regulatory proposals already under consideration in a variety of jurisdictions throughout the country.

In this dynamic environment, linking the definition of substantial equivalency to the Competency-Based Experience Pathway framework would be highly disruptive to practitioner mobility. Furthermore, state boards of accountancy should not delegate their regulatory authority to NASBA’s National Qualification Appraisal Service on matters of determining substantial equivalency, nor should such determinations be based on an individual’s inclusion in a national licensee database maintained by NASBA.

NCACPA firmly asserts that automatic mobility is essential to the continued stability of the accounting profession through seamless interstate individual practice privilege during this time of transition. The North Carolina General Assembly unanimously amended its practice privilege statute (N.C.G.S. § 93-10) in 2009 and adopted automatic mobility with four key guardrails. Individuals must:

1. Hold a valid and unrevoked CPA license or certificate issued by another state, U.S. territory, or the District of Columbia;
2. Have not been convicted of a felony or a crime of which an essential element is dishonesty, deceit, or fraud;
3. Have passed the Uniform CPA Examination; and
4. Comply with state’s laws and rules and be subject to the disciplinary authority of the State Board of CPA Examiners.

Individuals who meet these conditions are granted the privilege to perform services as a CPA in North Carolina without notice to the State Board or payment of any fee. This statute has functioned without issue or challenge for more than 15 years, ensuring minimal disruption to the accounting profession while simultaneously protecting the public interest.

NCACPA recommends that the Joint UAA Committee seize the opportunity to preserve, promote, and expand automatic mobility across the nation by proposing the incorporation of similar language into Section 23.

In closing, NCACPA requests the AICPA and NASBA UAA Committees reconsider the approach outlined in the Exposure Draft and delay the release of any future exposure drafts related to this

Proposed Changes to the Uniform Accountancy Act and UAA Model Rules/Page 3

topic—keeping the desired success of future alternative pathway candidates as the central focus.

NCACPA supports continued efforts by all stakeholders evaluating current and alternative pathways to licensure to help alleviate the talent shortage and make the process more equitable by examining the three pillars of the credential—education, experience, and the exam—and the interplay between them. These efforts should be centered on maintaining license mobility and preserving the integrity of the licensure in the market while avoiding new barriers and complexity.

Thank you for the opportunity to submit these comments. We welcome the opportunity to continue exploring alternative pathways to licensure. Please direct any questions or concerns to NCACPA Vice President of Advocacy and Outreach Robert Broome, CAE, at [rbroome@ncacpa.org](mailto:rbroome@ncacpa.org) or (919) 481-5160.

Signed,

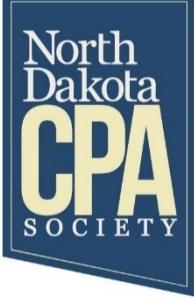


Courtney Knoll, PhD, CPA  
Chair



Mark P. Sotichek II, CPA, CGMA  
CEO

cc: AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors  
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December 3, 2024

To: AICPA/NASBA Joint UAA Committee, AICPA Leadership and Board of Directors, NASBA Leadership and Board of Directors

From: North Dakota CPA Society Board of Directors

RE: Comments on AICPA and NASBA CPA Uniform Accountancy Act Exposure draft

On behalf of the North Dakota CPA Society and our 1700 members, we appreciate the request for comments and submit the following for your consideration.

The accounting profession is facing a critical workforce challenge, potentially, a crisis if the CPA license and the processes associated with becoming a CPA are not modernized.

We recognize that the UAA serves a beneficial role in promoting consistency in state legislation, however we have concerns with the disconnect between what is being proposed in the UAA model laws and rules in contrast to what many states are currently developing for proposed legislation. We are also concerned with the time it took for the UAA committee to address the issues that have been raised for several years.

In our response to the competency-based experience exposure draft we listed our concerns for the draft and instead support allowing for a bachelor's degree plus two years of general experience. We also support keeping the current pathway of a bachelors degree plus 30 college credits of the candidates choice.

It is important to note that we believe the current legislative climate regarding occupational licensing would not support the competency-based proposal given the added complexity.

The North Dakota CPA Society is very concerned with the preservation of mobility. We see automatic mobility as the most practical solution for stabilizing mobility while protecting the public. With guardrails, including education, and the uniform CPA Exam, automatic mobility makes the CPA license less vulnerable to disruption. It also ensures boards of accountancy have jurisdiction when there are complaints against a CPA practicing under a license issued by another state. We do not support a proposal which would add complication, additional tracking for state boards of accountancy, and more barriers to working across state lines.

Thank you for your consideration of these comments,





Nebraska Society of Certified Public Accountants  
7435 O Street, Suite 100, Lincoln, NE 68510  
Phone: (402) 476-8482 | Email: [society@nescpa.org](mailto:society@nescpa.org)

November 27, 2024

Thomas Neill, CPA, Chair, AICPA UAA Committee  
American Institute of CPAs  
1345 Sixth Avenue, 17th Floor  
New York, NY 10105

Nicola Neilon, CPA, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

RE: Exposure Draft to the Uniform Accountancy Act, Eighth Edition

Dear Chairs Neill and Neilon:

The Nebraska Society of Certified Public Accountants (NESCOPA) appreciates the opportunity to comment on the Exposure Draft to the Uniform Accountancy Act (UAA), Eighth Edition. With nearly 2,600 members across Nebraska, the NESCOPA is dedicated to fostering the success of CPAs and supporting high professional standards.

We commend the efforts of the AICPA and NASBA in addressing challenges in the CPA pipeline and exploring additional pathways for licensure. However, we have significant concerns about aspects of the current draft and offer the following comments:

#### **Section 5 – Qualifications for a Certificate as a CPA**

We support adding an alternative licensure pathway that emphasizes increased general experience over specific academic coursework. However, the proposed inclusion of the competency-based experience pathway directly into the UAA language may inadvertently limit flexibility for states. We recommend that the UAA maintain its traditional approach by prescribing a base requirement—such as two years of relevant experience—leaving states the discretion to adopt detailed pathways as necessary through state board rules. This would preserve the evergreen nature of the UAA while enabling states to respond to their unique needs.

Nebraska, for example, has long valued experience-based pathways, maintaining a requirement of two years of general experience within a CPA firm and three years for experience in business, government, or academia. This approach has served our state well and aligns with the profession's goals to enhance access without compromising quality.

#### **Section 23 – Substantial Equivalency**

We urge the committee to simplify mobility provisions while maintaining state autonomy. The current draft's reliance on external verification by the National Qualification Appraisal Service (NQAS) raises concerns about state board autonomy and could complicate mobility. Nebraska supports a "CPA = CPA" mobility model, enabling CPAs in good standing to practice freely across jurisdictions, with state boards retaining oversight to address noncompliance.

Thomas Neill, CPA, Chair, AICPA UAA Committee  
Nicola Neilon, CPA, Chair, NASBA UAA Committee  
Page 2  
November 27, 2024

We also have strong reservations about using the Accountancy Licensee Database (ALD) and CPAVerify database to determine substantial equivalency. This approach could cause confusion for users and unintentionally stigmatize CPAs, negatively impacting their employment opportunities. Instead, we advocate for a straightforward mobility framework based on trust in state-issued licenses.

We urge the committee to adopt language ensuring that all CPAs licensed under pathways meeting a reasonable minimum standard are granted full mobility.

### **Conclusion**

Given the complexities introduced by this exposure draft, we respectfully recommend further consideration before finalizing these changes. We stand ready to work with AICPA, NASBA, and other stakeholders to ensure the UAA remains a practical, inclusive, and effective model.

Sincerely,



Joni Sundquist  
President & Executive Director  
Nebraska Society of CPAs



November 26, 2024

Nicola Neilon, CPA, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 Fourth Ave. N., Suite 700  
Nashville, TN 37219

Thomas Neill, CPA, Chair, AICPA UAA Committee  
American Institute of CPAs  
1345 Sixth Ave., 27th Floor  
New York, NY 10105

RE: New England State Societies' Comments on Exposure Draft on Proposed Revisions to the Uniform Accountancy Act

Dear Chairs Neilon and Neill,

We write on behalf of the State Societies of Certified Public Accountants from Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont—representing dedicated accounting professionals across New England. We appreciate your leadership in providing an exposure draft on revisions to the Uniform Accountancy Act (UAA) and the opportunity to provide our comments.

Our organizations share AICPA's and NASBA's commitment to fostering a strong pipeline of accounting talent, which is essential to a resilient economy and effective public protection. We have submitted written comments on the CPA Competency-Based Experience Pathway exposure draft, and we welcome this additional opportunity to respond as a stakeholder to the proposed revisions of the UAA. We recognize and value the significant effort invested by AICPA and NASBA leadership in developing this draft. However, we have serious concerns with the proposed language.

### **Proposed Changes to Section 5**

The proposed language aligns with the CPA Competency-Based Experience Pathway outlined in the exposure draft issued on Sept. 12, 2024. To make the UAA language more adaptable and minimize future state-by-state statute updates, we recommend avoiding specific references to a competency-based experience pathway in state statute. Instead, we suggest prescribing two years of experience to be defined by state boards of accountancy rules. Many states already address experience requirements within their rules, which we believe is the most appropriate place to provide this guidance and establish a clear pathway.

## **Proposed Changes to Section 23**

The proposed language presents an important opportunity to address the challenges of mobility and substantial equivalency in the CPA profession. However, we see concerns with this language.

- **Complexity**

The draft language introduces unnecessary complexity by requiring verification for CPAs from non-compliant states, which could create a tiered licensure system. While substantial equivalency may be appropriate for evaluating reciprocal license applicants, applying it to all CPAs hinders the mobility process during this time of change.

- **Administrative Burden**

The proposal maintains mobility for CPAs who obtained their licenses under the 150-hour rule or before its adoption but does not extend the same protections to recently licensed CPAs or existing CPAs unless they're from a compliant state or meet individual evaluation requirements. This approach complicates interstate practice, adding costs, complications and administrative burdens for both licensed CPAs and state boards.

- **Oversight Authority**

We believe that granting any specific organization overall authority over substantial equivalency is problematic. Neither NASBA nor NQAS is a regulatory body and giving either the power to determine whether specific jurisdictions or individual CPAs meet substantial equivalency undermines state authority and public trust.

## **Suggestions**

We strongly suggest amending the exposure draft to provide language that would allow automatic mobility for licensed CPAs in good standing. This would allow state boards to maintain oversight over all CPAs operating within their state and ease the burden for licensees and employers. Four states have practiced automatic mobility for years, reflecting its positive impact on public protection and professional adaptability.

By embracing automatic mobility, NASBA and AICPA can promote a resilient, flexible profession that adapts to modern business demands while maintaining public trust. We were supportive of the National Pipeline Advisory Group's (NPAG) Accounting Talent Strategy Report and are grateful for the group's commitment to data-driven solutions. The report acknowledges what we've heard for years from our members: the 150-credit-hour requirement is a significant barrier to entry into the profession. As a result, the report recommends several progressive steps to move the licensing process to a competency-based approach and allow for multiple pathways. The report also rightly acknowledges the importance of protecting license mobility, a major priority of our organizations.

We do not believe the currently recommended changes to the UAA follow the recommendations included in the NPAG report or align with feedback we have received from our members. As stated above, the exposure draft introduces unnecessarily restrictive and complex rules for states that do not align with the competency-based experience pathway. These rules would add complexity for state boards of

accountancy, our members, and employers and would jeopardize CPA practice privileges for many current and future CPAs.

### **Conclusion**

In closing, we urge NASBA and AICPA to consider a modernized mobility framework that would better serve our profession, members and state boards of accountancy.

We greatly appreciate the opportunity to provide feedback on this important initiative and are ready to offer additional insights as needed. Thank you for your consideration.

Sincerely,

Bonnie Stewart  
Executive Director & CEO  
Connecticut Society of CPAs

Robin Houston  
CEO  
New Hampshire Society of CPAs

Trish Brigham  
Executive Director  
Maine Society of CPAs

Melissa Travis  
President/CEO  
Rhode Island Society of CPAs

Zachary Donah  
President and CEO  
Massachusetts Society of CPAs

Sadie Fischesser  
Executive Director  
Vermont Society of CPAs



NEW JERSEY SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

November 12, 2024

TO: AICPA/NASBA Joint UAA Committee, AICPA Leadership and Board of Directors, NASBA Leadership and Board of Directors

FROM: NJCPA Board of Trustees

RE: Comments on AICPA and NASBA CPA Competency-Based Experience Pathway and Uniform Accountancy Act (UAA) Proposals

On behalf of the New Jersey Society of CPAs (NJCPA) and our 13,000 members, we are submitting comments in response to the AICPA and NASBA CPA Competency-Based Experience Pathway and Uniform Accountancy Act (UAA) proposals.

The accounting profession is facing a challenge and, potentially, a crisis if we do not both modernize and future proof the processes around licensure. Our position on the two proposals is based on feedback from a survey of NJCPA members conducted earlier this year. In the survey, nearly 80% of respondents said that they believe it would be beneficial to the profession to provide alternative pathways to certification where 150 hours is one option but not the only option.

We at the NJCPA support an alternative pathway to licensure but we have fundamental differences with the AICPA/NASBA proposal on how to get there. The basis of our recommendations is to ensure ease and to streamline the process to reduce barriers to licensure while supporting the rigor that is expected to enter the profession.

The two proposals were reviewed at the NJCPA Board of Trustees meeting on September 26. We support licensure with an additional year of experience instead of 30 credits but do not support the proposal's requirement that the first year of experience be done within the competency-based framework outlined in the proposal.

Under the AICPA/NASBA proposal, CPA license applicants can avoid the post-baccalaureate education requirement by completing 2,000 hours of work involving "accounting, attestation, compilation, management advisory, financial advisory, tax or consulting." The experience must be certified by a "CPA Evaluator." The proposed evaluation requirement, which does not apply to the one year of work experience now needed for a CPA candidate, seems onerous, unnecessary and ignores where states are heading on this issue. Specifically, our concerns are as follows:

- This language does not consider what is currently being proposed in a number of jurisdictions – that of the bachelor's degree and two years of experience.



- The addition of another set of standards, to be signed off on by a CPA Evaluator, adds an additional obstacle for candidates and employers with the potential to disproportionately impact small firms and companies. This burden could serve to discourage employers from assisting candidates and discourage accounting students from becoming CPAs.
- In a study based on a survey of attitudes among students, the Center for Audit Quality (CAQ) found that the 150-hour requirement posed a significant barrier for Black and Hispanic students, contributing to a steep decline in the entry of minority CPAs. State CPA societies and other organizations, as well as individual CPAs, have pledged to remove barriers to entry into the profession, but this “competency-based” requirement will certainly be considered an additional hurdle to licensure at a time when the profession is trying to attract more candidates.

We also do not support the draft UAA proposal to adopt a modified version of the current substantial equivalency system to provide for interstate mobility. Instead, we support the concept of “automatic mobility,” which provides mobility privileges to any person with a CPA license in any other state, so long as they have received a bachelor’s degree and have two years of experience, or earned 150 credit hours or master’s degree and have one year of general experience, and passed the CPA Exam.

The “automatic mobility” framework separates CPA mobility from strict licensing requirements, allowing flexibility to develop pathways that better align with the profession’s current needs. This approach is already used by several other states. Under this model, a CPA’s ability to practice across state lines is based on their licensure, regardless of the state or specific pathway. Additionally, this framework is adaptable and can easily accommodate future changes in licensure requirements.

The language proposed in the Competency-Based Experience Pathway and Uniform Accountancy Act proposals does not give enough consideration to what is happening in various states. Furthermore, to some extent it replaces the 150-credit-hour hurdle with another hurdle. As a membership organization, we would be doing a disservice to our members to support such language without the changes detailed above.

After two years of reviewing our options, the NJCPA intends to introduce legislation in 2025 to add a pathway for licensure that does not require 150 hours of education. Our proposal will include language intended to ensure continued practice mobility for out-of-state CPAs practicing in New Jersey as well as the addition of a licensure pathway requiring passage of the CPA Exam, a baccalaureate degree with an accounting concentration and two years of experience in accounting.

Thank you for affording us the opportunity to provide comments on these important issues.

Aiysha (AJ) Johnson, MA, IOM  
CEO & Executive Director

June M. Toth, CPA, CFF, CITP, CGMA  
President 2024/25



New Mexico Society of CPAs

## New Mexico Society of Certified Public Accountants & Foundation for Education and Research

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December 6, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

RE: Proposed Amendments to the Uniform Accountancy Act

The New Mexico Society of CPAs (NMSCPA) is the leading accounting profession association representing nearly 1,000 CPAs in New Mexico. Our association is committed to advancing the CPA profession, which is why we believe it was crucial for us to submit comments related to the proposed amendments to the Uniform Accountancy Act (UAA), and we appreciate the opportunity to do so.

After careful review, the NMSCPA does not support the inclusion of the competency-based experience pathway in the UAA. While we support an alternative pathway to licensure, we do not believe that the proposed competency-based experience pathway will give us the results our profession desperately needs: more CPAs. Below, we have outlined our concerns for consideration.

### **Burden of Implementation**

With New Mexico having a high population of smaller firms, it is important for us to support these firms by not supporting this pathway. The complexity of the framework requiring a CPA to evaluate and sign off adds an additional obstacle for both candidates and employers. We believe this pathway may create a disadvantage for candidates working in these organizations, as the organization may not have the proper resources or amount of CPA's to serve as evaluators. The framework would not only be burdensome to small firms but also for state boards to implement and monitor.

### **Experience Requirements per Each Individual State Board Rules**

We believe that the UAA should not reference a competency-based experience requirement but rather prescribe two years of experience as determined by board rule. States already have varying degrees of experience requirements through rule - the better place for guidance on experience requirements.

### **Licensure Pathways Under the UAA**

We strongly believe that the UAA should provide for the following licensure pathways, which strike the right balance of education and experience while allowing for flexibility:

1. Bachelor's Degree Plus Two Years of General Accounting Experience
2. Master's Degree Plus One Year of General Accounting Experience
3. 150 College Credit Hours Plus One Year of General Accounting Experience

These pathways ensure that candidates are sufficiently educated and experienced while maintaining flexibility for those pursuing different educational routes. They also reflect the value of hands-on experience in developing professional skills and judgment.

### **Automatic Mobility with Guardrails**

In addition, we support the adoption of automatic mobility in the UAA, with appropriate guardrails related to education, experience, and the exam. This approach would allow CPAs to practice across state lines without unnecessary barriers, improving mobility while maintaining state boards' authority over the CPAs practicing within their jurisdictions. Automatic mobility would streamline the licensure process, allowing CPAs to more easily meet the demands of the workforce, while ensuring they meet the high standards of practice and ethical responsibility required of the profession.

### **Conclusion**

In conclusion, while we recognize the need for flexibility in licensure models and appreciate the intent behind the proposed amendments, the NMSCPA does not support the inclusion of the competency-based experience pathway in the UAA. We also advocate for the adoption of automatic mobility with appropriate guardrails.

Thank you for considering our feedback, and we thank you for your continued efforts to modernize licensure pathways and adapt to the evolving needs of the profession. We look forward to continued collaboration to ensure the CPA profession remains strong, relevant, and capable of meeting the needs of both the public and the profession.

Sincerely,



Corrine Zajac-Clarkson, CPA, Board Chair



Jeanette Contreras, President & CEO  
New Mexico Society of CPA's (NMSCPA)

11/26/2024

TO: AICPA and NASBA Boards of Directors  
RE: Uniform Accountancy Act Exposure Draft Dated 09/30/2024

The Nevada Society of CPAs Board of Directors appreciates the opportunity to comment on the recent AICPA/NASBA Uniform Accountancy Act (UAA) Exposure Draft (exposure draft).

**UAA Section 5:**

- As noted in our response letter dated 11/04/2024, the Nevada Society of CPAs does not support the proposed additional pathway noted in UAA Section 5(c)(2)(C) and 5(f)(2)(A). We outlined our disagreement in the response. We suggest UAA Section 5 be amended to allow for Bachelors Degree, Two Years of Experience, and Passage of the CPA Exam.
- We do support the proposed change is UAA Section 5(c)(1) that allows a CPA candidate to sit for the CPA exam with “a baccalaureate or higher degree conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration, or equivalent as determined by Board rule” as aligns with laws/rules of most states’ requirements.

**UAA Section 23:**

- UAA Section 23 does not adopt automatic mobility which creates a barrier to cross-boarder practice which is vital to the CPA profession and collaboration between CPAs. Nevada, and three other states, have adopted automatic mobility over the past 15 years to remove barriers to entry in our states. To date, there have been no issues with this practice. Automatic mobility gives authority to the State Boards of Accountancies (SBOAs) to discipline CPAs who practice in the state and do not perform to the state’s statutory standards. Absence of this stated authority, SBOAs may not be able to discipline an out-of-state CPA. When Nevada adopted automatic mobility, Ken Bishop, NASBA President, testified in support of the bill. Since at least 2008, NASBA and AICPA have touted the benefit of CPA mobility and equated it to the “driver’s license model” we have in the United States. Yet, now, it is absent in this exposure draft.
- Many states have/will propose legislation to adopt automatic mobility in current and upcoming legislative sessions. As with the pathway exposure, it is inadvisable to ignore these efforts and propose UAA language that will conflict with almost half the states in the United States of America in 2025/2026. Any proposal should work with states who have thoughtfully drafted changes to their laws and rules to best serve the profession.

- The exposure draft does not grant authority to the states to determine substantial equivalency as they have now. The SBOAs own their state licenses and deserve that authority.
- The exposure draft assumes a state will “go rogue” and CPAs from that state could practice across borders. Guardrails included in automatic mobility language (which most states are proposing) would eliminate this threat. The AICPA side of the UAA committee recommended such language, with guardrails, which is not included in the final exposure draft.
- The exposure draft inserts a national licensee database in Section 23(a)(2) which focuses on how and where a licensee obtains their license as opposed to that a person has a license. It in essence creates multiple classes of licensees instead of one class where CPA equal CPA.
- Given that NASBA has no regulatory authority, it does not seem appropriate that any reference to NQAS being an authoritative body akin to a SBOA is appropriate. NASBA provides various services to its members upon request, it is not necessary to list those services in the model language. The removal of the NQAS would not prohibit an SBOA from delegating a function to NQAS. Further, the criteria NQAS would use for making determinations on substantial equivalency is not in the model language which results in too much subjectivity.
- Decoupling the licensing requirements with mobility creates a more robust mobility approach that modernizes the licenses, protects the public, and best serves the profession to operate across state lines.

In summary, the Nevada Society of CPAs does not support the UAA Exposure Draft and recommends edited Section 5 to add a pathway a Bachelor's Degree, Two years of General Experience, and Passage of the CPA Exam and Section 23 should include an automatic mobility provision and elimination of reference to NQAS.

Sincerely,



Anna Durst, CPA

CEO, Nevada Society of CPAs



Jennifer Allen, CPA, CFF, CFE, ABV

Chair, Nevada Society of CPAs

December 20, 2024

Thomas Neill, CPA, Chair, AICPA UAA Committee  
American Institute of Certified Public Accountants  
1345 Avenue of the Americas, 27<sup>th</sup> Floor  
New York, NY 10105

Nicola Neilon, CPA, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

**RE: Comments of the New York State Society of Certified Public Accountants on AICPA and NASBA Exposure Draft on Proposed Changes to the Uniform Accountancy Act (the “UAA Exposure Draft”)**

Dear Chairs Neill and Neilon:

The New York State Society of Certified Public Accountants (NYCPA), representing more than 19,000 CPAs in public practice, business, government and education, welcomes the opportunity to comment on the Exposure Draft on the proposed revisions to the Uniform Accountancy Act (UAA) Sections 5 and 23, and to the UAA Model Rules Articles 3 and 6, that has been prepared by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA) (the “UAA Exposure Draft”).<sup>1</sup> In reviewing the UAA Exposure Draft, as previously set forth in our letter dated December 3, 2024 concerning the proposed CPA Competency-Based Experience Pathway (our “December 3<sup>rd</sup> Letter”), we are very mindful of the need to balance the public trust that has been placed in our great profession with a future-oriented mindset that takes into account the pipeline challenges that our profession faces. With respect to the proposed CPA Competency-Based Experience Pathway, we reiterate the concerns set forth in our December 3<sup>rd</sup> Letter with both the level of subjectivity that the UAA Exposure Draft would require in the assessment of professional competencies, and the magnitude of the resources that CPA firms, regardless of size, would need to devote to this assessment, and refer the reader to that letter for our recommendations.<sup>2</sup> We now turn to address the UAA Exposure Draft’s focus on the determination of substantial equivalency for individuals licensed in other states.

<sup>1</sup> The UAA Exposure Draft is set forth at the following link: [Exposure draft: Proposed Uniform Accountancy Act Changes | Advocacy | AICPA & CIMA](#)

<sup>2</sup> Our December 3<sup>rd</sup> Letter is set forth at the following link: [nycpa-response-to-competency-based-experience-pathway.final.pdf](#)

## Discussion

The UAA Exposure Draft would amend Section 23 “Substantial Equivalency” by acknowledging that a board of accountancy or NASBA’s National Qualification Appraisal Service (NQAS) may verify, once a new pathway to licensure is established by a jurisdiction, that a jurisdiction’s licensure requirements are in substantial equivalence with the CPA licensure requirements of the UAA. Should a jurisdiction enact legislation that includes one or more pathways that are **not** substantially equivalent to the UAA, the amendments provide a process for boards of accountancy to identify in a national licensee database the pathway used to license CPAs and to verify whether the CPA meets the licensure requirements defined in the UAA. According to the preamble that accompanies the UAA Exposure Draft, this will allow for easier determination of a CPA’s eligibility to practice through mobility with a practice permit.

While the Society commends the AICPA and NASBA for their initiative in preparing the UAA Exposure Draft and shares in the desire to facilitate CPA mobility, we have significant concerns with basing the determination of an individual’s eligibility to practice as a CPA in a state on the existence of such individual’s name in a national licensee database, the administration and monitoring of which is beyond the effective oversight of the state board of accountancy of the state in which the individual is seeking to practice as a CPA. We believe that such oversight must remain with such state board of accountancy. In the absence of the development of clear guidelines concerning this that can be monitored by the applicable state board of accountancy to allow for its effective oversight, we are not prepared to support the UAA Exposure Draft at this time.

We acknowledge the importance of CPA mobility between jurisdictions and are receptive to the development of solutions to help facilitate this that are premised upon the establishment of clear guidelines. Accordingly, we look forward to working with the AICPA and NASBA (together with both the various state boards of accountancy and other state CPA societies) on the development of guidelines that address this.

For any questions or concerns, please contact our government relations manager Jovan C. Richards at [jrichards@nysscpa.org](mailto:jrichards@nysscpa.org) or (212) 719-8392.

Respectfully submitted,



Calvin Harris Jr., CPA  
Chief Executive Officer, NYCPA



Kevin O’Leary  
President, NYCPA



November 21, 2024

Thomas Neill, CPA, Chair, AICPA UAA Committee  
American Institute of CPAs  
1345 6<sup>th</sup> Avenue, 17<sup>th</sup> Floor  
New York, NY 10105

Nicola Neilon, CPA, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

Dear Chairs Neill and Neilon:

On behalf of The Ohio Society of CPAs' 20,000 members, we appreciate this opportunity to comment on the proposed revisions to the Uniform Accountancy Act (UAA) and NASBA-issued Accountancy Act Model Rules.

We recognize and appreciate that both AICPA and NASBA, as well as the UAA Committee volunteers, have invested significant time and energy in evaluating how best to address future pathways to CPA licensure. Further, we recognize that the UAA serves a beneficial role in promoting consistency in state legislation. However, we have significant concerns regarding the apparent disconnect between what is being proposed in the UAA model laws and rules as contrasted by quite different nationwide discussions by many state boards of accountancy, state CPA organizations, currently licensed CPAs, and students. The important role the UAA plays in securing consistency in state licensure largely depends on its adoption from state to state, and that is at risk.

After careful consideration of this exposure draft, we want to share our thoughts on what we view as the two key components:

**Section 5: Qualifications for a Certificate as a Certified Public Accountant.**

The proposal for a competency-based experience pathway is a significant concern to OSCPA for the following reasons:

- The year of proposed mandatory competency-based experience would have the opposite effect of the profession's efforts to attract more future CPAs to our profession because it would prescribe a burdensome process for candidates and employers alike.

- When sharing the proposal with OSCPA members, feedback indicated many CPAs, in both firms and companies, have liability concerns related to “attesting” to a future CPA’s competency in the many areas outlined and would not do so.
- Many candidates seeking to become licensed CPAs who work directly for smaller companies already have challenges finding CPAs willing to supervise them under the current “general experience” approach. Adding the complicated, burdensome supervisory role required of a CPA evaluator through a competency-based experience program will make that process all the more difficult.
- While adoption of this more complicated, costly year of competency-based experience might enhance a candidate’s soft skills in the required areas such as communication, self-management, critical thinking and collaboration, competency-based experience as proposed does not rise to the level of protecting the public interest, which is the reason licensure requirements exist.
- In recent decades of reviewing complaints filed with OSCPA’s ethics Committee and listening to disciplinary cases before the Accountancy Board of Ohio, not once have we heard that general experience was the cause of a violation of professional standards. This includes the period since the 150- hour requirement went into effect in Ohio in 2000 and prior to that when Ohio’s requirement was two years of general experience.
- The current legislative climate is one of occupational licensing reform, not increasing barriers to entry as a year of competency-based experience would create. The competency-based experience approach would see limited receptivity.

While we would have no issue with employers opting to follow the competency-based experience guidelines for CPA candidates working for them, we strongly oppose mandating it through state law or rules.

### **Section 23 – Substantial Equivalency.**

Interstate mobility is a critical resource utilized by thousands of CPAs across the country. As you know, Ohio was the first state in the nation to have both individual and firm mobility in place, and we continue to believe it is a valuable tool used by CPAs to the benefit of their clients across the nation.

However, the regulatory landscape in our state and across the country has significantly evolved in the past two decades, as have our commercial markets. As the accounting profession looks to update interstate mobility laws to reflect how best to meet today’s business demands, we strongly suggest that the UAA Committee take a hard look at the reality occurring right now: there is no appetite by elected officials in most states to make it harder for professionals to work across interstate lines, and there is no appetite among most state CPA organizations to do that either.

The concept of substantial equivalency both in current law and as proposed in the UAA exposure draft are outdated regulatory models. The Ohio Society of CPAs has studied this issue at length for well over a year and supports a more certain approach, specifically automatic mobility, that

gives authority for protecting the public interest where it best lies: with state government vs. ceding authority for subjective interpretation to NQAS or any other national third party.

Practicing CPAs in good standing who meet professional standards such as passing the Uniform CPA Exam should have certainty that they can continue to legally provide expert professional services across state lines. As important, between the aging population of currently licensed CPAs and the shrinking population of high school and college students and an even faster shrinking population of students seeking the CPA designation to protect our capital markets we must ensure businesses, non-profits and governmental entities can timely complete required monthly financial statements, audit report and government-mandated filings through certainty of access to their desired CPA expert— even if the CPA they need comes from a state that changed its licensing requirements to meet changing demands in that state.

We also have concerns about the proposed mobility “grandfathering” language vs. automatic mobility as, while it would preserve mobility for CPAs licensed up to a set point in time, it fails to extend certainty to newer CPAs unless they are from a substantially equivalent state or jump through costly hoops to prove they meet a state’s specific requirements.

## **Summary**

The Ohio Society of CPAs strongly encourages the UAA Committee to reconsider the proposal now before it. We urge replacement of the current mobility provisions contained in Section 23 with the very straightforward, evergreen approach of automatic mobility for individual CPAs who meet professional standards such as passing the CPA Exam, and also discontinuing pursuit of the cumbersome, burdensome approach of a year of competency-based experience mandate and instead adopt what Ohio and a number of other states are pursuing: two years of general experience.

We appreciate this opportunity to comment, and look forward to working with AICPA, NASBA and other interested parties as we collectively seek to attract and retain more licensees as CPAs. If you have any questions or concerns, please don’t hesitate to reach out to me at

[SWiley@ohiocpa.com](mailto:SWiley@ohiocpa.com)

Sincerely,

A handwritten signature in black ink, appearing to read "Scott D. Wiley".

Scott D. Wiley, CAE  
President & CEO



December 12, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

**RE: Comments on Proposed Amendments to the Uniform Accountancy Act**

Dear Members of the UAA Committee,

The Oklahoma Society of CPAs (OSCPA) appreciates the opportunity to provide feedback on the proposed amendments to the Uniform Accountancy Act (UAA) Exposure Draft. We commend the AICPA, NASBA, and other stakeholders for their diligent efforts in addressing the critical challenges facing the CPA talent pipeline while striving to preserve the profession's high standards amidst evolving educational, technological, and workforce landscapes. Below, we outline our comments for your consideration.

**UAA Section 5 – Qualifications for Certification as a CPA**

*Complexity of the Competency Framework*

The proposed competency-based experience framework introduces significant complexity, potentially creating barriers rather than solutions for expanding the CPA workforce. While the proposed professional and technical competencies reflect skills developed throughout a CPA's career, they may not align with the expectations or realities of early-career candidates. Also, legislative trends favor reducing barriers to entry into professions, and such complexities could hinder the uniform adoption of these standards across states, thereby jeopardizing the harmonization of CPA licensure.

### *Criteria for CPA Evaluators*

The introduction of the CPA Evaluator role, while central to the competency framework, lacks clarity regarding the qualifications, skills, and responsibilities required for this position. This ambiguity may introduce subjectivity, bias, and competitive imbalances within the profession. Clear, objective criteria should be established to define the CPA Evaluator's role, ensuring consistency, fairness, and trust in the evaluation process.

### *Employer Risks and Administrative Burdens*

The proposed framework risks imposing additional administrative and legal burdens on employers, particularly small and mid-sized firms, governmental entities, and private sector organizations that may lack the resources to implement these changes effectively. To mitigate these challenges, the proposal should provide clear, actionable guidance for employers on how to attest to competencies while minimizing their exposure to liability.

### **UAA Section 23 – Substantial Equivalency**

Interstate mobility remains a cornerstone of the CPA profession, enabling CPAs to serve clients seamlessly across jurisdictions. In light of regulatory trends aimed at reducing barriers to interstate practice, it is crucial that licensure standards remain aligned across states. We recommend a streamlined model for mobility that ensures uniform minimum requirements regulated by the individual state jurisdictions, thereby safeguarding public interest while preserving the flexibility and utility of substantial equivalency.

### **Summary**

While the proposed amendments address pressing issues within the CPA profession, their broad implications warrant further research and careful evaluation to ensure they achieve the intended outcomes without inadvertently creating new barriers.

We thank the Joint UAA Committee for the opportunity to provide input and look forward to continued collaboration with the AICPA, NASBA, and other stakeholders to strengthen the CPA profession. Please do not hesitate to contact me at [REDACTED] should you have any questions or require additional information.





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December 5, 2024

Thomas Neill, CPA, Chair, AICPA UAA Committee  
Nicola Neilon, CPA, Chair, NASBA UAA Committee  
AICPA/NASBA Joint Uniform Accountancy Act Committee  
AICPA Board of Directors and Leadership  
NASBA Board of Directors and Leadership

**Re:**

- Exposure Draft released September 30, 2024 for the Uniform Accountancy Act, Eighth Edition - January 2018
- Exposure Draft released on September 12, 2024 for the CPA Competency-Based Experience Pathway

The Oregon Society of Certified Public Accountants (OSCPA) appreciates the opportunity to provide comment to the above exposure drafts. We represent over 3,900 CPA and future CPAs in public practice, business & industry, not-profit, government, and education based in Oregon, nationally and internationally.

The OSCPA Board of Directors comments mirror those shared by the Oregon Board of Accountancy (BOA). Below you will find the comments provided by the Oregon BOA dated November 7, 2024.

We have purposely provided the BOA's response below sharing our joint agreement. We realize this is unusual in approach. Our decision for doing so is based on our extensive collaborative conversations which precede the release of the exposure drafts, recognition of the important issues facing the profession, and listening to the concerns of our members and other stakeholders.

OSCPA is in support of the following Oregon BOA response to the two exposure drafts:

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#### **Oregon Board of Accountancy Response dated November 7, 2024**

The Oregon Board of Accountancy (Board) is choosing to write an integrated single letter response to both exposure drafts. The Board believes that the issues of changing CPA licensure pathways and the issue of proposed updates to UAA Sections 5 and 23 are linked.

##### **1. Competency Based Experience Pathway**

This Board has utilized a competency-based experience pathway for more than a decade that, in many ways, aligns with the exposure draft. The Board supports a discussion at the UAA level about incorporating such standards into the UAA. This Board offers any jurisdiction-to-jurisdiction assistance for those that want to implement such a framework voluntarily as it can be done by

states with limited resources like us.

That said, the competency pathway exposure draft does not align with this Board's objectives around simplification, clarity, and continued mobility to wit:

- a. The competency-based experience pathway exposure draft does not offer an aspirational set of supervision standards that jurisdictions can embrace when they are ready (as would normally be the case with model laws or rules) but instead is being offered under the threat of losing mobility privileges if not adopted in that manner. This Board's concern is that the linkage to the exposed concept of substantial equivalency would effectively shatter the profession's mobility framework. There are many jurisdictions that either are not supportive of the competency-based experience pathway or exist in a staunchly anti-regulatory political climate within their state and thus will not have any political option to raise standards.

The Board would support adding to UAA model rules an aspirational framework of supervision standards similar to what has been exposed (these details belong primarily in rule). That said, the Board but opposes turning that framework into what is effectively a national mandate as exposed, and a threat to professional unity and to CPA mobility.

- b. The Board has no intention of considering a state that would not adopt the exposed supervision standards as not substantially equivalent. Oregon is not doing that now and will not take a step in the future in the direction of disrupting the flow of CPA cross-border services to the public.
- c. As noted, this Board supports a competency-based experience pathway however does not support the notion of a 2-year experience pathway being split between competency based and other. Once a case is made that supervision standards make sense (it would align this profession with all the other professions requiring supervision toward licensure) – then it becomes much harder to argue that those standards should only apply in one pathway, or for half of one pathway or not at all. In a regulatory setting, the defensibility of an experience pathway that is half based on competency and half based on something undefined is very difficult to explain and defend.
- d. The Oregon competency-based experience pathway was not designed by a “national accounting organization” which causes concern and uncertainty for this Board. While it appears that Oregon basically does what is being proposed already on the supervision side, because of the call out of who decides what the competencies should and shouldn’t be could mean that Oregon, as it is today, is not compliant going forward.

## 2. UAA Exposure draft on Substantial Equivalency and Mobility

- a. The Board has discussed open mobility and feels that moving toward simple open mobility is very much within reach of the profession, especially since we have achieved substantial equivalency / relative uniformity in licensure standards. More specifically, the Board does not support the idea embraced by AICPA and NASBA leaderships that jurisdictions moving toward a 120+2 approach would not be substantially equivalent to 150+1. Instead, the Board trusts the actions of their peer regulators and is of the mindset that how a candidate obtained their initial licensure should not weigh in to their ability to obtain a license in Oregon or to obtain practice privileges (mobility) in Oregon. This Board would prefer to simply look to see that the candidate has a CPA license and not how they got that initial

license.

- b. The Board opposes the proposed creation of a “national licensee database”, maintained by NASBA that would track how and where a licensee obtained their license. This would be unworkable for a number of reasons:
  - i. It effectively would transform the existing national database (ALD) from a helpful tool into one tagging licensees into different classes of lesser or more worthy licensees.
  - ii. Jurisdictions would not want that liability to designate anyone as lesser, and it does not make sense to splinter the profession in this way.
  - iii. It seems probable that jurisdictions would likely pull out of the ALD altogether rather than tagging licensees.
- c. Especially striking is the contradiction between the UAA exposure draft and the recent admonition to all boards to not delegate their authority. Whether NASBA leadership realized it or not at the time of the release of that communication, what NASBA effectively accomplished is dramatically increasing weariness of utilizing “national accounting organizations” and NASBA’s NQAS – let alone a database like the ALD as central way points to setting standards or determining mobility.

As such, with respect to the UAA exposure draft, the Board would support a referral back to the UAA committee.

Finally, the Board has provided leeway to its Executive Director to find constructive alternative solutions with his colleagues in other jurisdictions that would consider what is happening in the various states around licensure, without judgment regarding the different ideas and political limitations in those jurisdictions. The Board is concerned that waiting is not an option, and that stopping the many jurisdictions that are moving legislation is not realistic. A focus on unity and preserving mobility is essential.

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Again, thank you for the opportunity to provide response. If you have questions, please do not hesitate to contact Sherri McPherson at 503-597-5480 or [smcpherson@orcpa.org](mailto:smcpherson@orcpa.org).

Respectfully submitted,

Sherri L.D. McPherson, IOM, CAE  
President/CEO, Oregon Society of CPAs

John D. Hawkins, JD, CPA  
Chair, Oregon Society of CPAs

Dec. 23, 2024

Via Electronic Mail

Joint AICPA/NASBA UAA Committee  
American Institute of Certified Public Accountants (AICPA)  
National Association of State Boards of Accountancy (NASBA)

**Re: Comments on the Proposed Changes to the Uniform Accountancy Act (UAA)**

Dear Joint AICPA/NASBA UAA Committee:

On behalf of the Pennsylvania Institute of Certified Public Accountants (PICPA) and our 18,000 members, thank you for the opportunity to provide comments on the proposed changes to the Uniform Accountancy Act (UAA) outlined in the Sept. 30, 2024, exposure draft. We appreciate the efforts by the many stakeholders inside and outside of the profession to address talent shortages and modernize CPA licensure. The profession is at a critical juncture, and the need for unified and strategic leadership is paramount.

Flexible pathways that align with the profession's evolving needs are critical, as is preserving CPAs' interstate mobility framework to ensure efficient, high-quality service and consumer protection. The proposed UAA revisions fail to address the vital connection between licensing and interstate practice frameworks, which we believe is a missed opportunity to modernize is one that PICPA members demand. The profession faces significant shifts driven by demographic changes, market realities, technological advancements, and evolving education and career models. These shifts within the profession require bold updates to licensing and regulation to effectively attract and retain talent.

**Process Concerns**

The UAA has served as a single point of coalescence for our profession. The legitimacy of the UAA as a unifying model law depends on the transparency and rigor of the process by which it is developed and updated. Unfortunately, the process undertaken in this instance has fallen short in the areas of openness, debate, and discussion. The process followed in this most recent round of changes risks fragmenting that cohesion by sidelining meaningful stakeholder input and limiting robust debate.

The credibility of the profession to self-regulate hinges on the integrity of the UAA development process. A flawed process not only undermines the UAA but also jeopardizes public trust in our profession's self-regulatory framework.

To ensure that the UAA remains relevant and aligned with the profession's evolving needs, a comprehensive practice analysis must be conducted regularly. Specifically, we recommend a thorough practice analysis that covers Education, Examination, and Experience (the three Es) to be conducted at least every three to five years. Further, this practice analysis must be complemented by regular and rigorous reviews informed by stakeholders across the profession to ensure the UAA keeps pace with changes in the profession. The difficulties encountered during this current process highlight the consequences of not adhering to a systematic review and updating the framework. A proactive approach should prevent similar challenges in the future.

At this point, we strongly urge that the proposed UAA model language be referred to the UAA Committee for more thorough discussion. Denying this step during the initial process has contributed to the current concerns and deprived stakeholders of a fair opportunity to contribute meaningfully.

Below you will find our comments related to the UAA, Eighth Edition, Exposure Draft.

## **Section 5: Qualifications for a Certificate as a Certified Public Accountant**

The introduction of a new pathway to licensure at the baccalaureate degree level is a positive step that we welcome. However, linking this pathway to the proposed Competency-Based Experience Pathway is not a viable option for the PICPA. As detailed in our Dec. 3, 2024, letter (attached), we have concerns with the proposed Competency-Based Experience Pathway in its current form. These concerns include issues related to implementation feasibility, the potential for inconsistent application, and the risk of undermining the uniformity and rigor that are foundational to the CPA profession. We urge reconsideration of this approach to ensure the licensure pathway aligns with the high standards and practical realities of the profession.

## **Section 23: Substantial Equivalency**

Mobility allows qualified CPAs to practice across state lines seamlessly by adhering to established professional standards. It is an ability that the profession has come to expect. We have consistently heard from our members that any disruption to this system risks significant negative impacts on public accounting firms and their ability to serve clients effectively. Current mobility provisions rely on states maintaining a

substantially equivalent licensing model, which ensures consistency and trust across jurisdictions.

The proposed changes fail to recognize the critical need for automatic license mobility in an interconnected and fast-paced business environment. Existing mobility mechanisms, while useful, are hindered by the absence of an automatic recognition framework. This creates unnecessary administrative burdens for CPAs who must navigate complex state-specific licensing requirements. These barriers not only inconvenience professionals but also hinder economic growth by limiting firms' ability to meet clients' needs promptly and efficiently. Furthermore, delays in licensing can reduce the availability of qualified CPAs, impacting the quality and accessibility of public accounting services. [[The last sentence was a bit murky to me: I think (but not sure) I clarified it and am still on message]] We see no justification for maintaining a mobility determination that is based on substantial equivalence (SE).

The proposed SE-based mobility determinations are overly restrictive, unnecessarily complex, and place an undue burden on both candidates and state boards of accountancy (SBOAs). The proposal is not in the best interests of the profession or the public. A more effective model would focus on automatic mobility supported by clearly defined guardrails, such as holding a valid license in another jurisdiction, passing the Uniform CPA Exam, and a work experience requirement. Such guardrails could address competency concerns while avoiding the complications inherent in an SE-based system.

Automatic mobility ensures that a CPA in good standing is immediately eligible to practice in another state without additional notices or fees, irrespective of substantial equivalency at the state or individual level. This approach, already enacted in Alabama, Nebraska, Nevada, and North Carolina, maintains the integrity of the profession while fostering efficiency and flexibility. Importantly, automatic mobility does not compromise the jurisdiction or disciplinary authority of state boards over out-of-state licensees and preserves their ability to safeguard the public. Protecting the public is, and will always remain, a cornerstone of the CPA profession, and automatic mobility is integral to upholding this principle.

Decoupling licensing requirements from mobility provides a robust framework that is adaptable to changes in licensure standards and prioritizes public protection. This approach aligns with a forward-thinking vision for the profession and reduces implementation challenges. Notably, Pennsylvania's SBOA may face significant obstacles in implementing the current model language as proposed, further highlighting the need for a simplified, automatic mobility approach.

The PICPA appreciates the opportunity to provide input and the stakeholder collaboration on these important changes to the UAA, and strongly encourage NASBA and the AICPA to consider these recommendations. By addressing these concerns, we can collectively ensure that the profession remains accessible, adaptive, and responsive to the needs of both practitioners and the public.

Thank you for your consideration.

Sincerely,

[REDACTED]

[REDACTED]

Attachment: PICPA Competency Framework Response Ltr 12-3-24



December 20, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

**RE: Uniform Accountancy Action Exposure Draft Published September 30, 2024**

The Tennessee Society of Certified Public Accountants (TSCPA) appreciates the opportunity to comment on the Uniform Accountancy Act (UAA) Exposure Draft issued on September 30, 2024. We recognize the importance of having the UAA as model legislation to help encourage consistency amongst jurisdictions and to ensure the ease of cross-border practice.

TSCPA has engaged with firm leaders, our governing bodies, and members from various sectors of the profession to discuss the proposed amendments to UAA Section 5 and UAA Model Rules Article 3.

**Section 5 Amendments**

TSCPA suggests that amendments to the educational requirements for CPA licensure remove references to the 150-hour requirement. As the educational landscape continues to evolve, the number of hours that comprise a baccalaureate and/or master's degree may change. References to specific numbers of hours may become outdated. We recommend that changes to the educational requirements reference the type of degree instead of hours.

The amendment incorporates the competency-based experience pathway outlined in the exposure draft issued on September 12, 2024. TSCPA submitted a comment letter in response to that exposure draft. As stated in our comment letter, we believe the pathway as currently defined is overly complex, fundamentally subjective, and not in the profession's best interest.

We believe that amendments to Section 5 should consider the following pathways:

- Bachelor's degree with an accounting concentration plus two years of general experience supervised by a CPA, or
- Bachelor's degree with an accounting concentration plus 30 additional hours plus one year of general experience supervised by a CPA, or
- Master's degree plus one year of general experience supervised by a CPA.

These pathways provide an educational experience that recognizes the importance of both traditional education combined with real-world experience. In all pathways, the Uniform CPA Examination must remain the capstone to CPA licensure.

## **Section 23 Amendments**

We recognize that the preservation of CPA mobility is paramount to CPA licensees across the country. As the licensure landscape evolves, solutions must be proposed to adapt to future changes. We support language that will provide for automatic mobility. Automatic mobility is a proven solution already in practice in Alabama, Nevada, North Carolina, and North Dakota. Automatic mobility recognizes the Uniform CPA Examination as the capstone to licensure for all CPAs and eliminates the need to determine “substantially equivalent” jurisdictions. Automatic mobility is a commonsense approach to ensuring CPAs can work across state borders and is responsive to the current environment and evolving needs of the accounting profession.

## **Conclusion**

The CPA profession has an opportunity to address talent shortages with modern and collaborative solutions. TSCPA appreciates the work of all stakeholders and looks forward to continued discussions on the best path forward for the profession. Please contact us at the TSCPA office at (615) 377-3825 for further discussion on any of the points mentioned in this letter.

Sincerely,



Kelly Crow, CPA  
2024-2025 TSCPA Chair



Kara Fitzgerald, CPA  
TSCPA President and CEO

November 15, 2024

Mr. Tom Neill, Chair, AICPA UAA Committee  
AICPA  
1345 6<sup>th</sup> Avenue, 27<sup>th</sup> floor  
New York, NY 10105

Ms. Nicola Neilon, Chair, NASBA UAA Committee  
NASBA  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

RE: Comments on Proposed Uniform Accountancy Act Changes and Exposure Draft

Dear Chair Neill and Chair Neilon,

The Texas Society of Certified Public Accountants (TXCPA) is the largest association of accounting and finance professionals in Texas representing more than 28,000 members. TXCPA appreciates the opportunity to comment on proposed changes to the Uniform Accountancy Act (UAA) relating to an additional path to CPA licensure proposed by the AICPA and NASBA.

TXCPA supports an additional pathway to CPA licensure. Any additional pathway, or pathways, to the CPA licensure that maintains rigor and continues to protect the public interest is needed. The recognition of the need for an additional pathway to licensure as indicated with the proposed Competency-Based Experience Framework is a positive step toward addressing one significant challenge with the CPA pipeline. In our comment letter on the Pathways Exposure Draft, we raised concerns about the complexity of the competency-based additional year of experience, the requirements and qualifications of CPA evaluators, the potential personal or firm liability, the need for more flexibility in the implementation of a new pathway, and the need for a thorough practice analysis to better position a competency-based approach for the future.

Of paramount importance to TXCPA and the CPA profession in Texas is the continued mobility and practice privileges for CPAs. Given the global environment in which we operate and the extensive business and finance centers in Texas, TXCPA is concerned about both outbound and inbound mobility. TXCPA is firm in its commitment that any proposed changes to the UAA properly address mobility in the context of the changing regulatory and professional environment.

Mobility and practice privileges should be preserved, continued and enhanced with the least amount of disruption as possible. TXCPA supports an inbound and outbound mobility system that has sufficient guardrails in place to ensure that CPAs have the requisite education and experience to practice and provides the necessary public protection.

As alternate pathways to licensure begin to be implemented across jurisdictions, it is crucial that the profession address coordination and implementation to minimize the expected disruption and break in substantial equivalency.



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14131 Midway Rd., Suite 850 | Addison, TX 75001

## **TXCPA Comments**

### Process

While TXCPA applauds the UAA Committee's efforts to advance the discussions on alternative pathways to licensure and the attendant changes proposed in Section 23 to address substantial equivalency and mobility, significant concerns remain with the process by which the UAA Committee got to this point.

First, for many years, TXCPA and other state societies have been requesting that both AICPA and NASBA begin to address the CPA pipeline problems. For an extended period of time, there was no movement or serious discussion about the pipeline crisis facing the profession. As a result, TXCPA and others developed state-specific CPA pipeline strategies to fill the void that was created when there were no national strategies in place.

Second, the UAA Exposure Draft process was condensed, a solution was outlined before the committee had the chance to review the issue in depth, and there was not sufficient dialogue regarding potential mobility solutions. Because of the paucity of a defined national strategy and lack of consensus in the UAA Exposure Draft, many societies have started to explore state legislative solutions to address the pipeline crisis and mobility concerns. As state societies began to propose alternative pathways to licensure and mobility improvements, the UAA Committee process was significantly condensed to propose a top-down solution to pathways and mobility.

The lack of immediacy in addressing the CPA pipeline has created a fractured response across jurisdictions rather than a coordinated national approach led by and through the UAA process. The lack of immediacy also places state boards and state societies in difficult positions regarding legislative timelines and extended rule-making processes as states begin to enact changes.

### Proposed Changes to Section 5 of the UAA

TXCPA believes that adding an additional pathway to the CPA licensure model is in line with the changing CPA environment and considers the different education paths that are available to students. From a global perspective, TXCPA is supportive of adjusting the licensure requirements to include the completion of a baccalaureate degree with an accounting and business concentration and two years of experience as defined by board rule.

As the profession evolves and considers whether it is in its best interest to move to a more competency-based model for licensure, AICPA and NASBA would be well served to evaluate these concepts with significant input from key constituencies to ensure it is the best approach, lay out the vision for what this may look like in the future and then determine how we move forward in incremental steps to move in that direction.

However, the competency-based work experience language included in Section 5(c)(2)(C) and further defined in Section 5(f)(2)(A) is problematic and of concern. The proposed rule provides that the competency-based one year of experience must be "performed in accordance with a

competency framework developed by a national accounting organization and administered in accordance with Board rule..." (emphasis added). TXCPA supports the concept of one model of competency-based standards rather than a patchwork of different competency-based frameworks across 55 jurisdictions. The "national accounting organization" should be defined to ensure it includes a cross-section of accounting profession constituencies (firms of all sizes, state societies, state boards, industry) to provide a robust discussion and adoption of the best competency-based standards.

While a more thorough competency-based experience requirement is developed, TXCPA supports changes to the Exposure Draft that provide state boards with the flexibility they need to adopt an additional year of work experience that they deem appropriate to protect the public interest.

#### Proposed Changes to Section 23 of the UAA

TXCPA appreciates the shared recognition that mobility is a critical concern and must be maintained through this period of change and disruption. However, for the following reasons, TXCPA is of the opinion that the proposed amendments to Section 23 are insufficient in addressing mobility.

The proposed Section 23 amendments do not provide for flexibility in state boards' adoption of rigorous alternative pathways to licensure. There has been significant debate and discussion about alternative pathways with a large number of jurisdictions expressing a strong desire to support an alternative pathway based on the completion of a baccalaureate degree and two years of relevant professional experience. Amendments to Section 23 should acknowledge the current environment, the desire to modernize CPA licensure, and the importance of inbound and outbound mobility and practice privileges.

TXCPA suggests an alternative approach to Section 23's insistence on one prescribed alternative pathway as meeting the substantial equivalency test. A more reasoned approach would include sufficient safeguards and guardrails in Section 23 that would ensure that any state that seeks to accept an out-of-state licensee to practice and have mobility in its state is assured that the out-of-state licensee has the adequate education and experience needed to practice in its state. TXCPA offers that the safeguards and guardrails would include: the licensee be in good standing in the licensee's state; completion of a baccalaureate degree with the requisite accounting and business hours as prescribed by state law or rule; one or two years of relevant professional work experience depending on the education path chosen; and the passage of the Uniform CPA Exam. These safeguards, along with existing state laws that require an out-of-state practitioner to be subject to the laws of the other state, subject to enforcement in the other state, and allowing state boards to refuse mobility or practice privileges if circumstances warrant refusal, will ensure that state boards are properly and effectively protecting the public interest and safeguarding the CPA profession.

Furthermore, state boards retain the express or inherent authority to regulate any CPA who is doing work in its state, so the public would always have the assurance that out-of-state licensees

are subject to the law and jurisdiction of the state. Enforcement authority over out-of-state licensees would continue and not be subverted by a more uniform approach to mobility.

### Section 23(a)(2) Relating to a National Licensure Database

TXCPA raises significant and worrying concerns about the use of a national licensee database to verify or assess an individual's applicable licensure pathway to be used to establish out-of-state practice privileges (mobility) for individuals from non-substantially equivalent states.

The creation of an additional or supplemental licensee database may raise constitutional questions related to states' authority to regulate the CPA profession. Requiring a state or state board of public accountancy to rely on an outside, non-state, and private third-party to regulate or an area that has been delegated to the states, raises a concern about an unconstitutional delegation of authority. Many state constitutions prohibit or severely limit the delegation of legislative or executive powers to an outside third party.

What authority does a state board, or an individual have to contest, question or appeal the contents of a licensee's information in the national database? Who administers the database? How dependable is a licensee's information in the database? What assurances or controls exist that will protect a licensee's private and confidential information from being entered into the database or being shared outside of the database? All these questions and issues raise concerns about using a database to establish interstate mobility.

The safeguards outlined above would also obviate the need for a national database to verify substantial equivalency and licensure. The safeguards presuppose a reliance on the good faith of other jurisdictions to properly and adequately license their own CPAs, while still retaining the authority of a state board to take enforcement action against an out-of-state licensee practicing in its jurisdiction.

### Burdensome to Licensees

In a time when the profession is seeking to attract more individuals into the profession, creating additional hurdles to licensure and mobility is counterproductive. Students and candidates currently must navigate higher education institutions, state boards of accountancy, CPA licensure applications, notices of intent, testing centers, review course providers, and other hurdles.

Establishing a national licensee database that candidates and CPAs need to watch, and interact with, is an unnecessary burden in attracting and retaining talent to the profession. Issues of privacy, confidentiality, and the accuracy of information are commonplace with national and state-level databases.

### Conclusion

TXCPA has taken an active role in the CPA pipeline and mobility discussions occurring nationally and in Texas. TXCPA supports an alternative pathway to licensure and exploration of a competency-based approach to licensure, as outlined in our comment letter on the Pathways

Exposure Draft. TXCPA firmly believes, and has publicly taken the position, that the protection of mobility for current and future licensees is paramount. Without mobility that protects all licensees, any discussion about alternative licensing pathways falls short. TXCPA supports the concept of individual mobility for all licensed CPAs and urges the UAA Committee to take the foregoing issues into consideration and amend or revise the UAA Exposure Draft to provide a more robust and seamless mobility provision.

Sincerely,



Mohan Kuruvilla, Ph.D, CPA, ACA  
Chair of the TXCPA Board of Directors



Jodi Ann Ray, CAE  
President and CEO

MK/JAR:kb

December 2, 2024

Mr. Thomas Neill, CPA – Chair, AICPA UAA Committee  
American Institute of Certified Public Accountants  
1345 6<sup>th</sup> Avenue, 17<sup>th</sup> Floor  
New York, New York 10105

Ms. Nicola Neilon, CPA – Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

Dear Committee Members:

The Utah Association of Certified Public Accountants (UACPA) is pleased to comment on proposed amendments to the Uniform Accountancy Act Eighth Edition – January 2018 issued September 30, 2024. The UACPA represents more than 4,300 CPAs and future CPAs working in public practice, industry, government, education, and non-profit organizations. We appreciate the opportunity to take part with the AICPA and NASBA as you seek to modernize current rules and model language while maintaining the integrity of the profession and protecting the public.

In drafting our comments, we have taken into consideration the vast changes that have occurred over the past 30 years when conversations convened to adopt a 150-hour education requirement, updated experience requirements and maintaining passage of the CPA exam in order to license at the individual state level. We have taken into consideration current barriers to licensure, current regulatory environment, continued future decline of population due to increased retirement with an aging population and decrease in birthrates across our licensing jurisdictions.

We appreciate both the time and efforts of the UAA Committee volunteers over the last several months as there have been many passionate debates and commentary as to the future of the profession. We recognize that the Uniform Accountancy Act (UAA) is an integral model statute that promotes consistency in legislation throughout the licensing jurisdictions. We also recognize that as currently proposed, the role of the UAA is at risk, as adoption from state to state may not occur.

As proposed, the changes to the UAA pose several concerns to the UACPA as outlined below:

#### **Section 5: Qualifications for a Certificate as a Certified Public Accountant**

The addition of a competency-based experience as prescribed in Section 5(f)(2) is of concern for the following reasons:

- The competency-based experience pathway as currently defined will pose undue burdens on employers and CPA candidates as the process is complicated, cumbersome, and very subjective.
- Feedback from our members indicate that there could be potential liability on CPA Evaluators as the competency components are quite subjective, context sensitive and biased and difficult to

standardize. There is also concern that a CPA Evaluator will bring their own unconscious bias's when evaluating a CPA candidate.

- Legislators across the country are seeking ways to tear down unnecessary barriers to licensure. When discussing a competency-based model with our own legislators, many were concerned about the complexity and subjectivity. Many felt the pathway was a way for national organizations to step into a jurisdiction and mandate how licensing agencies conduct their business. Licensure needs to remain at the state level.
- The exposure draft does not take into consideration language that is being proposed in many jurisdictions that would enable a person to meet education requirements with a bachelor's degree plus two years' experience as determined by board rule. Jurisdictions already have varying degrees of prescribed experience in rule.

### **Section 23: Substantial Equivalency**

Modernizing the requirements to become a CPA is critical if we are to attract CPAs from a diverse populations and backgrounds. Mobility has been a licensure challenge for years. In our opinion:

- The National Qualification Appraisal Service (NQAS) is problematic. NQAS' authority determines whether a licensing jurisdiction or individual CPAs qualify for substantial equivalency and/or dilutes jurisdiction authority as currently written. NASBA is not a regulatory agency nor should NQAS have the ability to override a jurisdiction licensing agency. Licensure needs to remain at the jurisdiction level.
- To resolve the challenges of mobility as currently stated, we propose language that would support automatic mobility with guardrails related to education and experience and passage of the Uniform CPA Exam to ensure minimum requirements that would not disrupt mobility or substantial equivalency. In a world where many CPAs work with clients globally, automatic mobility will reduce complexity for regulators and facilitate CPA expertise across all boundaries, thus meeting needs of the underserved.
- Alabama, Nebraska, Nevada and North Carolina already operate under automatic mobility; time has shown that it works. Executive directors from those states have willingly supported automatic mobility for other licensing jurisdictions.

Rather than the current proposals in the exposure draft, we recommend the following:

- Allow a pathway for a bachelor's degree plus two years' experience as directed by board rule.
- Master's degree plus one year experience as directed by board rule.
- Current language of 150 credit hours plus one year experience as directed by board rule.
- Adopt automatic mobility language with practice privileges with guardrails relating to education, experience, and passage of the Uniform CPA Exam
- Adopt grandfathering language that allows a grace period while other jurisdictions adopt language; perhaps through December 31, 2030.

While appreciative of the time and effort spent by the UAA Committee, we respectfully request that the issues addressed in our response be sent back for consideration. We are at a crossroads in our profession. The value and needs for CPA continue to increase while the population of CPAs continues to decrease. It is imperative collaborative efforts among stakeholders to address the talent shortage and future pathways be addressed. We recommend a complete practice analysis of the profession that would

create a baseline of where we are now, while constituting regularly scheduled analysis in the future. This will enable stakeholders to better be able to pivot and meet the needs of the profession, while maintaining protecting the public.

We appreciate the opportunity to comment, and look forward to working with the AICPA, NASBA and other stakeholders as we seek to attract more CPAs. Should you have any questions or need clarifications, please contact me at [ss@uacpa.org](mailto:ss@uacpa.org).

Sincerely,



Susan A. Speirs, CPA  
CEO

Board of Directors:

Jason Tomlinson, CPA - President  
Dan Frei, CPA – President Elect  
Amy Anholt, CPA – Vice President  
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Marci Butterfield, CPA – Member at Large  
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Dustin Wood, CPA – Immediate Past President  
Stacy Weight, CPA – AICPA Council Representative

Nov. 11, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

**RE: Exposure Draft to the Uniform Accountancy Act, Eighth Edition - January 2018**

The Virginia Society of CPAs (VSCPA) has reviewed and appreciates the opportunity to respond to the Exposure Draft (ED) — *Exposure Draft to the Uniform Accountancy Act, Eighth Edition - January 2018* — issued by the AICPA and NASBA on Sept. 20, 2024. The VSCPA is the leading professional association in Virginia dedicated to enhancing the success of all CPAs and their profession by communicating information and vision, promoting professionalism, and advocating members' interests. The VSCPA membership consists of nearly 12,000 individual members who actively work in public accounting, private industry, government, and education.

The Uniform Accountancy Act (UAA) serves an important role as model legislation to help promote consistency among all U.S. accounting jurisdictions. Still, its effectiveness relies on adoption by each jurisdiction and the need for it to reflect a consensus within the profession. The development process for this language must prioritize transparency and inclusivity, especially in a political climate that is increasingly anti-regulatory. Changes to the UAA should reflect a commitment to understanding the current landscape while ensuring robust public protection.

As the regulatory landscape has evolved over the past two decades, especially with the advent of interstate compacts and trust systems, it is vital to re-evaluate our approach to mobility. By aligning with modern standards and addressing these concerns, we can ensure the UAA remains relevant and effective for the future of the profession.

After careful review, we have significant concerns about this exposure draft and offer the following comments for your consideration:

**Section 5 — Qualifications for a Certificate as a Certified Public Accountant**

The proposed language adopts the CPA competency-based experience pathway outlined in the exposure draft issued on Sept. 12, 2024. Please see Attachment A for our specific comments on the pathway itself. In order to be more evergreen, we believe the UAA language should not reference a competency-based experience pathway and should instead prescribe two years of experience as determined by board rule. States already have varying degrees of prescribed experience through rule, and that is the more appropriate place for guidance related to experience requirements.

**Section 23 — Substantial Equivalency**

This UAA exposure draft presents a crucial opportunity to address the challenges of mobility and substantial equivalency in the CPA profession. However, deferring any authority on substantial equivalency to the National Qualification Appraisal Service (NQAS) is problematic, contradicting NASBA's own arguments against automatic mobility. NASBA is not a regulator, nor is NQAS. Giving NQAS authority to determine whether licensing jurisdictions or individual CPAs qualify for substantial equivalency dilutes state authority and undermines effective public protection.

The proposed language adds unnecessary complexity by requiring verification of substantial equivalency for individuals from non-compliant states, creating potential tiers of licensure — an outcome explicitly avoided in CPA Evolution. While the substantial equivalency test may still be relevant for evaluating candidates for reciprocal licenses, it should not complicate the mobility process for all CPAs.

Additionally, the draft preserves mobility for CPAs licensed under the 150-hour requirement or prior to its adoption but fails to extend similar protections to newer entrants unless they are from a substantially equivalent state or undergo evaluation to prove they individually meet substantial equivalency requirements. This approach does not facilitate seamless interstate practice and instead adds complexity and expense for both licensees and state boards. Many states are considering the adoption of a pathway that would permit licensure for candidates with a baccalaureate degree, an accounting concentration, two years of experience, and passage of the CPA Exam. Under the proposed language, this pathway would not be considered substantially equivalent even though many current licensees who obtained their CPA license before the adoption of the 150-hour requirement used a similar pathway. This inconsistency raises equity concerns that must be addressed.

Automatic mobility for any CPA with a license in good standing should be the standard, allowing state boards to maintain authority over all CPAs practicing in their states. Relying on substantial equivalency limits this authority in the event another jurisdiction introduces a licensure pathway not considered to be substantially equivalent. This could limit a state board's authority in an enforcement situation to pursuing CPAs not considered substantially equivalent for unlicensed practice rather than addressing the actual infraction, creating a risk to public protection.

### **Conclusion**

Due to the concerns we have expressed, we believe both of these issues should be sent back to the Joint UAA Committee for additional consideration. We firmly believe collaborative efforts within the CPA profession are essential to address the talent shortages in the CPA pipeline effectively. The adoption of widely accepted alternative pathways to licensure and an easy-to-administer, evergreen approach to practice mobility will significantly benefit the profession as a whole. Therefore, it is imperative that the process for reviewing the comments be transparent and the final changes to the UAA be reflective of stakeholder input.

We appreciate the opportunity to comment and remain committed to working alongside AICPA, NASBA and other stakeholders in shaping the future of CPA licensure. Please feel free to contact me or VSCPA Vice President, Advocacy & Pipeline Emily Walker, CAE, at (804) 612-9428 or [ewalker@vscpa.com](mailto:ewalker@vscpa.com) if we can be of further assistance.

Sincerely,



Stephanie R. Peters, CAE  
President & CEO  
Virginia Society of CPAs

Attachment — VSCPA letter on the CPA competency-based experience pathway



December 5, 2024

AICPA/NASBA Joint Uniform Accountancy Act Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

Re: Competency-Based Experience Pathway Proposal & UAA Proposals

The Washington Society of CPAs represents more than 7,000 members working in public accounting and in various industries, businesses, government, and education in our state. We thank you for the opportunity to provide comments and feedback on the proposed CPA Competency-Based Experience (CBE) Pathway exposure draft and the Uniform Accountancy Act (UAA) proposals.

Pipeline trends and data support the need to evaluate and address the barriers, time, and cost to obtain a CPA license. Many in the profession are asking for an alternative pathway and agree it is necessary to encourage more students to pursue a career in accounting. For these reasons, we appreciate the work undertaken by NASBA and the AICPA to acknowledge the need to modernize the licensing process and propose alternative pathways to licensure. These comments reflect the official position of the WSCPA, informed by two years of active engagement in dialogue, analysis, and collaboration on pipeline issues and the exploration of viable solutions.

#### Competency-Based Experience (CBE) Pathway

*While we strongly believe modernizing the license is important and are firmly in support of establishing a new competency-based pathway, we cannot support the CPA Competency-Based Experience proposal for the reasons provided below.*

We carefully considered the questions you posed when requesting feedback: whether the pathway was easy to understand, whether the skill sets were relevant, and whether the framework sufficiently described the performance indicators for the competencies.

We appreciate the work that was done to build the foundational competencies framework for aspiring CPAs. It would be beneficial to understand the outreach and inclusion of the broader profession in developing this framework.

We can see the value of these defined critical skills to the current job force. However, as introduced in this proposal, the skills effectively would become a new set of licensing requirements for a CPA candidate. These skill sets are not specified, evaluated or required through the current 150-hour educational pathway. Currently, the extra 30 hours are undefined and are essentially a year's worth of general education as opposed to a year's worth of on-the-job training in the designated field.

If this new pathway requires the outlined competencies as necessary to obtain a CPA license, the other pathway likewise should require the same competency evaluations. To assume they would be learned in any non-specified college course would be easily challenged.

While many firms and organizations assess these competencies through performance evaluations, structured training programs in these areas remain uncommon or inaccessible to most organizations. Due to the lack of training programs available to ensure skills are learned and equally evaluated, there is a high risk of inconsistency in skill sets.

The framework provides a high-level set of examples. We have concerns about the likelihood of inconsistent interpretation and understanding of what would constitute satisfying each of the competencies. Evaluators would be making subjective judgements based on their understanding of the competency and the individual. An evaluator would not be evaluating competencies, they would be evaluating perceived behaviors and witnessed or presented work experience. This framework also assumes that the competencies are being taught to candidates through work experiences and not pre-existing. If a candidate were to begin this pathway's on-the-job training and already possess competency, which many with prior work experience are likely to do, then in essence they would be required to obtain 2 years of general experience. Also, if there were no specific training at the firm, the candidate would technically receive 2 years of general experience and simply be evaluated on a list of skills.

Another concern is how to ensure that the evaluator is qualified. How will evaluators be assessed to ensure they personally possess the required technical and professional competencies? In today's job market, one may assume that a CPA would be unemployed if they did not possess those competencies. However, under the proposed guidelines, there is no requirement for a CPA evaluator to be currently employed.

Our most significant concern is that this framework allows for bias and opinions versus "assessing" a competency with uniform metrics. To ensure accuracy and prevent the introduction of bias, short assessments (tests) could be administered to ensure a candidate understands the competency. Historically, bias has disproportionately affected underrepresented minorities or genders in the workforce. Research has shown there has been a significant drop in the number of minority students who have chosen to become CPAs since the introduction of the 150-hour rule. Creating a new barrier with unintended bias could be more detrimental to the pipeline.

The recommendations of the National Pipeline Advisory Group (NPAG), as outlined in the Accounting Talent Strategy Report on page 38, offer a way to prevent bias: "A simple but effective form of program administration is agreed upon to ensure state regulators are comfortable that employers are using the appropriate framework and are applying it correctly. It may make sense to partner with a third party with demonstrated experience assessing education for other occupations or professions to design and/or administrate this process (e.g., the American Council on Education or a similar entity)."

NPAG's report also recommends a scalable "experiential learning in a box" option to support smaller employers.

We support moving away from a defined number of credit hours and over to a degree-based prescription for the educational requirement for licensure as addressed in your alternative pathway. The WSCPA is supportive of requiring a master's degree – or a bachelor's degree plus 30 credit hours – as a licensure pathway that also includes one year of experience. We also support an additional pathway to licensure that includes a bachelor's degree plus two years of experience. To obtain a CPA license under either pathway, candidates would need to pass the uniform CPA exam and obtain a minimum concentration in accounting or finance as prescribed by our Board of Accountancy. This proposal is easier to understand for candidates, easier to implement in organizations and is in alignment with states currently looking to adopt alternative pathways.

### Uniform Accountancy Act (UAA) Proposal

*We do not support the alternative pathway language in the UAA exposure draft (section 5). We believe reference to 150 credit hours should be removed. There is a movement outside of the profession to create 3-year, 90-96 credit hour bachelor's degree programs. If this trend is expanded, then any pathway stating 150 credit hours would essentially require 2 years – 60 credit hours of non-defined education. Such a pathway would offer little value at a higher cost. We also do not support the Competency-Based Experience Pathway, for the reasons stated above.*

*We also do not support the proposed mobility solutions in the UAA exposure draft. The safe harbor language (section 23), as written, could create multiple tiers of CPAs in our state and limit mobility. This would adversely affect newly-licensed CPAs under any new alternative pathway. Considering the need to encourage more students to enter our profession, creating a new barrier once they are licensed would be detrimental. The language also puts more burden on a state board, or reliance on an outside organization. Either option increases costs to the state or the individual CPAs.*

The UAA has been instrumental in bringing states in alignment and building the trust necessary to create CPA mobility. We believe the UAA can continue to be an asset to the profession; however, the proposed language does not appear to be in the best interest of the profession. We ask that the UAA committee recommend automatic mobility instead of safe harbor language.

The WSCPA supports automatic mobility, or automatic practice privileges. We also support including the appropriate guardrails within that concept to continue to build trust between states and protect the public. Four states have had automatic mobility in place for at least 15 years and can speak to how it has streamlined the regulatory system for CPAs.

The ability for CPAs to practice across state lines is crucial for businesses in Washington State. Known for its thriving technology sector and innovative business community, Washington often relies on CPAs with specialized expertise who may reside outside the

state. Ensuring interstate practice is essential to supporting our economy. By enhancing our mobility framework, we can protect the financial well-being of our business community, uphold the high standards of our CPA licensure, and streamline processes to remove unnecessary barriers.

Due to the fluidity of business and the ability to work virtually, CPAs in our state have clients in many other states. Also, many of the firms in our state have employees living in and working from other states. Automatic mobility, if adopted by all states, would allow the profession to continue to work across state borders without needing to obtain multiple licenses or paying to have their license verified. Automatic mobility gives state boards the oversight they currently have under individual mobility.

We realize that many states plan to introduce legislation with alternative pathways in 2025. While states looking to make changes are trying to align with each other, it will still create a time when our current mobility based on substantial equivalence will break. Automatic mobility will ensure continuity of practice privileges during the change process without creating confusion and potentially multiple classes of CPAs.

Thank you for requesting feedback. Again, we appreciate the work that has been done, the willingness to look at options, and the acknowledgement that change is needed.

Sincerely,



Kimberly Scott, CAE  
President & CEO



Sarah Funk, CPA, CGMA  
WSCPA Board Chair



THE STATE  
*of* **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,  
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BOARD OF PUBLIC ACCOUNTANCY

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December 23, 2024

Dan Vuckovich, CPA, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700

Thomas Neill, CPA, Chair, AICPA UAA Committee American Institute of CPAs  
1345 6th Avenue 27th Floor  
New York NY 10105

Dear Chairs Vuckovich and Neill:

The Alaska State Board of Public Accountancy (“the Board”) is grateful to the Joint UAA Committee for their hard work of bridging NASBA and AICPA efforts on the proposed changes to the Uniform Accountancy Act (UAA). The Board has reviewed the Exposure Draft and has the following responses to each Section and/or Rule:

**Proposed Revisions to UAA Section 5**

We share the thoughts of Nebraska, and similarly point out that Alaska has always highly valued the experience model and did not adopt the UAA experience requirements when it changed many years ago to one year of general experience. For the UAA, we support considering a 150/1 and a 120/2 model within a CPA firm; however, we recommend an additional year of general experience for those within the business and industry environment.

We do not support the competency-based experience model.

**Proposed Revisions to UAA Section 23**

The Board believes that Substantial Equivalency & Mobility should be separated in the UAA.

Substantial Equivalency is defined as an individual licensee, being licensed by another jurisdiction, being equal to or substantially equivalent to the licensee requirements of the State of Alaska. With the currently proposed language, the Board does not view that the UAA requirements meet the level, nor are they substantially equivalent to the requirements imposed by statute and regulations of the State of Alaska licensees.

We agree with the proposal of looking back to how the individual was initially licensed to determine if they were substantially equivalent at that time, thus we could consider them to be substantially equivalent now which will allow the CPA to retain their mobility. Our goal is to ensure that current licensees are not negatively impacted by changes to the UAA that would prevent them from exercising their practice privileges in the future.

We strongly advise against using the ALD/CPAVerify database to determine if a CPA is not substantially equivalent. The Board believes this could lead to unintended negative consequences for CPAs, such as affecting their employment status, promotion prospects, and potentially creating a lasting stigma.

The Board supports mobility, which allows CPAs certified in other jurisdictions to perform work as defined by State statute and regulations but who are not residents and have no intention of establishing a permanent place of business in the state. We support a "CPA= CPA" model, which allows for the recognition of a CPA's license from one state as valid for practicing in another state, ensuring mobility. Under existing mobility rules, a State Board can revoke a CPA's practice privilege if they don't comply with the board's laws and regulations, and the matter can be referred to the board that originally issued the CPA's license. This model has been in effect since mobility was instituted.

Additionally, attention should be given to how best to safeguard mobility in a context where substantial equivalency remains important. Therefore, rather than the current changes proposed to Section 23, we would be in favor of the UAA including language for "mobility with guardrails" to keep substantial equivalency applicable.

UAA Rule 3-11

The definition is not necessary since we do not approve of the Competency-Based Experience model. We submitted our comments regarding that Exposure Draft earlier this year.

UAA Rule 6-2

We are strongly opposed to the competency-based experience model, as indicated in our response above to Section 5

We appreciate the opportunity to provide input on the exposure draft. We understand the boards efforts are focused on improving our profession, and while we are opposed to parts of the proposal (more strongly the competency-based experience model), there are certain elements that will indeed be improvements if passed.

On behalf of the Board,

[REDACTED]

[REDACTED]



**D. Boyd Busby, CPA**  
Executive Director

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November 22, 2024

NASBA Uniform Accountancy Act Committee  
NASBA – UAA  
150 4th Avenue North, Suite 700  
Nashville, Tennessee 37219-2417

RE: September 30, 2024, Joint AICPA/NASBA UAA Committee Exposure Draft to the Uniform Accountancy Act, Eighth Edition (UAA ED); and September 12, 2024, Exposure Draft on CPA Competency-Based Experience Pathway (Pathway ED)

Dear Committee Members:

The Alabama State Board of Accountancy (“Board”) is choosing to write one letter in response to both exposure drafts.

## 1. Competency-Based Experience Pathway (CBEP)

The Board discussed both exposure drafts relating to CBEP. The Board is not in favor of this model for an alternative pathway for licensure. The Board submits the best pathway is the current 150 hours and one year of experience. Issues that were discussed include confusion and complexity, apprehension at inserting a market participant in the licensure process and the uncertainty and possible inconsistencies of a final program written as an evergreen document. The Board suggests that this issue be sent back to the Joint UAA Committee to consider licensing pathways developing across the sovereign jurisdictions.

## 2. Mobility

The Board discussed the UAA Exposure Draft on mobility and is not in favor of the proposal. Alabama has recognized automatic mobility for 15 years. Automatic Mobility has benefited the public by allowing CPA choice and has benefited CPAs wishing to serve clients in Alabama. In discussing this issue, the Board determined additional guardrails such as a minimum of a bachelor’s degree with a concentration in accounting as decided by board rule and one year of experience should be added to provide additional public protection. The Board suggests that this issue be sent back to the Joint UAA Committee to consider mobility issues developing across the sovereign jurisdictions.

The Board appreciates the opportunity to comment on the proposed changes to the UAA and looks forward to continued engagement on these matters.

Sincerely,

Rita M. Prince, CPA  
Board Chair



# ARKANSAS STATE BOARD of PUBLIC ACCOUNTANCY

December 2, 2024

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American Institute of CPAs  
1345 6th Avenue 27th Floor  
New York NY 10105

*Re: AICPA/NASBA Exposure Draft on the CPA Competency-Based Experience Pathway and  
AICPA/NASBA Exposure Draft to the Uniform Accountancy Act*

Dear Chairs Vuckovich and Neill:

The Arkansas State Board of Public Accountancy (Board) reviewed and discussed the exposure drafts during its meeting on November 22, 2024 and prepared this single response letter to both exposure drafts.

The Board appreciates your efforts in addressing the issue of an alternative pathway to licensure as the Board has determined that it is in the best interest of Arkansas licensee candidates to have multiple pathways to licensure, with one of those pathways requiring a baccalaureate degree, accounting concentration, passage of the CPA exam, and two years of experience (120 + 2).

The Board fully supports the three E's of licensure: Education, Exam, and Experience. However, the Competency-Based Experience Pathway (CBE) would be confusing and burdensome to both the applicants and the companies for which they work. We affirm that current supervision standards related to experience should apply universally across all pathways.

In addition, the exposure drafts would preserve mobility for CPAs licensed under the 150-hour requirement as well as to those CPAs licensed prior to the exposure drafts' adoption. However, with the proposed language of the UAA exposure draft, the Board's proposed 120 + 2 pathway would not be considered substantially equivalent and CPAs licensed under this model would risk the loss of mobility. In light of the fact that NASBA has signed Mutual Recognition Agreements with various countries recognizing international candidates who completed a 120 + 2 model as substantially equivalent, we believe this is absurdly inconsistent.

Due to the above concerns, we do not support the idea of the CBE pathway nor the proposed changes to the UAA. Considering our concerns, we propose the following pathways to licensure:

- Pathway 1: Baccalaureate degree, 150 hours, accounting concentration, passage of the CPA exam, and one year of experience.
- Pathway 2: Baccalaureate degree, accounting concentration, passage of the CPA exam, and two years of experience.



# ARKANSAS STATE BOARD of PUBLIC ACCOUNTANCY

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*Licensing Coordinator*

Nikita Montgomery  
*CPE Coordinator*

These pathways offer a balanced and diverse approach that combines educational rigor with practical experience, ensuring that candidates are well-prepared to meet the demands of the profession.

Finally, the Board asserts that the setting of licensure requirements and the granting of licenses are the sole responsibility of each State Board of Accountancy. UAA model language related to licensure, mobility, substantial equivalency, and reciprocity should be a guide, not a mandate. This Board disapproves of the threatening of each state's licensee's mobility and the usurping of Board authority over granting and regulating licensure.

The Board is strongly considering proposing rule changes regarding mobility that includes language similar to that in Alabama, Nevada, Nebraska and North Carolina, who have had this model for mobility and have not had any issues since implementation in 2009.

The Arkansas Board believes both exposure drafts should be sent back to the joint UAA Committee for additional review and modification. It is our sincere hope that the Committee will give strong consideration to the Boards, including Arkansas, that are currently introducing legislation or rule changes that modify the requirements for licensure.

The Board appreciates the opportunity to comment on the proposed exposure drafts and hopes that the UAA can be modified in a way that is acceptable to all State Boards of Accountancy.

Sincerely,

*Christina Ellis*

Christina Ellis, CPA  
Board President

**California Board of Accountancy**

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November 5, 2024

Nicola Neilon, CPA, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

Thomas Neill, CPA, Chair, AICPA UAA Committee  
American Institute of CPAs  
1345 6<sup>th</sup> Avenue 27<sup>th</sup> Floor  
New York, NY 10105

**RE: AICPA and NASBA Exposure Draft on Proposed Revisions to the Uniform Accountancy Act and NASBA-Issued Uniform Accountancy Act Model Rules (UAA/Model Rules Exposure Draft, collectively)**

Dear Chairs Neilon and Neill:

On behalf of the California Board of Accountancy (CBA), I am providing comments on the proposed revisions to the *Uniform Accountancy Act (UAA)* Sections 5 and 23, and *UAA Model Rules (Model Rules)* Articles 3 and 6. On behalf of the CBA, I would like to thank your organizations for providing an opportunity to respond to the UAA/Model Rules Exposure Draft.

The CBA recognizes that both the AICPA and NASBA have spent considerable time in evaluating an additional pathway to licensure. As all stakeholders know, attracting individuals to the CPA profession to ensure that consumers have access to qualified CPAs performing work in accordance with applicable professional standards is of paramount concern.

At the CBA's meeting in May 2024, our members had an opportunity to hear from both of your organizations regarding efforts they are undertaking to address this issue. Additionally, the CBA understands that with the present *UAA* model and the coupling of licensure requirements and mobility, your organizations have been working on creating a new definition for substantial equivalency. Finally, both the AICPA and NASBA have been informed about the CBA's ongoing efforts to address both modernizing mobility and creating flexible licensure requirements to create a more evergreen approach to both.

The CBA has reviewed the proposed changes to the licensure and mobility requirements and offers the following comments.

**Licensure Policy**

The pathways to licensure represented in the model language and CBA-approved licensure legislative proposals have both similarities and differences. All the pathways require the 3 Es (education, experience, and examination) and include a pathway to licensure for those with a bachelor's degree without 150 units.

***Total Units***

The model language<sup>1</sup> was amended to describe three pathways to meet the educational requirement for initial licensure as a CPA with the first two requiring 150 total units. CBA believes the reliance on a total of 150 units is not an evergreen approach to education when some colleges are looking toward a three-year degree option that would reduce the general education course requirement.<sup>2</sup>

In 2014, California revised its licensure requirements to include 150 units to align with the *UAA*. At that time, there were both advocates and opponents to the new requirement. Advocates of the change expected an increase in the percentage of CPAs with advanced degrees and thus expertise. Opponents to the change warned of fewer candidates entering the profession and disadvantaged student groups being particularly burdened by the increased unit requirement. Unfortunately, there has not been an increase in students seeking advanced degrees in accounting and the cost of higher education has increased. The CBA is concerned with the CPA pipeline and values diversity. Given the lack of evidence that the 150 units is necessary for the protection of the public, this requirement is particularly problematic and could be an artificial barrier to licensure.

***Competency-Based Experience Requirement***

At this time, the CBA does not support the use of the specified competencies in a licensure setting because they are not tied to minimum competencies of entry-level safe and effective practice. (Specifics of this concern are noted in the CBA response to the CPA Competency-Based Experience Exposure Draft.) Additionally, CBA notes a lack of evidence to justify why only candidates without 150 units are required to be evaluated on the achievement of competencies.

The CBA is particularly concerned that the model language does not specify the competency-based experience be gained in an accounting setting and relies on the incorporation by reference of the CPA Competency-Based Experience Pathway to establish numerous requirements, including who is to evaluate the competencies. The incorporation by reference of this document would not meet the California standards for rulemaking.

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<sup>1</sup> UAA/Model Rules Exposure Draft, Page 4, Section 5(c)(2)

<sup>2</sup> The CBA-approved licensure legislative proposal does not include total unit requirements.

It is the responsibility of CBA to make licensure decisions in the best interest of California consumers.<sup>3</sup> The CBA does not support the delegation to develop the competency framework<sup>4</sup> to a “national accounting organization,” in essence the AICPA and NASBA. While it is true that the CBA does not have to implement the requirements outlined in the model language, the proposal establishes an undue burden if it does not.

**Mobility Policy**

Unlike when comparing the UAA/Model Rules Exposure Draft with the CBA licensure legislative proposal, which, though different, have similarities, the approaches to mobility found in the UAA/Model Rules Exposure Draft and the CBA mobility legislative proposal vary greatly. Both provide a mechanism for out-of-state licensees to practice across state lines, but how individuals are afforded this privilege differs.

***Substantial Equivalency*<sup>5</sup>**

Under the UAA/Model Rules Exposure Draft, the foundational element is substantial equivalency, with this equivalency focused on how states license individuals or how an individual qualified for licensure.<sup>6</sup>

The model language provides mobility provisions that are overly restrictive, unnecessary, complex, and place an undue burden on state boards of accountancy (SBOAs), especially those that choose not to implement the pathways in the model language. The model language places a burden on SBOAs that implement their own licensure pathways by tracking and reporting requirements. In essence, the model language elevates the *UAA* pathways over any other pathways a SBOA may use by tying mobility to the *UAA* pathways.

Additionally, if substantial equivalency is kept, it is too narrowly focused on licensure requirements. The CBA believes that how, and if, a SBOA actively responds to consumer complaints with appropriate enforcement actions is a critical component when relying on the merits of another SBOA's license to allow for practice rights.

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<sup>3</sup> The CBA-approved licensure legislative proposal authorizes the CBA to enhance the general experience requirement via regulations to require the “completion of specified job task(s) associated with *minimum competencies of entry-level practice.*” (*emphasis added*)

<sup>4</sup> UAA/Model Rules Exposure Draft, Page 5 requires competency-based experience be completed in accordance with a “competency framework” and Page 9 specifies this is the completion of the “CPA Competency-Based Experience Pathway.” The use of the terms pathway and framework are confusing because the Pathway Exposure Draft references the framework narrowly as an appendix that is the list of competencies.

<sup>5</sup> The CBA-approved legislative proposal eliminates the use of substantial equivalency and instead focuses on a CPA equaling a CPA with strong consumer protection safeguards.

<sup>6</sup> UAA/Model Rules Exposure Draft, Page 6: *UAA* Section 23(a)(1). The model language is unclear and confusing, what is presented in this letter represents the CBA's best guess at the intent of the model language.

***NASBA and NQAS***

Given that NASBA has no regulatory authority, it does not seem appropriate that any reference to NQAS being an authoritative body akin to a SBOA is appropriate. NASBA provides various services to its members upon request, it is not necessary to list those services in the model language. The removal of the NQAS would not prohibit a SBOA from delegating a function to NQAS. Further, the criteria NQAS would use for making determinations on substantial equivalency is not in the model language which results in too much subjectivity.

**Conclusion**

The CBA supports the intent of the UAA/Model Rules Exposure Draft to foster uniformity across states, but has concerns that the model language, in places, is overly restrictive, complex, unnecessary, and inconsistent. In general, the CBA believes the model language is not responsive to NASBA members who have voiced frustration with the substantial equivalency process and its use to restrict SBOAs from taking action to modify licensure requirements in ways they believe to be in the best interest of their consumers. The processes described in the model language could be perceived as penalizing SBOAs that elect to implement licensure requirements different from the model language. The restrictive components create an exposure draft that lacks the ability to respond to changes in educational systems and the profession.

The decoupling of the licensing requirements with mobility creates a more robust mobility approach that can withstand changes to licensure requirements and is founded in the protection of the public.

The CBA respectfully requests NASBA and AICPA consider pausing on efforts associated with the licensure requirements and competency-based pathway approach found in the UAA/Model Rules Exposure Draft and focus on creating a more modernized approach to mobility. The model language could serve as a useful resource to SBOAs by the inclusion of model consumer protection safeguards. This narrowing of focus to only mobility will provide much needed time to revisit the competency-based experience requirement when it is decoupled from mobility.

Further, as California has the largest population of CPAs at over 115,000, the CBA respectfully request that NASBA and AICPA include California in future development on proposals surrounding the licensure requirements and mobility. The CBA is currently working on proposed legislative changes pertaining to licensure and mobility and will continue to monitor the proposed revisions to the *UAA* and *Model Rules* as we continue this process.

**Chairs Neilon and Neill**

Page 5 of 5

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Rosenbaum".

Joseph Rosenbaum, CPA  
President

c: Members, California Board of Accountancy  
Dominic Franzella, Executive Officer  
Michelle Center, Chief, Licensing Division

Melanie S. Griffin, Secretary

Ron DeSantis, Governor

To: AICPA/NASBA Joint UAA Committee, AICPA Leadership and Board of Directors,  
NASBA Leadership and Board of Directors

From: Florida Board of Accountancy

RE: **AICPA and NASBA Exposure Draft on the CPA Competency-Based Experience Pathway and Proposed Revisions to the Uniform Accountancy Act and NASBA-Issued Uniform Accountancy Act Model Rules (UAA/Model Rules Exposure Draft)**

**Date: December 3, 2024**

On behalf of the Florida Board of Accountancy (the Board) I am responding with a single letter addressing both exposure drafts.

This Board agrees that maintaining a strong pipeline of accounting talent is essential for a robust economy. We recognize that attracting sufficient individuals to the CPA profession to ensure consumers have access to qualified CPAs is a critical concern. This Board supports the AICPA and NASBA efforts to examine and identify the root causes of the recent decline in entrants to the profession.

This Board acknowledges the AICPA and NASBA are seeking to address the time and financial constraints some individuals face in completing the education needed post-bachelor's degree for CPA licensure. We appreciate the considerable time your organizations have invested in evaluating additional pathways to licensure and for providing the opportunity to respond to the UAA/Model Rules Exposure Draft.

#### **Qualifications for Licensure:**

This Board supports an alternative pathway to licensure that includes the 3 E's: education, exam and experience. Specifically, we support an additional pathway requiring:

- A bachelor's degree with an accounting concentration determined by Board rule
- Successful completion of the CPA exam, and
- Two years of accounting experience

However, the Board does not support splitting the two-year experience requirement between one year of competency-based experience and one year of general accounting experience.

We do not see the value in a subjective determination of whether the applicant has met certain core competencies. These competencies -such as ethical behavior, critical thinking, communicating and collaboration- are typically assessed by employers during the hiring process. The proposal provides little to no boundaries for CPA evaluators making decisions that significantly impact applicants. Decisions made by licensed CPAs as "market participants" without state supervision could expose individual evaluators to antitrust concerns. While the Board may have defenses against antitrust claims, individual CPA evaluators could be left vulnerable.

Additionally, this approach creates an unnecessary burden on newly licensed CPAs working in private industry or small businesses, where their employer or supervisor may not be a CPA. From a regulatory standpoint, defending an experience requirement that replaces post baccalaureate education with subjective competency assessments is difficult to justify. The Board would prefer to avoid such a defense.

Implementing changes to licensure requirements in Florida would require statutory amendments by the legislature. The Board acknowledges the current political climate may not support additional bureaucracy or complexity in CPA licensure, as proposed in the competency-based model.

**Substantial Equivalency & Mobility:**

The exposure draft proposes using the national database of licensees (ALD) to identify CPAs whose licensure may not be substantially equivalent to the UAA, requiring states to report these individuals to the ALD. This approach risks creating different classes of CPAs – some perceived as more or less qualified-introducing confusion in the marketplace.

The Board anticipates that some state boards may choose not to identify and report these CPAs, potentially leading jurisdictions to cease participation in the ALD altogether. This outcome would undermine the usefulness of the ALD and eliminate the efficiencies it has brought to the licensure process to date.

Respectfully,



Roger Scarborough,  
Executive Director  
Florida Board of Accountancy



**State of Idaho**  
**Division of Occupational and Professional Licenses**  
**Idaho State Board of Accountancy**

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November 4, 2024

Thomas Neill, CPA  
Chair, AICPA UAA Committee  
220 Leigh Farm Road  
Durham, NC 27707-8110

Nicola Neilon, CPA  
Chair, NASBA UAA Committee  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

Dear Mr. Neill and Ms. Neilon,

The Idaho State Board of Accountancy (“Board”) discussed the UAA Pathway Exposure Draft at its meeting on October 17, 2024. A motion was made at the Board’s meeting to submit a letter in support of the exposure draft, while also expressing concern over the CPA Evaluator qualifications for the competency-based experience.

The Board supports the addition of a new pathway to gain CPA licensure and the attempt to maintain mobility through substantial equivalence language. However, the Board has concerns over the requirement for three years of post-licensure experience for a CPA Evaluator, as outlined in the CPA Competency-Based Experience Pathway Exposure Draft. The Board believes that a minimum of five years of post-licensure experience is more appropriate for individuals evaluating the competency-based experience of CPA candidates.

This letter of support for the UAA Exposure Draft does not constitute an intention of the Board to institute the CPA Competency-Based Experience Pathway. The Board will continue that discussion and decide in the future whether it will adopt the new pathway.

Sincerely,

Jason Peery  
Chair, Idaho Board of Accountancy



## ***State Board of Accountancy***

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December 23, 2024

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AICPA UAA Committee

American Institute of Certified Public Accountants

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New York, NY 10105

Re: September 12, 2024 Exposure Draft of CPA Competency-Based Experience Pathway and September 30, 2024 Exposure Draft Proposing Changes to the Uniform Accountancy Act

Dear Committee Members:

The Kentucky State Board of Accountancy (“Kentucky Board”) appreciates the opportunity to provide feedback on the recently released Exposure Drafts from the Joint AICPA/NASBA UAA Committee (“Committee”) regarding the proposed Competency-Based Experience Pathway and proposed changes to the Uniform Accountancy Act (UAA). The Kentucky Board has authorized me to provide this response on its behalf.

The Kentucky Board greatly appreciates the significant time and effort invested by the Committee, and the several task forces, in attempting to expand pathways to CPA licensure. Our Board spent time at several meetings discussing the Exposure Drafts and, while there are components of the drafts that the Board Members like, we were not able to reach an agreed consensus to collectively support their enactment.

### **A. Competency-Based Experience Pathway**

While all Kentucky Board members recognize the benefit of establishing another licensure pathway to provide more flexibility to candidates, and address time and cost limitations felt by many under the existing pathways, views among the members vary as to what that new vision should specifically look like. Several believe the new pathway should recognize licensure based upon the attainment of a bachelor’s degree with a business and accounting concentration, passage of the Uniform CPA Exam, and two years of general work experience in accounting. Other

members like the additional rigor inherent in the proposed competency-based experience pathway; while others primarily envision something different altogether.

Even for those Kentucky Board members generally supportive of the concepts underlying the competency-based experience pathway, a number of concerns with the current proposal still exist. Some of them include:

- **Additional burdens imposed upon existing licensees, CPA firms, other employers of CPAs, and the candidates themselves.** The structure of the proposed pathway will, by its nature, impose new requirements and demands upon numerous entities. The potential for disruption to operations and strain on human capital appear unavoidable. And while the precise level of required investment of already scarce resources is currently unknown, it could be quite significant. Apart from the direct impact upon those involved in the process, Kentucky Board members are also concerned with the effect all of this could have on the on-going provision of professional services to the public. Occurrences of CPA errors and omissions seen by our Board are often accompanied by practitioners being overburdened, too busy, or stretched too thin. A concern exists that the exacerbation of these risks, as well as the added burden imposed on the aforementioned entities, may serve to outweigh the positive features of the competency-based experience model.
- **Difficulties with scalability.** While the Committee has recognized this issue and expressly attempted to address it, fears continue to exist concerning the undeniable challenges and added burdens that the proposed model will pose to small firms and non-firm CPA-employers in business, industry, and government. In contrast to large firms with more resources and existing infrastructure already in place to provide the type of detailed training, monitoring and assessments required by this pathway, other entities employing CPAs, especially those in remote or rural areas, could likely find implementation of its specific requirements far more demanding and problematic. Moreover, CPA candidates pursuing an accounting-related career path in one of these non-firm entities, could be materially disadvantaged. Many members of the Kentucky Board wonder whether these factors might again ultimately overwhelm the favorable elements of the proposed model.
- **Questions of complexity, confusion, and subjectivity.** The Kentucky Board strongly believes the ultimate goal in this endeavor should be to establish, to the extent possible, a straight-forward, simple, and streamlined licensure model, which will reduce existing barriers and increase candidate accessibility -- all while ultimately promoting public protection. In contrast to this vision, several members are concerned that aspects of the competency-based experience model may introduce an unnecessary level of complexity likely to lead to participant confusion and frustration. While the Board, on the one hand, respects the detail and depth of the proposed pathway, it also struggles with elements it fears will create questions, disagreements, and delays. Some of this undoubtedly stems from a perceived lack of clarity, and inherent subjectivity, in the assessment process and the performance indicators. And while the Kentucky Board again appreciates the committees' willingness to "get into the weeds" in the formulation of this model, several members worry that the added complexity, detail and specification might ultimately create more problems than benefits.

B. Proposed Amendments to the UAA

Because a significant portion of the proposed UAA amendments directly relate to the establishment of the competency-based experience pathway, much of the foregoing discussion of that proposal will apply here as well. And for the reasons set forth above, the Kentucky Board could not reach a consensus to collectively support that model's inclusion in the UAA.

In addition, the Board is not in favor of the proposal to use a national licensee database to identify CPAs whose method of licensure may not be substantially equivalent to current UAA licensure. This approach risks creating different classes of CPAs, and the Kentucky Board believes a CPA is a CPA.

Our members recognize the challenge of attempting to address these difficult issues at a national level, and appreciate all the Committee's work to date. The Kentucky Board remains hopeful for an approach that maintains practice mobility and achieves as much licensing uniformity among states as possible. We hope that the Committee will continue to engage with state boards and other stakeholders on these critical matters.

Please let me know if you have questions or need anything further.

Best regards,



William J. Jessee, CPA  
President, Kentucky State Board of Accountancy

December 30, 2024

To: AICPA & NASBA Leadership and Board of Directors

Re: Comments on the Uniform Accountancy Act (UAA) Exposure Draft

The State Board of Accountancy (Board) welcomes the opportunity to provide comments on the September 30, 2024, Uniform Accountancy Act (UAA) Exposure Draft. As noted in our comments on the Competency-Based Experience (CBE) Pathway Exposure Draft, the Board does not support the adoption of the specific CBE Pathway. Accordingly, the Board does not support the inclusion of the CBE Pathway in the UAA Exposure Draft. The Board agrees that it is vital to maintain high standards among CPAs in the profession, as well as their ability to practice with ease across state lines. We believe, however, that CPAs in good standing should have automatic mobility and state boards should maintain authority over CPAs practicing in their states.

The Board believes it can best express its comments to the AICPA and NASBA on the proposed UAA Exposure Draft by providing them in three broad categories: Flexibility, Complexity and State Deference/Process, which we do below. We would be happy to respond to any questions or comments.

### Summary

The Board understands that the AICPA and NASBA, in developing the UAA Exposure Draft, were under pressure to address the dearth of students entering the accounting profession and ultimately becoming Certified Public Accountants (CPAs), the advancing age and imminent retirements of many existing CPAs, and the profession's continued lack of diversity; commonly referred to as the 'Pipeline' issue. The Pipeline issue created a challenge for the accounting profession, businesses seeking to hire CPAs and the general public, whose interests state boards of accountancy are entrusted to protect.

We further observe that state boards of accountancy and state CPA societies, concerned about the growing impact of the Pipeline issue in their states, began individual efforts to address the problem prior to the issuance of the UAA Exposure Draft. Several states, notably Minnesota, developed legislation to amend their statutes to allow experience to be substituted for education, while others like New Jersey, developed innovative rules regarding experiential learning. The UAA Exposure Draft is clearly informed by these

actions. However, we believe the UAA Exposure Draft and the accompanying CBE Pathway Exposure Draft miss the essential elements of these previous proposals; their simplicity and flexibility.

The Board is concerned that in its desire to preserve the ability of CPAs to practice across state borders (mobility), the UAA Exposure Draft is overly rigid and inflexible, and will deter state boards of accountancy from further experimentation and innovation. After all, it was state experimentation which resulted in the content of the current UAA Exposure Draft. We are concerned that the emphasis on mobility may be overshadowing the broader needs of the CPA profession.

Finally, we note that the UAA Exposure Draft and most of the accounting profession have focused on the 150-Hour Education requirement as an underlying cause for the Pipeline issue. As a result, states will need the flexibility to quickly and easily explore different approaches, within reason. The UAA Exposure Draft does not allow that degree of flexibility. While the AICPA-NASBA Uniform Accountancy Act has been called 'evergreen' for its ability to be changed and evolve, the time may have come instead to foster flexibility of innovation and change among the states, rather than waiting for national consensus to develop. Our specific comments follow.

### Flexibility

The accounting profession justifiably takes pride in its established mobility. However, the concept of mobility has as its core the essential element that in order to benefit from mobility, a state must have 'substantially similar' requirements to become a CPA as those contained in the UAA ( Education, Experience and the Uniform CPA Examination). The proposed UAA Exposure Draft maintains this concept and would amend the existing UAA to add an additional 'Pathway' to becoming a CPA. This new, CBE Pathway, would enable an individual to become a CPA with a bachelor's degree and requisite accounting courses and two years of experience, one year of which must meet the requirements in the recently proposed AICPA-NASBA September 12, 2024, CPA Competency-Based Experience Pathway Exposure Draft. We believe the UAA requirement for specified 'Competency-Based Experience' is unnecessary and sets the stage for subsequent UAA and rule provisions which are overly complex and limit flexibility. Specifically, if a state fails to adopt an experience requirement substantially similar to the proposed CBE Pathway requirement, CPAs in that state who follow that pathway will lose their mobility and will need to apply for individual state licenses to practice outside their state. As a result, this will deter states from exploring other viable experience requirements.

We believe a more effective approach would be to implement what some have come to call ‘automatic mobility.’ This would allow CPAs with a license in good standing (who have passed the Uniform CPA Examination) to have mobility and the ability to practice in any other state. The exact content and type of their experience becomes irrelevant.

We note that under the current UAA Act, states have wide latitude to determine the content and type of experience required to satisfy the existing UAA Act’s one-year experience requirement. While we are not aware of any specific studies or research, our understanding from anecdotal evidence is that experience varies from state to state, as well as the methods for collecting and reporting such experience. Some states have detailed and specified experience reporting forms, while others simply require certification by a CPA licensed in any state that the requisite experience had been met. We believe that since this model has been acceptable for current experience requirements, it should also be acceptable for the extended year of experience required under the new Pathway.

We observe that some have said the new CBE Pathway’s elimination of the ‘additional’ 30 semester credit hours of education and the inclusion of an additional year of education should not be viewed as substituting experience for education. We heartily disagree. Since the ‘additional’ 30 semester hours of education required under the current UAA can be in any topic whatsoever (the ever referenced ‘basket weaving’ courses), it is a fair comparison to enable the new second year of experience requirement to be similarly broad and flexible as the education which is being eliminated.

Finally, there is especially a need for flexibility in the UAA given the changes which higher education as a whole is experiencing, including the substitution of credit hours for content learned and experiential learning. We should no longer require ‘hours’ of education, but rather should specify degrees obtained. If an individual is able to obtain a bachelor’s degree and required accounting and business-related courses from an accredited institution, that should be deemed acceptable. Additionally, the use of experiential learning and prior work experience should also be recognized. The AICPA and NASBA should evaluate, and states should be allowed to determine how accounting knowledge required to become a CPA can be obtained outside of a classroom setting. If the profession is to better attract ‘non-traditional’ students to become CPAs, we must likewise consider ‘non-traditional’ means to enable them to enter the profession. States should be free to explore such provisions without the risk of their CPAs losing mobility.

### Complexity

As we note above, we believe the UAA requirement for specified ‘Competency-Based Experience’ is unnecessary and sets the stage for subsequent UAA statute and rule

provisions which are overly complex and limit flexibility. The competencies themselves – professional skills such as ethical behavior and critical thinking, and especially the technical skills in audit, tax and business and financial reporting – and the evaluation process created to certify such skills are obtained, abound in complexity. The fact that it takes a separate, multipage submission to describe the requisite Pathway competency skills is evidence of its complexity, even for CPAs used to dealing with complex issues.

We are especially concerned that the CPA evaluator process, due to its complex and detailed reporting, will cause undue burdens on smaller-sized CPA firms and deter them from participating in the Pathway option. These firms employ the majority of CPAs in the profession. Our fear is that the UAA Exposure Draft will have the exact opposite effect of its intended result of attracting more students, and especially more students of color to the profession.

Finally, the prospect of a National CPA Database and possible CPA Tracking System to identify CPAs who have met (or did not meet) the requisite ‘Competency-Based Experience’ requirement is nearly Orwellian in scope and operation. This would involve an unwarranted level of complexity requiring state boards to submit names of those who, by taking a different experience route, could not practice across state borders, or only those who could practice mobility.

#### State Deference/Process

If our current ‘Pipeline’ crisis has taught the profession anything, it is that we must engage students on their level, while ensuring the protection of the public interest. Students have many career choices, multitudes more than a mere decade or two ago. Technology alone in the last several years has altered how as well as what is learned. As a result, the practice of accounting and work of CPAs are similarly changing at a very rapid pace. The concept of education is melding with work and experience and are becoming two sides of the same learning. We cannot anticipate what education or work will look like in the next several years let alone the next decade.

As a result, the AICPA and NASBA should reconsider a ‘top-down’ model of regulation contained in the Uniform Accountancy Act. There must be greater faith in the competency and capability of state boards of accountancy to evaluate and quickly respond to changes taking place in their states. Just as some states are mostly rural and some mostly urban, there also should be acknowledgment that every state may not have the same changes and challenges to the accounting profession in the state and their businesses and CPA firm employers.

The Board believes as long as the Uniform CPA Examination remains the gold standard for entering the profession, and state boards of accountancy maintain vigilant in enforcement, there is adequate assurance that the public is protected when using the services of a CPA, and that the special statutory provision given only to CPAs remains warranted.

Finally, we note that the accounting profession still has a long way to go to achieve racial diversity. Additionally, the profession needs to seek opportunities to embrace more diverse cultural backgrounds, skill sets, life experiences and other aspects that reflect the incredible diversity of our country. The key to doing so is greater flexibility in how we enable individuals to become part of this great profession. We must and can trust our fellow state boards of accountancy to consider ways to broaden our profession, and in the ability of the boards to make the right decisions that benefit public trust.



Michael L. Parson  
Governor  
State of Missouri  
Director

Sheila Solon, Division Director  
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December 4, 2024

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American Institute of Certified Public Accountants  
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New York, NY 10105

Subject: Response to Exposure Drafts - NASBA Competency Based Alternative Pathway  
& AICPA/NASBA Proposed Revisions to Uniform Accountancy Act

Dear Committee Members:

On behalf of the Missouri State Board of Accountancy (Board), I am providing comments on the proposed alternative pathway for licensure, and the proposed revisions to the Uniform Accountancy Act, Sections 5 and 23.

The Board appreciates the efforts NASBA and AICPA have taken to address pipeline issues in the profession, and we recognize it is no small feat to address this complex matter at a national level. We also appreciate the opportunity to review and respond to the proposed changes. The Board offers the following comments for consideration:

1. The Board recognizes the need to provide an alternative pathway to licensure, although they continue to support the current pathways as well. The Board agrees the requirement for a bachelor's degree with two years of experience is an acceptable pathway to licensure, however, the proposed requirement for one of the two years to be a competency-based experience is unnecessary and one that would be difficult to regulate. Additionally, the Board has concerns related to the role of the CPA Evaluator and potential liability issues this may pose.

2. As other state boards proceed with legislation to add alternative pathways to their education requirements for licensure that include bachelor's degree with two years of relevant experience, our Board must bear in mind Missouri's requirement to reciprocate CPA licenses based on one year of licensure in another state/jurisdiction.

Missouri passed a law in 2020 (Section 324.009, RSMo) that allows for individuals to obtain licensure in the state of Missouri with one year of licensure in another state/jurisdiction. This law does not account for, and intentionally did not require, substantial equivalency to obtain a reciprocal license in our state.

With this law, Missouri is obligated to license, through reciprocity, individuals who may obtain licensure through a method potentially not considered substantially equivalent in the UAA. The proposed changes, if adopted, could then negatively impact Missouri licensees and their mobility standing.

Mobility is truly an accomplishment of this profession above all other professions, and any changes made should continue to support and allow for mobility. The Board does not want or support changes to the UAA that negatively impact mobility.

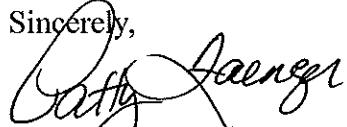
Missouri supports the following alternative pathway for licensure and would support this pathway being considered substantially equivalent to existing pathways:

- Bachelor's degree
- Two years of relevant experience as defined by the Board (with the intent to maintain the same general experience requirements currently in place)
- CPA examination

Additionally, Missouri would not be supportive of using the national licensing database to identify, mark or otherwise bring attention to the educational pathway chosen by licensees. It is the Board's opinion; a CPA is a CPA and no attention should be brought to the path taken for licensure.

Thank you for the opportunity to provide input on this important matter.

Sincerely,



Patty Kaenger  
Executive Director  
Missouri State Board of Accountancy

# Mississippi State Board of Public Accountancy

ANNETTE K. PRIDGEN, CPA - Pearl  
*Chair*

GARY L. WALKER, CPA - Clinton  
*Vice-Chair*

WILLIE B. SIMS, JR., CPA - Hattiesburg  
*Secretary*



DAVID L. BRIDGEERS, CPA - Vicksburg

RICK ELAM, CPA - Oxford

WILLIAM T. KELLY, CPA - Hattiesburg

CHARLIE E. PRINCE, CPA - Magee

November 19, 2024

Nicola Neilon, CPA, Chair  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

Dear Ms. Neilon,

The Mississippi State Board of Public Accountancy ("Board") appreciates the opportunity to offer comments on the following exposure drafts: 1) CPA Competency-Based Experience Pathway and 2) Uniform Accountancy Act (UAA) changes. Our Board met recently, in regular session, to discuss these items and on behalf of the Board, I offer the following comments from our meeting.

As a reminder, the State of Mississippi, per Code Section §73-33-5(c), requires 150 collegiate-level semester hours of education before the Board will accept an application for licensure. Any new pathway pursued which does not maintain these hours on the transcript from an accredited institution would require legislative changes for us to implement. While we believed a better definition of the "additional 30" might have been helpful, ultimately, our long-standing hope was that various stakeholders would agree on a path to maintain, unbroken, the foundation of mobility in all jurisdictions.

We know the task at hand required many man-hours of work, and for that, we are appreciative of the investment in this attempt. We do not, however, support the adoption of this Competency-Based Experience pathway nor the changes to the UAA to accommodate it. The Board appreciates the opportunity to offer our comments on the two exposure drafts.

Sincerely,

*Annette K. Pridgen*

Annette K. Pridgen, Ph.D., CPA  
Chair of the Mississippi State Board of Public Accountancy

Cc: Thomas Neill, CPA, Chair AICPA UAA Committee

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S. SHAREE BREWER, CPA  
EXECUTIVE DIRECTOR



## North Carolina State Board of Certified Public Accountant Examiners

November 18, 2024

NASBA Uniform Accountancy Act Committee

NASBA – UAA

150 4<sup>th</sup> Avenue North, Suite 700

Nashville, Tennessee 37219-2417

RE: September 30, 2024, Joint AICPA/NASBA UAA Committee Exposure Draft to the Uniform Accountancy Act, Eighth Edition (UAA ED); and September 12, 2024, Exposure Draft on CPA Competency-Based Experience Pathway (Pathway ED)

Dear Committee Members:

The North Carolina State Board of CPA Examiners (“Board”) has reviewed the Exposure Draft issued on September 12, 2024, entitled *CPA Competency-Based Experience Pathway* and the exposure draft proposing revisions to Uniform Accountancy Act (UAA) Sections 5 and 23 and the accompanying Model Rules. The proposals would allow for an additional pathway to CPA licensure by reducing certain academic requirements and replacing them with an additional year of “competency-based experience” that market participants would administer and evaluate. Due to the interrelationship between the two exposure drafts, the Board has opted to comment on both exposure drafts through a single response letter.

The Board appreciates NASBA’s efforts to seek alternative ways to attract future licensees and expand access into the accounting profession. Nevertheless, for the reasons set forth below, the Board does not support the proposed changes.

In general, this Board thinks that when the 150-hour requirement was put into place, it served to recognize the value of education to the profession and that it has greatly enhanced and broadened the abilities of CPAs. The work experience obtained through CPA firms, while valuable in its own right, is not designed to increase the likelihood of passing the CPA examination. The Board values a long-term goal of providing CPAs with a broader education so that they will be able to adapt to the changing demands of the profession and better serve the public. CPA firms simply cannot provide the variety of issues and exposure to ideas and critical thinking that educational institutions offer. Thus, both the CPAs and the public would suffer from a reduced education requirement.

1. **The Proposed Revisions Would Add an Unwarranted Layer of Bureaucracy and Complexity to CPA Licensure (Pathway ED: Questions 1-6; 10-11)**

The announced purpose of the Exposure Draft is to address the recent decline in the number of accounting graduates and new candidates taking the CPA Exam. This Board does not believe that creating a new level of complexity to the licensure process will accomplish that goal. Rather, it is

believed that adding ten new “competency” hurdles to surmount will further discourage applicants and place an undue burden on CPA firms/employers as they will have to create processes to attest to a prospective licensee’s competency level.

It should also be noted that the competencies identified by the proposed framework are highly subjective. They are largely areas that employers already must consider when making any employment or retention decision. For example, an employee’s ability to act ethically, think critically, collaborate, and communicate are all normal components of an employer-employee relationship. Employers can continue to make their own determinations related to their employees without the additional burden of documenting a number of “competencies” that may or may not arise during the employment relationship.

**2. Placing a Subjective Determination of Competency in the Hands of Market Participants Raises Significant Concerns (Pathway ED: Questions 7-9)**

The proposed framework would require a CPA Evaluator to make a determination regarding whether the applicant has met certain core competencies. To obtain licensure, the applicant would be required to obtain that certification directly from a licensed CPA. Those licensed CPAs are considered to be “market participants” in the parlance of antitrust law. The United States Supreme Court, in *N.C. State Bd. of Dental Exam’rs v. FTC*, 574 U.S. 494 (2015), held that occupational licensing boards are not immune to antitrust suits based solely on their status as governmental entities. Rather, those boards can only retain their governmental immunity if it can be shown that they are subject to supervision from their State. In making that determination, the Supreme Court declared that “[w]hen a State empowers a group of active market participants to decide who can participate in its market, and on what terms, the need for supervision is manifest.” *Id.*, 574 U.S. at 496.

The proposed framework places little to no constraints on the CPA Evaluators when they make decisions that could affect whether the applicant can ultimately participate in the market. By placing those decisions in the hands of a market participant free of any state supervision, the Board and the CPA Evaluator could be put in jeopardy. Although Boards have additional defenses that would likely protect them from actual monetary damages in an antitrust suit, the CPA Evaluators would not likely enjoy those same protections.

Other recent United States Supreme Court decisions have also shown that the current legal environment is not conducive to the expansion of administrative regulation. The Board is concerned that these changes would expose the boards and their members to unnecessary exposure to litigation and potential liability.

**3. The Proposal Would Potentially Create Unnecessary Conflict and Adjudication (Pathway ED: Questions 1 and 16)**

Currently, the rules for most boards require CPA-employers to sign an affidavit verifying that an applicant obtained the requisite amount of experience under their supervision. The supervisor is not asked to make any subjective judgments about the quality of the applicant’s work. This process generates very few disputes due to the straightforward nature of the affidavit. The few disputes that do arise are easily adjudicated because there are only limited facts at issue. The main source of dispute is whether the CPA actually acted in a supervisory capacity.

Under the framework proposed in the Exposure Draft, this Board is concerned that the number of disputes will increase dramatically. It is easy to foresee situations where a CPA Evaluator does not feel comfortable signing off on a document verifying that an applicant has mastered certain core competencies. It is equally foreseeable that the applicant may disagree with that determination. In those situations, the boards would find themselves in the unenviable position of either (1) overriding the evaluators' determination and licensing individuals who could not obtain a favorable evaluation from their employers or (2) denying a license to an applicant based on the subjective determination of a market participant.

This Board is also concerned that unconscious bias in the evaluation process could hinder individuals who have historically been under-represented in the CPA profession. There are concerns that the biases that served to inhibit those individuals in the past or other unfair biases may be perpetuated by a system that places subjective determinations in the hands of unregulated evaluators. Additionally, the framework may have unintended consequences to the long-term success of these individuals in the accounting profession

4. [The Proposal Conflates the Issues of Experience and Education \(Pathway ED: Questions 1; 7-9\)](#)

The current framework for licensure contains three distinct prerequisites to licensure: examination, education, and experience. Each of those requirements serves its own purpose. The education component of licensure relies on the educational system that has grown and evolved in this country since its inception. Educational institutions employ full-time educators with professional experience in teaching core principles to their students, grading those students, and providing favorable marks and passing grades to those who have attained competency in those principles. In contrast, the experience requirement is an opportunity for applicants to apply those principles to real-world situations.

Under the proposed framework, some of the educational components of the traditional framework will be replaced with "competency-based experience." Notwithstanding the fact that the CPA Evaluators have not been trained as educators and do not have the institutional support of a college or university, they will be tasked with the responsibility of evaluating their employees' mastery of core competencies and "passing" those employees through favorable evaluations. It is this Board's opinion that CPA-employers are better utilized by providing stimulating work environments for their employees rather than spending time and resources attempting to measure and verify core competencies for the purpose of the new competency-based pathway. That role is best left to academic institutions. We clearly do not see that the proposed competency-based experience is equivalent to the institutional knowledge gained in the classroom.

5. [Additional Alternatives Need to Be Explored Regarding CPA Mobility \(UAA ED\)](#)

The Board recognizes that the CPA profession is often held up as the gold standard in terms of licensure mobility and portability. As such, the Board applauds NASBA's attempt to revise the UAA to preserve mobility for individuals who have met the current standards for all states even though their jurisdiction has, or will, adopt new standards that may not be deemed substantially equivalent to the current standards. The Board approves of the proposed model language that

makes those individuals capable of retaining their practice privileges. The Board does not approve of the language that inserts the national licensee database into that process.

The Board also approves the insertion of the term “board of accountancy” into the process for verifying substantial equivalency. The Board notes that the existing language refers to the NASBA National Qualification Appraisal Service (NQAS) as an entity capable of making that determination. This Board is of the opinion that the role of NQAS should be advisory only, leaving the substantial equivalency determination to be made at the accountancy board level.

In sum, the Board supports the direction that NASBA has taken on the mobility issue but is of the opinion that additional alternatives should be explored. The Board notes that for purposes of reciprocity, the UAA contains a process for individuals to obtain reciprocal licensure even if they were initially licensed in a jurisdiction that is not deemed “substantially equivalent.” Perhaps a similar alternative could be considered for the purposes of mobility.

The Board appreciates the opportunity to comment on the proposed changes to the UAA. The Board also appreciates the AICPA’s and NASBA’s joint efforts to maintain the UAA as a relevant, uniform model act. The Board looks forward to continued engagement on these matters.

Sincerely,

**Signature:**   
Gary Massey (Nov 18, 2024 11:39 EST)

**Email:** gary@sgmstate.com

Gary R. Massey, CPA

President



**Jim Pillen**  
Governor

## STATE OF NEBRASKA

**BOARD OF PUBLIC ACCOUNTANCY**  
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December 6, 2024

NASBA UAA Committee  
National Association of State Boards of Accountancy  
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AICPA UAA Committee  
American Institute of Certified Public Accountants  
1345 6<sup>th</sup> Avenue, 27<sup>th</sup> Floor  
New York, NY 10105

RE: September 12, 2024, Exposure Draft of CPA Competency-Based Experience Pathway (Pathway ED)  
and September 30, 2024, Joint AICPA/NASBA UAA Committee Exposure Draft to the Uniform  
Accountancy Act, Eighth Edition (UAA ED)

Dear Committee Members:

The Nebraska Board of Public Accountancy (the Board) appreciates the opportunity to provide feedback on the recently released Exposure Drafts regarding the proposed Competency-Based Experience Pathway and proposed changes to the Uniform Accountancy Act. The Board has authorized me to respond on its behalf.

Additionally, the Board would like to acknowledge and commend the efforts of the Professional Licensure Task Force (PLTF), the National Pipeline Advisory Group (NPAG), and the leadership of NASBA and the AICPA for their dedicated work in addressing pipeline issues within the CPA profession. The Board has actively followed the progress of these groups by participating in NASBA meetings and webinars to stay informed on the latest developments. It should be noted that no member and/or staff of the Nebraska Board participated on any of these groups.

In its initial response to the PLTF, the Board expressed openness to exploring the possibility of a new licensure pathway. However, the Board emphasized the importance of proceeding with caution. It is important to clarify that this statement was not an endorsement of the proposed pathway but rather an indication of the Board's willingness to consider the idea carefully.

After reviewing the draft, the Board provides the attached summary of its thoughts and conclusions on the Exposure Drafts.

For the Board,

A handwritten signature in black ink, appearing to read "Melissa Ruff".

Ms. Melissa Ruff, CPA – Board Chair  
Nebraska Board of Public Accountancy

## Exposure Draft: CPA Competency-Based Experience Pathway

The Board appreciates the work done by the several task forces and supports a pathway that requires less than 150 credit hours and additional general experience. The competencies outlined in the proposed framework are valuable and can serve as a useful guide for firms when training new hires and helpful to State Boards in assessing the experience of applicants. However, we believe the specificity of that experience should be determined by the individual states. In the event that a state desires a more detailed level of experience, the Competency-Based Framework could be used as a recommended resource that resides outside of the UAA.

If NASBA determines to move forward with the Competency-Based Framework, either by using it as another UAA pathway or as a recommended resource for State Boards, we believe the following needs to be considered further:

- We question whether such detailed specificity is necessary for the additional year of Competency-Based experience within the UAA. If this year is intended to substitute for, yet be equivalent to, the additional 30 hours of education, we believe the 30-hour requirement does not demand this level of specificity. As a result, the proposal seems to introduce a level of rigor beyond what is required for the unspecified 30 hours of education. Therefore, we do not support the inclusion of an additional year of Competency-Based experience within the UAA; instead, we recommend that it be an additional year of general experience.
- Nebraska places significant importance on experience for initial licensure. When the UAA's model was updated years ago to allow for one year of experience, Nebraska did not adopt this change. Instead, the state continued to require two years of experience in public accounting, and later extended the requirement to three years for business and industry roles. We believe that public accounting firms already embrace the core principles of a competency-based approach. Due to the distinct nature of public versus private accounting work, an additional year of experience for those with a background outside public accounting is recommended to ensure they meet the same standards.
- Even as a resource, we do not fully agree with the role of the CPA Evaluator. We believe that the CPA Evaluator should either have direct knowledge of the candidate's experience through direct supervision or have the ability to rely on a firm's training program(s) which have been designed to ensure experience with the competencies. We support requiring direct supervision and general experience verification by a CPA supervisor, which should remain the standard.
- We believe the proposal highlights several concerns about the clarity and fairness of the competency evaluation process. Key issues include the absence of clear, objective criteria for assessing competencies, which could result in inconsistent evaluations. Since the guidance for evaluators is vague and leaves room for interpretation, the burden of proof may unfairly shift away from the candidate when an evaluator is required to justify a lack of demonstrated competency. In addition, issues with how prior experience is credited, including a lack of clarity on timelines and the risk of liability for evaluators, need to be addressed. Furthermore, safeguards should be implemented to prevent potential misuse, such as employers or candidates

using paid services to certify competencies.

- While the proposal was presented as scalable, in practice, it may not be. The competency-based pathway may be more readily adopted by large firms. However, smaller firms, private industry, and government entities are likely to face challenges in providing the necessary resources. While this may not necessarily signal the end of the alternative pathway, it could prove beneficial for larger firms which may be better positioned to tailor their training programs to align with the competency-based approach.

Based on these complexities and issues identified, Nebraska is not in favor of adding national complexity to the experience requirement, as it does not see sufficient public protection benefits to justify the associated costs. **We continue to support allowing individual State Boards to determine the specifics of their own experience requirements.**

In conclusion, the Board remains supportive of allowing individual State Boards to determine the specific experience requirements for licensure. We believe that a bachelor's degree and two years of general experience in public accounting are appropriate standards to include in the UAA as an acceptable alternate pathway toward licensure. However, we recognize the need to differentiate between experience gained in public accounting and that obtained in private industry, government, or academia. Therefore, we anticipate continuing to require an additional year of experience for candidates with backgrounds outside of public accounting, regardless of the number of credit hours completed, and recommend consideration of such within the UAA.

#### Exposure Draft: Proposed Revisions to UAA Sections 5 & 23

We want to reiterate that Nebraska has always highly valued the experience model and did not adopt the UAA experience requirements when it changed many years ago to one year of general experience. We support considering a 150/1 and a 120/2 model within a CPA firm (see comments above); however, we recommend an additional year of general experience for those within the business and industry environment.

We support the UAA including language already utilized by many states regarding "4 in 10" years of general experience for reciprocity candidates. This would add another approved pathway for licensure for individuals who have been licensed for over 4 years but may not satisfy a state's education requirements or may otherwise be deemed not substantially equivalent.

We support a "CPA = CPA" model, which allows for the recognition of a CPA's license from one state as valid for practicing in another state, ensuring mobility. Under existing mobility rules, a State Board can revoke a CPA's practice privilege if they don't comply with the board's laws and regulations, and the matter can be referred to the board that originally issued the CPA's license. This model has been in effect since mobility was instituted.

Additionally, attention should be given to how best to safeguard mobility in a context where substantial equivalency remains important. Therefore, rather than the current changes proposed to Section 23, we would be in favor of the UAA including language for "mobility with guardrails" to keep substantial equivalency applicable.

We agree with the proposal of looking back to how the individual was initially licensed to determine if they were substantially equivalent at that time, thus we could consider them to be substantially equivalent now which will allow the CPA to retain their mobility. Our goal is to ensure that current licensees are not negatively impacted by changes to the UAA that would prevent them from exercising their practice privileges in the future.

We strongly advise against using the ALD/CPAVerify database to determine if a CPA is not substantially equivalent. The Board believes this could lead to unintended negative consequences for CPAs, such as affecting their employment status, promotion prospects, and potentially creating a lasting stigma.

November 21, 2024

TO: AICPA/NASBA Joint UAA Committee, AICPA Leadership and Board of Directors, NASBA Leadership and Board of Directors

FROM: New Jersey State Board of Accountancy

RE: Response to AICPA and NASBA Exposure Draft - CPA Competency-Based Experience Pathway and Uniform Accountancy Act (UAA) Proposals

New Jersey State Board of Accountancy has carefully reviewed the Exposure Draft of the AICPA and NASBA CPA Competency-Based Experience Pathway and Uniform Accountancy Act (UAA) proposals and offers the following response.

We applaud the efforts of the AICPA and NASBA to find solutions to the challenges that the accounting profession is facing, specifically the current shortage of accountants and the lack of future CPAs in the pipeline. We believe this is not just a crisis but an existential threat that requires immediate and decisive action. New Jersey has been actively developing solutions for several years, including, but not limited to, “Work for Credit,” a first in the nation program. Further, we believe that the 150-credit hour requirement is a barrier to entry and that alternative pathways to certification are necessary.

We fully support alternative pathways to licensure. The AICPA/NASBA proposal that permits CPA license applicants to avoid the post-baccalaureate education requirement by completing 2,000 hours of work involving “accounting, attestation, compilation, management advisory, financial advisory, tax or consulting” is sensible. However, we do not support the requirement that the first year of experience be done within a competency-based framework certified by a “CPA Evaluator.” This is another level of unnecessary regulation that is burdensome and without material benefit. We desire an efficient process that will also ensure a CPA’s competency. A bachelor’s degree and two years of experience accomplishes that.

We also do not support the draft UAA proposal. Instead, we support “automatic mobility,” which provides mobility privileges to any person with a CPA license in any other state. There is no reason why we need to exclude those that have met the requirements of licensure from another state. The only true measure of substantial equivalency is that we are all required to pass the same exam. In other words, a CPA’s ability to practice across state lines should be based upon having a valid state license, regardless of the pathway.

Our fervent hope is that the AICPA and NASBA will listen to the concerns of its members. Regardless of what may come of this process, the New Jersey State Board of Accountancy will move forward with what is in the best interest of the people of our state and not what may serve the interests of the AICPA and/or NASBA.



NEVADA STATE BOARD OF ACCOUNTANCY  
1325 AIRMOTIVE WAY, SUITE 220, RENO, NEVADA, 89502 • 775-786-0231 FAX 775-786-0234  
WEBSITE: [WWW.NVACCOUNTANCY.COM](http://WWW.NVACCOUNTANCY.COM) • E-MAIL: [CPA@NVACCOUNTANCY.COM](mailto:CPA@NVACCOUNTANCY.COM)

November 26, 2024

Dan Vuckovich, CPA, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700

Thomas Neill, CPA, Chair, AICPA UAA Committee  
American Institute of CPAs  
1345 6<sup>th</sup> Avenue 27<sup>th</sup> Floor  
New York NY 10105

Dear Chairs Vuckovich and Neill:

*Re: AICPA/NASBA Exposure Draft to the Uniform Accountancy Act and  
AICPA/NASBA Exposure Draft on CPA Competency-Based Experience Pathway*

The Nevada State Board of Accountancy reviewed the exposure drafts and discussed the various proposed concepts during its meetings on November 13 and November 26, 2024.

In the initial response to the PLTF Equivalent License Model quick poll, the Board expressed support for exploring a new licensure pathway and added the following comment:

*The Board believes that continued effort to address the pipeline is necessary. Concepts along with open dialogue that help candidates reach the various requirements are also important. The Board did note that saying Yes to the exposure means the task force should continue their efforts. But more information would be needed before the Board would feel comfortable making changes to their requirements.*

The Board expected that various models would be considered rather than a single pathway that has evolved and been presented to date. While recognizing extensive work has gone into the various iterations of the model, the Board believes that further work and discussions are needed, including open discussion on models currently being developed by other State Boards of Accountancy.

Below is a summary of the Board's thoughts and concerns regarding the Uniform Accountancy Act proposed language and the competency-based pathway exposure drafts:

Competency Based Experience Pathway - UAA Section 5

- The Nevada Board does not support the delegation to develop the competency framework to a “national accounting organization”. Nor would the Nevada Board abdicate its statutory authority to a membership organization or other “national accounting organization”.
- Given that NASBA does not have regulatory authority, it is not appropriate to reference NQAS as an authoritative body equivalent to that of a State Board. While NASBA provides services to its member boards, it is not appropriate to list those services in the model language. In addition, referencing NQAS for determinations of substantial equivalency leads to further subjectivity and should remain within the authority of each State Board.
- The concept of 1+1 experience seems to discredit the current one-year experience requirement while adding emphasis on the additional year of experience as proposed. The Board does not agree with the separation of the year(s) being split between competency based and other requirements. All states should consider incorporating some form of competencies or tasks throughout the entire experience period, as separating these concepts during the period is confusing to both the candidate and employer. The Board recommends that these requirements be integrated throughout the entire experience period.
- The competency-based model does not justify why competencies are only required for individuals that have not obtained the 150 hours of education.
- There is a lack of clear criteria for assessing competencies which could lead to inconsistent evaluations.
- There is a lack of direct knowledge or sufficient supervision of the candidates experience using an evaluator rather than an employee of the firm/company actively engaged in the practice of public accounting. Evaluators should only certify competencies they directly supervise. Safeguards should be in place to prevent abuse such as candidates using paid services to certify their competencies.
- There are inconsistencies between certain requirements of an evaluator for the competency-based portion of experience, but these same requirements are not in place for the regular accounting portion of the experience requirement.
- The current requirement of direct supervision and general experience verification by a CPA supervisor actively engaged in the practice of public accounting should remain the standard.

### Substantial Equivalency & Mobility - UAA Section 23

- The draft preserves mobility for CPAs licensed under the 150 hour requirement or prior to its adoption but fails to extend similar protections to newer entrants unless they are from a substantially equivalent state. There are many states that are moving toward a baccalaureate degree, accounting concentration, two years of experience, and passage of the CPA exam. Under the proposed language this pathway would not be considered substantially equivalent even though many current licensees who obtained their CPA license before the 150 hour requirement used a similar pathway. The inconsistency raises equity concerns that must be addressed.
- The Board believes the best way to address mobility is to develop language similar to that in Alabama, Nevada, Nebraska and North Carolina. There has been strong opposition from NASBA regarding this approach. Yet, these States that have this model for mobility have not had any issues since implementation in 2009.
- Discounting these 4 states and drafting language with the intent that a rogue Board “might” draft legislation that differs from the model is not in the spirit of how this profession historically has addressed uniformity.
- While substantial equivalency is important for consideration in obtaining a license through reciprocity, there is a significant distinction between reciprocity and mobility in Nevada’s statutes. This licensing distinction seems to be blurred in AICPA/NASBA’s exposure drafts and presentations.
- Reciprocity is for an individual who has obtained a license in one state and is seeking to obtain an actual CPA license in another state. These licenses are generally issued because the applicant will have residency in the new state. Substantial equivalency and further review of the credentials is appropriate under this type of scenario.
- Mobility is for cross border practice where the individual or firm does not have a physical location within the other state. The responsibility for issuing and maintaining the CPA license is with the home jurisdiction. In Nevada, the practice privilege does not allow a CPA to practice with an office in Nevada or to solicit clients in Nevada. Mobility was to allow consumers the option to use their CPA from state to state for specific engagements for the client and not to permit unlimited cross border practice to avoid state licensing requirements.
- The Board supports mobility where a CPA is recognized as a CPA regardless of the manner in which the candidate obtained their license from their home state. Under principles of comity, the Board trusts the decisions for licensure made by the other state are suitable for the profession while ensuring public protection is in place. The Board prefers its current practice of identifying individuals that are licensed as a CPA versus how they obtained the CPA license.

- As previously mentioned, NASBA and NQAS are not regulatory agencies and relying on these entities to determine whether licensing jurisdictions or individual CPAs qualify for substantial equivalency is not appropriate. In addition, it also seems to contradict NASBA's published arguments against what has been deemed automatic mobility.
- The Board opposes the use of the Accountancy Licensee Database maintained by NASBA to track the tagging of individuals into different classes based on how and when the individual obtained their license. The Boards should trust and rely on the decisions of their peer regulators.

Due to the concerns we have expressed, the Nevada Board believes both of these issues should be sent back to the joint UAA Committee for additional review and modification. We firmly believe that consideration should be given to the State Boards that are currently introducing legislation that changes the requirements for licensure. It is imperative that the process for reviewing comments be transparent and the final changes to the UAA reflect stakeholder input.

Based on other comments it has reviewed, the Board is also concerned with how the exposure drafts appear to have been drafted and presented outside the normal committee process based on the AICPAs and NASBAs leadership predetermined approach to the issues. Clearly this approach has created significant concerns and unease with State Regulatory Accounting Boards and State Societies in part because the AICPA and NASBA do not license CPAs under any state regulatory authority. The process in releasing these exposure drafts appears to have deviated from the normal process for these types of proposals. The Board requests the NASBA Board of Directors look into how this scenario occurred and report back to the State Regulatory Accounting Boards.

We sincerely hope NASBA, the AICPA, and the State Boards of Accountancy can work together to develop acceptable language to the State Boards of Accountancy for pathway experience and mobility.

If you have any questions regarding the above, please do not hesitate to contact the undersigned.

Sincerely,



Kristina "Nikki" Etherington, CPA  
Board President

cc: State Boards of Accountancy  
NASBA Leadership & Board of Directors  
AICPA Leadership & Board of Directors



**THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234**

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STATE BOARD FOR PUBLIC ACCOUNTANCY and  
PEER REVIEW OVERSIGHT COMMITTEE  
89 WASHINGTON AVENUE  
ALBANY, NY 12234  
Tel. (518) 474-3817, EXT. 160  
Fax (518) 474-6375  
E-mail: cpabd@nysed.gov

November 8, 2024

National Association State Boards of Accountancy  
Uniform Accountancy Act Committee  
150 Fourth Avenue North  
Suite 700  
Nashville, TN 37219

American Institute of Certified Public Accountants  
Uniform Accountancy Act Committee  
1345 6<sup>th</sup> Avenue 27<sup>th</sup> Floor,  
New York, NY 10105

Attn: Joint AICPA/NASBA UAA Committee Chairs,  
Nicola Neilon, CPA, Chair, NASBA UAA Committee Chair  
Thomas Neill, CPA, Chair, AICPA UAA Committee Chair

Submitted via survey links

Re: Uniform Accountancy Act Additional Licensure Pathway: Competency-Based Experience Pathway and CPA  
Competency-Based Experience Pathway Exposure Draft

Dear Ms. Neilon and Mr. Neill:

The New York State Board for Public Accountancy (Board) appreciates the opportunity to offer comment to the concept exposure draft to the equivalent education requirements for licensure and to the proposed amendments to the Uniform Accountancy Act (UAA) Model Act and Rules. The Board advises the New York State Board of Regents (Regents) on regulatory, licensing, and disciplinary matters related to the practice of the profession of public accountancy in New York State.

## OVERVIEW

The Board has had the opportunity to review the proposed pathway and provides its comments below. This comment letter will be submitted to both exposure drafts for the CPA Competency-Based Experience Pathway and the UAA as they are intertwined. In response to both, we stress the importance of uniformity. We believe it is in the best interest of the profession, exam candidates, and future licensure applicants to maintain uniformity amongst the State Boards on the education rules. In addition, it is in the best interest of protecting the public to have clarity and uniformity on licensure requirements for Certified Public Accountants. To achieve uniformity, the Board requests that this initiative be tabled for a more thoughtful, thorough, and comprehensive solution to the pipeline issues.

We offer the following specific comments:

## SPECIFIC COMMENTS

### **Oversight Concerns**

The New York Board is under the auspices of the New York State Education Department (SED) whereby all professional education programs that lead to licensure are registered through the SED. Any changes to the education

requirements for licensure must be approved by the governing Board of Regents through the regulatory process. Currently the regulation for professional licensure clearly requires 150-semester hours of qualifying transcript education earned from an institution of Higher Education that is accredited by an organization acceptable to the board.

The proposed requirement for a pathway that contains a bachelor's degree with an extra year of experience, even one that is designed to test competencies, will not satisfy the education requirement in New York State. This model does not provide an accredited institution overseeing the competency development and assessment, and no credit on-transcript is provided to demonstrate education accomplishment. A check-off sheet from a CPA evaluator attesting to competencies will not substitute for the missing 30 credit hours. Therefore, the applicant will not meet the 150-semester hour standard which is the only education standard in New York State.

### **Regulatory Concerns**

The New York Board regulation for professional education was modified in 2022 to incorporate the more robust 150-semester hour changes that were adopted by the UAA in late 2020. This correlated to the CPA Evolution Exam changes that reflected increased need for technology skills, higher level critical thinking, and analysis skillsets. The implementation date for those changes is 2027, five years from the adoption of our regulations, to allow schools and universities ample time to modify their educational programs – incorporating the updates needed which are reflective of the AICPA Exam Blueprints and Model Curriculum. Within the changes to modify to the CPA Evolution education requirements, the regulations were amended to completely phase out the previous 120-semester hour and two-years' experience pathway.

Likewise, the regulations for professional education specifically require 150-semester hours in a program. Additionally, the definition of a unit of credit within the SED's regulation means that it is a unit of academic award applicable towards a degree offered by a Higher Education institution. The proposed UAA language does not satisfy these elements. Further, if this type of initiative is offered in other states, it would not be considered substantially equivalent to New York's standards for initial licensure, endorsement, or mobility.

### **Delegation of Authority**

The Regents are responsible in the Education Law for approval of experience for New York State licensure applicants. While New York will not participate in this alternative pathway initiative, we cannot fathom delegating our regulatory responsibility to the National Association of State Boards of Accountancy to approve an applicant's experience for licensure. It is a concern that NASBA currently offers this service whereby NASBA facilitates locating a CPA who is willing to sign off on an applicant's experience though they are not a direct supervisor of the applicant. Further, it was noted the dichotomy that this type of more rigorous experience review would be a service provided for free by NASBA's National Qualification Appraisal Service in their NASBA Experience Verification Products and Service line. However, with the aforementioned experience reviews under the existing 150-semester hour pathway, applicants pay NASBA \$600 if domestic and \$800 if foreign to search for an "evaluator" for the one-year of experience requirement under the existing 150-semester hour pathway.

### **Mobility and Substantial Equivalency**

We are all aware that currently and for a number of years this profession enjoys the portability to practice across state lines through mobility. The disruption to mobility and substantial equivalency that this proposal will cause cannot be stressed enough. As New York is one of the states with the most licensed Certified Public Accountants in the country, we are very concerned with an initiative that cannot be accepted for mobility and substantial equivalency. Organizations in New York State employ a significant quantity of Certified Public Accountants, and there are also licensees being continuously transferred from other states to New York by their employers. The Board is extremely concerned with this initiative's resulting disruption to mobility and substantial equivalency, and its impact on individual CPAs who wish to practice in New York, on employers seeking qualified candidates, and on the public in need of public accounting services.

### **Public Perception and Pipeline**

There is grave concern that this complex initiative will cause more confusion amongst incoming and prospective accounting students, CPA exam candidates, licensed CPAs, firm owners, and the public as a whole. While NASBA and the AICPA appear to be earnestly working at the pipeline issues, this proposal is misguided and misdirected. There appears to be refusal to call this pathway what it actually is: a 120-semester hour and two-years' experience pathway. It is a grave mistake to window dress and create a pathway that replaces education (in the technology and other higher-level skills that were so vehemently promoted as necessary in CPA Evolution) with experience. The cognitive dissonance on this is concerning.

We understand the argument that a CPA candidate may be able to obtain a license "easier" with 120-semester hours and two-years' of experience. However, the end result will increase the burden to the practicing CPAs and firm owners. We strongly discourage the idea of this pathway as it will not be substantially equivalent to the 150-semester hour pathway and will therefore have the consequence of reverting to a time whereby licensed CPAs must obtain multiple licenses, incur additional licensing fees, and take additional Continuing Professional Education (including ethics components) to fulfill multiple diverse state licensure requirements. Furthermore, we are concerned that this may cause a two-tier class of CPAs – those with proper education from an academic institution and those that obtain a license through an equated education of competency experience.

### **Undue Burden**

Burdening the applicants, the firms, the CPA supervisors, the state boards with a "made up" equated credit pathway is just not acceptable to any of the interested parties. The applicants will be confused by the requirements set forth as each state considers adopting the competency-based experience pathway and will likely be less prepared for the CPA exam under CPA Evolution (given reverting back to lesser education in technology and higher-level skills). And for the part of firms, the onus would be on them to create and establish some type of training for their supervisors to properly assess competency – placing an undue burden on the firms. Furthermore, the firms will have an undue burden to track the firm's practice monitoring for individuals who do not meet the substantial equivalency requirements to practice through mobility in another state. The CPA supervisors will have an undue burden of assessing all the competencies outlined in the Appendix A of the concept exposure document.

Additionally, the state boards will have an undue burden of legally defending the equated competency pathway, since the 30 equated credits from an organization that is not an accredited Higher Education institution is subject to neither an independent review body nor an oversight mechanism. The state boards will also have an undue burden of changing its regulations, forms, website, review of content, databases to report this pathway in the Accountancy Licensure Database, etc.

And finally, there would be an undue burden for the state board, licensees, and all who are vested in clarity on how CPAs uphold public trust. Each of these parties would be placed in a position of being asked to defend the decrease in education with substituted experience while having so recently adopted regulations and communicated the needs for greater education. Recall that these recent changes requiring greater education were expressly adopted to prepare CPA candidates for the evolving nature of our profession and work as put forward in CPA Evolution. The proposed decrease in education is therefore indefensible.

### **Future Initiatives**

The Board cannot stress uniformity enough and we feel that this initiative should not be pursued as currently presented. An experiential learning program should only be pursued if it is through an accredited degree granting institution of Higher Education in order to meet the 150-semester hour pathway. We are aware of several programs from various firms and institutions of Higher Education. Those initiatives should be explored further.

In addition, NASBA and the AICPA have recently established the Experience, Learn, and Earn (ELE) program which is designed to enable candidates with less than 150-semester hours to earn additional career-enhancing credit hours at a

very reasonable cost (often subsidized) while employed. We question why more effort is not invested in expanding this program to help qualified candidates, and we encourage expansion to include more educational institutions and additional coursework options, as well as further adoption by more firms across the country.

Furthermore, it would behoove NASBA and AICPA to acknowledge that this pathway is in essence a 120-semester hour pathway and two-years' of experience. This is particularly evident in that several states are pursuing a "traditional" 120-semester hour and two-years' experience pathway in lieu of this proposed competency-based pathway. A competency assessment as equated credit in the 150-semester hour pathway will only add to the confusion as noted above.

We believe that NASBA's continual changing criteria and creating initiatives is damaging and inhibiting the very pipeline issues they are purporting to address. It seems clear from the groundswell of divergent movement now in State Boards that the existing 150-semester hour requirement with one-year of experience requirement and a separate pathway of 120-semester hour and two-years' experience requirement is being sought after. As proposed, this competency pathway will contain challenges in implementation and result in a confusing system with divergent movements from State Boards. It would seem to be in everyone's best interest that NASBA and the AICPA not only call this what it is, a 120-semester hour with two-years' experience pathway, but move to codify it as just that. The education decisions for specifics should be left to the State Boards to determine what those criteria should be, and licensure requirements would be closer to uniform between states, minimizing mobility issues.

As stated in our previous letter, the Education Committee of the Board wants to encourage the pipeline task force to consider potential initiatives that are defensible in demonstrating upholding public trust; able to be defined in a regulatory manner to ensure uniformity; and which contain valid professional education that is within the current accreditation body model.

The Board supports the idea of exploring ways to increase the pipeline, however, with so many initiatives being proposed, the Education Committee of the Board is concerned that by continuing with such ideas, it may cause more uncertainty for the profession. We encourage that the three-legged stool of education, exam, and experience remain robust and distinct. The three critical "e's" for licensure must continue to include professional education from a properly accredited Higher Education institution, the professional experience requirement, and the Uniform CPA Examination that together are the three essential components in maintaining a trusted CPA licensure framework that protects the public and garners the trust of stakeholders. We strongly discourage initiatives like the CPA Competency-Based Experience Pathway that comingles the professional education with experience, and that will disrupt mobility and substantial equivalency.

Proposed changes and corresponding feedback provide an opportunity for valuable dialogue among all stakeholders. We respectfully request that all responses to proposed changes in these two exposure drafts, be it in the form of a survey or a comment letter, be conspicuously posted on the NASBA website.

We thank NASBA for providing us the opportunity to review and comment on the concept exposure draft for the alternative pathway for licensure in the CPA Competency-Based Experience Pathway and the related proposed amendments to the UAA Model Act and Rules. In closing, because we are unable to accept the CPA Competency-Based Experience Pathway we are, therefore, unable to support the UAA changes.

Sincerely,



Jennifer Winters, CPA  
Executive Secretary  
NY State Board for Public Accountancy



STATE OF OKLAHOMA  
OKLAHOMA ACCOUNTANCY BOARD

December 6, 2024

National Association of State Board of Accountancy  
150 Fourth Ave. North  
Suite 700  
Nashville, TN 37219-2417

Oklahoma Accountancy Board  
201 NW 63<sup>rd</sup>  
Suite 210  
Oklahoma City, OK 73116

Dear Committee Members,

Thank you for the opportunity to provide comment on the CPA Competency-Based Experience Pathway exposure draft and the changes to section 5 and section 23 as outlined in the Uniform Accountancy Act (UAA) exposure draft. These initiatives represent the continuing discussion on the path forward for the CPA profession at a time of changing business and professional needs. The Board commends the effort which brought these exposure drafts to fruition and poses several questions regarding the practical implementation and potential impacts of these proposals with the aim of furthering a productive conversation.

The Board asks for further clarity regarding which hours will be counted in the competency-based model and how they will be tracked. It is not clear whether the proposed framework will align with traditional "time-sheet" based tracking method currently in effect in Oklahoma or if it will require a different approach. Providing examples of how hours will be defined and measured, particularly in the context of varied work environments, will shed light on the administrative process for CPA evaluators, candidates, and the Board.

Additional information on the program's functionality in an industry setting is needed. Depending on industry, company size, and the candidate's role, supervisors may be ill prepared to attest to the completion of experience on the specific competencies required for candidates. This raises questions about the effectiveness and accuracy of supervisors' attestations in these environments. Providing more information on the practical implementation, especially inside small and medium sized entities, will provide further clarification of how this can be implemented for all CPA candidates.

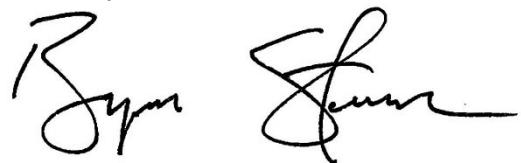
Another layer of complexity lies in the potential variability of competency-based models across the nation. A lack of uniformity could create substantial challenges for candidates and state boards as they work to determine which competency-based models should be accepted. This could be of particular concern when considering reciprocal licensure. The difficulties caused by the interstate exchange form should not be repeated as states attempt to glean various pieces of information to determine the equivalency of another state's competency-based experience requirements.

Lastly, the Board is concerned about the potential administrative impact on the Oklahoma Accountancy Board staff. Without further clarity on the items above, the processes associated with the addition of a competency-based experience pathway could increase the workload for board employees, leading to delays and inefficiencies for candidates.

In conclusion, the Board supports the overall goals represented in the exposure drafts but believes addressing these concerns is critical as we move forward. The Board encourages the development of further clarification and guidance on these issues and continued engagement with stakeholders to refine the proposals.

Thank you again for the opportunity to share this input.

Sincerely,

A handwritten signature in black ink, consisting of the first name 'Bryan' and the last name 'Storms' joined together.

Bryan Storms, CPA  
Chair  
On behalf of the  
Oklahoma Accountancy Board

**AS APPROVED BY THE OREGON BOARD OF ACCOUNTANCY ON NOVEMBER 6, 2024**

To: AICPA/NASBA Joint UAA Committee, AICPA Leadership and Board of Directors, NASBA Leadership and Board of Directors

From: Oregon Board of Accountancy

Re: September 30, 2024 Exposure Draft to the Uniform Accountancy Act, Eighth Edition - January 2018 and Exposure Draft on CPA Competency Based Experience Pathway of September 12, 2024

Date: November 6, 2024

The Oregon Board of Accountancy (Board) is choosing to write an integrated single letter response to both exposure drafts. The Board believes that the issues of changing CPA licensure pathways and the issue of proposed updates to UAA Sections 5 and 23 are linked.

1. Competency Based Experience Pathway

This Board has utilized a competency-based experience pathway for more than a decade that, in many ways, aligns with the exposure draft. The Board supports a discussion at the UAA level about incorporating such standards into the UAA. This Board offers any jurisdiction-to-jurisdiction assistance for those that want to implement such a framework voluntarily as it can be done by states with limited resources like us.

That said, the competency pathway exposure draft does not align with this Board's objectives around simplification, clarity, and continued mobility to wit:

- a. The competency-based experience pathway exposure draft does not offer an aspirational set of supervision standards that jurisdictions can embrace when they are ready (as would normally be the case with model laws or rules) but instead is being offered under the threat of losing mobility privileges if not adopted in that manner. This Board's concern is that the linkage to the exposed concept of substantial equivalency would effectively shatter the profession's mobility framework. There are many jurisdictions that either are not supportive of the competency-based experience pathway or exist in a staunchly anti-regulatory political climate within their state and thus will not have any political option to raise standards.

The Board would support adding to UAA model rules an aspirational framework of supervision standards similar to what has been exposed (these details belong primarily in rule). That said, the Board opposes turning that framework into what is effectively a national mandate as exposed, and a threat to professional unity and to CPA mobility.

- b. The Board has no intention of considering a state that would not adopt the exposed supervision standards as not substantially equivalent. Oregon is not doing that now and will not take a step in the future in the direction of disrupting the flow of CPA cross-border services to the public.
- c. As noted, this Board supports a competency-based experience pathway however does not support the notion of a 2-year experience pathway being split between competency based and other. Once a case is made that supervision standards make sense (it would align this profession with all the other professions requiring supervision toward licensure) – then it becomes much harder to argue that those standards should only apply in one pathway, or for half of one pathway or not at all. In a regulatory setting, the defensibility of an experience pathway that is half based on competency and half based on something undefined is very difficult to explain and defend.
- d. The Oregon competency-based experience pathway was not designed by a “national accounting organization” which causes concern and uncertainty for this Board. While it appears that Oregon basically does what is being proposed already on the supervision side, because of the call out of who decides what the competencies should and shouldn’t be could mean that Oregon, as it is today, is not compliant going forward.

## 2. UAA Exposure draft on Substantial Equivalency and Mobility

- a. The Board has discussed open mobility and feels that moving toward simple open mobility is very much within reach of the profession, especially since we have achieved substantial equivalency / relative uniformity in licensure standards. More specifically, the Board does not support the idea embraced by AICPA and NASBA leaderships that jurisdictions moving toward a 120+2 approach would not be substantially equivalent to 150+1. Instead, the Board trusts the actions of their peer regulators and is of the mindset that how a candidate obtained their initial licensure should not weigh in to their ability to obtain a license in Oregon or to obtain practice privileges (mobility) in Oregon. This Board would prefer to simply look to see that the candidate has a CPA license and not how they got that initial license.
- b. The Board opposes the proposed creation of a “national licensee database”, maintained by NASBA that would track how and where a licensee obtained their license. This would be unworkable for a number of reasons:
  - i. It effectively would transform the existing national database (ALD) from a helpful tool into one tagging licensees into different classes of lesser or more worthy licensees.

- ii. Jurisdictions would not want that liability to designate anyone as lesser, and it does not make sense to splinter the profession in this way.
- iii. It seems probable that jurisdictions would likely pull out of the ALD altogether rather than tagging licensees.

c. Especially striking is the contradiction between the UAA exposure draft and the recent admonition to all boards to not delegate their authority. Whether NASBA leadership realized it or not at the time of the release of that communication, what NASBA effectively accomplished is dramatically increasing weariness of utilizing “national accounting organizations” and NASBA’s NQAS – let alone a database like the ALD as central way points to setting standards or determining mobility.

As such, with respect to the UAA exposure draft, the Board would support a referral back to the UAA committee.

Finally, the Board has provided leeway to its Executive Director to find constructive alternative solutions with his colleagues in other jurisdictions that would consider what is happening in the various states around licensure, without judgment regarding the different ideas and political limitations in those jurisdictions. The Board is concerned that waiting is not an option, and that stopping the many jurisdictions that are moving legislation is not realistic. A focus on unity and preserving mobility is essential.



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BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE BOARD OF ACCOUNTANCY  
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HARRISBURG, PENNSYLVANIA 17105  
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December 24, 2024

Ms. Nicola Neilon, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy (NASBA)  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

Mr. Tom Neill, Chair, AICPA UAA Committee  
American Institute of Certified Public Accountants (AICPA)  
1345 6<sup>th</sup> Avenue, 27<sup>th</sup> Floor  
New York, NY 10105

Re: NASBA and AICPA Exposure Draft on Proposed Amendments to the Uniform Accountancy Act (UAA)

Dear NASBA and AICPA Joint UAA Committee:

During a regularly scheduled public meeting on November 19, 2024, and a special public meeting on December 13, 2024, the Pennsylvania State Board of Accountancy (Board) reviewed and discussed the NASBA and AICPA exposure draft concerning proposed amendments to Sections 5 and 23 of the UAA. The proposed amendments to Section 5 of the UAA (relating to CPA certification) would provide an additional pathway to CPA certification that would include a baccalaureate degree conferred by a college or university acceptable to the Board, without the 150-semester credit hour requirement. The CPA candidate's education program must include an accounting concentration, or equivalent as determined by Board rule. In addition, it is proposed that the CPA candidate pursuing the new pathway to certification must complete two years of experience; one of which must be competency-based experience. The Board applauds, and is supportive of, the addition of a new pathway to CPA certification that includes a baccalaureate degree, without the 150-semester credit hour requirement, plus two years of experience. The Board, however, is not supportive regarding that one of the years of experience must be competency-based. Two years of general experience is sufficient to provide candidates with the tools necessary for certification as a CPA.

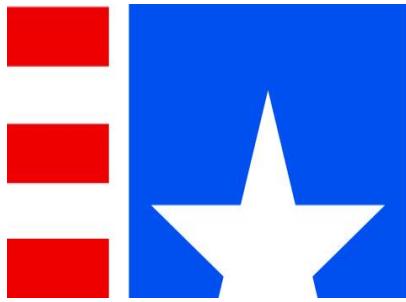
The proposed amendment to Section 23 of the UAA (relating to practice by substantial equivalency/CPA mobility) contains safe harbor language which would allow duly state-licensed CPAs to continue to practice in other states by substantial equivalency if the licensee received their CPA certificate through a pathway that was recognized by the UAA at the time of their licensure and the issuing state board of accountancy has identified the individual's applicable licensure pathway in a national licensee database. The Board supports this safe harbor language, as current CPAs who are practicing by substantial equivalency should be allowed to continue to do so. The Board, however, recommends that Section 23 should be further amended to include language that provides for automatic mobility of state-licensed CPA professionals.

Thank you for valuing the input of state accountancy regulatory stakeholders in the drafting of amendments to the UAA.

Sincerely,

/s/ MICHAEL D. OCKER, CPA

Michael D. Ocker, CPA, Chair  
Pennsylvania State Board of Accountancy



# Puerto Rico Board of Accountancy

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Junta de Contabilidad de Puerto Rico  
P.O. Box 9023271, San Juan PR 00902-3271

NASBA Uniform Accountancy Act Committee

NASBA – UAA

150 4<sup>th</sup> Avenue North, Suite 700

Nashville, Tennessee 37219-2417

December 6, 2024

RE: September 30, 2024, Join AICPA/NASBA UAA Committee Exposure Draft of the Uniform Accountancy Act, Eighth Edition (UAA ED); and September 12, 2024, Exposure Draft on CPA Competency-Based Experience Pathway (Pathway ED)

Dear Committee Members,

The Puerto Rico Board of Accountancy has reviewed the exposure draft issued on September 12, 2024, titled "CPA Competency-Based Experience Pathway," as well as the draft proposing revisions to Sections 5 and 23 of the Uniform Accountancy Act (UAA) and the accompanying Model Rules. The Board has chosen to address both exposure drafts in a single response letter.

The Board believes that the 150-hour educational requirement acknowledges the importance of education in the profession, enhancing the capabilities of CPAs. However, the Board also recognizes the significant value of work experience gained in CPA firms, which contributes to a candidate's likelihood of passing the CPA Examination. The

concern is that the proposed Pathway only applies to CPA firms that can monitor and supervise CPA candidates, thus ensuring a thorough evaluation process. Moreover, evaluating CPA candidates working in non-CPA firm settings—such as in pharmaceuticals, retail, or government—poses challenges. It will be particularly difficult to apply the competency pathway to such candidates unless their immediate supervisor is a CPA in good standing.

In summary, the Board commends NASBA for its efforts to promote mobility by amending the UAA and establishing a new pathway for jurisdictions that choose to adopt new standards that are not considered substantially equivalent. However, the current proposal appears overly complex and challenging to implement. The Board encourages the exploration of new alternatives.

The Board appreciates the opportunity to comment on the proposed changes to the UAA and will ultimately support the direction that NASBA-AICPA believes is best for maintaining mobility and reciprocity.

A handwritten signature in blue ink, appearing to read "Francisco A. Fernández".

Francisco A. Fernández, CPA  
President,  
Puerto Rico Board of Accountancy



South Carolina  
Department of Labor, Licensing and Regulation



Board of Accountancy

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Henry D. McMaster  
Governor

Emily H. Farr  
Director

December 2, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

The South Carolina Board of Accountancy (SCBOA) appreciates this opportunity to comment on the NASBA CPA Competency-Based Experience Pathway Exposure Draft (Exposure Draft) issued September 12, 2024. The Exposure Draft sets out 16 possible questions for comments. SCBOA provides general comments under question 16 “Provide other comments that you have.”

SCBOA discussed the Exposure Draft at its October 24 and November 8, 2024, meetings and provide the following comments and concerns, all of which were unanimously supported.

➤ **The “Equivalent to 150 Hours” Visual Needs Clarification**

Bold language appears on page 1 of the Exposure Draft, second paragraph, on the nature of the new competency-based pathway, as follows. “These [competency-based pathway] candidates would still be required to earn a bachelor’s degree, complete one year of general experience, and pass the CPA exam.” This is not what the “Equivalent to 150 Hours” boxes visually illustrates.

In the Exposure Draft, the visual boxes makes it appear as if the 1-year experience requirement under the competency-based experience pathway stands alone as a single 1-year option, when it is a 2-year experience commitment which ties the 1-year of general experience together with the 1-year competency-based experience. SCBOA believes this is misleading. The visual boxes also do not explicitly mention the ELE option (which we understand will continue as an option outside of the Exposure Draft), even though it is technically included in the “up to 30 credits” option.

Adding more licensure options adds more confusion and misunderstanding for candidates as well as students considering majoring in accounting and choosing CPA. It is important that each option choice be clearly and separately described. SCBOA recommends considering the revised language in “Exhibit A Equivalent to 150 hours.”

In subsequent discussions and videos on the Exposure Draft, this issue appears to have been clarified regarding the 2-year competency commitment.

➤ **The Exposure Draft Complicates and Micromanages Firm and Candidate Activities**

The Exposure Draft complicates and micromanages firm and candidate activities. As if workload and staff assignments are not challenging enough, candidates and CPA Evaluators can no longer just focus on general work experience. It's possible that multiple years might be needed to document performance indicators (professional competencies) or example tasks (technical competencies). Given that CPA evaluators are likely managing engagements and billable hours, and firm resources are stretched because of pipeline issues, this adds unnecessary workload which will hinder the completion of client jobs and tasks effectively and efficiently.

The Exposure Draft intends to propose a candidate option which does not require additional credits after the bachelor's degree. We know these additional credits are a time and money barrier, through studying the pipeline issues. However, the Exposure Draft will now impose a significant resource barrier to firms already stretched to their limits and candidates who are trying to complete experience requirements. CPA evaluators and candidates will be faced with micromanaging tasks, possibly over multiple years (up to 5!) by checking competency and experience boxes which might not even fit the normal workflow.

Appendix A of the Exposure Draft sets forth the professional competencies which must be completed by a candidate and verified by one or more CPA evaluators. Even though not every "example performance indicator" in the professional competencies needs to be completed and verified in the 1-year period, at least one of each of the 7 professional competencies must be completed and verified in 1-year (or likely more than 1-year): ethical behavior, critical thinking and professional skepticism, communication, collaboration, teamwork and leadership, self-management and continuous learning, business acumen and technology mindset. In addition to professional competencies, at least one of the "example tasks" in the technical competencies (audit and assurance, tax, or business and financial reporting [including financial, not-for-profit, and governmental] must be completed and verified in 1 year (or likely more than 1 year).

The Exposure Draft describes a framework inconsistent with how firm/client work is distributed or tasked. Who knows when and how the specific candidate competencies will occur? In a business environment, firms focus on completing client or firm tasks at hand in the most efficient and effective manner. Firms should not be concerned with searching for performance indicators or example tasks for candidates to complete and for CPA evaluators to verify, which may not even be relevant to completing the job at hand. This seems senseless and may not even be possible to complete for multiple years, depending on the nature of the firm or client/business focus. This is not helping the pipeline issue; it's making it worse.

Further, we concur wholeheartedly with the October 13, 2024, opposition comment letter submitted by Thomas Neill, CPA Chair, AICPA UAA Committee regarding the Exposure Draft and the UAA proposed language revisions with specific emphasis on the following:

1. The language does not give recognition and consideration to what is currently being proposed in a number of jurisdictions – that of the bachelor's degree and two years of experience.
2. The language requires the creation of an additional set of standards developed by a "national accounting organization." Said organization does not currently exist, nor does this language define what it may be. While the AICPA does currently set various standards, NASBA does not, nor is it equipped to do so. Moving to a simple 2-year experience model avoids the need to create another set of standards.
3. Creation of another set of standards adds additional burden to candidates and employers. Employers will need to determine how best to assist candidates to achieve the competencies and the related cost. This could serve to discourage employers to assist candidates to become licensees.
4. This could be perceived as an additional hurdle to licensure at a time when the profession is trying to attract more candidates. It is an ill-timed proposal.
5. This adds an additional layer of regulation for boards of accountancy to address in their statute and/or rule.
6. This language does not modernize nor future proof the licensure model for the profession. If there are states that move to a simple bachelor's degree plus 2-years' experience system, which could very well occur over the next two years, the [Exposure Draft] and Model [UAA] Act will then be at odds with what is happening in the licensure process.

➤ **Another Year of General Experience is Sufficient**

The Exposure Draft attempts to build candidates' professional and technical competencies through documenting individual performance indicators or example tasks through a complicated micro-management framework. The Exposure Draft fails to recognize that real professional competency is an aggregation of individual performance indicators and assigned tasks over time and not necessarily any individual competency at a point in time. Professional and technical competencies take time to develop in the natural course as a candidate acquires more general work experience year over year.

SCBOA's view is that another year of general work experience is sufficient for candidates who do not choose to obtain a master's degree or an additional 30 credits. 2 years of general experience will provide these candidates with a better

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors  
December 2, 2024  
Page 4

foundation on which professional and technical competences will develop over time.

The Exposure Draft should be discarded. SCBOA does not support this. Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dean Kenneth Whitener".

Dean Kenneth Whitener, Chair  
South Carolina Board of Accountancy

**Exhibit A: Equivalent to 150 hours**

Bachelor's degree	Master degree	1-year general experience	CPA Exam
Bachelor's degree	Up to 30 credits (includes ELE)	1-year general experience	CPA Exam
Bachelor's degree	Competency-Based Experience Pathway	1-year general experience + 1-year competency-based experience (1)	CPA Exam

Recommended changes to the original Exposure Draft proposal



## SOUTH DAKOTA BOARD OF ACCOUNTANCY

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December 3, 2024

Nicola Neilon, CPA, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

Thomas Neill, CPA Chair, AICPA UAA Committee  
American Institute of CPAs  
1345 6<sup>th</sup> Avenue 27<sup>th</sup> Floor  
New York, NY 10105

Dear Chairs Neilon and Neill:

On behalf of the South Dakota Board of Accountancy (Board), we would like to express our gratitude to your organizations for the opportunity to respond to the exposure drafts. We are providing comments on the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA) exposure draft on the CPA Competency-Based Experience Pathway (Pathway ED), as well as the UAA/Model Rules exposure draft (UAA ED).

While the Board agrees that uniformity among states and a common set of guidelines are important for licensure, we do not support the proposals. We have specific concerns regarding the proposed language in UAA ED sections 5 and 23.

UAA ED section 5(c)(2)(C) refers to a competency-based experience. We believe that the proposed framework introduces unnecessary complexity and will have subjective interpretation, making it idealistic rather than suitable regulatory material. Additionally, UAA ED section 5(f)(2) references a competency framework developed by a national accounting organization. South Dakota law does not permit the Board to rely on another party for enforcement, and we cannot delegate our authority to a national accounting organization. The cumbersome process outlined in the Pathway ED limits experience opportunities for those outside of CPA firms and introduces the potential for inherent bias in the regulatory process. Furthermore, the attempt to maintain the requirement of 150 credit hours of education overlooks the fact that several jurisdictions have already begun the regulatory process to modify their statutes and rules to include a bachelor's

degree and two years of experience. The Board recommends that the UAA be revised to specify the minimum requirements, while allowing each state to define how to meet those requirements in their statutes and rules.

UAA ED section 23(a)(1) mentions NASBA as an organization that determines whether candidates are qualified for CPA licensure in a state. However, this determination is the responsibility of each state's board, which evaluates candidates based on its own standards. As noted earlier, the Board cannot delegate its authority to a third party to administer laws and South Dakota laws cannot reference the UAA, as it is an evergreen document.

While the Board supports the concept of uniformity for licensees across the United States, we cannot endorse the proposed changes to the UAA or the suggested Competency-Based Experience Pathway. It appears that several jurisdictions intend to roll back educational requirements. Any modifications to the UAA should reflect the current climate for licensing.

Respectfully,

A handwritten signature in blue ink that reads "Deidre Budahl".

Deidre Budahl, CPA  
Chair, SD Board of Accountancy



TEXAS STATE BOARD

of PUBLIC ACCOUNTANCY

William Treacy, Executive Director

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Date: 11/07/2024

Dan Dustin, CPA, President & CEO  
NASBA  
150 Fourth Ave, North, Suite 700  
Nashville, TN 37219

Susan S. Coffey, CPA, CGMA  
CEO – Public Accounting  
AICPA  
1345 6<sup>th</sup> Avenue 27<sup>th</sup> Floor  
New York, New York 10105

Dear Mr. Dustin and Ms. Coffey,

The Texas State Board of Public Accountancy reviewed the AICPA and NASBA Exposure Draft on the CPA Competency-Based Experience Pathway. They engaged stakeholders from TXCPA, Texas practitioners, and accounting educators to discuss its impact. The Board appreciates everyone who helped develop and respond to the proposal.

The proposal seeks responses to 16 questions. While the Board finds merit in parts of the report, it cannot endorse the proposal as it stands. The Board supports an alternative pathway but not the CPA Competency-Based Experience Pathway as outlined. They believe it adds a burdensome administrative layer for evaluators, firms, and regulators. Though the skills assessed are valuable, they are inherent to the candidates' work and add little to the experience process or profession. The Board desires more detailed definitions and a clearer implementation roadmap for firms.

The Board stresses the need for more information and slowing down the legislative process for boards of accountancy in order to identify and eliminate any unintended consequences that may result from expeditiously delivering an alternate pathway to the CPA designation. The Board is concerned with the urgency of the changes along with the administrative burdens that would occur by moving too quickly on the proposal.

The Board opposes the work experience requirement for the 1+1 pathway. Including a supervising CPA to assess an applicant's professional and technical competencies adds administrative complexity and potential legal liability for the evaluator and organization. While CPAs can evaluate technical skills, they may lack the expertise to judge professional competency from a public protection standpoint. The proposed structure of completing 2,000 hours of professional services over five years doesn't address the CPA pipeline issue.

Texas accounting educators raised concerns about the timing of the change and its impact on CPA exam preparedness and public service. They are still adjusting coursework for the January 2024 exam changes, and the alternate pathway would require further changes to degree plans. Continuous adjustments cause unrest among faculty and students, potentially leading some to reconsider their plans for graduate or accounting degrees.

The Board appreciates the effort in developing the proposal and encourages the AICPA and NASBA to continue engaging with accountancy boards, CPAs, and educators across all jurisdictions to create a clear and implementable alternate pathway to CPA licensure. Future proposals should reduce barriers for students and future CPAs.

Upon careful consideration, the Board has determined it cannot endorse the Competency Based Experience Pathway at this time. Consequently, as the Uniform Accountancy Act Exposure Draft is intrinsically linked to this pathway, the Board will abstain from providing commentary on the draft. We recognize the interconnected nature of these two proposals and believe our position on one necessarily affects our stance on the other.

Best regards,  
Texas State Board of Public Accountancy

*Debra Seefeld, CPA*

Debra Seefeld, CPA  
Presiding Officer

*Ray R Garcia*

Ray Garcia, CPA  
Chair, Ad Hoc Licensure Pathway Committee



## COMMONWEALTH OF VIRGINIA BOARD OF ACCOUNTANCY

Nancy Glynn, CPA  
Executive Director

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Wendy Pace Lewis, CPA  
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Nadia A. Rogers, CPA  
Vice Chair, Educator

David Cotton, CPA, CFE  
Board Member

Guy Davis, CPA  
Board Member

Anne B. Hagen, CPA, MBA  
Board Member

Dale G. Mullen  
Public Member

Angela Rudolph-Wiseman, CPA  
Board Member

December 5, 2024

Thomas Neill, CPA, Chair, AICPA UAA Committee  
American Institute of Certified Public Accountants  
1345 6th Avenue, 27th floor  
New York, NY 10105

Nicola Neilon, CPA, Chair, NASBA UAA Committee  
National Association of State Boards of Accountancy  
150 4th Avenue N, Suite 700  
Nashville, TN 37219

Dear Chairs Neilon and Neill:

The Virginia Board of Accountancy (VBOA) would like to thank AICPA and NASBA for the opportunity to provide comments on the Uniform Accountancy Act (UAA) and CPA Competency-Based Experience Pathway exposure drafts. Upon review of both drafts, the board identified several interrelated concerns that it has chosen to address in a single response letter. For the reasons outlined below, VBOA does not fully support the proposed changes in the exposure drafts but remains open to continued dialogue with all stakeholders to further address the underlying concerns.

### **Exposure Draft Approval and Process**

The VBOA has sincere concerns regarding the execution of the UAA exposure draft approval process. Specifically, a VBOA member who serves on the NASBA UAA Committee raised concerns regarding the proposed language with NASBA Leadership well in advance of the Joint UAA Committee meeting scheduled to discuss and vote on the proposed language.

As the Joint UAA Committee meeting was being scheduled, the VBOA member indicated they would not be available at 5 pm but would join the meeting as soon as possible, approximately 20 minutes after the start of the meeting. They also shared with NASBA Leadership that, in the event that they were unable to join the meeting before the vote, if changes were not made to the wording, their vote would be to not approve the proposed changes. NASBA Leadership responded that proxy votes were not allowed and asked the VBOA member to consider not attending the meeting and, consequently, not voting. Given the importance of the matter, the member stated they would not agree to abstain from attending or voting. The vote was taken in the first 10 minutes of the meeting, and the VBOA member was not able to be present or cast their vote. A “no” vote would have impacted the end result, which was known prior to the meeting as NASBA Leadership had counted the Joint UAA Committee member votes.

These concerns associated with the UAA process echo those mentioned in AICPA UAA Committee Chair Thomas Neill’s response letter in which he noted that the exposure draft was rushed and predetermined by NASBA and AICPA senior leadership. Moving forward, VBOA seeks to gain a better understanding of the bylaws and procedures to be followed within this process in order to ensure full compliance and clarity. This process does not align with the core values of our profession.

### **Evolving Education and Licensure Requirements**

The exposure drafts, in their current form, fail to account for changes in educational systems and evolving licensure requirements, as some states are currently considering a return to a 120-hour degree requirement with two years of experience. Section 5 of the UAA exposure draft provides three pathways, with two of these requiring 150 hours of education while the third allows for a bachelor’s plus a 1-year competency-based experience to satisfy the 150-hour requirement. However, VBOA disagrees with the notion that the competency-based experience is equivalent to an additional 30 hours of education received from an accredited institution. Instead, the proposed pathway seems to shift the responsibility of formal training and assessment away from professional educators within accredited institutions and toward fellow CPAs. Additionally, the exposure drafts do not take into consideration the ongoing changes in higher education, including the 90-hour bachelor’s degrees offered by some institutions. This raises further concern that neither the proposed competency-based pathway nor the 90-hour bachelor’s degrees aligns with the 150-hour requirement pathways.

### **Competency-Based Experience Pathway**

Given the wide variety of industries and roles available to CPAs, it is difficult to determine whether the competency-based pathway is feasible and appropriate for every career path within

the profession. Additionally, the performance standards used to assess a candidate's competency appear unclear and leave room for subjective interpretation. Some example performance indicators also seem to be more advanced than what is typically expected from an entry-level staff member in their first year, which could present challenges both for candidates (in meeting these standards) and CPA Evaluators (in maintaining objectivity and fairness). The VBOA would recommend revising the pathway's evaluation criteria to include more detail and maintain consistency across all firms and jurisdictions.

#### **Undue Burdens for State Boards, Firms, CPAs, and Candidates**

If a national licensee database is implemented by NASBA, state boards would bear the responsibility to manage the tracking and reporting documentation required for this process. This database also raises concerns that it could lead to the creation of "classes" of licensees by categorizing them based on how licensure was obtained, leading to further confusion and discouragement among CPAs and CPA candidates. Additionally, as some jurisdictions continue to develop their own alternative pathways and practice privilege models, state boards will face an increasing challenge in determining and managing their own requirements. This situation not only places an added burden on state boards to address in their statutes and rules, but the current draft language simultaneously restricts boards from modifying their own licensure requirements by the potential threat of losing mobility.

Further burden is placed on firms as the competency-based pathway may lead to increased costs and pressure to obtain the necessary resources for properly training supervisors and accurately assessing competencies. This raises concerns about increased liability risks for firms, especially when detailed standards for training and assessment are not sufficiently provided. Additionally, small firms, businesses, and non-profit organizations face even greater challenges as they may lack the proper resources to effectively implement the new processes.

Finally, the unclear requirements of the pathway may lead to further confusion and discouragement among CPA candidates, potentially worsening the CPA pipeline problem. CPAs may also begin to view their role of CPA Evaluators as an additional administrative burden, potentially discouraging them from conducting thorough and effective evaluations.

#### **Delegation of Authority**

The current proposed language does not account for the fact that NASBA does not have the regulatory authority to establish competency frameworks or determine substantial equivalency. There is increased concern that delegating this regulatory authority to NASBA's NQAS could further jeopardize state authority and public protection. Additionally, the current draft language

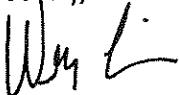
would require significant changes to statutes/rules, which would be very difficult to pass given the current environment of regulation reduction. The VBOA would recommend revisions to the draft to create a simpler, cleaner alternative pathway that would garner greater support and reduce perceived barriers to entry.

#### **Mobility and Substantial Equivalency**

The proposed language currently links substantial equivalency to the UAA pathway, which raises concerns that it could undermine practice privileges if a state chooses to adopt a pathway outside the UAA model. In this way, the UAA pathway is unfairly prioritized over any other pathway a jurisdiction may wish to use, further compromising practice privileges, reciprocal licensing, and state authority. Additionally, the proposed language introduces unnecessary complexity for state boards that cannot adopt the UAA pathway, as they may be forced to police CPAs from outside jurisdictions seeking practice privileges and reciprocal licensing in their state.

Given our concerns, the VBOA respectfully requests that NASBA and AICPA delay moving forward with the proposed language in order to allow time for consideration of the questions and concerns raised by all stakeholders. The VBOA appreciates the opportunity to comment on the exposure drafts and looks forward to continued discussions on these important issues. We remain committed to improving the pipeline, reducing barriers to efforts, and maintaining mobility.

Sincerely,



Wendy Lewis, CPA  
Chair

**COMMENTS**

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Please find our firm's comments on the joint American Institute of Certified Public Accountants (AICPA)/National Association of State Boards of Accountancy (NASBA) Uniform Accountancy Act (UAA) Committee Exposure Draft and NASBA UAA Committee Exposure Draft issued September 30, 2024.

Our firm fully supports all proposed changes to the UAA that would enable the potential adoption by states of the Certified Public Accountants (CPA) Competency-Based Experience Pathway—an additional path to CPA licensure proposed by the AICPA and NASBA. These proposed changes to the UAA would:

- Specify the education required to sit for the Uniform CPA Examination
- Define the requirements for an additional pathway for licensure as a CPA
- Retain mobility for those licensed under a pathway defined in the UAA
- Provide a mechanism for those who are licensed under a pathway that is not defined in the UAA but who later meet the mobility requirements defined in the UAA.

We fully support the alternate pathway to the CPA licensure. The intended benefits of the 150-hour requirement, including enhancing the value of the CPA certification, were never realized. A principal cause was that no academic requirements were part of the additional required hours. Without a tangible skill augmentation, the public did not recognize an enhancement of the certification and brand. Students also did not perceive an increase in the value of the certificate. Increasingly, they did not view the increased cost of 30 additional academic hours was outweighed by the labor market benefits, i.e. salary and career opportunity. The last factor contributed to declining college accounting enrollments and CPA examination participation.

For candidates, the introduction of an alternative pathway to the 150-hour requirement reduces both financial and time barriers to entering the profession. Traditional accounting students can enter the workforce sooner without taking on additional student loan debt for an extra year of education. This allows them to begin earning income and gaining practical experience earlier in their careers. By reducing the time and cost investment required, the path to becoming a CPA becomes more achievable for a broader range of candidates. This promotes greater socioeconomic and demographic diversity within the profession, while maintaining high professional standards through examination and experience requirements, rather than educational prerequisites.

[Joint AICPA/NASBA UAA Committee Exposure](#)

The Exposure Draft of Changes highlights amendments to UAA – 8<sup>th</sup> Edition, January 2018, Section 5: “Qualifications for a Certificate as a Certified Public Accountant,” UAA Section 23: “Substantial,” and updates to the January 2024 edition of the UAA Model Rules Sections 3 and 6.

**Section 5: “Qualifications for a Certificate as a Certified Public Accountant”**

We agree with the additions and deletions in the paragraphs, as noted in the exposure draft. We believe that the education requirement for a certificate should be met through the pathways as described. The proposed changes provide a candidate multiple routes to CPA licensure, either through: 1) post baccalaureate degree with a cumulative 150 semester credit hours; 2) baccalaureate degree plus additional credit hours totaling a cumulative 150 semester credit hours; or 3) baccalaureate degree plus one additional year of experience performed in accordance with a national competency framework.

These requirements are consistent with the recently issued AICPA/NASBA CPA Competency-Based Experience Pathway Exposure Draft. This change is responsive to the current needs of all stakeholders (i.e., candidates, employers, and educators). It provides a path for candidates to obtain licensure without incurring an additional year of educational expenses. It will hopefully stem the decline in accounting enrollments and provide the profession the bandwidth to address a growing talent shortage of qualified candidates for traditional accounting functions and also in emerging practice areas (e.g., robotics process automation, data analytics, environmental, social, and governance).

This revision will strengthen the CPA brand among students and across industry as well. For example, students who opt for the alternative competency-based pathway will be able to enter the workforce earlier, thus earning both income and practical experience faster than under the previous 150 credit hour requirement. It will also particularly empower first-generation college students, those from lower-income backgrounds, and traditionally underrepresented groups for whom the additional time and cost of obtaining more credit hours could be a significant (and perhaps insurmountable) barrier. Employers benefit by gaining access to a larger, more diverse talent pool of qualified candidates sooner, with an additional enhancement of being able to invest in and guide the professional development of their employees through on-the-job training that is directly relevant to the work, field, and employee career paths. Lastly, the profession benefits by becoming more accessible and inclusive, while still maintaining high standards through the CPA exam and experience requirements.

**Section 23 Substantial Equivalency**

We agree with the additions and deletions in the paragraphs, as noted in the exposure draft. The proposed amendments capture the changes of Section 5 and codify the three-path approach to licensure outlined in Section 5. These proposed changes preserve reciprocity and substantial equivalency and proactively eliminate licensing conflicts resulting from states' staggered adoption of the AICPA/NASBA CPA Competency-Based Experience Pathway. This approach is beneficial since it resolves potential interstate licensing conflicts before they occur, and it preserves the benefits of licensure reciprocity.

**Proposed Amendments to the UAA Model Act and Rules**  
**Firm Comments**

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**UAA Model Rules – January 2024**

UAA Model Rules Article 3: “Definitions” and Article 6: “Issuance of Certificates and Renewal of Certificates and Registrations, Continuing Professional Education and Reciprocity”

We agree with the additions in the paragraphs, as noted in the exposure draft. We agree with the addition of the experience required, as outlined for initial certification. The new definitions in both sections are consistent with the changes in Sections 5 and 23 and help link the proposed changes in this exposure draft and the previous AICPA/NASBA CPA Competency-Based Experience Pathway Exposure Draft.



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December 4, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

Dear Committee Members, Leadership, and Board of Directors:

CliftonLarsonAllen LLP (CLA) has reviewed the proposed *CPA Competency-Based Experience Pathway* exposure draft, issued September 12, 2024, and the *Uniform Accountancy Act Exposure Draft*, issued September 30, 2024 ("exposure drafts" or "proposals"). As an employer of over 3,000 CPAs working across various states and industries, CLA is dedicated to providing impeccable quality service to our clients, many of whom rely on our assurance work for their sustainability.

We appreciate the efforts of the AICPA and NASBA in acknowledging the importance of modernizing CPA licensure requirements in response to an environment that has significantly changed since the early 2000s when a large majority of states adopted the 150-hour requirement. We are grateful the profession is willing to evolve to continue to attract candidates into the profession. We support this endeavor and offer our feedback for consideration. Our recommendations for both exposure drafts are:

## **Update terminology to remain relevant**

The current proposals reference 150-credit and 120-credit benchmarks for education. We believe that modifying the language to refer to degree types (e.g. Bachelor's or Master's), rather than credits, will ensure the longevity of these pathways as higher education in the United States evolves.

### **Recommendation**

We strongly recommend that NASBA and AICPA examine going to a degree type plus general year(s) of experience (e.g. Bachelor's + 2 years). This would allow any legislative work in this area to remain effective while US higher education evolves.

## **Remove barriers and simplify the licensure process**

We believe adding the year of enhanced experience adds additional barriers for candidates trying to enter public accounting.

The complexity and subjectivity of the competencies, as well as the process for meeting them could be a detractor from drawing candidates into the profession.

In addition, we have concerns that the software created by NASBA, and the CPA supervisor relationship will translate to additional cost for candidates through fees for use of the software and the time of the supervising CPA. We oppose any pathway that adds additional expense to the candidate experience

### **Recommendation**

We firmly believe that a pathway comprising a Bachelor's degree, year or years of general experience, and the Uniform CPA Exam is sufficiently rigorous to maintain the quality, integrity and value of the CPA license.

## **Maintain Mobility**

Mobility has been a challenge but not the main issue in this CPA pathway discussion and can be addressed through state cooperation. We do not believe substantial equivalency, as evaluated by NASBA's National Qualification Appraisal Service (NQAS), is necessary to ensure future mobility.

We are not in favor of a national database indicating whether someone has obtained a CPA through a pathway not considered equivalent. This places NASBA at the center of the conversation rather than the states. We are disappointed that automatic mobility was excluded from the proposals.

### **Recommendation**

We believe automatic mobility is the best way to address the challenge. Automatic mobility, as seen in four US jurisdictions, provides a framework for stability, public protection, and jurisdiction over CPAs practicing under licenses from other states. In fact, we understand more states are proposing to include in their upcoming legislative bills. We have provided the proposed amendments from the California Board of Accountancy for reference, as well as the statute provisions from the four jurisdictions who currently have automatic mobility provisions for your reference.

## **Summary and Next Steps**

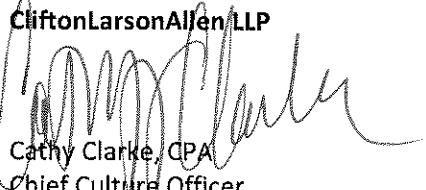
CLA does not support the current proposals. We recommend:

- New Pathway: Degree (rather than credit hours) + year(s) of general experience, along with CPA Examination.
- Adopt: automatic mobility with education, experience, and CPA exam guardrails, as currently practiced in four states.

Thank you for considering our comments. At CLA, we are passionate about providing our professionals with inspiring career opportunities, and we believe that achieving a CPA license is a commendable goal that we aim to motivate and encourage our people to pursue. We look forward to collaborating to address these critical issues.

Sincerely,

CliftonLarsonAllen LLP



Cathy Clarke, CPA  
Chief Culture Officer  
612/376-4535  
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Attachments: CBA Proposed Amendments; Automatic Mobility – Statute Provisions



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1 **Attachment 2**  
2

3 **Proposed Amendments to Business and Professions Code, Article 5, Sections**  
4 **5081, 5083.2, 5082.4, 5082.5, 5086, 5087, 5088, 5090, 5092, 5093, 5093.2, 5093.3,**  
5 **5093.5, 5094, 5094.3, 5094.6, 5094.7, and 5095 (With Annotations and**  
6 **Strikethrough/Underline)**  
7  
8

9 **5081. (Amend)**

10 An applicant for an authorization to be admitted to the examination for a certified public  
11 accountant license shall:

12 (a) Not have committed acts or crimes constituting grounds for denial of a license under  
13 Section 480.

14 (b) File the application prescribed by the board. This application shall not be considered  
15 filed unless all required supporting documents, fees, and the fully completed board-  
16 approved application form are received in the board office, submitted via a board-  
17 provided electronic application, or filed by mail in accordance with Section 11003 of the  
18 Government Code on or before the specified final filing date.

19  
20 (c) Meet one of the educational requirements specified in this article.

21 **Annotation:**

22 *The proposal adds an electronic examination application option to address the*  
23 *upcoming addition of the application to California Board of Accountancy (CBA)*  
24 *Connect.*

25 *The proposal deletes the reference to Government Code Section 11003 because*  
26 *it is no longer relevant given the elimination of specified filing dates (e.g.,*  
27 *continuous testing).*

28  
29  
30  
31  
32 **5082.3. (Amend, Non-Substantive)**

33 An applicant for a license as a certified public accountant may be deemed by the board  
34 to have met the examination requirements of Section 5082, 5092, or 5093 if the  
35 applicant satisfies all of the following requirements:

36 (a) The applicant is licensed or has comparable authority under the laws of any country  
37 to engage in the practice of public accountancy.

38  
39 (b) The International Qualifications Appraisal Board jointly established by the National  
40 Association of State Boards of Accountancy and the American Institute of Certified  
41 Public Accountants has determined that the standards under which the applicant was

1 licensed or under which the applicant secured comparable authority meet its standards  
2 for admission to the International Uniform Certified Public Accountant Qualification  
3 Examination.

4  
5 (c) The applicant has successfully passed the International Uniform Certified Public  
6 Accountant Qualification Examination referenced in subdivision (b).

---

7  
8 **Annotation:**

9       *A non-substantive amendment to delete Section 5092 which is proposed to be*  
10      *repealed and Section 5093 which no longer pertains to the examination.*

---

11  
12 **5082.4. (Amend, Non-Substantive)**

13 A Canadian Chartered Accountant in good standing may be deemed by the board to  
14 have met the examination requirements of Section 5082, ~~5092, or 5093~~ if they have  
15 successfully passed the Canadian Chartered Accountant Uniform Certified Public  
16 Accountant Qualification Examination of the American Institute of Certified Public  
17 Accountants or the International Uniform Certified Public Accountant Qualification  
18 Examination referenced in subdivision (b) Section 5082.3.

---

19  
20 **Annotation:**

21       *A non-substantive amendment to delete Section 5092 which is proposed to be*  
22      *repealed and Section 5093 which no longer pertains to the examination.*

---

23  
24 **5082.5. (Amend, Non-Substantive)**

25 The board may give credit to a candidate who has passed all or part of the examination  
26 in another state ~~or territory~~, if the members of the board determine that the standards  
27 under which the examination was held are as high as the standards established for the  
28 examination in this chapter.

---

29  
30 **Annotation:**

31       *“State” is already defined to include territories per Section 5032. The change is*  
32      *recommended because other sections within this Article (e.g., 5087) do not*  
33      *include “territory” which could lead to confusion.*

---

34  
35 **5086. (Repeal)**

36 Individuals who, at the time of the enactment of this act, hold certified public accountant  
37 licenses heretofore issued under the laws of this state shall not be required to secure  
38 additional licenses under this chapter, but shall otherwise be subject to all the provisions  
39 of this act; and such licenses heretofore issued shall, for all purposes, be considered  
40 licenses under this chapter and subject to the provisions hereof. This section shall be  
41 inoperative and repealed on January 1, 2026.

---

1  
2 **Annotation:**

3 *This is a repeal of an obsolete section that was used to “grandfather” licensees  
4 when the Article was amended.*

---

5  
6 **5087. (Amend)**

7 (a) The board may issue a certified public accountant license to any applicant who is a  
8 holder of a current, active, and unrestricted certified public accountant license issued  
9 under the laws of any state with comparable licensure requirements, if the board  
10 determines that the standards under which the applicant received the license are  
11 substantially equivalent to the standards of education, examination, and experience  
12 established under this chapter and who the applicant has not committed acts or crimes  
13 constituting grounds for denial under Section 480. To be authorized to sign reports on  
14 attest engagements, the applicant shall meet the requirements of Section 5095.

15  
16 (b) The board may in particular cases waive any of the requirements regarding the  
17 circumstances in which the various parts of the examination were to be passed for an  
18 applicant from another state.

---

19  
20 **Annotation**

21 *The term “substantially equivalent” is replaced with “comparable licensure  
22 requirements,” consistent with the proposed amendments to mobility legislation  
23 addressed in the previous item.*

---

24  
25 **5088. (Amend, Non-Substantive)**

26 (a) Any individual who is the holder of a current, active, and unrestricted ~~valid~~ license as  
27 a certified public accountant issued under the laws of any state and who applies to the  
28 board for a license as a certified public accountant under the provisions of Section 5087  
29 may, until the time the application for a license is granted or denied, practice public  
30 accountancy in this state only under a practice privilege pursuant to the provisions of  
31 Article 5.1 (commencing with Section 5096), except that, for purposes of this section,  
32 the individual is not disqualified from a practice privilege during the period the  
33 application is pending by virtue of maintaining an office or principal place of business, or  
34 both, in this state. The board may by regulation provide for exemption, credit, or  
35 proration of fees to avoid duplication of fees.

36  
37 (b) This section shall become operative on January 1, 2006.

---

38  
39 **Annotation:**

40 *The term “valid” was replaced with the more descriptive phrase of “active and  
41 unrestricted” to align with Section 5087. This amendment is considered non-  
42 substantive because the requirement is already established in Section 5087.*

---

1      **5090. (Amend)**

2      An applicant for the certified public accountant license shall comply with the education,  
3      examination, and experience requirements in this Article ~~either Section 5092 or 5093~~.

4      **Annotation:**

5      *Licensure requirements related to education, examination, and experience are  
6      throughout this Article; therefore, specified sections are proposed to be replaced  
7      with a reference to the entire Article.*

8      **5092. (Repeal)**

9      (a) To qualify for the certified public accountant license, an applicant who is applying  
10     under this section shall meet the education, examination, and experience requirements  
11     specified in subdivisions (b), (c), and (d), or otherwise prescribed pursuant to this article.  
12     The board may adopt regulations as necessary to implement this section.

13     (b) An applicant for the certified public accountant license shall present satisfactory  
14     evidence that the applicant has completed a baccalaureate or higher degree conferred  
15     by a college or university, meeting, at a minimum, the standards described in Section  
16     5094, the total educational program to include a minimum of 24 semester units in  
17     accounting subjects and 24 semester units in business related subjects. This evidence  
18     shall be provided prior to admission to the examination for the certified public  
19     accountant license, except that an applicant who applied, qualified, and sat for at least  
20     two subjects of the examination for the certified public accountant license before May  
21     15, 2002, may provide this evidence at the time of application for licensure.

22     (c) An applicant for the certified public accountant license shall pass an examination  
23     prescribed by the board pursuant to this article.

24     (d) The applicant shall show, to the satisfaction of the board, that the applicant has had  
25     two years of qualifying experience. This experience may include providing any type of  
26     service or advice involving the use of accounting, attest, compilation, management  
27     advisory, financial advisory, tax, or consulting skills. To be qualifying under this section,  
28     experience shall have been performed in accordance with applicable professional  
29     standards. Experience in public accounting shall be completed under the supervision or  
30     in the employ of a person licensed or otherwise having comparable authority under the  
31     laws of any state or country to engage in the practice of public accountancy. Experience  
32     in private or governmental accounting or auditing shall be completed under the  
33     supervision of an individual licensed by a state to engage in the practice of public  
34     accountancy.

35     (e) This section shall become inoperative on January 1, 2014, but shall become or  
36     remain operative if the educational requirements in ethics study and accounting study  
37     established by subdivision (b) of Section 5093, Section 5094.3, and Section 5094.6 are  
38     reduced or eliminated.

1 (f) The amendment to subdivision (d) of Section 5094.3 made by the measure adding  
2 this subdivision shall not be deemed to reduce or eliminate the educational  
3 requirements of Section 5094.3 for purposes of subdivision (e) of this section.

4

5 (g) This section shall be repealed on January 1, 2026.

---

6

7 ***Annotation:***

8 *The proposal recommends repeal of this section because it is inoperative as of*  
9 *January 1, 2014, and would become operative again with the amendments to*  
10 *Section 5093 that outlines the proposed education requirements.*

---

11

12 **5093. (Amend)**

13 (a) To qualify for the certified public accountant license, an applicant who is applying  
14 under this section shall meet the education, examination, and experience requirements  
15 specified in subdivisions (b), (c), and (d), or otherwise prescribed pursuant to this article.  
16 The board may adopt regulations as necessary to implement this section.

17

18 (b) (1) An applicant for admission to the certified public accountant examination under  
19 this section shall present satisfactory evidence that the applicant has completed a  
20 baccalaureate or higher degree conferred by a degree-granting university, college, or  
21 other institution of learning accredited by a regional or national accrediting agency  
22 included in a list of these agencies published by the United States Secretary of  
23 Education under the requirements of the federal Higher Education Act of 1965 as  
24 amended (20 U.S.C. Sec. 1001 et seq.), or meeting, at a minimum, the standards  
25 described in subdivision (c) of Section 5094. The total educational program shall include  
26 a minimum of 24 semester units in accounting subjects and 24 semester units in  
27 business-related subjects. This evidence shall be provided at the time of application for  
28 admission to the examination, except that an applicant who applied, qualified, and sat  
29 for at least two subjects of the examination for the certified public accountant license  
30 before May 15, 2002, may provide this evidence at the time of application for licensure.

31 (A) An applicant enrolled in a program at an institution as described in this paragraph  
32 that grants conferral of a baccalaureate degree upon completion of the 150 semester  
33 units required by paragraph (2) of this subdivision may satisfy the requirements of this  
34 paragraph if the applicant's institution mails the applicant's official transcript or its  
35 equivalent together or separately with a letter signed by the institution's registrar, or its  
36 equivalent, directly to the board pursuant to subdivision (c) of Section 5094. The letter  
37 shall include all of the following:

38 (i) A statement that the applicant is enrolled and in good standing in a program that will  
39 result in the conferral of a baccalaureate degree upon completion of either a master's  
40 degree or the 150 semester units required by paragraph (2) of this subdivision.

41 (ii) A statement that the applicant has completed all requirements, including general  
42 education and elective requirements, for a baccalaureate degree and the only reason  
43 the college or university has yet to confer the degree is because the applicant is  
44 enrolled in a program that confers a baccalaureate degree upon completion of either a  
45 master's degree or the 150 semester units required by paragraph (2) of this subdivision.

1 (iii) The date on which the applicant met all of the college's or university's requirements  
2 for conferral of a baccalaureate degree.

3 (B) The total educational program for an applicant described in subparagraph (A) shall  
4 include a minimum of 24 semester units in accounting subjects and 24 semester units in  
5 business-related subjects. This evidence shall be provided at the time of application for  
6 admission to the examination, except that an applicant who applied, qualified, and sat  
7 for at least two subjects of the examination for the certified public accountant license  
8 before May 15, 2002, may provide this evidence at the time of application for licensure.  
9 (2) An applicant for issuance of the certified public accountant license under this section  
10 shall present satisfactory evidence that the applicant has completed at least 150  
11 semester units of college education, including a baccalaureate or higher degree  
12 conferred by a college or university, meeting, at a minimum, the standards described in  
13 Section 5094, the total educational program to include a minimum of 24 semester units  
14 in accounting subjects, 24 semester units in business-related subjects, and, after  
15 December 31, 2013, shall also include a minimum of 10 units of ethics study consistent  
16 with the requirements set forth in Section 5094.3 and 20 units of accounting study  
17 consistent with the regulations promulgated under subdivision (c) of Section 5094.6.  
18 This evidence shall be presented at the time of application for the certified public  
19 accountant license. Nothing in this paragraph shall be deemed inconsistent with Section  
20 5094 or 5094.6. Nothing in this paragraph shall be construed to be inconsistent with  
21 prevailing academic practice regarding the completion of units.

22  
23 (c) An applicant for the certified public accountant license shall pass an examination  
24 prescribed by the board.

25  
26 (d) (1) The applicant shall show, to the satisfaction of the board, that the applicant has  
27 had one year of qualifying experience. This experience may include providing any type  
28 of service or advice involving the use of accounting, attest, compilation, management  
29 advisory, financial advisory, tax, or consulting skills.

30 (2) To be qualifying under this section, experience shall have been performed in  
31 accordance with applicable professional standards. Experience in public accounting  
32 shall be completed under the supervision or in the employ of a person licensed or  
33 otherwise having comparable authority under the laws of any state or country to engage  
34 in the practice of public accountancy. Experience in private or governmental accounting  
35 or auditing shall be completed under the supervision of an individual licensed by a state  
36 to engage in the practice of public accountancy.

37 (3) Notwithstanding paragraph (2), the board may, by regulation, allow experience in  
38 academia to be qualifying under this section.

39  
40 (e) Applicants completing education at a college or university located outside of this  
41 state, meeting, at a minimum, the standards described in Section 5094, shall be  
42 deemed to meet the educational requirements of this section if the board determines  
43 that the education is substantially equivalent to the standards of education specified  
44 under this chapter.

45

1 (f) An applicant who has successfully passed the examination requirement specified  
2 under Section 5082 on or before December 31, 2013, may qualify for the certified public  
3 accountant license without satisfying the 10 semester units of study set forth in Section  
4 5094.3 or 20 semester units of accounting study consistent with the regulations  
5 promulgated under Section 5094.6, if the applicant completes all other requirements for  
6 the issuance of a license on or before December 31, 2015.

7  
8 (g) The education and experience requirements of this section are notwithstanding  
9 Section 5093.2 and pertain to applicants who submit an application for licensure by  
10 [INSERT DATE<sup>1</sup> (e.g., December 31, 2028)], inclusive of qualifying experience and  
11 satisfactory evidence of meeting the education requirements of this section.

12 (h) This section shall become inoperative and repealed on [INSERT DATE (e.g.,  
13 January 1, 2028)].

---

15 **Annotation:**

16 *The addition of subdivision (g) provides a legacy pathway for individuals currently  
17 in the pipeline to gain licensure by meeting the current educational requirements  
18 and one-year of experience or by the proposed educational requirements and up  
19 to two years of experience.*

---

22 **5093.2 (Add)**

23 (a) An applicant for admission to the certified public accountant examination under  
24 Section 5082 shall present satisfactory evidence that the applicant has completed one  
25 of the following educational requirements:

26 (1) Degree Conferred: Applicant was conferred a baccalaureate or advanced degree  
27 and completed an accounting concentration of courses. To the satisfaction of the board,  
28 baccalaureate or advanced degrees in accounting and advanced degrees in taxation  
29 conferred by United States' institutions of higher education may be deemed to have  
30 completely satisfied the accounting concentration of courses.

31 (2) Dual Degree Program: Applicant is enrolled in a dual degree program at an  
32 institution of higher education that confers a baccalaureate degree, as described in  
33 paragraph (1), upon conferral of a master's degree. Satisfactory evidence shall include,  
34 but not be limited to, all of the following:

35 (A) A statement that the applicant is enrolled and in good standing in a dual degree  
36 program at an institution of higher education that will result in the conferral of a  
37 baccalaureate degree, as described in paragraph (1), upon conferral of a master's  
38 degree.

39 (B) The date the applicant completed all educational requirements for a baccalaureate  
40 degree at their enrolled institution of higher education.

41 (C) Degrees to be conferred.

---

42 <sup>1</sup> This proposal includes numerous "Insert Date" references. Those references also include example  
dates that are inserted solely to assist the reader in understanding the proposal. Pending approval of this  
proposal, staff will provide implementation date options for CBA consideration at its November meeting.

1       (3) Early Entry: Enrollment in an institution of higher education and within 180 days of  
2       completing the educational requirements set forth in paragraph (1) of subdivision (a).

3       The following conditions apply:

4       (A) Within 240 days of submitting an application to qualify for the examination, the  
5       applicant shall provide the board with satisfactory evidence that they have completed  
6       the educational requirements set forth in paragraph (1) of subdivision (a). Failure to  
7       comply with this paragraph may result in the loss of any credit received for passage of  
8       any part of the examination before the requirement described in paragraph (1) of  
9       subdivision (a) was met.

10      (b) This section shall become operative on [INSERT DATE (e.g., January 1, 2027)].

---

12      **Annotation:**

13      *This new section includes the proposed minimum educational requirement of a  
14       baccalaureate degree with an accounting concentration. Additionally, it provides  
15       the CBA with authority to establish an “expressway” so that certain accounting  
16       and taxation degrees could be deemed to fully satisfy the educational  
17       requirements. To increase the longevity of the proposal, the criteria of what would  
18       constitute an accounting or taxation degree would be specified via regulations.  
19       This would allow the CBA to be responsive to changes that may occur in higher  
20       education.*

21      *The two ways applicants may sit for the examination prior to meeting the  
22       minimum educational requirements (dual degree and early entry), were moved to  
23       this section for clarity purposes. Minor changes were made to the language for  
24       those two programs (e.g., removal of the specificity that a “letter” must be  
25       submitted for dual-degree programs).*

---

26      **5093.3. (Add)**

27      (a) An applicant seeking certified public accountant licensure shall show, to the  
28       satisfaction of the board, completion of two years of qualifying experience. This  
29       experience may include providing any type of service or advice involving the use of  
30       accounting, attest, compilation, management advisory, financial advisory, tax, or  
31       consulting skills. The board may also, by regulation, require the completion of specified  
32       job tasks associated with minimum competencies of entry-level practice.

33      (1) To the satisfaction of the board, a master's degree in accounting or taxation may be  
34       substituted for one year of experience.

35      (b) To be qualifying under this section, experience shall have been performed in  
36       accordance with applicable professional standards. Experience in public accounting  
37       shall be completed under the supervision or in the employ of a person certified under  
38       the laws of any state or country to engage in the practice of public accountancy.  
39       Experience outside of public accounting shall be completed under the supervision of a  
40       person licensed by a state to engage in the practice of public accountancy.

1        (c) Notwithstanding subdivisions (a) and (b), the board may, by regulation, allow  
2        experience in academia or completion of specified certificate or training programs to be  
3        qualifying under this section.

4

5        (d) This section shall become operative on [INSERT DATE (e.g., January 1, 2027)].

---

6

7        ***Annotation:***

8        *This new section establishes the experience requirement for licensure. It sets the*  
9        *minimum requirement at two years, but (as provided for in subdivision (a)(1))*  
10        *allows for a one-year requirement for those applicants with a master's degree in*  
11        *accounting or taxation.*

12

13        *Historically, most of the examination, education, and experience requirements*  
14        *were combined in one long section (i.e., Section 5093). To create simplicity and*  
15        *better organize the licensure requirements in the Article, staff has proposed*  
16        *pulling out the general accounting experience requirement into a standalone*  
17        *section.*

18

19        *General accounting experience continues to use the same definition for the types*  
20        *of services, and the supervision needed remains unchanged. The proposal does*  
21        *provide for the CBA the authority to add to the experience requirement job-based*  
22        *tasks associated with minimum competencies for entry-level practice. Further, if*  
23        *the CBA determines it wants to recognize and provide experience credit for a*  
24        *specific certificate or training program, it could do so via regulation.*

25

26        *The proposal for the job based tasks and certificate or training programs is*  
27        *included as the national discussions evolve on possible enhancements to*  
28        *experience. Staff anticipate the CBA would address this in regulation so the*  
29        *language is included to provide the CBA such express authority.*

30

31        *(The allowance of experience in academia is not new.)*

---

32

33

34        **5093.5. (Amend)**

35        (a) Notwithstanding subdivision (b) of Section 5093 the board may admit an applicant to  
36        the certified public accountant examination before the applicant completes the  
37        education requirements set forth in Section 5093, if the applicant is enrolled in a degree-  
38        granting university, college, or other institution of learning, as defined in Section 5094,  
39        and is within 180 days of completing the educational requirements set forth in  
40        paragraph (1) of subdivision (b) of Section 5093.

41

42        (b) Within 240 days of submitting an application pursuant to subdivision (a), the  
43        applicant shall provide the board with satisfactory evidence that they have completed  
44        the educational requirements set forth in paragraph (1) of subdivision (b) of Section  
45        5093.

1 (c) Failure to comply with subdivision (b) may result in the loss of any credit received for  
2 passage of any part of the certified public accountant examination before the  
3 requirement described in subdivision (b) was met.

4

5 (d) This section shall become inoperative and repealed on [INSERT DATE (e.g.,  
6 January 1, 2028)].

---

7

8 **Annotation:**

9 *The proposal recommends repeal of BPC Section 5093.5 to align with the repeal*  
10 *of the current educational requirements. The early-entry program aligned with*  
11 *proposed educational requirements is established in Section 5093.2.*

---

12

13 **5094. (Amend)**

14 (a) In order for education to be qualifying, it shall meet the standards described in  
15 subdivision (b) or (c) of this section.

16 (b) At a minimum, education shall be from a degree-granting university, college, or other  
17 institution of learning accredited by a regional or national accrediting agency included in  
18 a list of these agencies published by the United States Secretary of Education under the  
19 requirements of the Higher Education Act of 1965 as amended (20 U.S.C. Sec. 1001 et  
20 seq.).

21 (c) Education from a degree-granting college, university, or other institution of learning  
22 located outside the United States may be qualifying provided it is deemed by the board  
23 to be equivalent to education obtained under subdivision (b). The board may require an  
24 applicant to submit documentation of their education to a credential evaluation service  
25 approved by the board for evaluation and to cause the results of this evaluation to be  
26 reported to the board in order to assess educational equivalency.

27 (d) The board shall adopt regulations specifying the criteria and procedures for approval  
28 of credential evaluation services. These regulations shall, at a minimum, require that the  
29 credential evaluation service (1) furnish evaluations directly to the board, (2) furnish  
30 evaluations written in English, (3) be a member of the American Association of  
31 Collegiate Registrars and Admissions Officers, NAFSA: Association of International  
32 Educators, or the National Association of Credential Evaluation Services, (4) be used by  
33 accredited colleges and universities, (5) be reevaluated by the board every five years,  
34 (6) maintain a complete set of reference materials as specified by the board, (7) base  
35 evaluations only upon authentic, original transcripts and degrees and have a written  
36 procedure for identifying fraudulent transcripts, (8) include in the evaluation report, for  
37 each degree held by the applicant, the equivalent degree offered in the United States,  
38 the date the degree was granted, the institution granting the degree, an English  
39 translation of the course titles, and the semester unit equivalence for each of the  
40 courses, (9) have an appeal procedure for applicants, and (10) furnish the board with  
41 information concerning the credential evaluation service that includes biographical  
42 information on evaluators and translators, three letters of references from public or

1 private agencies, statistical information on the number of applications processed  
2 annually for the past five years, and any additional information the board may require in  
3 order to ascertain that the credential evaluation service meets the standards set forth in  
4 this subdivision and in any regulations adopted by the board.

5  
6 (e) Colleges, universities, or other institutions of learning that provide qualifying  
7 education as described in subdivisions (b) and (c) shall be referenced as "institutions of  
8 higher education" in this Article.

---

9  
10 **Annotation:**

11 *The proposed amendment clarifies that a college, university, or other institution of*  
12 *learning outside of the United States at which qualifying education is earned*  
13 *must grant degrees. The proposed changes also include language that clarifies*  
14 *that colleges, universities, and other institutions of learning that provide qualifying*  
15 *education shall be referred to as "institutions of higher education" throughout this*  
16 *Article.*

17  
18 *Note: Assembly Bill 3251 (Berman) (CBA sunset bill) removes reference to*  
19 *regional and national accreditation. If this bill is enacted on January 1, 2025,*  
20 *Section 5094 language in this proposal would need to be updated to reflect the*  
21 *change.*

---

22  
23 **5094.3. (Repeal)**

24 (a) An applicant for licensure as a certified public accountant shall, to the satisfaction of  
25 the board, provide documentation of the completion of 10 semester units or 15 quarter  
26 units of ethics study, as set forth in paragraph (2) of subdivision (b) of Section 5093, in  
27 the manner prescribed in this section.

28  
29 (b) Beginning January 1, 2017, an applicant shall complete 10 semester units or 15  
30 quarter units in courses described in subdivisions (c), (d), (e), and (f).

31  
32 (c) A minimum of three semester units or four quarter units in courses at an upper  
33 division level or higher devoted to accounting ethics, accountants' professional  
34 responsibilities, auditing, or fraud unless the course was completed at a community  
35 college, in which case it need not be completed at the upper division level or higher.

36  
37 (d) A maximum of 7 semester units or 11 quarter units, in the following subjects relating  
38 to ethics:

39  
40 (1) Business, government, and society.  
41 (2) Business law.  
42 (3) Corporate governance.  
43 (4) Corporate social responsibility.  
44 (5) Ethics.  
45 (6) Fraud.  
46 (7) Human resources management.

- 1 (8) Business leadership.
- 2 (9) Legal environment of business.
- 3 (10) Management of organizations.
- 4 (11) Morals.
- 5 (12) Organizational behavior.
- 6 (13) Professional responsibilities.
- 7 (14) Auditing.

8  
9 (e) (1) A maximum of three semester units or four quarter units in courses taken in the  
10 following disciplines:

- 11 (A) Philosophy.
- 12 (B) Religion.
- 13 (C) Theology.

14 (2) To qualify under this subdivision, the course title shall contain one or more of the  
15 terms "introduction," "introductory," "general," "fundamentals of," "principles," "foundation  
16 of," or "survey of," or have the name of the discipline as the sole name of the course  
17 title.

18  
19 (f) A maximum of one semester unit of ethics study for completion of a course specific  
20 to financial statement audits.

21  
22 (g) An applicant who has successfully passed the examination requirement specified  
23 under Section 5082 on or before December 31, 2013, is exempt from this section unless  
24 the applicant fails to obtain the qualifying experience as specified in Section 5092 or  
25 5093 on or before December 31, 2015.

26  
27 (h) This section shall become inoperative and repealed on [INSERT DATE (e.g.,  
28 January 1, 2028)].

---

29  
30 ***Annotation:***

31       *The proposal recommends this section be deemed inoperative and repealed to*  
32       *allow transition to the proposed educational requirements described in Section*  
33       *5093.2.*

---

34  
35 **5094.6. (Repeal)**

36 (a) The board shall, by regulation, adopt guidelines for accounting study to be included  
37 as part of the education required under Section 5093.

38 (b) For purposes of this section, "accounting study" means independent study or other  
39 academic work in accounting, business, ethics, business law, or other academic work  
40 relevant to accounting and business, so as to enhance the competency of students as  
41 practitioners.

42  
43 (c) This section shall become inoperative and repealed on [INSERT DATE (e.g.,  
44 January 1, 2028)].

1  
2 **Annotation:**

3       *The proposal recommends this section be deemed inoperative and repealed to*  
4       *allow transition to the proposed educational requirements described in Section*  
5       *5093.2*

---

6  
7 **5094.7 (Add)**

8       The board shall adopt emergency regulations in accordance with the Administrative  
9       Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of  
10       Title 2 of the Government Code) to establish policies and procedures to implement  
11       amendments and additions of this Article enacted by [INSERT CBA-SPONSORED  
12       ASSEMBLY OR SENATE BILL NUMBER]. The adoption of the regulations shall be  
13       considered by the Office of Administrative Law to be necessary for the immediate  
14       preservation of the public peace, health and safety, or general welfare. The emergency  
15       regulations shall be submitted to the Office of Administrative Law for filing with the  
16       Secretary of State in accordance with the Administrative Procedure Act.

---

17  
18 **Annotation:**

19       *The proposal gives the CBA authority to adopt emergency regulations to*  
20       *establish policies and procedures to implement amendments and additions to*  
21       *this Article upon enactment of the CBA-sponsored bill. This may be necessary to*  
22       *meet various operative dates in the legislation.*

---

23  
24 **5095. (Amend, Non-Substantive)**

25       (a) To be authorized to sign reports on attest engagements, a licensee shall complete a  
26       minimum of 500 hours of experience, satisfactory to the board, in attest services. The  
27       board may, by regulation, also require the completion of specified job tasks associated  
28       with performing attest services.

29  
30       (b) To qualify under this section, verified attest experience shall have been performed in  
31       accordance with applicable professional standards. Experience in public accounting  
32       shall be completed under the supervision or in the employ of a person licensed or  
33       otherwise having comparable authority under the laws of any state or country to engage  
34       in the practice of public accountancy and provide attest services, and this experience  
35       shall be verified. Experience outside of public accounting in private or governmental  
36       accounting or auditing shall be completed under the supervision of an individual person  
37       licensed by a state to engage in the practice of public accountancy and perform attest  
38       services, and this experience shall be verified. An applicant may be required to present  
39       work papers or other evidence substantiating that the applicant has met the  
40       requirements of this section and any applicable regulations.

---

1  
2 **Annotation:**

3       *The proposal makes non-substantive amendments to increase clarity.*  
4       *Amendments make the language similar, where appropriate, to the general*  
5       *experience requirement in Section 5093.3 and deletes the repetition of “verified.”*

---

## Automatic Mobility – Statute Provisions

- A. Four states currently have automatic mobility provisions:
  - 1. Alabama: [A] person who is licensed as a certified public accountant in another state whose principal place of business is not in this state shall have all the privileges of a certified public accountant in this state without the need to obtain a certificate or permit under this chapter or to notify or register with the board and may offer or render professional services in this state, whether in person or by mail, telephone, or electronic means, without any notice, fee, or other submission under this chapter. Ala. Code § 34-1-7(a).
  - 2. Nebraska: A person . . . who possesses an active permit, certificate, or license which allows the person to engage in the practice of public accountancy as a certified public accountant in another state and whose principal place of business is outside this state shall have all the practice privileges of a certified public accountant who holds a permit issued under subdivision (1)(a) of section 1-136, including the use of the title or designation certified public accountant or C.P.A., without the need to hold a certificate or a permit issued under subdivision (1)(a) of section 1-136, or to notify or register with the board or pay any fee. Neb. Rev. St. § 1-125.01(1).
  - 3. Nevada: Except as otherwise provided in this chapter, a natural person who holds a valid license in good standing as a certified public accountant or a certified public accounting firm organized as a partnership, corporation, limited-liability company or sole proprietorship that holds a valid registration in good standing from any state other than this State shall be deemed to be a certified public accountant or a certified public accounting firm for all purposes under the laws of this State other than this chapter. Nev. Rev. Stat. Ann. § 628.315(1).
  - 4. North Carolina: An individual whose principal place of business is outside this State is granted the privilege to perform or offer to perform services, whether in person or by mail, telephone, or electronic means, in this State as a certified public accountant without notice to the Board, the submission of any other documentation, or the payment of any fee if the individual meets all of the following conditions: (1) Holds a valid and unrevoked certificate as a certified public accountant, or its equivalent, issued by another state, a territory of the United States, or the District of Columbia[;] (2) Holds a valid and unrevoked license or permit to practice as a certified public accountant issued by another state, a territory of the United States, or the District of Columbia[;] (3) Has passed The Uniform CPA Examination[; and] (4) Has not been convicted of a felony under the laws of the United States, any state, a territory of the United States, or the District of Columbia and has never been convicted of a crime, an essential

element of which is dishonesty, deceit, or fraud unless the jurisdiction in which the individual is licensed has determined the felony or other crime has no effect on the individual's license. N.C. Gen. Stat. Ann. § 93-10(a).

December 10, 2024

National Association of State Boards of Accountancy  
150 Fourth Ave. North  
Suite 700  
Nashville, TN 37219-2417

and

American Institute of Certified Public Accountants  
1345 6th Avenue  
27th Floor  
New York, NY 10105

**RE: AICPA, NASBA, and the Joint UAA Committee, *UAA Exposure Draft of Changes***

Dear AICPA, NASBA and members of the Joint UAA Committee:

Deloitte LLP ("Deloitte", "our", "we") appreciates the opportunity to respond to the request for public comment for the Joint UAA Committee by the AICPA and NASBA on its *Exposure Draft, UAA Exposure Draft of Changes*.

There continues to be a significant decline in the number of students entering the accounting profession which contributes to a shortage of talent. There is general agreement across the accounting profession that this continuous decline is resulting in a nationwide shortage of accountants (especially CPAs) which is resulting in widespread ripple effects across industries and capital markets, at every level. Thus, it is critical that we collectively work on addressing this shortage to maintain the integrity and reliability of financial reporting, which is foundational to the functioning of capital markets and overall economic stability.

We are very appreciative of the efforts in developing a thoughtful set of changes to the UAA. In response to the *UAA Exposure Draft of Changes*, we offer the following comments and observations on the proposed revisions to the *Uniform Accountancy Act (UAA) Sections 5 and 23, and UAA Model Rules (Model Rules) Articles 3 and 6*:

- Overall, we are supportive of an added pathway to CPA licensure of bachelor's degree and two years of relevant experience as we believe this pathway addresses the many challenges and barriers CPA candidates experience with the current pathway. However, the competency-based experience pathway as drafted in the *UAA Section 5 and Model Rules Articles 3 and 6* create unnecessary burdens and barriers on CPA candidates, firms, and state boards of accountancy.

- The various tracking and reporting requirements in the proposed revisions to *UAA Section 23*, also creates unnecessary burdens on state boards of accountancy, firms, and individual CPAs.
- As a national firm that needs our professionals to freely travel across state lines serving clients, we strongly support *automatic* mobility to ensure that all current and future CPAs can practice across all US jurisdictions regardless of pathway to licensure. We also recognize that for automatic mobility to work, there would need to be a certain minimum level of standard guardrails in place related to the CPA licensure requirements – the CPA exam, education, and experience.

Other Related Comments:

It is important to emphasize that we continue to support the existing pathway to CPA licensure, 150 hours of education with one year of relevant experience. Allowing for multiple pathways provides flexibility to candidates.

Any adoption of a new pathway in the UAA and any related changes to the UAA should allow for a transition period. A transition period will allow for CPA mobility to remain intact as states adopt and implement additional pathways.

\*\*\*\*\*

In closing, Deloitte is committed to the vital role that we play in strengthening confidence in capital markets. We appreciate the opportunity to provide our perspective on the proposed *UAA Exposure Draft of Changes*. We welcome the opportunity to engage in constructive discussions with the AICPA and NASBA on this important matter. If you have any further questions, please contact Nancy Juron at [njuron@deloitte.com](mailto:njuron@deloitte.com) or Dipti Gulati at [dgulati@deloitte.com](mailto:dgulati@deloitte.com).

Sincerely,



Deloitte LLP



**Shape the future  
with confidence**

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National Association of State Boards of Accountancy  
150 Fourth Avenue North, Suite 700  
Nashville, TN 37219

December 17, 2024

American Institute of CPAs  
1345 6th Avenue 27th Floor  
New York, NY 10105

## **RE: Proposed Revisions to the Uniform Accountancy Act**

Dear AICPA, NASBA and members of the Joint UAA Committee,

On behalf of Ernst & Young LLP (EY US), we appreciate the opportunity to comment on the proposed revisions to the Uniform Accountancy Act (UAA), jointly developed by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA).

We appreciate the efforts of the AICPA and NASBA to address the challenges of a declining pipeline of certified public accountants (CPAs) through a number of initiatives. Addressing the pipeline is a matter of concern to EY US, our clients that employ accountants, a variety of other market participants and our capital markets in general.

EY US has engaged in numerous efforts to increase the CPA candidate pipeline: through our EY Career Path Accelerator as well as our investment of \$1 billion over three years in talent and technology to revolutionize the experience of early career professionals, among other firm initiatives. We have also collaborated with AICPA, NASBA, the Center for Audit Quality (CAQ), state CPA societies and other professional stakeholders on wide-ranging projects to address gaps in affordability, attractiveness, access to underrepresented groups and more. Our efforts in these important areas remain just a part of the profession's overall efforts. We applaud the AICPA and NASBA for exposure of this language to provide for alternative pathways to licensure and appreciate the opportunity to focus on what we have continued to dialogue in conversation on the priority of retaining mobility of licensure across state lines.

In response to the UAA Exposure Draft of Changes, we offer the following comments and observations:

### **Support for Automatic Mobility**

The UAA has long relied on the terminology of substantial equivalency to allow for CPAs to achieve cross-border practice among states. The continued reliance on substantial equivalence should be avoided to future proof the profession and provide the flexibility to address market conditions. Usage of substantial equivalency moving forward will create barriers to practice for current CPAs and those who are considering the profession. As a national firm, asked to serve clients across the country, we believe the profession and the capital markets would be better served by automatic mobility, which is a concept that has been accepted practice in a number of states and is widely gaining approval in more.

We acknowledge that, in order for automatic mobility to function, individuals must be licensed and in good standing in their home state and there must be similar education, experience and exam



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with confidence**

National Association of State Boards of Accountancy  
American Institute of CPAs  
Page 2

requirements. This protection will give states the flexibility to evaluate potential alternative licensure pathways while still providing CPAs the ability to serve clients across state lines. As states continue to support alternative pathways for education and experience, the mobility laws must keep pace to allow for our firm and others to provide services to our clients across the country.

We appreciate the ability to comment on these important topics and would urge the Joint UAA Committee to reconvene and consider the comments above. We will continue to engage in this important process as it evolves. If you have any further questions, please contact Tammy Velasquez at [tammy.velasquez@ey.com](mailto:tammy.velasquez@ey.com).

Sincerely,

*Ernst & Young LLP*

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ED None

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December 5, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

Dear Committee Members, Leadership, and Board of Directors:

[REDACTED] has reviewed the proposed *CPA Competency-Based Experience Pathway* exposure draft, issued September 12, 2024, and the *Uniform Accountancy Act Exposure Draft*, issued September 30, 2024 ("exposure drafts" or "proposals"). I have personally participated in a task force formed by the [REDACTED] to thoroughly study & provide feedback on the proposal. While we are a small local public accounting firm (16 employees), our three partners have over 100 years of collective public accounting experience at local, regional and national firms.

We appreciate the efforts of the AICPA and NASBA in acknowledging the importance of modernizing CPA licensure requirements in response to an environment that has significantly changed since the early 2000s when a large majority of states adopted the 150-hour requirement. While we think this process is long overdue, we are grateful the profession is willing to evolve to continue to attract candidates into the profession. We support this endeavor and offer our feedback for consideration. Our recommendations for both exposure drafts are:

### Update terminology to remain relevant

The current proposals reference 150-credit and 120-credit benchmarks for education. We believe that modifying the language to refer to degree types (e.g., Bachelor's or Master's), rather than credits, will ensure the longevity of these pathways as higher education in the United States evolves.

#### Recommendation

We strongly recommend that NASBA and AICPA examine going to a degree type plus general year(s) of experience (e.g., Bachelor's + 1 or 2 years). This would allow any legislative work in this area to remain effective while US higher education evolves.

### Remove barriers and simplify the licensure process

We believe adding the year of enhanced experience adds additional barriers for candidates trying to enter public accounting. The complexity and subjectivity of the competencies, as well as the process for meeting them could be a detractor from drawing candidates into the profession. I have personally shown them to prospective students who thought this only made things harder.

In addition, we have concerns that the software created by NASBA, and the CPA supervisor relationship will translate to additional cost for candidates through fees for use of the software and the time of the supervising CPA. In addition, CPA supervisors are being asked to absorb unknown risk by certifying someone. We oppose any pathway that adds additional expense and complexity to the candidate's experience.

Lastly, the current requirements and the proposals are unintentionally driving many accountants to simply work and not sit for the exam. As life takes over and getting the extra 30 credits of undefined curriculum becomes too time consuming, they simply stop pursuing certification.

#### **Recommendation**

We firmly believe that a pathway comprising a bachelor's degree, year or years of general experience, and the Uniform CPA Exam is sufficiently rigorous to maintain the quality, integrity, and value of the CPA license. There are many **really** good CPA firms in this country being run by people who graduated with Bachelor's degree or 120 credits and then passed the CPA exam. Are we now saying that all of those people were unprepared? The need for additional credits or other requirements was 100% misguided from the start.

## **Maintain Mobility**

Mobility has been a challenge but not the main issue in this CPA pathway discussion and can be addressed through state cooperation. We do not believe substantial equivalency, as evaluated by NASBA's National Qualification Appraisal Service (NQAS), is necessary to ensure future mobility.

We oppose a national database indicating whether someone has obtained a CPA through a pathway not considered equivalent. This places NASBA at the center of the conversation rather than the states. We are disappointed that automatic mobility was excluded from the proposals.

#### **Recommendation**

We believe automatic mobility is the best way to address the challenge. Automatic mobility, as seen in Alabama, Nebraska, Nevada, and North Carolina, provides a framework for stability, public protection, and jurisdiction over CPAs practicing under licenses from other states. It does not make sense to hide behind mobility as a reason not to fix the issue at hand, which is the 150 hour requirement.

## **Summary and Next Steps**

[REDACTED] does not support the current proposals. We recommend:

- New Pathway: Degree (rather than credit hours) + year(s) of general experience, at most, along with CPA Examination.
- Adopt: automatic mobility with education, experience, and CPA exam guardrails, as currently practiced in four states.

Thank you for considering our comments. Sometimes, we create more problems from trying to fix a misguided initiative by layering on more bureaucracy than doing what is right, which is eliminating the 150-hour requirement. We would not be dumbing down the requirements...simply going back to what always worked in the past. The future of the profession is at stake and is in your hands. Please do the right thing and fix it once and for all, or you will continue to see the number of new candidates dwindle. I sure hope somebody listens this time.

Sincerely Yours,





December 28, 2024

American Institute of Certified Public Accountants  
1345 6<sup>th</sup> Avenue 27<sup>th</sup> Floor  
New York, NY 10015

National Association of State Boards of Accountancy  
150 4<sup>th</sup> Avenue, North  
Nashville, TN 37219

**RE: Amendments to the Uniform Accountancy Act**

To whom it may concern:

We appreciate the opportunity to comment on the proposed changes to Sections 5 and 23 of the Uniform Accountancy Act (UAA) proposed by the AICPA and NASBA and the proposed changes to Articles 3 and 6 of the UAA Model Rules proposed by NASBA (the “Exposure Draft”).

**Overview**

We agree with the AICPA and NASBA that a strong pipeline of accounting talent is essential for a robust economy and public protection, and that there is a need for CPAs with evolving competencies and experiences. We have appreciated the opportunity to participate in various discussions on the best way to build the pipeline at a national level through the various task forces of the AICPA, NASBA, the National Pipeline Advisory Group (NPAG), and the Center for Audit Quality (CAQ). We commend the AICPA and NASBA for issuing the Exposure Draft as a means of continuing this important dialogue.

This important issue has been widely acknowledged by others.

- The NPAG, whose members represent firms of all sizes, academia, CPA state societies, regulatory bodies, and professional associations, issued its [Accounting Talent Strategy Report](#) that analyses the root causes of the accounting talent shortage, potential solutions, and next steps forward.
- A recent [PCAOB staff publication](#) that focused on firm culture and audit quality provided observations on firm resources, noting that the “150-credit hour requirement to obtain a CPA license is a significant barrier to entry for many students... and that a fifth year of schooling has led to deterring students from pursuing a CPA license.”
- In its report [Increasing Diversity in the Accounting Profession Pipeline: Challenges and Opportunities](#), the CAQ found that 52% of non-accounting students point to the 150-hour CPA requirement as a financial barrier to considering a career in accounting, with even higher levels of concern among Black (62%) and Hispanic (69%) students.

PwC has always focused on helping to create new opportunities for entry and offering greater access to the profession for aspiring talent. Our firm is supportive of alternative pathways into accounting that build competency, preserve mobility, and help increase the number of aspiring professionals who attain their CPA licenses. As part of our recruitment efforts, we have already invested in developing programs to increase interest in the profession and reduce barriers that exist as a result of the UAA 150 semester hours requirement.

Some of our most recent initiatives to attract talent include:

- Established in 2021 in collaboration with Northeastern University, our *While You Work – CPA Acceleration Program* is designed to give eligible rising college seniors or recent graduates the



opportunity to receive a tuition-paid, industry-recognized master's degree while working part time at PwC.

- Launched in September 2022, we have collaborated with Saint Peter's University on a pilot program that enables participants with 120 semester hours of college education to earn the additional 30 hours they need to become CPA eligible through paid, full-time work experience at PwC.
- We have increased our focus on existing and potential new activities at colleges and universities, including presentations to students and faculty, and are planning additional investments in marketing the profession to attract new talent. We have set a one-million-hour goal in a multi-year campaign to raise awareness of careers in accounting and auditing, including outreach to high school and community college students to identify talent earlier.

Our experience with these programs and our continued interest in supporting a quality CPA workforce to serve clients have informed our response. As a public accounting firm, we recognize and value the benefits of traditional graduate programs for aspiring accounting professionals. However, we also believe learning through work experience can provide an effective alternative path to building the fundamental skills needed to become a CPA. Whether an individual chooses to attain a graduate degree or pursue licensure via a potential alternative pathway is a personal decision. Allowing multiple pathways adds flexibility for new entrants to the profession and is responsive to concerns about the financial barriers that many individuals may face in considering a career in accounting. These alternative pathways should include allowing for a baccalaureate degree, to include an accounting concentration or equivalent as determined by Board rule, together with two years of work experience as a valid basis for CPA licensure.

Notably, we understand that at least 25 states, either through the state society advocacy or state board of accountancy policy, are considering such an alternative. However, this alternative is not contemplated in the Exposure Draft. We are therefore concerned that changes proposed to the UAA could inhibit, rather than support, mobility if they do not appropriately contemplate the varying initiatives by a number of state boards of accountancy as "substantially equivalent."

The UAA promotes uniform regulation of the accounting profession to facilitate consumer choice and support the efficient operation of the capital markets. It provides state legislatures and boards of accountancy with a national model that can be adopted in full or partially adapted to meet the needs of each jurisdiction. In our view, further work is needed to maintain the relevancy of the UAA and avoid fractured implementation at the state level, which could negatively affect mobility and add confusion about licensure requirements. Additionally, the AICPA and NASBA's well-intended efforts to progress this Exposure Draft will be undermined if state legislatures and boards of accountancy continue to pursue their own alternatives that support automatic mobility, which we anticipate will be the case. Before finalizing the proposed changes to the UAA, we recommend the joint AICPA and NASBA UAA committee reconvene to address approaches to initial licensure and continued mobility that appropriately maintain the integrity of the profession while acknowledging the demands on resources at state boards of accountancy, organizations employing CPAs, and CPAs themselves. This should include considering not only the potential pathway consisting of a baccalaureate degree together with two years of work experience, but also to explore a concept of automatic mobility.

#### **Comments on changes to Section 5 of the UAA, *Qualifications for a Certificate as a Certified Public Accountant***

Concurrent with the Exposure Draft, the AICPA and NASBA are also seeking feedback on the CPA Competency-Based Experience Pathway (the "proposed CBE Pathway"),<sup>1</sup> as a proposed solution to help

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<sup>1</sup> The Competency-Based Experience Pathway would allow CPA candidates to demonstrate their professional and technical skills in the workplace after earning a bachelor's degree and meeting their state's requirements for accounting and business courses. Under this Pathway, CPA candidates could meet initial licensing requirements



CPA candidates meet the requirements for initial licensure. The proposed CBE Pathway notes it is not intended to replace existing pathways to licensure but instead respond to market changes and expand opportunities for future accountants. While it is a positive move forward that the proposed changes to the UAA would in principle allow for the alternative of a baccalaureate degree together with two years of work experience, these changes unnecessarily limit one of those years to work performed solely under the CBE Pathway. We recognize the important role that work experience has in building the competency of CPAs; however, further consideration of its real-world application may be necessary to ensure it is a feasible solution across the profession.

The proposed CBE Pathway focuses on key qualities relevant to CPAs, including ethical behavior; critical thinking and professional skepticism; communication; collaboration, teamwork, and leadership; self-management and continuous learning; business acumen; and having a technology mindset. We are supportive of these concepts as they are an important part of competence, core to our responsibilities and fully aligned with our purpose and values. Developing and nurturing these skills underpin not only orientation and ongoing training at our firm, but also the day-to-day work experience of our professionals.

We, along with many other firms and companies, have existing policies and procedures to appropriately verify work experience. Currently, Section 5 of the existing UAA requires initial CPA applicants to show they have had one year of work experience, including “providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills, all of which was verified by a licensee.” As noted, the concepts addressed in the proposed CBE Pathway are embedded within the work experience at a firm like ours and, as such, the process to verify work experience operates well today. Importantly, under this process, state boards of accountancy have the ability to evaluate whether the work experience requirements have been met.

Accordingly, the AICPA and NASBA joint UAA committee should reconvene to consider further amending Section 5 of the UAA to allow state boards of accountancy the ability to recognize a baccalaureate degree together with two years of work experience as a valid basis for licensure. As previously highlighted, many states are considering this pathway and, if such a scenario is not directly contemplated in the UAA, this could further fracture the licensure landscape and have detrimental impacts on mobility.

#### **Comments on changes to Section 23 of the UAA, *Substantial Equivalency***

The accountancy profession has rapidly evolved in order to enhance audit quality and serve clients and thereby increase confidence in the capital markets. It is essential that firms can assign engagement partners and team members with the right industry experience to serve clients across state lines in a relatively seamless manner. This has become even more important after COVID, as many accountants have adopted hybrid working arrangements. While reducing initial barriers to entry to the accounting profession is a laudable goal, maintaining a quality and mobile workforce to support audit and attest services is equally important and should be a key element of any changes to licensure requirements at the national and state levels. We therefore appreciate that the Exposure Draft specifically sets out the intent of retaining mobility for those licensed under a pathway defined in the UAA.

Under Section 23 of the UAA, a CPA with a CPA license in good standing from a jurisdiction with CPA licensing requirements that are essentially equivalent to those outlined in the UAA may be granted a privilege to practice in another jurisdiction that is not the CPA’s principal place of business. The amendments to Section 23 seek to provide a process for boards of accountancy in non-substantially

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by exhibiting their competency in specific professional and technical areas (e.g., ethical behavior, critical thinking skills, and effective communication). While we have not directly commented on this separate proposal, our feedback in this letter may also be relevant to the AICPA and NASBA as it seeks to finalize this alternative pathway.



equivalent jurisdictions to identify those qualified CPAs by providing licensure information to a national licensee database.

However, we respectfully suggest it is an opportune time for NASBA and the AICPA to reassess how mobility is best achieved concurrently with the efforts to enhance the paths to licensure described in the UAA. Many states verify substantial equivalency for reciprocal licensure through NASBA's National Qualifications Appraisal Service (NQAS), whereas others require their respective boards of accountancy to make individual determinations.

While the concepts of "substantial equivalency" and the processes for reciprocal licensure at the individual state board level have served the profession well to date, the manner in which "mobility" is achieved can involve complicated mechanisms that require administrative efforts and could result in delays. For example, lack of resources at NASBA and individual state boards of accountancy could delay the process to evaluate substantial equivalency and restrict individuals from being able to serve interstate clients on a timely basis, especially as new alternatives are undertaken at the state level. The concept of automatic mobility can overcome these impediments by recognizing CPA certificates issued by another state as long as the licensee is in good standing (i.e., without requiring a formal assessment of substantial equivalency or administrative action).

Importantly, a CPA practicing under automatic mobility is subject to investigations and disciplinary procedures of the board of accountancy in the state in which the CPA practices. This mechanism establishes appropriate safeguards for individual state boards to address any concerns related to individuals, without unduly restricting the profession's mobility at large. We recommend further engagement with state boards of accountancy on the topic of automatic mobility to explore the benefits of and concerns with moving ahead in this manner. For example, these groups can help NASBA to consider what information may be necessary to collect centrally and disseminate about licensed CPAs to ensure there is appropriate oversight in any jurisdiction in which they practice.

\* \* \* \* \*

We commend the AICPA and NASBA for commencing these important efforts and soliciting public feedback on reasonable paths forward. We stand ready to continue to engage in constructive dialogue about alternative pathways into accounting that build competency, preserve mobility, and help increase the number of aspiring professionals attain their CPA. We encourage the AICPA and NASBA to reconvene their joint UAA committee and take the necessary time to consider various alternatives and the regulatory structure that exists at the state level before finalizing the changes to the UAA. Please contact Deanna Byrne at [deanna.marie.byrne@pwc.com](mailto:deanna.marie.byrne@pwc.com) or Roslyn Brooks at [roslyn.g.brooks@pwc.com](mailto:roslyn.g.brooks@pwc.com) regarding our submission.

Sincerely,

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP

December 2, 2024

TO: AICPA Leadership and Board of Directors, NASBA Leadership and Board of Directors  
FROM: Daniel Fiorentino on behalf of WilkinGuttenplan  
RE: Comments on AICPA and NASBA CPA Competency-Based Experience Pathway

We have reviewed the Exposure Draft (ED), *CPA Competency-Based Experience Pathway*, issued by the AICPA and NASBA.

Since our firm began over 40 years ago, we have always recognized that our people are our greatest asset. As a medium-sized firm, we often face challenges competing for top talent with the 'Big Four' and other larger firms. Now that our industry is struggling with the pipeline, these challenges have increased exponentially. We fully support the concept of creating alternative pathways to enhance that pipeline.

While we commend efforts to explore a competency-based pathway to CPA licensure, we believe that the current proposal, as drafted, poses serious challenges that could undermine both its effectiveness and fairness.

The existing 150-hour educational requirement presents significant barriers for many aspiring CPAs, particularly those from diverse backgrounds. Moving forward with the proposed model also creates its own potentially significant barriers due to its inherent subjectivity, thereby not putting the profession in a better position.

The reliance on subjective assessments without a standardized, objective evaluation process raises critical concerns. The potential for inconsistencies in competency evaluations could lead to legal challenges and could compromise the integrity of the CPA profession.

The proposed pathway is challenging to communicate to state lawmakers and stakeholders, particularly given current anti-regulatory sentiments in state legislatures. It adds complexity to the licensure process at a time when there is a push for removing unnecessary barriers to licensure, and in some cases eliminating licensure altogether. Any new pathway to licensure must be consistent, fair, and transparent for all candidates to be acceptable to state legislatures.

Our profession is at a critical juncture, and collaborative efforts are urgently needed to effectively address the talent shortages in the CPA pipeline. The adoption of alternative pathways to licensure that are widely accepted and embraced will significantly enhance the profession as a whole.

Thank you for considering different perspectives as we strive to strengthen the integrity and accessibility of the CPA profession. Together, we can pave the way for a more equitable future for all aspiring CPAs.

Sincerely,



Daniel Fiorentino, CPA, CGMA  
Managing Shareholder



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December 6, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

Dear Committee Members, Leadership, and Board of Directors:

I have reviewed the proposed *CPA Competency-Based Experience Pathway* exposure draft, issued September 12, 2024, and the *Uniform Accountancy Act Exposure Draft*, issued September 30, 2024 ("exposure drafts" or "proposals"). As a CPA in good standing in New Jersey, I am committed to providing impeccable quality service to my clients, and I have a strong interest in the future of our profession.

I appreciate the efforts of the AICPA and NASBA in acknowledging the importance of modernizing CPA licensure requirements in response to an environment that has significantly changed since the early 2000s when a large majority of states adopted the 150-hour requirement. I am grateful the profession is willing to evolve to continue to attract candidates into the profession. I support this endeavor and offer My feedback for consideration. My recommendations for both exposure drafts are:

## Update terminology to remain relevant

The current proposals reference 150-credit and 120-credit benchmarks for education. I believe that modifying the language to refer to degree types (e.g., Bachelor's or Master's), rather than credits, will ensure the longevity of these pathways as higher education in the United States evolves.

### Recommendation

I strongly recommend that NASBA and AICPA examine going to a degree type plus general year(s) of experience (e.g., Bachelor's + 2 years). This would allow any legislative work in this area to remain effective while US higher education evolves.

## Remove barriers and simplify the licensure process

I believe adding the year of enhanced experience adds additional barriers for candidates trying to enter public accounting.

The complexity and subjectivity of the competencies, as well as the process for meeting them could be a detractor from drawing candidates into the profession.

In addition, I have concerns that the software created by NASBA, and the CPA supervisor relationship will translate to additional cost for candidates through fees for use of the software and the time of the supervising CPA. I oppose any pathway that adds additional expense to the candidate experience.

#### **Recommendation**

I firmly believe that a pathway comprising a Bachelor's degree, year or years of general experience, and the Uniform CPA Exam is sufficiently rigorous to maintain the quality, integrity, and value of the CPA license.

## **Maintain Mobility**

Mobility has been a challenge but not the main issue in this CPA pathway discussion and can be addressed through state cooperation. I do not believe substantial equivalency, as evaluated by NASBA's National Qualification Appraisal Service (NQAS), is necessary to ensure future mobility.

I am not in favor of a national database indicating whether someone has obtained a CPA through a pathway not considered equivalent. This places NASBA at the center of the conversation rather than the states. I am disappointed that automatic mobility was excluded from the proposals.

#### **Recommendation**

I believe automatic mobility is the best way to address the challenge. Automatic mobility, as seen in Alabama, Nebraska, Nevada, and North Carolina, provides a framework for stability, public protection, and jurisdiction over CPAs practicing under licenses from other states. In fact, I understand more states are proposing to include in their upcoming legislative bills.

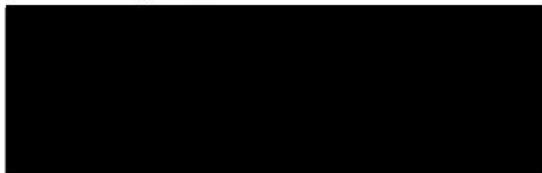
## **Summary and Next Steps**

I do not support the current proposals. I recommend:

- New Pathway: Degree (rather than credit hours) + year(s) of general experience, along with CPA Examination.
- Adopt: automatic mobility with education, experience, and CPA exam guardrails, as currently practiced in four states.

Thank you for considering my comments.

Sincerely,





## American Academy of Attorney CPAs

### Comments on Proposed Amendments to the Uniform Accountancy Act to include the CPA Competency-Based Experience Pathway

December 5, 2024

The American Academy of Attorney-CPAs (AAA-CPA) recognizes the significant challenges currently facing the accounting profession, including the declining number of candidates (i.e., CPA pipeline) and financial barriers to an accounting education and the eventual CPA license. We appreciate the efforts being made by the National Association of State Boards of Accountancy (NASBA) and the American Institute of CPAs (AICPA) to explore alternative solutions, including the proposed Competency-Based Experience Pathway, which seeks to modify the fifth-year education requirement for CPA licensure. The License and Education Requirements Committee of the AAA-CPA has reviewed the draft of the “CPA Competency-Based Experience Pathway” and offers the following comments.

#### **The Competency-Based Experience Pathway**

The Competency-Based Experience Pathway represents a radical shift in how CPA candidates may meet licensure requirements. Under this proposed model, CPA firms would assume the role of educational institutions, providing candidates with the equivalent of 30 college credits—typically required beyond a four-year degree—through structured work experience. This model would allow candidates to bypass the traditional fifth year of formal accounting education, offering a more flexible and potentially cost-effective route to CPA licensure.

While proponents argue that this pathway offers a more flexible and affordable solution, critics are concerned that it may undermine the educational foundation necessary to ensure that CPAs are fully prepared to serve the public. The current model, which requires 150 credit hours of formal education (including 30 credits beyond the bachelor’s degree), is designed to provide candidates with a broad, well-rounded education, including essential courses in accounting, business, liberal arts, and science. These subjects equip future CPAs with the intellectual and technical skills needed to navigate the complexities of the accounting profession.

#### **The Importance of Rigorous Education**

The debate over the Competency-Based Experience Pathway centers on whether reducing the educational requirements will compromise the integrity and competency of the profession. Education in accredited institutions is not only about preparing candidates for exams but also about ensuring they develop a comprehensive set of skills that will serve them throughout their careers. The 150-credit requirement helps ensure that candidates gain a well-rounded education, preparing them for the ethical decision-making, critical thinking, and problem-solving necessary for the challenges they will face in the field.

Moreover, education at accredited institutions is guided by experienced professors who possess the expertise to teach, mentor, and assess students’ progress. In contrast, the Competency-Based



Experience Pathway relies on licensed CPAs—who, while experienced professionals—are tasked with evaluating candidates’ competencies without the formal structure and academic rigor that university programs provide. Critics argue that this shift may result in a less thorough education, as work experience alone may not offer the same intellectual foundation and theoretical understanding that is crucial for the profession.

### **Balancing Flexibility and Rigor**

While alternative pathways like the Competency-Based Experience Pathway may appeal to candidates seeking faster, more affordable routes to licensure, it is vital that these pathways do not compromise the quality of education that ensures future CPAs are technically competent professionals. The primary concern is that substituting formal education with work experience could blur the lines between education and experience. In areas such as tax law or auditing, a strong conceptual foundation is essential, and work experience alone is unlikely to provide the depth of learning necessary for handling complex, real-world challenges.

We also believe that formal education in accredited institutions offers more consistency in teaching methodologies, assessments, and academic rigor, which may be difficult to achieve in a less structured, experience-based model. Therefore, while we acknowledge the potential benefits of alternative pathways, including greater flexibility and reduced costs, we are concerned that these advantages could come at the cost of public protection and the long-term quality of the profession.

### **Conclusion**

The CPA pipeline crisis is indeed a pressing challenge that requires thoughtful solutions; however, addressing this issue should not come at the expense of the profession’s high standards. The Competency-Based Experience Pathway, though innovative, risks undermining the educational foundation that ensures the competency of CPAs and, by extension, protects the public. We urge NASBA and other stakeholders to consider robust evidence and thoroughly engage in debate before making significant changes to licensure requirements. Any modifications to the licensure process should prioritize the need for a well-rounded education that prepares CPAs to meet the complexities and challenges of the profession.

The AAA-CPA would be pleased to partner with NASBA and all interested stakeholders to help educate and market the extraordinary career opportunities available to CPAs, particularly to college recruits. We also recommend further evaluation of alternative pathways, including empirical studies or pilot programs, to assess their effectiveness before widespread implementation.

Thank you for the opportunity to provide comments on these critical issues. If you require any additional information or have any questions, please contact [REDACTED]  
[REDACTED]

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

I have reviewed the Exposure Draft-CPA Competency Based Experience Pathway issued by the AICPA and NASBA. I am a dual practicing attorney and cpa in New York and I have been practicing for almost 35 years. During this time, I was also a adjunct college professor for approx 15 years teaching accounting student business law and taxation courses.

The CPA Competency-Based Experience Pathway proposes to reduce accounting education costs by empowering CPA firms to step in as educational institutions, offering candidates the equivalent of 30 credit hours traditionally granted by accredited colleges and universities.

However, as the profession is reshaped by market and technological changes—and now a pipeline crisis—we must be reminded of our responsibility to produce highly skilled professional accountants capable of succeeding in their careers. Proposed changes to the Model Rules of the UAA, which seek to redefine established definitions of education and educational institutions and blur the distinctions between education and experience, must be carefully considered and strictly construed.

### **Experience Learn and Earn (ELE) Program**

Ironically, prior to the rollout of the Competency Pathway, NASBA and AICPA unveiled “The Experience Learn and Earn (ELE) Program” that seeks to integrate and connect work experience in a CPA firm with an accredited higher education program, aiming to enhance an accounting student’s practical abilities, level of critical thinking, and overall preparedness for entering the industry . In this case, experiential learning bridges the gap between college professors, textbooks, and classroom learning of theory and practice. The UAA Model Rules have historically recognized the value of connecting educational theory and practical methods of learning by utilizing pre-approved internships and independent study programs sponsored by colleges and universities and appropriately supervised by faculty.

### **Challenging the Boundaries Between Academia and Professional Practice in Accounting**

The Competency Pathway stands in stark contrast to the ELE and other university- and college-sponsored internships and independent study programs. It represents a reimagined form of

experiential learning designed exclusively for the workplace, without any involvement from colleges and universities or experienced educators. All CPA firms would automatically qualify to become the equivalent of a provider of professional education programming, without the need for an accredited institution overseeing their educational development and assessment.

This transformative approach to satisfying educational licensing criteria takes the form of a work-study/certification program. It offers accounting students the chance to earn the equivalent of 30 hours of college credit by enrolling in an alternative educational model. In exchange, for at least one year, the CPA firm agrees to offer candidates exposure to diverse types of accounting work experience that will enable candidates to display a predetermined list of general and technical competencies. Upon successful completion of the program, the student will be awarded a CPA competency certificate issued by a CPA evaluator, a CPA who has been licensed for at least three years. The CPA certification serves to exempt candidates from having to satisfy the additional 30 credit hours of higher education at a college or university.

### **Highlighting the Industry's Call for More Formal Education in Accounting**

Ironically, the additional 30 credits of formal education that are targeted for substitution were specifically mandated to address a significant CPA competency crisis,. NASBA and the AICPA recognized that 120 hours of pre-certification formal accounting education, combined with pre- and post-certification work experience, was insufficient to equip CPAs to become the competent professionals required in the 21st century. The consensus was that CPA candidates needed more pre-certification formal education and not more work experience to equip them with the necessary knowledge and skills required. In fact, the two-year pre-certification experience requirement was reduced to one year. These required changes clearly demonstrated the essential role that the minimum education licensing criteria plays in developing the bedrock foundation that underpins the entire process of professional formation. The industry learned firsthand that a comprehensive pre-certification education of at least 150 credit hours from a university or college is essential. This education ensures that CPAs are well-equipped to offer professional accounting services and protect the public.

### **CPA Firms Are Not Educational Institutions, and CPAs Are Not Trained Educators**

On its face, the Competency Pathway does not appear remotely similar to an educational institution in topography, curriculum, or pedagogy. Instead, it:

- Replaces accredited higher education colleges and universities that have historically led the educational development and assessment processes with accounting firms.

- Replaces experienced and professionally qualified college professors with CPA evaluators who are not required to have any special form of teaching or experience other than being licensed as a CPA for a minimum of three years.
- Replaces textbooks, lectures, internships, and independent study projects with work experience.
- Replaces education and assessment processes with evaluations conducted by CPAs.
- Replaces college credits with CPA certificates of competency issued by a CPA evaluator.

The certificate, issued in place of a college transcript, would not demonstrate that students gained the same education and skills as those acquired through 30 additional credit hours in a formal higher education program. Such a program is specifically designed to develop the post-certification professional competencies required of CPAs.

### **The Role of Educational Institutions in Developing Competent Professional Accountants**

The debates that gave rise to the need for more formal education stressed that the goal of accounting education is not merely to pass the CPA exam but rather to equip students with analytical and conceptual skills desperately needed to become competent professional accountants. In response, academia has remained committed to developing educational programming that fosters core competencies required for professional formation, including developing strong intellectual and technical skills, and striking the appropriate balance between business, accounting, liberal arts, and science courses. Colleges and universities possess superior resources and skills to better prepare students to satisfy the educational licensing requirement and to prepare them for their careers in the practice of accountancy. The additional 30-credit hour mandate was specifically crafted to properly task colleges and universities, not employers, with the responsibility of equipping accounting students with the competencies required to become competent professional CPAs who can earn the public's trust and confidence. There is a clear and undeniable fundamental distinction between formal education received in a structured educational program versus learning that takes place in a work experience. Poorly guided efforts that seek to redesign the future education of accountants, by blurring this distinction and merely assuming substantial equivalency, will serve to deny students a genuine opportunity to receive a top-rated, evidence-based education and professional training.

### **Risk of Reducing the Educational Requirement - Striking the Right Balance Between Flexibility and Rigor in Accounting Education**

Professional competence is an extraordinarily complex determination and is judged by the public at the time services are rendered. Proponents must be reminded that the strategic goal of a State Board of Accountancy is to ensure that CPA licenses are issued to candidates who have pursued appropriate, robust educational paths that will equip them with the capacity to develop post-certification competency and ensure public protection. Historical precedent shows that the current 150 credit hour educational requirement has successfully provided a solid foundation for CPAs. Reducing this time frame risks weakening the quality, credibility, and reputation of the profession, which could harm both individual careers and the broader accounting industry.

NASBA and AICPA say they desire to offer flexibility for candidates without compromising the rigor needed to protect the public. However, the burden is on the proponents to demonstrate their claim that the reduction of 30 credit hours of formal education in exchange for workplace learning leading to a CPA Certificate will have no adverse effects on the public. To prevent the pipeline crisis from becoming a competency crisis, the proposed Competency Pathway should be tabled until all stakeholders are offered an opportunity to present evidence and participate in an open and transparent debate.

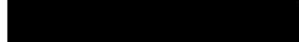
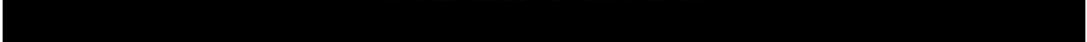
### **Need for Strategic Solution**

Securing a traditional, robust educational experience is vitally necessary to equip CPA candidates with the competence they need to effectively address the complex needs of the accounting industry. While the pipeline crisis is a challenge, reducing the education requirement is not the right solution. Reducing the pre-licensure educational requirement risks diluting the competence, credibility, and reputation of the profession, harming both individual career prospects and the accounting industry at large. Instead, the accounting profession should focus on making the existing 150-credit-hour mandate more accessible through financial aid, scholarships, and innovative program structures. By turning our attention to investing in making our amazing institution of formal accounting education more accessible and affordable, the profession can address its pipeline crisis while preserving the high educational standards necessary for professional competence and public protection. NASBA, AICPA, and all other interested stakeholders must work together to promote affordable education, market the profession, and enlighten college recruits about the extraordinary career path available to CPAs.

I appreciate the opportunity to submit comments on this important topic.

[REDACTED]

**Hunter College Graduate Program  
Economics Department**



**Fall, 2024**

**COMMENT LETTER**

**NASBA and AICPA - Uniform Accountancy Act Exposure-Draft**

**December 7, 2024**



[REDACTED]

[REDACTED]

## **COMMENTS TO THE Uniform Accountancy Act Exposure-Draft**

Thank you to NASBA and the AICPA for the opportunity to provide feedback on the Uniform Accountancy Act Exposure-Draft. We appreciate the chance to contribute to this important discussion and have outlined our revisions below, reflecting our perspectives on the subject matter.

**Below are the change conventions used:**

**Text:** Text highlighted in yellow indicates our additions to the exposure draft

**Text:** Text in red with strikethrough indicate text removal from the exposure draft

**(a):** Endnote markers that show where the changes were made in the exposure draft that tie to the explanations at the end of the exposure draft (Page 10)

The base documents are the January 2018 edition of the UAA (pertinent parts) and April 2023 edition of the UAA Model Rules.

Additions are shown in single underlined text, and deletions are shown in ~~single strike through~~ text.

UAA – 8<sup>th</sup> Edition, January 2018

## SECTION 5

### QUALIFICATIONS FOR A CERTIFICATE AS A CERTIFIED PUBLIC ACCOUNTANT

(c) (1) The education requirement for a certificate, which must be met before an applicant is eligible to apply for the examination prescribed in subsection (d), shall be at least 150 semester hours of college education including a baccalaureate or higher degree conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration, or equivalent as determined by Board rule to be appropriate.

(2) The education requirement for a certificate shall be met through any of the following pathways:

(A) a post baccalaureate degree in accounting (a) with a cumulative 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(B) a baccalaureate degree plus additional credits that focus on accounting (b) totaling 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration including advanced accounting courses(c) or equivalent as determined by Board rule, or

(C) a baccalaureate degree conferred by a college or university acceptable to the Board in accounting, the total education program to include an accounting concentration, or equivalent as determined by Board rule (d) and the completion of competency-based experience prescribed in section 5(f)(2).

(D) a baccalaureate degree with a non-accounting concentration with additional semester credit hours in advanced accounting related courses (in relation with CPA exam topics) with and the completion of competency-based experience prescribed in section 5(f)(2). (e)

*Comment:* In situations where the Candidate is enrolled in a dual degree five- year accounting program where the bachelor's degree is conferred after the completion of the master's degree, the candidate is eligible to sit for the CPA Exam upon the

completion of the bachelor's degree requirements and the accounting concentration.

(f) ~~An applicant for initial issuance of a certificate under this Section shall show that the applicant has had one year of experience. This experience shall include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills all of which was verified by a licensee, meeting requirements prescribed by the Board by rule. This experience would be acceptable if it was gained through employment in government, industry, academia or public practice.~~

(1) The experience required in section 5(c)2(A) and 5(c)2(B) shall include one year providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills all of which was verified by a licensee, meeting requirements prescribed by the Board by rule. This experience would be acceptable if it was gained through employment in government, industry, academia, or public practice.

(2) The experience required in section 5(c)2(C) shall include two years of experience:

(A) At least one year of competency-based experience performed in accordance with a competency framework developed by a national accounting organization and administered in accordance with Board rule, and

(B) The remainder of experience as set forth in section 5(f)(1).

*Comment:* In meeting the two-year experience requirement, the Candidate works with a CPA Evaluator to ensure the Candidate demonstrates the competencies outlined in the CPA Competency-Based Experience Pathway, which was approved by the National Association of State Boards of Accountancy (NASBA) and the American Institute of CPAs (AICPA) boards of directors is included as an appendix to the UAA Model Act. In addition to demonstrating the competencies in the Framework, the Candidate must also complete one additional year of general relevant, supervised or verified, work experience. A candidate may apply additional competency-based experience toward the general experience requirement.

The board of accountancy may specify any reasonable approach to meeting the competency-based experience requirement using as a guideline the Competency-Based Experience Pathway jointly approved by NASBA and the AICPA.

## SECTION 23

### SUBSTANTIAL EQUIVALENCY

(a) (1) An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any state which the board of accountancy or the NASBA National Qualification Appraisal Service has verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under Sections 6 or 7. Notwithstanding any other provision of law, an individual who offers or renders professional services, whether in person, by mail, telephone or electronic means, under this section shall be granted practice privileges in this state and no notice or other submission shall be provided by any such individual. Such an individual shall be subject to the requirements in Section 23(a) (2).

(2) An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any state which the board of accountancy or NASBA Qualifications Appraisal Service has not verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under Sections 6 or 7 if the individual was issued an original certificate under the education, examination and experience rules contained in 5(c)2, or their equivalent, which were in effect at the time of issuance and the issuing board of accountancy has identified the individual's applicable licensure pathway in a national licensee database which reports the individual has met licensure requirements substantially equivalent to obtain those provided under Section 23(a)(3).

Comment: Subsection 23(a)(3) is intended to seamlessly facilitate substantial equivalency and mobility whenever the Uniform Accountancy Act is modified to establish equivalent pathways to licensure. Individuals who have met any of the recognized equivalent pathways would be allowed to practice under interstate mobility without the need to obtain a separate certificate or permit to practice in any other jurisdiction.

NASBA has created a national licensee database that is provided at no cost to the boards of accountancy. That database may be used by boards of accountancy to satisfy the requirements defined in section 23(a)(2). NASBA has also created

CPAVerify.org, a public facing database, that provides limited licensure information to the public regarding U.S. licensed CPAs. This database is available free to the public

~~An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any state which the board of accountancy or the NASBA National Qualification Appraisal Service has not verified to be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under Sections 6 or 7 if such individual obtains from the board of accountancy or the NASBA National Qualification Appraisal Service verification that such individual's CPA qualifications are substantially equivalent to the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act., including:~~

(23) ~~An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from another state shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under Sections 6 or 7 unless the board of accountancy or the NASBA National Qualification Appraisal Service has verified the state to not be in substantial equivalence with the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act.~~

~~If such an individual obtains mobility from the board of accountancy or the NASBA National Qualification Appraisal Service verification that such individual's CPA qualifications are substantially equivalent to the CPA licensure requirements of the AICPA/NASBA Uniform Accountancy Act., including: (f)~~

(A) Having met the education requirement for a certificate through any of the following pathways:

~~a post baccalaureate degree with a cumulative 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or~~

~~a baccalaureate degree plus additional credits totaling 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or~~

~~a baccalaureate degree conferred by a college or university acceptable to the Board, the total education program to include an accounting concentration or equivalent as determined by Board rule and the completion of competency based experience prescribed in section 5(f)(2), and (g)~~

- (i) a post baccalaureate degree in accounting with a cumulative 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or
- (ii) a baccalaureate degree plus additional credits that focus on accounting totaling 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration including advanced accounting courses or equivalent as determined by Board rule, or
- (iii) a baccalaureate degree conferred by a college or university acceptable to the Board in accounting, the total education program to include an accounting concentration, or equivalent as determined by Board rule and the completion of competency-based experience prescribed in section 5(f)(2).
- (iv) a baccalaureate degree with a non-accounting concentration with additional semester credit hours in accounting related courses with required courses in Advanced Accounting, AIS Course, Auditing, Business Tax, Federal Income Taxation and and the completion of competency-based experience prescribed in section 5(f)(2).

(B) Having passed the examination required for licensure as defined in section (5)(d), and

(C) Having met the experience requirement required for licensure as defined in section 5(f).

~~Any individual who passed the Uniform CPA Examination and holds a valid license issued by any other state prior to January 1, 2012, may be exempt from the education requirement in Section 5(c) for purposes of this Section 23 (a)(2). Notwithstanding any other provision of law, an individual who offers or renders~~

professional services, whether in person, by mail, telephone or electronic means, under this section shall be granted practice privileges in this state and no notice or other submission shall be provided by any such individual. Such an individual shall be subject to the requirements in Section 23(a) (3).

Comment: Board verification may include an update of the national licensing database that the individual has met the licensing requirements set forth in section 23(a)(3).

(34) ...

(45) ...

## **UAA Model Rules – January 2024**

### **ARTICLE 3 DEFINITIONS**

#### **Rule 3-11 - CPA Competency-Based Experience Pathway.**

**“CPA Competency-Based Experience Pathway (“the Pathway”) means a twelve-month experience program performed in accordance with generally accepted standards developed and administered by a joint committee established and maintained by the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants.**

### **ARTICLE 6 ISSUANCE OF CERTIFICATES AND RENEWAL OF CERTIFICATES AND REGISTRATIONS, CONTINUING PROFESSIONAL EDUCATION AND RECIPROCITY**

#### **Rule 6-2 - Experience required for initial certificate.**

**(a) The experience required to be demonstrated for issuance of an initial certificate pursuant to Section 5(f)(1) of the Act shall meet the requirements of this rule.**

**(1) Experience may consist of providing any type of services or advice using accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills.**

**(2) The applicants shall have their experience verified to the Board by a licensee as defined in the Act or an individual licensed in another state. Acceptable experience shall include employment in industry, government, academia or public practice. The Board shall look at such factors as the complexity and diversity of the work.**

**(3) For individuals holding a baccalaureate degree plus additional credits**

that focus on accounting, one year of experience shall consist of full or part-time employment that extends over a period of no less than a year and no more than three years and includes no fewer than 2,000 hours of performance of services described in subsection (a) above.

(4) For individuals holding a baccalaureate degree in a non-accounting concentration, five years of experience shall consist of full or part-time employment that will require the college level accounting courses under section 5(c)2(D) and includes no fewer than 6,000 hours of performance of services described in subsection (a) above. (h)

(b) The experience required to be demonstrated for issuance of an initial certificate pursuant to Section 5(f)(2) of the Act shall include one to five (i) year of work experience as defined in Rule 6-2(a) and the completion of the CPA Competency-Based Experience Pathway.

Changes Made to the UAA Exposure Draft

**SECTION 5**

**QUALIFICATIONS FOR A CERTIFICATE AS A CERTIFIED PUBLIC ACCOUNTANT**

**(a):** We added the term “in accounting” to emphasize that the post baccalaureate degree should have a focus on accounting

**(b):** We added the term “that focus on accounting” to emphasize that the additional courses taken during the baccalaureate degree should focus on accounting courses rather than non-accounting courses to meet the 150-credit requirement

**(c):** We added the term “including advanced accounting courses” as we believe that it is important that one take these classes in order to have the deeper understanding in accounting that is needed for the CPA exam

**(d):** We added “in accounting” as we believe that a focus in accounting is important if one decides to take the CPA with just a baccalaureate degree and competency-based experience rather than a non-accounting focused degree

**(e):** We added this additional pathway option for students and professionals in the case that a non-accounting focuses degree holder wants to take the CPA later in their career. By having this additional pathway, it provides for a way for more people to potentially take the CPA and have the correct foundation needed to pursue the CPA

**SECTION 23**

**SUBSTANTIAL EQUIVALENCY**

**(f):** We reworded the original paragraph in the exposure draft to make it more “reader friendly” as the original was hard to understand and interpret due to complex wording. The information stayed the same

**(g):** We replaced the original set of pathways and replaced it with the one written in section 5 to remain consistent with the requirements needed

**ARTICLE 3**

**DEFINITIONS**

No changes were made

**ARTICLE 6**

**ISSUANCE OF CERTIFICATES AND RENEWAL OF CERTIFICATES AND REGISTRATIONS,  
CONTINUING PROFESSIONAL EDUCATION AND RECIPROCITY**

**(h):** We added this section as we believe that if someone wants to take the CPA exam but does not have a baccalaureate degree in accounting, they should be required to have additional work hours (in this case a minimum of 6,000 hours) in order to gain the experience and accounting knowledge one would have received if they pursued a baccalaureate degree in accounting. Additionally, by having this knowledge, it would provide as advanced experience that would be helpful for taking the CPA exam.

**(i):** We added the term “to five” as we believe that the five years work experience should be enough to meet the 6,000 hours and compensate for the lack of an accounting baccalaureate degree

## The Status of the Accounting Profession

The September 2024 edition of “The Journal of Accountancy” landed in my email yesterday. It has been only digital for some time now. I obviously prefer the real thing, but that is because I am considered a “dinosaur.”

I scanned the articles headlines and saw that this month’s edition was mainly devoted to the accounting shortages of personnel, in all areas of public accounting, government, and academia.

One article dealt with “outsourcing services” as a means to counter the reduction in accounting graduates in the workforce. Another article dealt with changing the workforce requirements from pay, to working conditions, and the length of the work week. The other article dealt with what “Academia” was doing to attract more people to major in accounting.

These articles dealt not only with “public accounting” and their personnel requirements, but industry and government as well.

I was somewhat surprised by “outsourcing.” Apparently, this has been going on for some time, not only by industry, but also CPA firms. The international world of accounting is larger, and I am sure less costly. With CPA firms there is also the issue of liability, as well as competence and confidentiality. I recently read an article where a number of the major CPA firms have seen significant issues in peer reviews of their audit clients. The standards of their audits have decreased significantly. In fact, a number have decided to drop a number of their audit clients because they don’t have adequate staff. There is a belief that that has contributed to the lowering of standards.

There is also a belief that starting salaries are too low and need to be increased. This is believed to be a barrier for why the number of accountants is down. A study of mean starting salaries of seven professions from 2017 through 2022, by the National Association of Colleges and Employers, indicated that accounting starting salaries was the lowest compared to engineering, computer and information sciences, management information systems, mathematics, statistics, and financial management services. In 2017, starting mean accounting salaries amounted to \$52,343. In 2022, the mean starting accounting salary was \$60,698. The highest mean starting salary was in computer and information sciences and amounted to \$72,677 in 2017 and \$86,964 in 2022.

Another barrier is the work-week. The current graduates want a better work/life balance. In the CPA world, working greater than 50 hours a week is not satisfactory, even in the “busy season.” As a result, some CPA firms have instituted a work/week balance that limits the number of hours that one can/will work. A more reasonable work week is seen as a requirement to get more young people interested in accounting.

Another factor that is deemed to be a deterrent is the 150 credit hours required to obtain CPA licensure. Graduating students want to start to earn a salary, because they have school loans to repay and don’t want to be saddled with another year of school and the associated costs.

The average accounting student enrollment decreased approximately 17% between 2017/18 and 2021/22 according to the AICPA Trends Report. Some schools indicated as much as a 50% reduction in accounting students. As a result, some schools are allowing students a second chance to pass, by retaking mid-term or final exams if they failed the first time.

I have to admit, I have no empathy for today's accountants. I grew up in another era. I started my accounting journey in 1961. I was first an accounting intern with the Federal Government's Department of Commerce. After ten months, getting married, and being told by my supervisor that I needed to slow down because I was doing too much, I found a job as a junior accountant with a "Big 10" accounting firm, Main & Co, in Washington, DC.

I have to admit, I wasn't sure what a CPA firm did, but I would soon learn. Main & Co.'s main headquarters was in Pittsburgh, Pa. and they had offices in approximately 10 large cities. Their clients included a number of large public corporations as well as many labor unions, not for profits and other service related companies.

The firms District of Columbia's clients included a number of labor unions, not for profit organizations, construction firms and medium size manufacturing companies. Among the labor unions was the AFL-CIO, the American Federation of State County & Municipal Employees (AFSCME), and the International Union of Electrical Workers. Not for profits included National Geographic, American Council on Education, Association of University Professors and Meridian House Foundation. We also audited a number of Savings & Loan organizations as well as real estate developers. A well rounded client base.

I started work in November 1961, and one of my first assignments was to monitor the inventory taking at Westinghouse's warehouse in Richmond, Va. I was told what I was to do and I was sent to Richmond without on-site supervision. What an experience! After that I was assigned to work with one of the resident partners as a junior accountant on a number of audits. I did the "grunt" work. I learned to reconcile bank accounts, do account analysis, analyze trial balances create financial statements, review internal controls, and whatever else the partner wanted me to do.

Remember, there were no personal computers then, and there were no small electronic calculators. Worksheets were on what was known as 7 column, 14, 21 and 28 column green accounting pads. IBM accounting machines were just being used. They used punch boards for each accounting application.

**Everything was run in a batch mode. The IBM 1400 series of computers were just being introduced. Many companies were using the National Cash Register (NCR) or Remington- Rand accounting machines.**

**In that time period, the CPA exam was a uniform exam and all states used it. The requirements varied from state to state as to who, and when one could take it. The exam was 4 parts, Auditing, Law, Theory and Practice. Each part was approximately 4 hours except for Practice. It was given in two parts, 4 hours each. Taxation was included in Practice. Maryland had an Economics section as well.**

**I decided to look forward to taking the exam in the District of Columbia. There, the requirement to sit, included graduating from college with an accounting degree, and two years of experience with an accounting firm, doing attestation work (auditing). Government and industry experience was not satisfactory.**

**If you did not pass the exam the first time, you needed to pass at least two parts to retain them, and you only needed to take the other two within a certain period. If all parts weren't passed within a certain timeframe then you had to start all over. Main & Co. had an unwritten rule, " if you didn't pass within a certain time period, then it was time to move on." They would try to place you with one of their clients but that wasn't guaranteed.**

**In the 60's, there was no specialization in the accounting profession. You were an auditor, a tax preparer, and a management consultant. What a way to learn not only business from an auditing perspective but business in general.**

**I was fortunate to be in the right place at the right time. Main & Co.'s Washington office was just starting to expand, and I was on the ground floor. I worked on all types of audits. We prepared tax returns for our clients as well as senior officers of our clients. We did no outside tax work. The consulting aspect of public accounting firms was just beginning and I was again on the "ground floor."**

**Within a year, I was a semi-senior accountant, and then after 2 years, a senior accountant. As a senior, I was in charge of a number of audits, under the supervision of a resident partner. I decided to wait until November 1964 to take**

the CPA exam. I then had three years of experience and I felt ready. The exam was given twice a year, May and November. The “busy season” ran from November to May. The first time pass rate wasn’t very different then, as it is now, low 20%. It was recommended to take a prep course if you wanted to try to pass the exam on the first try. The CADES course was the preferred course at that time. It was run by Seymour Kaufman, a CPA as well as an attorney.

Starting in May, until the exam, we went to class 3 nights a week for 4 hours each evening, and another 4 hours Saturday morning. The course also included homework. On the first night of class, Seymour said that if we were serious, tell our spouse that for the next 6 months they would have to cut the grass take care of the kids as well as everything else, because we would not have time. Oh, how right he was!

During the week we covered auditing one night, Theory one night and Practice one night. On Saturday we took simulated exams. Toward the last month we started to also concentrate on Law. I must say that I learned more in those six months then I had in 4 years of college. Of course, I had three years of experience and that was a big help.

When it came time to take the exam, we took it in the DC Armory. A large open area. Today, I understand that the exam is multiple choice. That wasn’t the case then. You had to work out the problems and you had no calculator. Fortunately, I had tried not to use our large bank calculators for the past 6 months at work, and that helped. I must say that the exam was grueling. When I finished Friday, I went home and just wanted to sleep all week-end. It wasn’t until early February when we received our results. Fortunately, I passed all 4 parts the first time.

As I was approaching the end of my 5<sup>th</sup> year with Main LaFrentz & Co. ( Main & Co. & F.W. LaFrentz had merged by then), I was told that my compensation was close to that of a Resident Partner, but I was too young for that consideration. I needed to just wait my time. Maybe another 5 years. That wasn’t in my nature, so I decided to move into industry. I was offered a position with Fairchild-Hiller, a helicopter manufacturer with offices in Rockville, Md. and manufacturing facilities in Hagerstown, Md. The compensation was 50% more than what I was making in Public Accounting.

**As I look back on that time, my public accounting background was significant in my future promotions. However, now I had the opportunity to use that experience in a meaningful way.**

**As I progressed in industry, I dealt with a number of the now “Big 4” CPA firms, and I have watched the specialization of the profession. In my opinion, not for the better! There is not the well - rounded CPA today as there was then.**

**I see a number of issues today with the accounting profession. The CPA exam has become more of an academic exam and not a “real life” exam. I believe the requirement to have 150 hours of academic credit before licensure is a major issue. The experience requirement of essentially one year in either public accounting, industry, or government, under the direction of a CPA, has watered down what the designation of CPA means. In the past, being a CPA meant that you had the experience and background of those at the top of the accounting pyramid. Not so today.**

**The CPA exam today consists of 4 hours each of Auditing & Attestation, Financial Accounting & Reporting, Regulation and a 4 hour exam on one of the following areas of your choice: Business Analysis & Reporting, Information Systems & Control or Tax Compliance & Planning.**

**If one has not been involved in actually auditing/attestation, how can one expect to be competent enough to pass the auditing section?**

**Today, one has 30 months to pass all 4 sections, and the tests are given at least every month. In the past one must have received a score of 75 on each section and that is still true today. However, it appears that everything concerning being a CPA has been watered down. Is it no wonder that it is difficult to attract folks to the profession.**

**The CPA overall pass rate is approximately 50% while those who pass on the first attempt is only 20%. These rates are not significantly different than similar rates in the 60's. I am not sure that those, finally passing, have the same competence as those in the past. I believe, experience is much more important than the extra 30 hours of accounting courses.**

I realize that change is necessary to move forward. I know that there is a significant difference in technology today, compared to the past, and we must adapt. When computers became popular in the 60's, the issue was "do we audit around or through the computer." I am not sure that isn't the same today.

Not all accounting students have being a CPA, in their future. The CPA designation was primarily for those that were going to serve the public through auditing or tax preparation or consulting on financial matters. I saw a recent definition of a CPA and it was "CPA's are accounting specialists with demonstrated accounting proficiency and state licensure."

A statement that the American Institute of CPA's (AICPA) made, states, "in most cases, the additional academic work needed to acquire the technical competence and develop the skills required by today's CPA is best obtained at the graduate level." I can't agree with that statement at all. Where is "experience in the equation?"

The question today is, "how do we attract more young folks to consider accounting as a profession." First, I think that the AICPA should reconsider their academic requirements of 150 credit hours. They also need to do a better job of promoting the fact that "accounting forms the basis of how a business operates." It is often a "springboard" to upper management positions.

Also, the experience requirement should be reconsidered. We need to return to what the CPA designation should mean. We cannot rely on high school guidance counselors to recommend "accounting" as a profession. One does not need to be a CPA to be successful in the accounting profession. However, accounting is the basis of many business school concentrations. It should be promoted as such.

There are accounting organizations other than the AICPA. A co-operative effort with those organizations, promoting accounting as a profession, should be considered.

**Someone needs to take the lead on this, and I think the AICPA should be that someone. If not, the initiative to promote accounting as a profession to young folks will fail, and we will see the continuation of a reduction in those considering accounting as a profession.**

**Jess Sweely, C.P.A.**

**Madison, Va.**

**September 6, 2024**

# KARIN M. GALE, CPA

December 6, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

Dear Committee Members, Leadership, and Board of Directors:

I have reviewed the proposed *CPA Competency-Based Experience Pathway* exposure draft, issued September 12, 2024, and the *Uniform Accountancy Act Exposure Draft*, issued September 30, 2024 (“exposure drafts” or “proposals”). As a CPA in good standing in Wisconsin I am committed to providing impeccable quality service to my clients, and I have a strong interest in the future of our profession.

I appreciate the efforts of the AICPA and NASBA in acknowledging the importance of modernizing CPA licensure requirements in response to an environment that has significantly changed since the early 2000s when a large majority of states adopted the 150-hour requirement. I am grateful the profession is willing to evolve to continue to attract candidates into the profession. I support this endeavor and offer My feedback for consideration. My recommendations for both exposure drafts are:

## Update terminology to remain relevant

The current proposals reference 150-credit and 120-credit benchmarks for education. I believe that modifying the language to refer to degree types (e.g., Bachelor’s or Master’s), rather than credits, will ensure the longevity of these pathways as higher education in the United States evolves.

### **Recommendation**

I strongly recommend that NASBA and AICPA examine going to a degree type plus general year(s) of experience (e.g., Bachelor’s + 2 years). This would allow any legislative work in this area to remain effective while US higher education evolves.

## Remove barriers and simplify the licensure process

I believe adding the year of enhanced experience adds additional barriers for candidates trying to enter public accounting.

The complexity and subjectivity of the competencies, as well as the process for meeting them could be a detractor from drawing candidates into the profession.

In addition, I have concerns that the software created by NASBA, and the CPA supervisor relationship will translate to additional cost for candidates through fees for use of the software and the time of the supervising CPA. I oppose any pathway that adds additional expense to the candidate experience.

### **Recommendation**

I firmly believe that a pathway comprising a Bachelor's degree, year or years of general experience, and the Uniform CPA Exam is sufficiently rigorous to maintain the quality, integrity, and value of the CPA license.

### **Maintain Mobility**

Mobility has been a challenge but not the main issue in this CPA pathway discussion and can be addressed through state cooperation. I do not believe substantial equivalency, as evaluated by NASBA's National Qualification Appraisal Service (NQAS), is necessary to ensure future mobility.

I am not in favor of a national database indicating whether someone has obtained a CPA through a pathway not considered equivalent. This places NASBA at the center of the conversation rather than the states. I am disappointed that automatic mobility was excluded from the proposals.

### **Recommendation**

I believe automatic mobility is the best way to address the challenge. Automatic mobility, as seen in Alabama, Nebraska, Nevada, and North Carolina, provides a framework for stability, public protection, and jurisdiction over CPAs practicing under licenses from other states. In fact, I understand more states are proposing to include in their upcoming legislative bills.

### **Summary and Next Steps**

I do not support the current proposals. I recommend:

- New Pathway: Degree (rather than credit hours) + year(s) of general experience, along with CPA Examination.
- Adopt: automatic mobility with education, experience, and CPA exam guardrails, as currently practiced in four states.

Thank you for considering my comments.

Sincerely,



Karin M. Gale, CPA  
Principal  
414-465-5533  
Karin.gale@claconnect.com

December 5, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

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I have reviewed the proposed *CPA Competency-Based Experience Pathway* exposure draft, issued September 12, 2024, and the *Uniform Accountancy Act Exposure Draft*, issued September 30, 2024 (“exposure drafts” or “proposals”). As a CPA in good standing in New Mexico, I am committed to providing impeccable quality service to my clients, and I have a strong interest in the future of our profession.

I appreciate the efforts of the AICPA and NASBA in acknowledging the importance of modernizing CPA licensure requirements in response to an environment that has significantly changed since the early 2000s when a large majority of states adopted the 150-hour requirement. I am grateful the profession is willing to evolve to continue to attract candidates into the profession. I support this endeavor and offer My feedback for consideration. My recommendations for both exposure drafts are:

## Update terminology to remain relevant

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### **Recommendation**

I strongly recommend that NASBA and AICPA examine going to a degree type plus general year(s) of experience (e.g., Bachelor’s + 2 years). This would allow any legislative work in this area to remain effective while US higher education evolves.

## Remove barriers and simplify the licensure process

I believe adding the year of enhanced experience adds additional barriers for candidates trying to enter public accounting.

The complexity and subjectivity of the competencies, as well as the process for meeting them could be a detractor from drawing candidates into the profession.

In addition, I have concerns that the software created by NASBA, and the CPA supervisor relationship will translate to additional cost for candidates through fees for use of the software and the time of the supervising CPA. I oppose any pathway that adds additional expense to the candidate experience.

### **Recommendation**

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### **Recommendation**

I believe automatic mobility is the best way to address the challenge. Automatic mobility, as seen in Alabama, Nebraska, Nevada, and North Carolina, provides a framework for stability, public protection, and jurisdiction over CPAs practicing under licenses from other states. In fact, I understand more states are proposing to include in their upcoming legislative bills.

### **Summary and Next Steps**

I do not support the current proposals. I recommend:

- New Pathway: Degree (rather than credit hours) + year(s) of general experience, along with CPA Examination.
- Adopt: automatic mobility with education, experience, and CPA exam guardrails, as currently practiced in four states.

Thank you for considering my comments.

Sincerely,



Laura Beltran-Schmitz, CPA, CFE, CGFM, CICA  
Principal  
State and Local Government  
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laura.beltran-schmitz@claconnect.com

**Martin Pittioni**

After the NASBA Annual Meeting, hearing then overwhelmingly negative comments on both exposure drafts (since confirmed primarily through the state board comments being shared amongst executive directors) I pulled together a workgroup of experienced Executive Directors to provide an alternative approach/solution from the regulatory perspective.

Each Executive Director on this working group stepped out of their jurisdiction perspective and focused intensely over the past 6 weeks on developing a truly national vision and language solution for the UAA that would preserve CPA mobility while accommodating multiple policy perspectives on approach to mobility and licensure pathways. This also explicitly involved a recognition that some jurisdiction either cannot or do not want to move legislation and accepting that many other jurisdictions are already moving legislative proposals in statute or rule.

The work product is attached and is intended to provide a think-tank type approach from a regulatory perspective to constructively help with the next stages of the UAA process. I would respectfully ask in your review that you pay at least as much attention to the vision developed by the group as you do to the language draft itself, which is only one way to accomplish that vision. Thank you for considering this work from Executive Director volunteers from around the country.

## OVERVIEW

The purpose of the working group is to provide the National Association of State Boards of Accountancy (NASBA) and American Institute of CPAs (AICPA) with constructive solutions for consideration in future updates to the Uniform Accountancy Act (UAA) regarding flexible licensure requirements and mobility. We hope this supports these organizations in coming discussions and working sessions on future changes to the UAA.

The working group recognizes that reaching a national consensus on these important topics represents a significant challenge. There are many internal and external factors that contribute to creating workable proposal, including (but not limited to): concerns about lowering standards, disruption of mobility and interstate practice, CPA pipeline considerations, universal licensure proposals, and a deregulation environment in many jurisdictions.

As a working group, we believe that stopping the momentum of legislative or rules proposals on licensure pathways and mobility is unrealistic. Further, we recognize that jurisdictions are already moving legislation. The UAA process is, therefore, effectively forced into a catch-up mode. That said, the legislation being introduced or developed appears to not differ widely. This allows for a UAA product that can take these concepts and incorporate a flexible model for states to consider.

While a substantial portion of overarching concepts governing the regulation of the accounting profession lend towards uniformity, the implementation via statutes, regulations, policies, and practice among state boards of accountancy (SBOAs) varies widely. To that end, the Vision section outlined below for Sections 5 and 23 of the UAA is crafted from a macro viewpoint. It represents a conceptual framework that will allow for flexibility in the licensure requirements and options for considering how to effectively implement mobility.

In considering how the Vision is developed, the working group looked exclusively at the interconnection of Sections 5 and 23 of the UAA and not to how these sections or terms within these sections interplay throughout the whole of the UAA. That is best left to those with a wholistic understanding of the UAA, such as the Joint UAA Committee.

Finally, the language the working group has included in this product represents one way that it could be incorporated into the UAA. We understand that others could take the Vision outlined below and develop something substantially different in structure and yet accomplish substantially similar outcome. We, therefore, leave it up to those ultimately tasked with the revising the UAA by

creating flexible licensure models and updating mobility to consider the example language provided.

***Disclaimer: The Vision and language offered by this working group do not represent any of their particular SBOAs positions nor a belief that any SBOA represented in the working group would specifically adopt the Vision or language proposed herein.***

## VISION

### Section 5 – Qualifications for a Certified Public Accountant

- Continue to support the concept of the Three Es – Education, Examination, and Experience.
- Consider remaining with a singular pathway for licensure in the UAA that will set the floor at a baccalaureate degree, passage of the Uniform CPA Examination, and a minimum of two years of accounting experience.
- Remove references to total number of units for the degree requirement. This will help modernize the UAA, though SBOAs could add to their respective language if desired.
- Provide opportunities for SBOAs to consider certain circumstances to allow for substituting some amount of time (up to a year) toward the two-year experience requirement. For example:
  - Continue to include a reference to earning a post-baccalaureate degree to emphasize that a master's degree is still valuable to the profession.
  - Continue to include a reference to post-baccalaureate education (i.e., a specified number of units), for those SBOAs that want to allow applicants the opportunity to complete ELE or other such programs.
  - Offer SBOAs the ability to consider certain certifications and training programs as acceptable ways to shorten the experience requirement. One such example would be college/university-affiliated extension programs that offer units while completing various certificate programs. This would allow an alternative approach for later-in-life transitions to the CPA profession, aside from just a master's degree or unit approach. Additionally, it could aid or even fulfill the accounting concentration whilst offering a less-costly alternative to a master's program and more structure than applicants randomly selecting courses.
- Introduce the concept of an enhanced experience requirement and even lay the groundwork for the beginnings of a competency-based approach. It should be for experience across the board and not simply to a select group of individuals because they may be required to complete more or less time of experience. Most importantly, the language should be permissive and afford SBOAs the ability to accomplish this via rule if the time is right for them.

For some, i.e., Oregon/Washington, they already have some competencies included in their respective models and would preserve their approach.

### Section 23 – Individual Certified Public Accountant Mobility for Cross-Border Practice

- Preserve mobility as it has become an integral part of the accounting profession and is important to consumer protection to ensure that consumers have access and choice to the CPAs for their respective needs.
- Recognize that the UAA is a set of aspirational statutes, and here to [help](#) SBOAs and legislatures in developing language to regulate the accounting profession.
- Recognize that some SBOAs either have or begun to embrace, fully or in some capacity, the concept of open or automatic mobility.
- Recognize that nothing should limit approaches to how SBOAs can effectively regulate cross-border practice, so provide for an alternative to a solely substantial equivalency model (i.e., options).
- Remove references to NASBA's National Qualifications Appraisal Service (NQAS). Determinations should only be at the level of the SBOAs. NQAS could still offer the service of reviewing information for states that need assistance; however, such review would be presented to SBOAs for review and ultimate approval.
- Substantial Equivalency Model
  - Under any SE model, if a SBOA determines that another state falls out of SE, it would not stop mobility, but would shift to the individual.
  - Ensure that SBOAs moving to add a baccalaureate degree, 120 units, and two years of experience would be defined as substantially equivalent,
  - If it shifts to a need for the individual, simplify concerns about initial licensure with a four and 10 rule to allow for an individual to qualify without regard to initial licensure realizing that after a period practicing, initial licensure is not as relevant to making such determination. If an SBOA ever had reason to question whether a CPA who practiced under mobility in their state met a qualification, the CPA is subject to the jurisdiction of the SBOA and must respond to said request and provide any requested evidence.
- Open Mobility Model
  - Provide language states can use to develop a sound open mobility program with appropriate consumer protection guardrails, one of which can be tied to some concepts like SE but that it's looked at in a more wholistic approach.
  - Add additional example of guardrails, which could be tied to other areas of accounting regulations such as enforcement.

## EXAMPLE LANGUAGE

### SECTION 5 QUALIFICATIONS FOR A CERTIFIED AS A CERTIFIED PUBLIC ACCOUNTANT

(c) (1) The education requirement for a certificate, which must be met before an applicant is eligible to apply for the examination prescribed in subsection (d), shall be ~~at least 150 semester hours of college education including a baccalaureate or higher degree conferred by a college or university acceptable to the Board, and include an accounting concentration or equivalent as determined by Board rule to be appropriate.~~

(f) (1) An applicant for initial issuance of a certificate under this Section shall show that the applicant has ~~had a minimum of two one years~~ of experience. This experience shall include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills all of which was verified by a licensee, meeting requirements prescribed by the Board by rule. ~~The Board may require an applicant to complete specific job-based tasks that demonstrate minimum competency.~~ This experience would be acceptable if it was gained through employment in government, industry, academia or public practice.

(A) ~~During an applicant's experience as described in subsection (f)(1), the Board may require the licensee verifying such experience to consider whether:~~

(i) ~~The applicant demonstrates the ability to move from simple and basic tasks to more complex tasks that require critical thinking and application of professional standards, as applicable.~~

(ii) ~~The applicant demonstrated the ability to grow from needing direct oversight and supervision to being able to work independently and with little oversight.~~

(2) ~~An applicant who has completed a master's degree or higher, as specified by the Board, and was conferred by a college or university acceptable to the Board may substitute one year of experience as described in subsection (f)(1).~~

(3) ~~An applicant who has completed a specified certificate, training program, or additional education recognized by the Board in rule may~~

substitute up to one year of experience as described in subsection (f)(1), with such amount of time to be set by the Board in rule.

## **SECTION 23**

### **QUALIFICATIONS FOR A CERTIFIED AS A CERTIFIED PUBLIC ACCOUNTANT INDIVIDUAL CERTIFIED PUBLIC ACCOUNTANT MOBILITY FOR CROSS-BORDER PRACTICE**

#### Option #1 – Substantial Equivalency

(a) An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any other state may exercise all the privileges of license holders of this state without obtaining a license under Sections 6 or 7 if:

(1) The board determines that the licensure requirements in any other state are comparable to or exceed the licensure requirements of Section 5, or

(2) If the individual has met one of the following:

(A) Has continually practiced public accountancy as a certified public accountant under a valid certificate or license issued by any other state for at least four of the last 10 years, or

(B) Was issued a certificate of license as a certified public accountant in any other state under the following comparable licensure requirements:

(i) Passage of the Uniform CPA Examination

(ii) Completed a baccalaureate degree or higher with an accounting concentration and a minimum of one year of general accounting experience.

(C) Was issued a license as a certified public accountant in any other state on or before December 31, 2025.

#### Option #2 – Open Mobility

(a) An individual whose principal place of business is not in this state and who holds a valid license as a Certified Public Accountant from any other state may exercise all the privileges of license holders of this state without obtaining a license under Sections 6 or 7.

(b) (1) If the Board determines that allowing individuals from a particular state to practice in this state violates its duty to protect the public, the Board

may require licensees from such state to notify the Board prior to exercising the privileges of license holders of this state.

(2) In considering another state as described in subsection (b)(2), the Board may consider:

- (A) Whether another state has comparable licensure requirements as this state.
- (B) Whether another state maintains enforcement practices comparable to this state.
- (C) Any other such requirements as determined by the Board through rule.

December 5, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

Dear Committee Members, Leadership, and Board of Directors:

I have reviewed the proposed *CPA Competency-Based Experience Pathway* exposure draft, issued September 12, 2024, and the *Uniform Accountancy Act Exposure Draft*, issued September 30, 2024 ("exposure drafts" or "proposals"). As a CPA in good standing in Maryland, I am committed to providing impeccable quality service to my clients, and I have a strong interest in the future of our profession.

I appreciate the efforts of the AICPA and NASBA in acknowledging the importance of modernizing CPA licensure requirements in response to an environment that has significantly changed since the early 2000s when a large majority of states adopted the 150-hour requirement. I am grateful the profession is willing to evolve to continue to attract candidates into the profession. I support this endeavor and offer My feedback for consideration. My recommendations for both exposure drafts are:

## Update terminology to remain relevant

The current proposals reference 150-credit and 120-credit benchmarks for education. I believe that modifying the language to refer to degree types (e.g., Bachelor's or Master's), rather than credits, will ensure the longevity of these pathways as higher education in the United States evolves.

### Recommendation

I strongly recommend that NASBA and AICPA examine going to a degree type plus general year(s) of experience (e.g., Bachelor's + 2 years). This would allow any legislative work in this area to remain effective while US higher education evolves.

## Remove barriers and simplify the licensure process

I believe adding the year of enhanced experience adds additional barriers for candidates trying to enter public accounting.

The complexity and subjectivity of the competencies, as well as the process for meeting them could be a detractor from drawing candidates into the profession.

In addition, I have concerns that the software created by NASBA, and the CPA supervisor relationship will translate to additional cost for candidates through fees for use of the software and the time of the supervising CPA. I oppose any pathway that adds additional expense to the candidate experience.

#### **Recommendation**

I firmly believe that a pathway comprising a Bachelor's degree, year or years of general experience, and the Uniform CPA Exam is sufficiently rigorous to maintain the quality, integrity, and value of the CPA license.

#### **Maintain Mobility**

Mobility has been a challenge but not the main issue in this CPA pathway discussion and can be addressed through state cooperation. I do not believe substantial equivalency, as evaluated by NASBA's National Qualification Appraisal Service (NQAS), is necessary to ensure future mobility.

I am not in favor of a national database indicating whether someone has obtained a CPA through a pathway not considered equivalent. This places NASBA at the center of the conversation rather than the states. I am disappointed that automatic mobility was excluded from the proposals.

#### **Recommendation**

I believe automatic mobility is the best way to address the challenge. Automatic mobility, as seen in Alabama, Nebraska, Nevada, and North Carolina, provides a framework for stability, public protection, and jurisdiction over CPAs practicing under licenses from other states. In fact, I understand more states are proposing to include in their upcoming legislative bills.

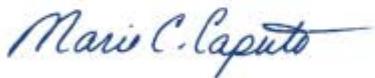
#### **Summary and Next Steps**

I do not support the current proposals. I recommend:

- New Pathway: Degree (rather than credit hours) + year(s) of general experience, along with CPA Examination.
- Adopt: automatic mobility with education, experience, and CPA exam guardrails, as currently practiced in four states.

Thank you for considering my comments.

Sincerely,



Marie Caputo, CPA  
Principal, CLA  
410-371-7116  
marie.caputo@claconnect.com

December 5, 2024

AICPA/NASBA Joint UAA Committee  
AICPA Leadership and Board of Directors  
NASBA Leadership and Board of Directors

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Thank you for considering my comments.

Sincerely,



I am currently a student and employee at Oakland University in Rochester MI. I am an accounting major and am employed in the Accounting Office. I have been offered internships at Plante Moran and PwC. During my time at Oakland, I have learned a lot about the CPA process and have heard from many people about what someone of my age should do for this process and each person has told me something different.

Most academics I have talked to promote the masters programs to get to 150 credits. For the most part this seems like a good plan, except for the price tag on postgraduate education. Using data from [educationdata](#), you can see the price of tuition has risen dramatically since the CPA licensure started requiring 150 credits. Now this is something that could be offset by the increase in salary that comes with the CPA designation. However, to get the extra credits you still have to pay in the first place and some people do not have access to this opportunity, especially with the higher cost of postgraduate education compared to undergraduate education. This goes even further when considering financial aid and scholarships, which many people depend on to get undergraduate education in the first place, are not as [common](#) with postgraduate education.

To get the 150 credits you do not need to get post graduate education such as a master's degree or other related advanced classes. Someone could take classes in unrelated fields just to get the credits needed. This does not seem like the most ideal way for someone to prepare themselves for either the accounting professional field or the CPA exam itself. This doesn't have to be the case.

Given that 30 credits can be realistically completed in one year, I think the extra year of employment in accounting makes more sense for CPA licensure requirements. I have talked to many CPAs and they had said that they learned more on the job compared to in the education they experienced. For me, I think that an extra year in the profession would allow me to understand what avenue of accounting that I prefer or more importantly which ones do not interest me.

Assuming the change goes through, potential CPA candidates would then have more job experience. This would give them a better understanding of what they want to learn to amplify their skillset in accounting, take classes that deal with topics that are also applicable in their desired career path, or simply prepare for the CPA exam with classes that specialize in preparation. This also lets people diverge from, or even pursue alongside, the CPA to maybe CME or CFE that are a little more specific.

I understand that a CPA license is not required to be in the profession of accounting as I have met many talented people and smart individuals in the field without one, however to work in the public sector you need one to do a lot of the duties required, and many firms will prefer to hire CPAs or people that meet the requirements to be CPA ready. CPAs also make more money on average compared to non-CPA accountants.

I think the bottom line of this is that changing the requirements away from 30 extra credits to an extra year of professional experience would give potential CPAs more flexibility and opportunities to make connections and a future job. Tuition for a master's degree can cost upwards of \$30,000 or more depending on the university,

while a job can provide you with funds. If the goal is to get more people to want to become CPAs, from my perspective, the switch to an extra year of employment would be more advantageous for a student and someone my age.

November 30, 2024

**AICPA and NASBA  
CPA Competency Pathway**

To the Committee Members:

While I appreciate the effort and time required to produce this document, I feel that it falls short of what is needed. Both the AICPA and NASBA had a great opportunity to really address the accounting pipeline problem, but this effort just misses the mark.

I do not see how this proposal provides rigorous public protection for those who would follow the pathway.

While it appears that a small number of academic CPAs were involved in drafting this document, based on personal conversations with one person who serves on the AAA Council, little input was actively solicited from those serving in academia. She told me that they were somewhat blindsided and did not appreciate the timing of the public announcements of the pathway proposal.

A candidate would have five years to complete the pathway. That timing is probably too much. I doubt the candidate is serious about licensure if it takes them more than five years to complete the experience and competency requirements.

My biggest concerns surrounding this document relates to its lack of focus on the professionalism of the accounting field. We are an honored profession, and we worked hard to obtain and keep that status. To boil down critical requirements to a competency framework is disturbing. What's next – no bachelor's degree requirement if certain competencies can be 'met'? That would be absurd; yet, it is a path that some already advocate for. I would prefer that we never open that door.

I remain worried/anxious about the liability concerns for CPA Evaluators who would be certifying a candidate's competencies. Once the first lawsuit is filed over supposed competencies not really demonstrated, then the pathway falls apart. Personally, I would never feel comfortable signing off on a candidate's competencies. I would literally be on the 'hook' for that candidate's supposed learning and competency fulfillment. I am shocked the large accounting firms are willing to take on that increased risk and responsibility.

In essence, the profession seems willing to accept the satisfaction of the technical competencies in place of additional academic training that would better prepare the candidate for successful licensure

Clearly the completion of the additional 30 hours (taken either as an undergraduate or graduate student) before starting full-time employment is the preferred pathway. Candidates who graduate with ONLY a bachelor's degree and then begin their full-time employment WHILE working 8, 9, or 10 hours per day leaves little time for adequate preparation to successfully complete the exam.



**LIPSCOBLEADS**  
A FAITH-DRIVEN, FORWARD-THINKING CAMPAIGN.

During 2024, a retired Big Four Partner and myself met with representatives of twelve entities in the Nashville market (three Big Four firms, the internal audit department of a large publicly held company, four local firms, and four regional/national firms). We requested in-person meetings to discuss perceptions of the accounting pipeline problem. We asked each firm the same six questions, which focused on firm policies that described the desired academic background of new hires, policies on the CPA exam, and where their new hires' status related to the exam when they started work. In addition, we discussed the 'possibility' of the rollback of the 150-hour requirement and requested their thoughts and directions on where such changes might lead Tennessee's academic accounting programs.

Virtually all of the firm representatives indicated that more than sufficient work was there for each employee. Few provided time off to study, as they indicated that the client work had priority over exam preparation. Thus, firms are now experiencing a critical problem with candidates failing to obtain licensure. This appears to be a pressing problem at the Manager level, since most firms require CPA licensure to make that staff level.

I don't see how the proposed CPA Competency pathway addresses these problems. In addition, this competency pathway is not simple. It is cumbersome with lots of moving parts. Candidates don't need something this complicated.

I recommend two things:

1. Implement a 120 + 2 pathway. Only require a bachelor's degree plus two years of work experience. Or, candidates complete a master's degree and only require one year of work experience, which was my pathway in the early 1980's. Go with something simple. Eliminate the competency proposal.
2. Research shows that candidates perform at a higher level on the CPA exam if they complete additional coursework beyond the bachelor's degree. In addition to higher exam performance, I imagine they perform better at work since they are more mature. Incentivize such behavior by offering some type of academic scholarship that would only be available to students pursuing 30 additional hours post-baccalaureate. These hours preferably would be graduate level hours. Students must have graduated with a minimum 3.00 GPA (overall). Firms and foundations could contribute funding for these scholarships where perhaps the AICPA or the AAA could administer the program. Funds would be paid ONLY to the university and might cap out at a maximum of \$15,000 to 20,000. Students would have to provide proof of enrollment. Funds would only be available for a maximum of four consecutive semesters.

The profession must incentivize more candidates to invest the extra year in their formal education so that they have sat for 3 – 4 parts of the CPA exam before they start their first full-time job. Such a path sets them up for higher success both on the exam and at work professionally.

Few, if any firms, set up candidates for success otherwise. While they might like to give candidates time off to study, that would mean that client work will not be completed timely. Our alumni have found very few firms willing to go down that path.



One University Park Drive  
Nashville, TN 37204  
615.966.5795  
[www.lipscomb.edu](http://www.lipscomb.edu)

**Pfeffer  
Graduate  
School of  
Business**

Sincerely,

A handwritten signature in black ink that reads "Perry Glen Moore".

Dr. Perry Glen Moore, CPA, CIA, CRMA

Charles E Frasier Chair of Accountancy  
Director, MAcc Program



**LIPSCOMBLEADS**  
A FAITH-DRIVEN, FORWARD-THINKING CAMPAIGN.

December 29, 2024

**Joint AICPA/NASBA UAA Committee**

American Institute of Certified Public Accountants (AICPA)  
National Association of State Boards of Accountancy (NASBA)

**Comments on the Exposure Draft of Amendments to the Uniform Accountancy Act (UAA)**

Dear Members of the Joint AICPA/NASBA UAA Committee:

I am writing to provide my comments on the proposed amendments to the Uniform Accountancy Act (UAA) as outlined in the Exposure Draft issued on September 30, 2024. As a CPA licensed in the State of Utah, I appreciate the opportunity to share my thoughts and support the Committee's efforts to enhance the UAA to address the evolving needs of the accounting profession.

**Proposed Recommendation: Recognition of International Professional Accounting Qualifications**

I would like to propose an additional amendment to Sections 5(c) of the UAA to recognize international professional accounting qualifications, such as the Association of Chartered Certified Accountants (ACCA), as part of the education requirements for CPA certification. This recognition would allow state boards of accountancy to grant education credits to international accounting professionals who have demonstrated equivalent competencies through globally recognized credentials.

**Rationale for the Proposal**

- a. **Addressing the CPA Pipeline Challenge:** As highlighted in the AICPA's Pipeline Acceleration Plan and supported by recent trends, the U.S. accounting profession is experiencing a significant shortfall in CPA candidates, exacerbated by a declining number of accounting graduates. The inclusion of international professional accounting qualifications in the UAA framework will help attract highly qualified international talent, alleviating this supply-demand gap.
- b. **Mitigating Barriers for International Talent:** Currently, over three-quarters of U.S. states do not recognize international professional accounting qualifications for the 150-credit-hour requirement. This creates a significant barrier for internationally qualified accountants who have the skills and desire to contribute to the U.S. accounting profession. Recognizing these qualifications can streamline their pathway to licensure and promote inclusivity.
- c. **Alignment with UAA Objectives:** The Uniform Accountancy Act emphasizes standardization and high-quality professional education. Many international qualifications, such as the ACCA, align closely with the education objectives and subject matter content specified in the UAA. These qualifications are often recognized as equivalent to master's degrees globally, making their exclusion from education credit evaluations an oversight.
- d. **Promoting Diversity and Inclusion:** By recognizing international qualifications, the profession can attract a broader and more diverse talent pool. This approach aligns with the AICPA's strategic focus on diversity, equity, and inclusion.

**Suggested Amendments**

**Section 5(c): Qualifications for a Certificate as a Certified Public Accountant**

**Proposed clause original text:**

(1) The education requirement ~~for a certificate~~, which must be met before an applicant is eligible to apply for the examination prescribed in subsection (d), shall be ~~at least 150 semester hours of college education including a baccalaureate or higher degree conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration, or equivalent as determined by Board rule to be appropriate.~~

(A) a post baccalaureate degree with a cumulative 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(B) a baccalaureate degree plus additional credits totaling 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(C) a baccalaureate degree conferred by a college or university acceptable to the Board, the total education program to include an accounting concentration, or equivalent as determined by Board rule and the completion of competency-based experience prescribed in section 5(f)(2).

**Proposed clause with suggested amendments:**

(1) The education requirement ~~for a certificate~~, which must be met before an applicant is eligible to apply for the examination prescribed in subsection (d), shall be ~~at least 150 semester hours of college education including a baccalaureate or higher degree conferred by a college or university or an international professional accounting qualification issued by an international professional accounting body<sup>1</sup>~~ acceptable to the Board, the total educational program to include an accounting concentration, or equivalent as determined by Board rule ~~to be appropriate.~~

(A) a post baccalaureate degree with a cumulative 150 semester credit hours, conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(B) a baccalaureate degree ~~and/or an international professional accounting qualification~~, plus additional credits totaling 150 semester credit hours, conferred by a college, university, ~~or international professional accounting body<sup>2</sup>~~ acceptable to the Board, the total educational program to include an accounting concentration or equivalent as determined by Board rule, or

(C) a baccalaureate degree conferred by a college or university acceptable to the Board, the total education program to include an accounting concentration, or equivalent as determined by Board rule and the completion of competency-based experience prescribed in section 5(f)(2).

**Supporting Evidence**

As outlined in the overview section of the exposure draft of the UAA changes, the AICPA and NASBA's proposed exposure draft, "CPA Competency-Based Experience Pathway," aims to strengthen the CPA

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<sup>1</sup> Amendments to the proposed UAA, currently available for public comment, are indicated in gray for clarity.

<sup>2</sup> Consider adding a comment or reference to the criteria outlined in Rule 6-10(a)(2) of the April 2023 Model Rules, which candidates must satisfy for international professional accounting to be eligible for educational credits.

pipeline. The suggested amendment complements this initiative by supporting the alternative pathway concept, specifically through the recognition of international professional accounting qualifications when evaluating candidates' educational credentials for the 150-credit-hour requirement.

### **Understanding the Impacted Groups**

There are several groups of internationally qualified accountants who possess a strong desire to become U.S. CPAs. However, they encounter a significant entry barrier, as their international professional accounting qualifications are not recognized for educational credits in more than three-quarters of the states in the U.S.

**a. Accountants on Rotation Programs:**

This group includes those who have relocated to the United States through short-term or medium-term rotation programs, typically offered by various companies, including public accounting firms as part of outsourcing initiatives. Many of these individuals aspire to localize their presence in the U.S., securing permanent residency through employer-sponsored green card programs.

**b. Permanent Immigrants:**

Another group consists of internationally qualified accountants who have permanently migrated to the United States through family-based immigrant visa programs or by winning the green card lottery.

**c. Affiliates of U.S. Companies:**

The third group comprises professional accountants who are affiliated with U.S. companies either through outsourcing arrangements or as part of multinational organizations outside the U.S. These individuals often face challenges when applying for transfers to fill open positions within the United States. A common hurdle they encounter is the requirement to demonstrate the completion of 150 credit hours, which is necessary to apply for a CPA license. This requirement is both essential and non-negotiable in formal interview processes, particularly within public accounting firms.

**d. Internationally Qualified Accountants in Countries Where the U.S. CPA Exam Is Offered**

The AICPA and NASBA have significantly expanded the availability of the U.S. CPA Exam to international locations, aiming to further promote the U.S. CPA credential as a globally recognized qualification.

Effective July 1, 2024, NASBA, in collaboration with the AICPA, began offering the U.S. CPA Exam in the Philippines. This addition increases the total number of foreign countries where the exam is available to 19.

Despite this expansion, many internationally qualified accountants residing in these countries face significant challenges in meeting the 150-credit-hour education requirement for CPA licensure. These challenges arise because most international professional accounting qualifications, although rigorous and widely respected, are not recognized for education credits by the majority of U.S. states. Consequently, even highly skilled international accountants often struggle to fulfill the education requirement, despite possessing the expertise and competencies needed to make meaningful contributions to the accounting profession.

## **Alignment with the UAA Objectives**

The UAA aims to standardize regulations governing the practice of accountancy across various jurisdictions. Rule 5-2 of the April 2023 edition of the UAA Model Rules defines the education requirements for aspiring accountants, outlining three key criteria that an educational program must meet to align with the objectives of the UAA.

The following analysis compares these key criteria with the structure and content of international professional accounting qualifications.

### **a. Developing Practical Skills: Including communication, critical thinking, research, and analysis**

- **ACCA:**
  - ACCA's syllabus emphasizes real-world application of accounting principles, fostering critical thinking and analytical skills through case studies and applied examinations.
  - Modules such as Strategic Business Leader develop communication skills by requiring candidates to present solutions to complex business problems.
  - Research and analysis are integral to ACCA's professional modules, such as Performance Management and Financial Management.
- **Chartered Accountancy (CA):**
  - Chartered Accountancy programs (e.g., CA from ICAEW, ICAI, or ICAP<sup>3</sup>) also focus on practical skills through case-based learning and workplace experience requirements.
  - Skills like research and analysis are honed in modules like Advanced Auditing and Strategic Financial Management, while practical training fosters critical thinking in real-world scenarios.

### **b. Emphasizing Ethical Conduct: Professional skepticism, judgment, and responsibility**

- **ACCA:**
  - ACCA places significant emphasis on ethical conduct through its Ethics and Professional Skills Module, which all candidates must complete.
  - Professional skepticism, judgment, and responsibility are examined in depth in modules such as Audit and Assurance and Corporate Reporting.
  - Ethical dilemmas are integrated into exam questions, ensuring candidates can apply theoretical knowledge to real-life scenarios.
- **Chartered Accountancy (CA):**
  - Ethical behavior is a cornerstone of CA programs globally, with dedicated coursework on ethics and professional conduct.

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<sup>3</sup> ICAEW: Institute of Chartered Accountants in England and Wales, ICAI: Institute of Chartered Accountants of India, ICAP: Institute of Chartered Accountants of Pakistan.

- Modules like Professional Ethics (ICAEW) and Code of Ethics (ICAI) ensure candidates are well-versed in ethical frameworks and regulatory expectations.
- Practical experience requirements reinforce the importance of professional judgment and ethical responsibilities.

**c. Delivering High-Quality Instruction: In subjects that directly contribute to the knowledge, skills, and abilities necessary to meet public expectations of a CPA**

• **ACCA:**

- ACCA's syllabus provides high-quality instruction across essential subjects like Taxation, Financial Reporting, Management Accounting, and Audit and Assurance.
- Exams are globally standardized, ensuring consistency and rigor, and are designed to reflect the expectations of employers and stakeholders.
- Continuous professional development (CPD) requirements further maintain the quality of skills over time.

• **Chartered Accountancy (CA):**

- CA qualifications also provide high-quality instruction, often tailored to local regulatory and business environments.
- Core subjects, such as Accounting, Auditing, and Corporate Law, are designed to meet the public's expectations of integrity and professionalism.
- The integration of academic learning with practical work experience ensures a holistic approach to education.

As analyzed above, the objectives and subject matter content areas listed in Section 5-2 of the UAA align closely with the educational objectives and subject matter content of international professional accounting qualifications.

Given the similarities between the education requirements outlined in the UAA and those of international professional accounting qualifications, the time required to complete the exams, practical experience requirements (typically spanning three to four years), and the complexity of the exams (involving 12 to 16 course modules), it is evident that awarding zero education credits for such qualifications by some states is an unreasonable approach when evaluating education for the 150-credit-hour requirement for U.S. CPA licensure.

**Limitations in the Current Approach to International Qualification Recognition**

Many international professional accounting qualifications, such as ACCA UK and Chartered Accountancy, are globally recognized as equivalent to a master's degree in accounting. For instance, the UK National Information Centre for the Recognition and Evaluation of International Qualifications and Skills (UK ENIC) equates the ACCA UK qualification to a UK-taught master's degree. Despite this, some U.S. states do not recognize these qualifications for education credits, creating unnecessary barriers to U.S. CPA licensure. This not only deters talented and experienced professionals but also risks driving them to other fields or countries.

The notion that educational credits should be exclusive to academic qualifications is flawed, as the theoretical content related to accounting, finance, and business is comparable in both academic and professional settings. Furthermore, the argument that educational credits should depend on whether a qualification grants practicing rights in its country or is legally recognized is unjustifiable. Educational credits should instead be based on the content studied.

### **Addressing the Gaps and Promoting Uniformity**

Currently, only 13 states (Alaska, Arizona, California, Guam, Maine, Montana, New Hampshire, Ohio, Oregon, Illinois, Iowa, Virginia, and Washington) recognize international professional accounting qualifications when evaluating education for the 150-credit-hour requirement. These states grant educational credits based on state-specific rules.

Incorporating the proposed amendments into the UAA would encourage other states to update their policies to recognize international qualifications. Having a clear clause in the UAA is crucial for achieving this goal. Such changes would promote alignment among the remaining 42 state boards, addressing differences in policies and enhancing uniformity nationwide—a key focus for both the AICPA and NASBA.

### **Mitigating the CPA Pipeline Issue**

Building consensus on this proposal would significantly address the CPA pipeline issue by removing barriers for internationally qualified accountants. Recognizing international professional accounting qualifications would allow these professionals to:

- a. Sit for the U.S. CPA exam.
- b. Expand the pool of CPA candidates by leveraging the expertise of international professionals.
- c. Improve the mobility of qualified accounting professionals to the United States.

The proposed amendments also align with the AICPA and NASBA's goals of enhancing the CPA pipeline while promoting diversity and inclusivity in the profession. By enabling internationally qualified accountants to meet the education requirements for licensure, the proposed amendment would help meet the growing demand for CPAs and contribute to the long-term sustainability of the profession.

### **Why Should the UAA Provisions Recognize International Professional Accounting Qualifications?**

Rule 6-10 of the UAA addresses international reciprocity, including provisions for recognizing professional accounting credentials or registrations issued in foreign countries as substantially equivalent to a CPA license. These recognitions are governed by Mutual Recognition Agreements (MRAs) established with respective international professional accounting bodies.

Up to the present day, NASBA and AICPA have entered into eight MRAs with organizations such as The South African Institute of Chartered Accountants, CPA Australia, Chartered Accountants Australia and New Zealand (CAANZ), CPA Canada (CPAC), Chartered Accountants Ireland (CAI), the Institute of Certified Public Accountants in Ireland (CPA Ireland), the Instituto Mexicano de Contadores Publicos (IMCP), and the Institute of Chartered Accountants of Scotland (ICAS). These MRAs aim to connect the U.S. accounting profession with countries that are signatories to the General Agreement on Trade in Services (GATS). Through these MRAs, qualified professional accountants from other countries can practice in the United States without the need for complete re-credentialing. In simpler terms, professionals holding membership in any of the eight recognized professional bodies are exempt from reevaluating their educational qualifications to demonstrate

150 credits. They are also exempt from four of the U.S. CPA exam papers. Instead, they are only required to take and pass the International Qualification Examination (IQEX) paper, apart from the ethics exam required by some states for CPA licensure.

While MRA is a valuable tool for recognizing international professional accounting qualifications, criteria such as GATS signatory requirements, which extend beyond the evaluation of the quality of accounting qualifications, introduce more complexity into the MRA process. Consequently, reaching a consensus with all relevant parties to significantly expand the recognition of international professional accounting qualifications through the signing of more MRAs is a nearly impossible task.

International professional accounting qualifications, including those recognized by existing MRAs, typically cover core modules such as Financial Accounting, Management Accounting, Taxation, Audit and Assurance, Financial Management, Corporate and Business Law, Ethics, and Professionalism. As previously noted, qualifications accredited through MRAs are highly regarded, and candidates seeking a U.S. CPA license face minimal additional requirements. Therefore, it is reasonable to propose that international professional accounting qualifications that do not have an existing MRA should be considered for some educational credits when evaluating education for the 150-hour requirement. This approach would recognize the equivalency of their foundational education while maintaining the standards of the accounting education in the U.S.

Therefore, given that the existing UAA provisions encompass provisions related to MRAs with international professional accounting bodies, amending Section 5(c) to formally recognize international professional accounting qualifications to grant education credits represents a logical and equitable approach. Such an amendment would encourage state boards of accountancy to align their rules, thereby reducing discrepancies between jurisdictions that already recognize and award education credits and those that do not. Furthermore, this adjustment would address the current oversight of failing to allocate any education credits to international professional accounting qualifications, promoting consistency while maintaining high standards in the evaluation and awarding of education credits.

## **Conclusion**

Incorporating the recognition of international professional accounting qualifications into the UAA is a vital step toward addressing the challenges facing the CPA pipeline. By allowing international professional accounting qualifications to fulfill the 150-credit-hour education requirement, this amendment would:

- a. Attract highly skilled and diverse talent to the profession.
- b. Facilitate global mobility for accounting professionals.
- c. Ensure consistency and uniformity across state boards while maintaining the high standards of the CPA credential.

In summary, this proposal will uphold the high-quality standards expected of a CPA. It ensures that international professional accounting qualifications not covered by an existing MRA are granted educational credits during the evaluation of candidates' education to determine compliance with the 150-credit hour requirement for CPA licensure. Importantly, this proposal does not provide a full exemption from the U.S. CPA exam.

As a result of the proposed amendment, the number of U.S. CPA candidates is expected to increase, as international accountants will have a clearer pathway to meet the 150-credit requirement.

This change will help address the current CPA pipeline issue by attracting more qualified candidates to the profession.

Therefore, I kindly request the Committee to consider adopting this amendment to strengthen and sustain the CPA profession for the future.

Thank you for the opportunity to provide these comments. I am happy to further discuss this proposal or provide additional insights and data to support its implementation.

Very truly yours,

A handwritten signature in black ink, appearing to read "Priyankara Silva".

Priyankara Silva, CPA

Dear Board Members,

I am a former CPA (Pennsylvania) with many years of public accounting experience (Big 8 at the time) as well as over 20 years of industry experience. My daughter is a current college senior pursuing her BS in Accountancy from an accredited university. I am a stakeholder in so far as my husband and I pay for our daughter's college tuition and for additional courses she needs related to the current 150-credit requirement. We have two additional children for whom we also pay college tuition.

My daughter has chosen the path of chipping away at the 150-credit requirement. She has consistently increased her course load at her university and has taken supplemental summer courses at a local community college. She is an excellent student and is aiming to complete the 150-credit requirement in 4 years. Her college curriculum is intense, rigorous and in-depth, oftentimes leaving her wondering if the accounting profession is worth the sacrifices she is making. While many of her college peers are studying abroad and switching to less demanding business majors that often have higher starting salaries, she is trying to stay the course and pursue her CPA. Like so many accounting students, she has abandoned the idea of obtaining a 5<sup>th</sup> year master's degree due to high tuition costs and the related loss of a full year's income while obtaining that degree. Community college course offerings often duplicate what she has already taken at her university; therefore, only non-business elective-type courses seem to be what are available to her.

The national and state boards MUST begin to understand that the economics of the current licensing requirements do not add up, especially in the inflationary world in which we currently live. Nor do they "raise the bar" or necessarily raise standards. They merely delay real on-the-job learning, cost more money, and are inefficient and not targeted. I realize I am not saying anything new, but I hope my real-life experience adds further support for the need to make changes.

The new proposal is a step in the right direction, although I think it creates additional administrative complexities and costs for employers. Personally, I do not think there was anything wrong with the old plain and simple two-year work requirement. Sometimes less is more. I would just suggest that you finalize and pass your proposal quickly and that state boards also buy in quickly. In addition, be considerate of students who are currently trying to make decisions and plans about spending additional time and money on credits they may not need. Otherwise, the pipeline of qualified students may shrink even further as they worry that this profession's leadership can no longer make timely economic and technical licensing decisions that are feasible in today's business landscape.

One final thought is to more fully and effectively reach out to the individual state boards and employers to let them know the timing of this current proposal. Although the Pennsylvania Institute of CPAs seems to be fully aware of this proposal, my state licensing board seemed completely unaware when I recently called to try to ascertain the timing of adopting potential licensing changes provided in the proposal.

Thank you for considering my comments.

Sincerely,

[REDACTED]

To: AICPA/NASBA Joint UAA Committee, AICPA Leadership and Board of Directors, NASBA Leadership and Board of Directors.

From: Thomas Neill, CPA Chair, AICPA UAA Committee

Re: September 30, 2024 Exposure Draft to the Uniform Accountancy Act, Eighth Edition - January 2018

Date: October 13, 2024

I am submitting this comment letter in opposition to the two items contained in the exposure draft, amendments to 1) UAA Section 5: Education requirements to sit for the CPA Exam and education requirements for a certificate; and 2) UAA Section 23: Substantial Equivalency for individuals licensed through a non-substantially equivalent pathway.

Over the last year, I have had the privilege to serve as a member of the National Pipeline Advisory Group. One of the key sub-groups of NPAG that I served on dealt with the issues around licensure, focusing on substantial equivalency and mobility. A key conclusion was that as a profession, we need to both modernize and future proof the processes around licensure. For me, this has informed the way I now look at the Model Uniform Accountancy Act and Rules, and the process around how it should be modified to best serve the profession now and into the future.

### **Background**

I have served on AICPA UAA Committee for over ten years and have served as chair for more than three years. The AICPA UAA Committee is comprised of a phenomenal group of volunteers, from different walks of the profession. As a group, we all recognize the wisdom of crafting model language for the profession that not only pays heed to what is currently happening in the regulatory environment around licensure, but also serves as a guiding light for states and stakeholders to use in crafting state statute and rule to effectively and more consistently govern the profession. It is therefore incumbent on the Joint UAA Committee to be listening to what is happening in the profession and to thoughtfully consider proposed modifications to the Model Act and Rules that best serve the profession now and into the future.

Over the last few years, there has been a move by some states to change certain components of substantial equivalency, or the three E's – education, exam and experience. The changes relate to two of the E's - 150 hours of education and one year of experience. A number of states have been considering moving back to the level of education that many of us were licensed under, the 120 hours or bachelor's degree level. Tied to that change would also be an increase in the level of experience required for licensure, from one year to two years. There has been much discussion around both of these proposed changes, but more around the composition of the two years of experience.

AICPA and NASBA senior leadership feel that simply adding a second year of experience does not replace the additional year of education. They therefore proposed that the additional year of education needed to contain a more competency-based approach. This is where the problems began with the development of the exposure drafts.

Senior AICPA and NASBA leadership met and crafted modifications to UAA Sections 5 and 23. In my years as a member and chair of the AICPA UAA Committee, we have been provided an issue

or question by leadership for consideration by the joint committee to evaluate whether the Model Act needed to be modified. In this instance, the normal committee process was overridden by leadership's predetermined approach to the issues.

Regarding modifications to Section 5, the AICPA UAA Committee was told, in no uncertain terms, that we could not propose language that contained 120 hours plus 2 years' experience or the bachelor's plus 2 years' experience. We could only consider a model that included a year of "enhanced" experience as part of the two year experience component.

Regarding modifications to Section 23 on substantial equivalency and mobility, the NASBA UAA Committee proposed language that kept in place its National Qualification Appraisal Service as a key component. The AICPA UAA Committee felt strongly that automatic mobility provisions were in the best interest of the profession and would preserve mobility to a far greater extent than what is proposed in the exposure draft. But once again, the AICPA UAA Committee was told by AICPA senior leadership that it could not proceed with language that the NASBA leadership was in opposition to.

The AICPA UAA Committee voted 9 to oppose the exposure draft, with 1 vote *in favor of exposure, not in favor of the proposals.*

## **Section 5 - QUALIFICATIONS FOR A CERTIFICATE AS A CERTIFIED PUBLIC ACCOUNTANT**

In Section 5(c)(2), the exposure draft still contains the master's degree as well as bachelor's degree plus the additional 30 hours to get to 150 hours of education. In both instances, there is the extant one year of required experience. But it also adds the additional path to licensure of a bachelor's degree plus two years of experience, containing the completion of competency-based experience based on a "framework developed by a national accounting organization and administered in accordance with Board Rule" (section 5(f)(2)(A)).

My issue with the proposed language in this section is as follows:

- In developing this exposure language, it was pre-determined by senior AICPA and NASBA Leadership, not through the normal Joint UAA Committee process and procedure. It is not well thought out, and has been fast-tracked to achieve a predetermined goal.
- This language does not give recognition and consideration to what is currently being proposed in a number of jurisdictions – that of the bachelor's degree and two years of experience.
- The language requires the creation of an additional set of standards developed by a "national accounting organization". Said organization does not currently exist, nor does this language define what it may be. While the AICPA does currently set various standards, NASBA does not, nor is it equipped to do so. Moving to a simple 2-year experience model avoids the need to create another set of standards.
- Creation of another set of standards add additional burden to candidates and employers. Employers will need to determine how best to assist candidates to achieve the competencies and the related cost. This could serve to discourage employers to assist candidates to become licensees.
- This could be perceived as an additional hurdle to licensure at a time when the profession is trying to attract more candidates. It is an ill-timed proposal.
- This adds an additional layer of regulation for boards of accountancy to address in their statute and/or rule.

- This language does not modernize nor future proof the licensure model for the profession. If there are states that move to a simple bachelor's plus 2-year experience system, which could very well occur over the next year or two, the Model Act will then be at odds with what is happening in the licensure process.

The issue should be sent back to the Joint UAA Committee so that a thoughtful and considered approach could be undertaken and language could be developed to address the concerns above.

### **Section 23 – SUBSTANTIAL EQUIVALENCY**

When the AICPA UAA Committee reviewed the initial draft of the language proposed by senior leadership, we took a completely different approach. Our committee feels strongly that the existing language in Section 23 should be completely deleted and replaced with automatic mobility language similar to what is found currently in four states – Nebraska, Nevada, Alabama and North Carolina. That language is similar to the following:

A person licensed by any other state as a certified public accountant is granted the privilege to perform, or offer to perform, services in this state without obtaining a license so long as the person, at the time of licensure, was required to show evidence of having obtained at least a minimum of a baccalaureate degree, passed the Uniform CPA Exam, and has at least one year of experience. The person consents, as a condition of this privilege, to:

- (a) the disciplinary authority of the state board of accountancy,
- (b) comply with the laws and rules of the state,
- (c) cease offering or rendering professional services in this state both individually and on behalf of the firm in the event the license from the state of the person's principal place of business becomes invalid, and
- (d) any action or proceeding brought by this board of accountancy being referred to the state board of accountancy which issued the person's license.

The AICPA UAA Committee members noted that the profession needs to trust that if a state grants a license, another state should simply look to see that the candidate *has* a CPA license, not how that individual *got* the license.

My concerns with the exposure draft language as proposed are as follows:

- This language ignores the four jurisdictions that currently have automatic mobility provisions in their statute/rule. Since enactment in those jurisdictions, there have been no issues noted with how it has been administered.
- The draft language does not modernize the licensure process nor future proof the profession and the ability of CPAs and firms to work across borders.
- This Section is tied to Section 5 in terms of the recognized equivalent pathways. If a state enacts a bachelor's degree plus two year experience model, their licensees may not be considered substantially equivalent and would not have access to mobility.
- The proposed Section 23 language assumes that a state board will "go rogue" and admit a candidate who is clearly not substantially equivalent under any current or proposed licensure scheme.

- In Section 23(a)(1) it requires a state board to determine whether another state is substantially equivalent, or to utilize NASBAs NQAS to make that determination. Some states may prohibit the delegation of that authority to a third-party membership organization/vendor such as NASBA. This puts additional administrative burden on a state board.
- In Section 23(a)(2) it potentially impacts those existing licensees who obtained their license prior to the advent of the 150-hour rule. The way the exposure language is written could limit those licensees from being considered substantially equivalent and having access to mobility.
- In Section 23(a)(2) it inserts a “national licensee database”, created and maintained by NASBA. This database would note how and where a licensee obtained their license. It in essence creates multiple classes of licensees instead of only one class – a CPA equals CPA. It puts unneeded additional burden on licensees, firms and state boards.

The issue should be sent back to the Joint UAA Committee so that a thoughtful and considered approach could be undertaken and language could be developed to address the concerns above.

The language proposed for both Sections 5 and 23 do not give proper consideration to what is happening in the various states around licensure. Senior leadership of both NASBA and the AICPA have been tone deaf to what is being considered around licensure pathways and mobility. AICPA leadership in particular has ignored the advice of its committee, let alone its members, on these issues and has pushed its own agenda. As a membership organization, we would be doing a disservice to our members to approve and enact such language.

Thomas Neill, CPA  
Chair, AICPA Uniform Accountancy Act Committee

12/27/2024

AICPA and NASBA Leadership

Joint UAA Committee

RE: UAA Exposure Draft

Dear AICPA and NASBA Leadership,

On behalf of the AICPA Joint UAA Committee members listed below, we appreciate the opportunity to respond to the UAA Exposure Draft dated 09/30/2024. As committee members we'd like to comment on the committee process with the goal of creating guidelines and a set process for future joint UAA committee meetings.

During the most recent meetings, it was clear that the AICPA committee and the NASBA committee had two different approaches to the role of the committee. The AICPA committee understood their charge to review sections 5 and 23 of the UAA, identify problems and solutions, discuss what language should be modified, and come to an agreement for final language to submit to leadership for consideration. The NASBA committee understood their charge as modifying sections 5 and 23 of the UAA to align with pre-determined solutions mandated by NASBA leadership. It was explained much later in the process that AICPA Leadership expected the AICPA committee to follow the same path as the NASBA committee although the Joint UAA Committee had never operated this way in the past. These varying approaches made thoughtful discussions and compromises impossible because the NASBA team did not feel they had the option to vary from the mandated solutions they were given. The AICPA committee wanted to look at all points of view to find solutions per the process from prior meetings. Understandably, this led to frustration for all involved. A committee cannot function without a full understanding of its duties.

We suggest the following to avoid the gridlock we experienced and to allow for the necessary discussions regarding the UAA:

- Written rules and processes the joint committee shall follow.
- Full understanding of where directives originate and the expectation of such directives.
- Flexibility for committee members to consider all options and solutions during discussions.
- Process if an impasse is reached.

It is vital the above items are considered before the Joint UAA Committee meets again so we can facilitate the necessary and valuable work of these engaged volunteers.

Sincerely,

Rachel Chaney, CPA

Anna Durst, CPA

Laurie Horvath, CPA

Gordon Tom, CPA

## Exposure Draft “Uniform Accountancy Act” Proposed Amendments – Comments & Recommendation

By the Accounting Faculty of the University of Nevada Reno

December 2, 2024

The proposed amendments to the Uniform Accountancy Act (“UAA”) were introduced as a consequence of the proposed new pathway to CPA licensure. Article 5 is modified to include the new pathway to licensure while the proposed amendments to article 23 add new language about the national database where individual CPAs path to licensure is tracked and verified.

The Accounting Faculty of the University of Nevada Reno also submits comments concerning that “Pathway to CPA proposal” recommending a simpler and more intuitive approach with just two pathways:

- (1) CPA exam, 120 credits (with bachelor’s degree and including the required accounting & business education), **two** years (4,000 hours) of relevant accounting experience (\*)
- (2) CPA exam, 150 credits (with bachelor’s degree and including the required accounting & business education), **one** year (2,000 hours) of relevant accounting experience (\*)

(\*) Relevant accounting experience refers to working under the direct supervision of a certified public accountant as defined by state boards of accountancy in the past.

The proposed amendments to the UAA highlight once more why we do not support the proposed new pathway in its current format. It introduces unnecessary bureaucracy and makes the process of getting licensed more complicated. We do not believe that creating a national database where CPA applicants are tracked and their path becoming a CPA is documented is helpful to the profession. The path how someone became licensed should not matter. A CPA is a CPA. This database would open the door to creating different classes of CPAs. Further, it moves authority from State boards to a national organization that should not have the power to decide about who is a licensed CPA and who is not.

The proposed UAA amendments also complicate interstate mobility of CPAs. This will exacerbate the accountant shortage instead of remediating it. The argument by NASBA & AICPA that a national database is necessary to prevent states from adopting “sub-par” licensing standards and having CPAs from that state providing services to another state does not hold. State boards of accountancy and State societies of CPAs would not support such legislation. It is therefore unlikely that any state would adopt “sub-par” license requirements. Further, automatic mobility (with guardrails) would subject out-of-state CPAs to all the standards of the state in which they are performing the services. We cannot imagine a situation where it would be of interest of any state to allow “sub-par” accountants to get licensed. A national oversight body is not necessary.

**Recommendation:**

We believe in order to remedy the current (and predicted) CPA shortage, interstate mobility should not be made more complicated by giving national bodies (such as a CPA verifying database or NQAS) the right to sign off on state licensing rules. There should be automatic interstate mobility as it is currently drafted by many states that allow