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2023 Oregon Legislative Assembly Hearing – Senate Committee on Labor and Business Testimony for HB 2523 – **Support**

DATE: February 23, 2023 – 8:00 a.m.

Good morning, Chair Senator Taylor, Vice-Chair Senator Bonham, and Members of the Senate Committee on Labor and Business.

For the record, my name is John Hawkins. I am Vice Chair of the OSCP Board of Directors and a Certified Public Accountant with the firm of Grove, Mueller & Swank, P.C. in Salem, Oregon. I appreciate the opportunity to share testimony at today's hearing.

On behalf of nearly 4,000 members of the Oregon Society of Certified Public Accountants (OSCPA), we respectfully submit written testimony in **support of HB 2523**.

Request:

HB 2523 would enable Oregon CPA candidates to have the option of beginning to sit for the Uniform CPA Examination (exam) after completion of 120 semester hours (or equivalent quarter hours) of baccalaureate coursework.

Background:

CPA candidates complete three nationally consistent steps to become licensed as a Certified Public Accountant, which are referred to as the 3-Es – Education, Examination and Experience. The candidate must complete 150 semester hours (or equivalent quarter hours) of education, obtain a passing score on the exam and complete one-year of experience, which includes specified competencies. Upon meeting the requirements of licensure, CPAs are licensed by the Board of Accountancy for their jurisdiction.* CPAs in Oregon are licensed by the Oregon Board of Accountancy. The accounting profession is unique as it is one of few professions where there is national mobility.

The Oregon Society of CPAs strongly supports public protection via the 3-Es, including the 150 semester hours (or equivalent quarter hours) higher education requirement for CPA licensure.

- Completing the required education, passing the Uniform CPA Examination, and completing one year of qualifying experience, all contribute to the necessary entry-level skills required of a new CPA.
- The CPA exam tests broad-based knowledge. The Oregon Society of CPAs understands that the best time to complete the exam is while students are still in a “study” mindset after completing the relevant course of study, and before starting to work full-time as well as having additional post-university demands and responsibilities.
- Waiting creates a time lag and complexities for post-baccalaureate grads who are academically ready to sit for the exam immediately after their baccalaureate requirements are completed.

- Students bring a variety of experiences and backgrounds to their education, career-goals and to the profession. We believe this will provide greater flexibility for students to sit for the exam while still requiring and maintaining the requirements needed for licensure and public protection. The change would also remove barriers for some students.

Currently, 46 of 55 jurisdictions allow students to sit for the Uniform CPA Examination (exam) after completion of 120 semester hours (or equivalent quarter hours) of baccalaureate coursework. **This bill does not reduce the rigor needed for licensure nor importantly, the requirements that protect the public.**

- Additionally, effective April 1, 2023, Washington State will become the 47th jurisdiction to allow CPA candidates to sit for the exam after completing their qualifying 120 semester hours of baccalaureate coursework while finishing their 150 semester hours (or equivalent quarter hours) of educational requirements.
- The jurisdictions of North Dakota, Oklahoma and Texas are currently working on changing their requirements to 120 hours to sit for the Uniform CPA Examination.
- Assuming the successful changes in the three jurisdictions of North Dakota, Oklahoma, and Texas, **without passage of HB 2523 Oregon would remain as only one of five of 55 jurisdictions that would require the 150 semester hours (or equivalent quarter hours) of education before qualifying to sit for the Uniform CPA Examination.** Students as CPA candidates can easily go elsewhere outside of Oregon based on a time and place that is best for them. The risk is that as they pass the exam in another jurisdiction, they could also seek certification and not return to Oregon.
- **Concern:** The above makes Oregon less competitive. This is a concern not only for the future pipeline of Oregon CPAs **but** also for public protection.

The Oregon Board of Accountancy and other stakeholders have been advised of this proposed legislation.

Summary:

House Bill 2523 permits students to sit for the Uniform CPA Examination after 120 semester hours (or equivalent quarter hours) of coursework.

- The requirements for licensure do not change.
 - The Oregon Board of Accountancy will continue to ensure Oregon is certifying and licensing competent and qualified Certified Public Accountants (CPAs).
 - 150 semester hours (or equivalent quarter hours) are still required for certification as a CPA.
- Passage of this bill will provide students with the option to sit for the Uniform CPA Examination while still in university plus will enable them to enter the workforce more seamlessly.
- Requested changes will bring Oregon in line with the majority of other national jurisdictions.

Recommendation:

On behalf of Oregon Society of CPAs, we respectfully request that you **support House Bill 2523** to enable CPA candidates to sit for the Uniform CPA Examination after completion of 120 semester hours (or equivalent quarter hours) of education based on Oregon Board of Accountancy requirements.

Thank you for the opportunity to share our comments with members of the committee.

Contact:

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* The term jurisdiction refers to states, District of Columbia, and U.S. territories.