



Oregon

Tina Kotek, Governor

BOARD OF ACCOUNTANCY
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SB 796 (LC 0298) – Board of Accountancy Agency Request Legislation Authority to fund accounting scholarships Oregon State Legislature – 2025 Regular Legislative Session

Problem Description: The Certified Public Accountant (CPA) profession is facing a diminishing pipeline nationally. According to the Integrated Postsecondary Education Data System (IPEDS), accounting degree completions fell by 17% from 75,153 in 2017–2018 to 62,318 in 2021–2022. In addition, in 2020 the American Institute of Certified Public Accountants (AICPA) estimated that 75% of the CPA workforce will meet retirement age within 15 years. The reasons for this workforce pipeline issue are complex, with the rising cost of education playing a part.

What this measure does: Authorizes the Oregon Board of Accountancy (Board) to fund need-based accounting scholarships. This proposal does not provide the Board authority to run its own scholarship program. Instead, the proposed measure leverages existing private sector scholarship programs to accomplish this objective, avoiding unnecessary overhead and creating a new program. The 2025-27 budget proposal for the Board contains a \$1 million expenditure authorization request should this measure become law. The measure would allow (but not require) the Board to make additional scholarship expenditure authorization requests in future budget cycles, without having to seek additional legislative authorization permitting it to spend funds for this type of purpose.

Other Relevant Background: The Board is committed to tracking the equity impacts of this measure if passed. Need-based scholarships are rare for accounting students, as are scholarships open to part-time and community college students. The Board is working through its Pipeline Committee with our higher education partners to address that, utilizing the grant agreement process that would be enabled by this bill. If the bill is approved, the effect would be to leverage and change existing scholarship programs to reflect these equity priorities.

From a fiscal perspective, this measure would reduce the Board's operating reserves to a level more in line with state government oversight expectations, while helping to address pressing workforce pipeline issues. The \$1 million size of the associated expenditure authorization request was carefully calibrated to ensure it would not on its own trigger fee increases in the 2025-27 or 2027-29 biennium.

In addition, the Board is proposing a separate measure, SB 797, which contains changes to its licensure pathways in response to the workforce pipeline problem described above. The Board already has completed three aggressive rounds of rulemaking in the 2023-25 biennium using its existing statutory authority to remove or reduce barriers for candidates to sit for the CPA exam, applicants for licensure, and licensed practitioners.

Support/Opposition: The Board has built a unified coalition in Oregon in support of these proposals. No organized opposition is expected.

Contact: Martin Pittioni, Executive Director, at martin.pittioni@boa.oregon.gov or (503) 569-7686.



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SB 797 – Board of Accountancy Agency Request Legislation Updates to the Oregon Public Accountancy Act Oregon State Legislature – 2025 Regular Legislative Session

Problem Description: The Board of Accountancy (Board) statutes have not been comprehensively updated since 2015. Workforce pipeline issues are the primary driver behind the proposed updates. The Certified Public Accountant (CPA) profession is facing a diminishing CPA pipeline nationally. According to the Integrated Postsecondary Education Data System (IPEDS), accounting degree completions fell by 17% from 75,153 in 2017–2018 to 62,318 in 2021–2022. In addition, in 2020 the American Institute of Certified Public Accountants (AICPA) estimated that 75% of the CPA workforce will meet retirement age within 15 years.

The reasons for these pipeline issue are complex, however, the profession’s national switch to a 150-semester hour standard for CPA licensure played a role. According to a 2024 study by the MIT Sloan School of Management, this 30-semester hour increase in the education requirement led to a 14% decline in CPAs entering the field overall. This decline also disproportionately (26%) affected the ethnically diverse portion of the incoming CPA pipeline. Increasing the education requirement exacerbated the cost of the CPA licensure pathway and negatively impacted pipeline diversity.

What this measure does: This measure allows the Oregon Board of Accountancy (Board) to add additional CPA licensure pathway options including a Bachelor-level pathway (equivalent to 120 semester hours currently) in exchange for an additional year of supervised experience. This effectively restores the original pathway to CPA licensure as an additional option. It also provides the flexibility to move away from strict semester hour approaches and achieve a framework that can better adapt to changes in the higher education environment.

The proposal will update critical mobility provisions for the profession to minimize disruptions from licensure pathway updates on the ability of CPAs to practice across state lines. This essential accomplishment of the profession must be protected to ensure access by the public to CPA services.

This measure will allow inactive-level licensees to work in some capacity for a public accounting firm helping firms tap into that talent pool. The measure will also simplify the requirements to be eligible for appointment to the Board, allowing any active-level licensee (CPA or PA) to be considered.

Other Relevant Background: The Board completed three aggressive rounds of rulemaking in the 2023-25 biennium using its existing statutory authority to remove or reduce the barriers for licensure. This measure asks for legislative support to continue this work with changes to its statutes.

Support/Opposition: The Board has built a strong, unified coalition in Oregon in support of these proposals and has excellent relationships with its regional partners. We expect up to 30 states to consider similar legislation in 2025. The profession’s national leadership is fractured with respect to changes to licensure and CPA mobility but formal opposition from national organizations is unlikely given the number of states moving in a similar direction and intent on protecting CPA mobility.

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