

SB 796 STAFF MEASURE SUMMARY**Carrier:** Sen. Manning Jr**Joint Committee On Ways and Means****Action Date:** 05/09/25**Action:** Do pass.**Senate Vote****Yeas:** 11 - Anderson, Bonham, Broadman, Campos, Frederick, Girod, Lieber, Manning Jr, McLane, Smith DB, Sollman**House Vote****Yeas:** 10 - Bowman, Breese-Iverson, Drazan, Evans, Gomberg, Levy E, Owens, Ruiz, Sanchez, Smith G**Exc:** 2 - Cate, Valderrama**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Michael Graham, Fiscal Analyst**Meeting Dates:** 5/5, 5/9**WHAT THE MEASURE DOES:**

SB 796 authorizes the Board of Accountancy (BOA) to create a grant program to provide scholarships for students seeking accounting degrees in college or individuals who wish to become certified public accountants in Oregon.

The measure permanently authorizes BOA to use moneys in the Oregon Board of Accountancy Fund to provide grants for accounting scholarships in Oregon; however, BOA would still require Other Funds expenditure limitation from the Legislature, should the agency decide to fund accounting scholarships again at some point in the future.

The measure declares an emergency and takes effect on July 1, 2025.

ISSUES DISCUSSED:

- Eligibility criteria of scholarship recipients
- Duration and scope of scholarship awards to scholarship recipients
- Fiscal impact of the scholarship program, including the impact to BOA's ending fund balance

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

BOA is a seven-member citizen board that licenses and regulates public accountants and public accounting firms. A staff of seven administers BOA's licensing and compliance operations, including licensing and renewing licenses of individuals and accounting firms, monitoring the continuing education of licensees, and investigating and adjudicating complaints against licensees and accounting firms. BOA's Other Funds revenue comes primarily from biennial licensing and renewal fees and business registration fees.

Nationwide, the accounting and auditing profession continues to face a shrinking workforce due to a confluence of factors, including demographic changes, the rising cost of higher education, starting pay that lags behind competing sectors, and concerns about workplace culture, with fewer individuals pursuing degrees in accounting and the CPA designation in recent years. The U.S. Bureau of Labor Statistics estimated there were 1.65 million practicing accountants and auditors in the U.S. in 2023. Currently, there is an estimated 1.56 million practicing accountants and auditors in the U.S., which represents a 5.4% decrease over the last two years. In some parts of the county, this trend is exacerbated by an overall decrease in the number of high school students and declining

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college enrollment. In 2024, the Association of International Certified Public Accountants, National Pipeline Advisory Group published a report to address this talent shortage. The report identified several potential solutions, including raising starting salaries, offering alternative pathways to licensure, and adding a year of experience to meet the "additional 30-hour" requirement under the existing licensure model.

After peaking at around 9,400 licensees and firms in the 2019-21 biennium, BOA currently licenses about 9,000 public accountants and public accounting firms, which represents a 4.2% decrease over the last three biennia. Although BOA's licensing numbers are relatively stable, BOA projects no growth in the 2025-27 biennium. At the same time, the U.S. Bureau of Labor Statistics has projected that the accounting and auditing profession will grow nationwide by 6% between 2023 and 2033, which would be faster than the average for all occupations.

SB 796 authorizes BOA to fund accounting scholarships, as part of the agency's effort to reduce barriers to initial licensure, licensure reciprocity, and the CPA profession generally.