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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS

F I N A L M I N U T E S

MEETING OF:

**STATE BOARD OF ACCOUNTANCY
SPECIAL MEETING**

TIME: 10:35 A.M.

Held at

PENNSYLVANIA DEPARTMENT OF STATE

2601 North Third Street

One Penn Center, Board Room C

Harrisburg, Pennsylvania 17110

as well as

VIA MICROSOFT TEAMS

March 29, 2023

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State Board of Accountancy
March 29, 2023

BOARD MEMBERS:

- Sheri L. Risler, CPA, Chair
- Arion Claggett, Acting Commissioner, Bureau of Professional and Occupational Affairs - Absent
- Keri A. Ellis, CPA
- Monique M. Ericson, CPA, Office of Attorney General
- John J. Grater, CPA
- Benjamin Holland, CPA
- Mary Jensik, CPA - Absent
- Charles A. O'Brien, CPA
- Michael D. Ocker, CPA, Vice Chair - Absent
- John Petchel, Public Member
- David W. Stonesifer, CPA - Absent

BUREAU PERSONNEL:

- Ronald K. Rouse, Esquire, Board Counsel
- Miranda Murphy, Board Administrator
- Ryan Dumbroff, Law Student Intern, Office of General Counsel

ALSO PRESENT:

- Jennifer Cryder, CPA, MBA, Chief Executive Officer, Pennsylvania Institute of Certified Public Accountants

1 ***

2 State Board of Accountancy

3 March 29, 2023

4 ***

5 [Ronald K. Rouse, Esquire, Board Counsel, informed
6 everyone the Special Meeting of the State Board of
7 Accountancy was being held in a hybrid format of both
8 in-person and livestream teleconference pursuant to
9 Act 100 of 2021, which requires boards to use a
10 virtual platform to conduct business when a public
11 meeting is held.]

12 ***

13 The State Board of Accountancy Special Meeting
14 was held on Wednesday, March 29, 2023. Sheri L.
15 Risler, CPA, Chair, called the meeting to order at
16 10:35 a.m.

17 ***

18 Roll Call

19 [Sheri L. Risler, CPA, Chair, requested a roll call
20 of Board members. There was a quorum.]

21 ***

22 Matters for Deliberation

23 [Sheri L. Risler, CPA, Chair, noted the importance of
24 the Board having a say on a recent exposure draft by
25 the National Association of State Boards of

1 Accountancy (NASBA) requiring changes to the Uniform
2 Accountancy Act (UAA) Model Rule 5-7 regarding CPA
3 Exam credits. She stated the reason for the special
4 meeting is because the next Board meeting in April
5 would be after the date their response would be due.

6 Mr. Rouse informed Board members that the NASBA
7 Uniform Accountancy Act Committee released an
8 exposure draft of amendments to UAA Model Rule 5-7 on
9 February 15, 2023, and is requesting written comments
10 be submitted to uaacomments@nasba.org by April 17,
11 2023.

12 Mr. Rouse mentioned that the Board discussed an
13 exposure draft from October 22, 2022, regarding
14 proposed changes to Model Rule 5-7, but the February
15 15, 2023 exposure draft has a significant change
16 regarding the amount of time a candidate has to pass
17 all four sections of the Certified Public Accountant
18 (CPA) Exam from a rolling 18 months to 24 months and
19 requires Board discussion.

20 Mr. Rouse explained that Rule 5-7(a) would be
21 amended to say that a candidate may take the required
22 test sections individually in any order and that
23 credit for any test section passed shall be valid for
24 24 months from the date the passing score was
25 released by NASBA to the candidate or the Board

1 regardless of the number of test sections taken or
2 having to obtain a minimum score on any failed
3 section.

4 Mr. Rouse further explained that the first date
5 the person passes the exam would mark the beginning
6 of the 24-month clock, where someone took the exam
7 four times and failed but passed the fifth time,
8 noting the fifth time becomes starts the clock as
9 opposed to when the person first took the exam but
10 failed the exam.

11 Mr. Rouse referred to Rule 5-7(a)(1), which
12 would be amended to state that a candidate must pass
13 all test sections within a rolling 24-month period
14 that begins with the date the first passing scores
15 are released by NASBA to the candidate or the Board.

16 He noted the rolling window would conclude on the
17 date that candidate sits for the final test section
18 that is passed regardless of when the score is
19 released by NASBA for the final test section.

20 Mr. Rouse provided an example, where it would
21 still be within the 24-month rolling period if
22 someone took the exam on the last possible day of the
23 24-month rolling period and found out afterwards they
24 passed.

25 Mr. Rouse noted Rule 5-7(a)(2) would state that

1 a candidate who earns credits toward one or more test
2 sections must sit for and complete the remaining test
3 sections by midnight local time at the Board's main
4 office on the last day of the 24-month period. In
5 Pennsylvania, the Board's main office is in
6 Harrisburg; therefore midnight local time in
7 Harrisburg would apply.

8 Mr. Rouse noted Rule 5-7(a)(3) states that if
9 all test sections are not passed within 24 months,
10 credit for the first passed section shall expire, and
11 the date the second passing score was released by
12 NASBA to the candidate or the Board would mark the
13 beginning of the next 24-month period. He also noted
14 if all testing sections are not passed within that
15 24-month rolling cycle, a new rolling 24-month cycle
16 would begin with the date that the next test section
17 passing score was released by NASBA to the candidate
18 or the Board.

19 Mr. Rouse stated the cycle of 24-month rolling
20 periods and test section credit expirations would
21 continue until the candidate passes all four sections
22 of the CPA Examination within a 24-month rolling
23 period, and if a candidate stops testing for a 24-
24 month period, then all credit for previously passed
25 test sections would expire.

1 Mr. Rouse addressed Model Rule 5-7(b), which
2 proposes to prohibit a candidate from retaking a
3 failed test section until the candidate has been
4 notified of the score from the most recent attempt of
5 the failed test section.

6 Mr. Rouse noted Rule 5-7(c) provides that a
7 candidate would be deemed to have passed the CPA
8 Examination if the candidate obtains credit for
9 passing all required test sections within one rolling
10 24-month period.

11 Mr. Rouse stated Rule 5-7(d) provides that a
12 candidate shall retain credit for any and all test
13 sections of the examination passed as a candidate of
14 another state if such credit would have been given
15 under then applicable requirements in this state.

16 Mr. Rouse noted Rule 5-7(e) provides that
17 notwithstanding subsections (a), (b), and (c) of Rule
18 5-7, the period of time to pass all sections of the
19 examination may be extended by the Board upon a
20 showing that the credit was lost by reason of
21 individual hardship including, but not limited to,
22 health; military service; a disruption at a local,
23 regional, or national level impacting the candidate;
24 or other circumstances beyond the candidate's
25 control.

1 Chair Risler commented that the Board is asked
2 to extend expiration dates on a regular basis and are
3 reviewed by herself and Ms. Ellis. She stated
4 candidates have challenging circumstances and adding
5 another 6 months would help them successfully pass
6 the CPA Exam. She noted being hopeful that extending
7 it to 24 months would reduce the number of requests
8 for extension.

9 Chair Risler noted there was a NASBA Meeting on
10 March 21, 2023, where NASBA outlined all of the
11 different initiatives to help promote the CPA
12 license. She mentioned that the purpose of the
13 meeting is to discuss this specific exposure draft
14 but other things are being proposed by the American
15 Institute of Certified Public Accountants (AICPA) and
16 NASBA and would be discussed at the next Board
17 meeting.

18 Mr. Grater requested more information regarding
19 hardship and other exceptions.

20 Ms. Ellis explained that those situations are on
21 a case-by-case basis. She mentioned being in support
22 of moving to 24 months but wanted the Board to
23 consider everything and discuss whether 24 months is
24 the right number.

25 Chair Risler asked whether the Board could make

1 a comment in their response after further discussion
2 if it decided to support the 24 hours but also be in
3 support of a longer period.

4 Mr. Rouse explained that the Board could provide
5 a comment to NASBA of their support of 24 months but
6 may also recommend a longer period of time.

7 Ms. Ellis commented that the Board wanted to
8 consider all of their options before extending it
9 over 24 months, because candidates tend to
10 procrastinate on taking the exam if they know they
11 have more time.

12 Mr. Holland stated 18 months is a short period
13 of time and agreed that candidates would take longer
14 if given more time but would rather see a longer
15 period of time and not lose candidates but still
16 maintain the rigorousness of the exam.

17 Chair Risler stated the content of the CPA Exam
18 is about to change on January 1 with a new exam and
19 is something the Board should consider. She noted
20 the exam was shortened to an 18-month window when it
21 became electronic and agreed with 24 months as well
22 but wanted to propose in the Board's response that it
23 is open to further evaluation of a longer period.

24 Chair Risler commented that there is not enough
25 information at this time and that data regarding

1 exploring a longer period is being evaluated by
2 AICPA.

3 Ms. Ellis requested more information regarding
4 the timing and what happens to individuals who
5 already started with the 18-month period.

6 Mr. Rouse explained that this is about NASBA's
7 Board and whether or not they are going to adopt the
8 new Model Rule and then all of the state boards could
9 decide what is needed in terms of adopting the
10 rulemaking as well. He commented that he cannot
11 speak to the time frame NASBA is going to have to
12 make their decision.

13 Chair Risler stated there would need to be some
14 transition but NASBA wanted to see if the Board
15 agrees.

16 Ms. Ellis suggested to also include in the
17 Board's response that they would anticipate some
18 transition guidance for candidates who are in the CPA
19 exam pipeline.

20 Ms. Ericson commented on the need for a longer
21 transition period and to recapture people who may
22 have given up on taking exams.

23 Chair Risler noted that those are also some of
24 the initiatives NASBA and AICPA are looking at,
25 including people who lost credits during COVID.

1 Jennifer Cryder, CPA, MBA, Chief Executive
2 Officer, Pennsylvania Institute of Certified Public
3 Accountants, addressed her recent attendance at a
4 NASBA Meeting and informed Board members that NASBA
5 intends on voting immediately at the close of the
6 April 17 window and moving quickly on changing the
7 Model Rules.

8 Ms. Cryder mentioned that all of the state
9 boards have already adopted the transition guidance
10 for extending credits tied to CPA Evolution, and by
11 moving quickly, NASBA's intention is that state
12 boards would all be able to change their regulations
13 and would take effect after that extension expires.

14 Ms. Cryder explained that they want to set up
15 candidates for the continuous pathway of longer
16 credit windows to not get caught going back and forth
17 between the extension for CPA Evolution and then lose
18 that and put the new regulations in place.

19 Ms. Ellis asked for clarification as to whether
20 there would be a window of time and candidates may
21 lose parts that are still under the 18 months, where
22 the Board would still have to decide what to do with
23 those individuals in that situation.

24 Ms. Cryder commented that there would not be a
25 window because anybody who has the credits as of

1 December 31, 2023, is getting that longer extension
2 tied to CPA Evolution anyway, so NASBA's hope is for
3 each state to make regulatory changes by the time
4 that period expires.

5 Chair Risler noted being appreciative of
6 everyone who joined the meeting and the importance of
7 strengthening the CPA in Pennsylvania and helping the
8 candidates.

9 Mr. Rouse asked whether Board members had any
10 other discussion on issues NASBA may want to consider
11 as part of the exposure draft.

12 Chair Risler stated the Board had a great
13 conversation and whatever has been addressed could be
14 included in the letter.

15 Mr. Rouse suggested having a roll call of those
16 in attendance to see if there are any comments
17 regarding the exposure draft, and Ms. Murphy provided
18 the roll call.

19 Ms. Cryder stated NASBA highlighted the
20 provision on when extensions get approved because of
21 variation across state boards, where some states
22 provide no extensions under any circumstances and
23 felt it was important to put uniformity in the
24 extension process given the varying of all the state
25 boards.

1 Ms. Cryder noted NASBA also highlighted that it
2 is going to take 54 state boards changing their
3 regulations to effect this change and is asking for
4 input from the public because it is unlikely the
5 matter would be opened back up as a question again.
6 She agreed with waiting to see the data but
7 encouraged the Board to think about it as something
8 that is not likely to be opened up again soon.

9 Mr. Rouse noted Board members seemed to be in
10 support of the exposure draft, and Board members
11 noted that to be correct. He asked whether the Board
12 wanted to comment on transition guidance for
13 candidates who are currently in the exam pipeline,
14 and the Board wanted to comment. He noted that while
15 the Board was in support of the 24-month period of
16 time, the Board also is not opposed to considering a
17 longer period of time.

18 Mr. Rouse asked whether there were any other
19 comments the Board wanted to consider in their
20 letter, such as letting NASBA know that the
21 rulemaking process in Pennsylvania takes about 18
22 months, and the Board agreed.]

23 MR. ROUSE:

24 Would the Chair entertain a motion to
25 direct Board Counsel to draft and

1 submit a letter of support from the
2 Pennsylvania State Board of Accountancy
3 for the exposure draft of the proposed
4 changes to the UAA Model Rule 5-7?

5 CHAIR RISLER:

6 I would like to make a motion to direct
7 Board Counsel to draft and submit a
8 letter of support from the PA State
9 Board of Accountancy for the exposure
10 draft of the proposed changes to the
11 UAA Model Rule 5-7 and to include in
12 that letter the items Ron previously
13 mentioned.

14 MS. ELLIS:

15 So moved.

16 MR. O'BRIEN:

17 Second.

18 MR. ROUSE:

19 Any other discussion?

20 CHAIR RISLER:

21 Roll call.

22
23 Sheri Risler, aye; Keri Ellis, aye;
24 Monique Ericson, aye; John Grater, aye;
25 Benjamin Holland, aye; Charles O'Brien,

1 aye; John Petchel, aye.

2 [The motion carried unanimously.]

3 ***

4 [Ronald K. Rouse, Esquire, Board Counsel, informed
5 Board members that he would draft the letter and
6 submit it to uaacomments@nasba.org.

7 Chair Risler requested Mr. Rouse share the letter
8 with the Board upon completion.]

9 ***

10 [Sheri L. Risler, CPA, Chair, thanked everyone for
11 their participation and wished everyone a happy busy
12 tax season.]

13 ***

14 Adjournment

15 CHAIR RISLER:

16 Do I have a motion to adjourn the
17 meeting?

18 MR. HOLLAND:

19 So moved.

20 CHAIR RISLER:

21 Second?

22 MS. ELLIS:

23 Second.

24 CHAIR RISLER:

25 Thank you everyone. Have a wonderful

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day.

[There being no further business, the State Board of Accountancy Special Meeting adjourned at 11:12 a.m.]

CERTIFICATE

I hereby certify that the foregoing summary minutes of the State Board of Accountancy meeting, was reduced to writing by me or under my supervision, and that the minutes accurately summarize the substance of the State Board of Accountancy meeting.

Benjamin Morrow

Ben Morrow,
Minute Clerk
Sargent's Court Reporting
Service, Inc.

STATE BOARD OF ACCOUNTANCY
REFERENCE INDEX

March 29, 2023

TIME AGENDA

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10:35	Official Call to Order
10:36	Roll Call
10:36	Matters for Deliberation
11:05	Roll Call of Attendees
11:12	Adjournment