

Proponent Testimony – HB 442  
By Colin McHugh  
To House Commerce & Labor Committee  
February 12, 2020

Chair Manning, Vice Chair Dean, Ranking Member Lepore-Hagan and members of the Committee, thank you for giving me the opportunity to speak in support of HB 442. I'm Colin McHugh, a CPA with Rehmann, a CPA firm located in Toledo. Rehmann also has 22 other offices, all located in Michigan and Florida. I'm also the Chair of The Ohio Society of CPAs' Young CPA Leadership Board and am here today to speak on their behalf.

OSCPA's Young CPA Leadership Board began studying this CPA Exam issue in 2018-2019 in response to the frustration shared by young professionals around the state – including those of us who are already licensed CPAs and those who are still working to become licensed in Ohio.

Our research affirmed that CPAs serve an important role in protecting the public interest, and that Ohio should continue to license CPAs after 150 hours of education are completed. However, we also found that the public interest would not be negatively impacted simply by allowing students the flexibility of starting the CPA Exam testing process while they are still in school. We identified three factors that support the law change proposed under HB 442:

- 1) The **Economic Reality** is that student loan debt has financially crippled many in our generation. The cost of a college education has forced too many Ohioans to abandon their career goals, and those in lower income households are particularly hard hit. All of us on the YCPA Board had a career goal of becoming a CPA and were able to achieve that goal, but we all had different paths to get there. Another thing we all shared: we wanted to do everything necessary to get a good job and qualify as a licensed CPA but do it as expeditiously and cost effectively as possible. Being able to advance toward our licensure goal sooner makes those of us who are not traditional college students more attractive to employers, many of whom offer tuition reimbursement or student loan payoff assistance, as well as help cover exam expenses.

We need to give future Ohio CPAs the flexibility to do what works best for them, including starting the CPA Exam at a point between 120 and 150 hours. For many, that is while we are still in school, still in “study mode,” and when the technical information we are being tested on is fresh in our minds. As you know, the more time that elapses, the harder it is to pass a test on the relevant material. Being able to pass some or even all four parts of the exam by the time they graduate from their fifth year of education (150 hours) can be a huge help in launching their career. As a result, they can focus on their new career and the related long work hours without the pressure of also dedicating many hours to studying and testing. Too many of my colleagues gave up before they passed all four parts of the exam.

- 2) The **Skills Reality** is that the higher order skills necessary for CPAs to serve the public trust – things such as judgment, professional skepticism, etc. – are learned both through education and work experience. We strongly believe that allowing candidates to begin taking the CPA Exam when they are closer to the relevant coursework and still in “study mode” would improve conversion rates from accounting graduates to CPAs. Right now, too many Ohio accounting grads let go of their dream to become CPAs because of the various challenges I mentioned.

- 3) The **Regulatory Reality** is that Ohio's existing requirements create an unnecessary barrier that may deter talented people who would otherwise become great business advisors from entering the CPA profession in Ohio. This barrier disproportionately affects the economically disadvantaged and is anti-competitive for our state. The reality is that Ohio students right now can physically take the exam here in Ohio but have the scores sent to one of the many other existing early-testing states. And many students who know about the possibility of testing in another state do just that. But if they do, and if they want to work as a CPA in Ohio, they will incur the regulatory burden required to transfer results back to Ohio (\$75 fee, paperwork). And under current law, these same students also will face a doubling of the experience requirement – two years instead of one – just because they started the testing process more than 90 days before they were done with school.

On behalf of the young professionals wanting to become CPAs in Ohio, I urge you to make this commonsense change by passing HB 442. I appreciate your consideration and would be happy to answer any of your questions.