

Proponent Testimony – HB 442
By Scott Wiley, President & CEO
The Ohio Society of CPAs
To House Commerce & Labor Committee
February 12, 2020

Chair Manning, Vice Chair Dean, Ranking Member Lepore-Hagan and members of the Committee, on behalf of our 27,000 members, thank you for this opportunity to speak in support of House Bill 442. I am Scott Wiley, President and CEO of The Ohio Society of CPAs

We applaud the Legislature's past and current regulatory reform efforts, including eliminating barriers to entry for employment of Ohioans. We believe this legislation builds on those efforts.

As you have heard from joint sponsors Representatives Roemer and West, HB 442 seeks to ease the regulatory requirements for Ohioans who want to become Certified Public Accountants by allowing them to start taking the CPA exam sooner in their licensing journey. Currently, 37 of our 50 states already allow candidates to start taking parts of the Uniform CPA Exam (there are four parts) when they hit the bachelor's degree threshold of 120 hours rather than waiting until soon before they complete 150 hours. Another eight states, including Ohio, allow some exception to the 150-hour rule for certain circumstances. If enacted, HB 442 would make Ohio the 38th state to do so outright. The bill also eliminates a punitive provision in Ohio law that doubles the experience requirement for any current students who start the exam process sooner than 90 days prior to completing their education.

Current law in all 50 states requires candidates to complete 150 semester hours of college education prior to licensure, passage of the same national exam, and at least a year of experience. It is important that Ohio maintain those requirements to ensure Ohio CPAs continue to have ease of interstate mobility and avoid multistate licensure.

The Ohio Society of CPAs has studied this issue at length. In 2017, our board formed a task force of educators and CPA employers; the consensus was they could support sitting at 120, but we needed to keep 150 for licensure. A subsequent deep dive by OSCPA's Young CPA Board showed strong support for the proposed changes before you. Their request for support of a law change was unanimously backed by OSCPA's Executive Board in September 2019. Concurrently, I have been raising this issue with our members across the state. Without exception, when I ask these groups of dozens to hundreds of CPAs in a room if they support allowing future Ohio CPAs to start taking the exam when they have finished the equivalent of a four-year degree, they overwhelmingly say yes.

It's important to note that dozens of students in Ohio colleges and universities are *already* taking the exam prior to what Ohio law now specifies. How? The Uniform CPA Exam is a national test and administered electronically, meaning they physically sit in one of hundreds of Prometric testing facilities around the world, but can have the scores sent to any state where they qualify. Naturally, we want those scores to go to Ohio to give them added incentive to live and work in the Buckeye State. But word has spread among students that, if they check the box for Michigan, or Kentucky, or Alaska or several of the other states that already allow testing at 120 hours, they can get a jump on achieving their career goal of becoming a licensed Ohio CPA.

Why does the timing of the exam matter? Common sense will tell you that it is easier to take an exam while still in college and still in "study mode" and the relevant coursework is still easily recalled. On top of that, traditional students who are still finishing the full 150 hours of education likely will not have as many real-world distractions like working long hours in their first big accounting job, getting married, and even starting a family, meaning they have more time to focus. For non-traditional students who need to work while finishing college, a scenario which disproportionately impacts minorities, supportive employers may help with tuition reimbursement and/or cover the costs of CPA review courses and the test itself. Other employers just give a bonus when they become licensed. Bottom line: anyone who has taken the CPA Exam, or knows someone who has, will attest that it is not easy to pass and only gets harder the longer the process drags on.

In summary, CPAs across Ohio want this change in Ohio law. Employers of Ohio CPAs want this change. Ohio students and young professionals aspiring to become CPAs want this change. We need to do all we can to remove roadblocks for Ohioans, and H.B. 442 is a great vehicle to accomplish this goal.

I appreciate your time today and would be happy to answer any questions.