

**TESTIMONY IN OPPOSITION TO HB 442 – TO AMEND SECTIONS 4701.06 AND
4701.17 OF THE REVISED CODE TO MODIFY THE REQUIREMENTS TO OBTAIN A
CERTIFIED PUBLIC ACCOUNTANT CERTIFICATE**

I would like to thank Committee Chair McColley, Vice Chair Johnson, Ranking Member Antonio and the rest of the Committee members for providing me this opportunity to express my views on HB 442. My name is David Stott and I am a professor and currently serve as the Director of the School of Accountancy at OHIO University. I have been an accounting educator in Ohio for over 20 years having spent the first 17 of those years at Bowling Green and the last four at OHIO University. I have also been a licensed CPA for almost 30 years having maintained an active license to practice in Ohio for the past 20 years.

I would like to state that the opinions and views I express today are my own, and not necessarily those of the School of Accountancy at Ohio University or any other organization.

Over the past few days, my colleagues have done an excellent job providing you with the facts and circumstances surrounding our opposition to this bill, so for expediency sake, I would just like to add a few additional comments.

ACCOUNTING EDUCATION IN OHIO

Accounting education in Ohio and the Ohio CPA license have long been considered one of the gold standards in our profession. The State of Ohio was a leader in adopting the profession's 150-hour recommendation over twenty years ago and has invested significantly in accounting programs around the state for many years which can be seen by the fact that of the 190 programs worldwide that have separate AACSB Accounting accreditation, twelve of those programs are right here in Ohio (the AACSB is the premier international accrediting body for business and accounting programs). These successful programs have resulted in many successful accounting graduates across the state who have in turn become successful CPAs under the 150-hour requirement and these CPAs have in turn served the public well. I believe that moving back to the old 120-hour requirement is a giant step backwards for the profession and is not in the candidate's or public's best interest.

RECENT CHANGES TO EXAM TIME FRAME – PROVISIONAL STATUS

Additionally, the Accountancy Board recently changed the rules to allow students to take the CPA exam before they have completely finished their 150 hours. The Board instituted a "provisional status" in the Fall of 2019 that allows students to take the exam while they are in their last semester of school. This change was made to accommodate those students that want to get started in the examination process earlier. We have not had a chance to see how well this provision is working here in Ohio yet, but studies elsewhere have shown that those taking the exam in this provisional status have the highest exam pass rate. This change alone may very well alleviate many of the issues this bill is attempting to resolve without fundamentally changing the law.

STUDENTS AREN'T THE ONLY ONES NOT BEING BETTER SERVED

We must keep in mind that the CPA landscape is constantly evolving in today's world and the skill sets necessary to be successful in our profession are increasing exponentially. In fact, a new CPA licensure model (referred to as CPA Evolution) was recently approved by the AICPA (in June of this year – after this bill left the House). According to the AICPA – “CPA Evolution aims to transform the CPA licensure model to recognize the rapidly changing skills and competencies accountancy requires today and will require in the future.” So why would we want to lessen the education requirements to take the CPA exam right when the requirements for success on the new exam are becoming even more challenging?

I always remind my students that the P in CPA stands for PUBLIC. We have a responsibility to provide assurances to the Public about the financial health of our economy. Would you trust your physical health to a medical doctor if they were only required to have an undergraduate degree and no additional education to take their licensure exams? What about trusting your legal “health” to a lawyer that was able to take their bar exam with no law school education? If the answer to these questions is no, then why should we be willing to trust our financial health to someone with that level of education? Being a CPA is a profession, not simply an occupation.

CONCLUDING COMMENTS

Again, I want to thank the members of the Committee for their attention and consideration and would like to close with a couple of quick comments.

When meeting someone for the first time, I always introduce myself as a CPA by profession and an academic by choice. Like many of my students, I started my career in Big X public accounting and found my way into academia several years later. However, I have never lost sight of being a member of the Accounting profession and as such, I think this is a giant step backward for our profession.

In my opinion, the problem with Ohio's 150-hour law lies in the “empty 30”. As we all know, law-making can be a little messy and compromises are made in the process. One of those compromises twenty plus years ago was to leave the additional 30-hour requirement silent. Therefore, it is my opinion that the solution is to fix the empty 30, not rollback the total number of required hours. This is also a change that can be accomplished by Rule versus changing the actual law.

As pointed out by several of my colleagues, the knowledge and content required to be successful in our profession has grown exponentially over the past twenty years and given the recent changes to the licensure model, will only continue to increase. This is certainly not the time to be reducing the education requirements to enter our profession.