



WILLIAM PENTERMAN

STATE REPRESENTATIVE • 37TH ASSEMBLY DISTRICT

(608) 266-9650
Toll-Free: (888) 534-0037
Rep.Penterman@legis.wisconsin.gov

P.O. Box 8953
Madison, WI 53708-8953

January 16, 2022

Assembly Committee on Regulatory Licensing Reform

Testimony from Rep. William Penterman in favor of AB 857

Chairman Sortwell and members of the Assembly Committee on Regulatory Licensing Reform:

Over the past couple of years, Wisconsin workers and employers have suffered not only through COVID-19 but also job losses and a dire workforce shortage. Compounding that challenge is the fact that nearly 20% of Wisconsin workers are required to obtain a professional credential to perform their jobs. Over 160 different professions now require one of these government permission slips, and the number of regulated professions is up 84% in the last two decades.

Many occupations also require more than one exam. Of the 47 low- and moderate-income occupations for which Wisconsin requires an exam, 13 require applicants to sit for more than one exam, which can mean taking a day off work and potentially traveling across the state.

If we want to ease the workforce shortage and enable people to get to work more quickly, we also need to ease the growing burden of exams serving as a barrier to work. In order to slow the growth of this troubling trend, new exams should require approval by the legislature first. If a new exam is worthwhile and in the public interest, it should be able to withstand the scrutiny of the normal legislative process.

Assembly Bill 857 puts the brakes on the growth of new licensing exams by requiring any new exam that is a condition of getting a professional license to pass the legislature as a bill and then be signed into law by the governor before taking effect. We need to do everything in our power to put people back to work over unnecessary government regulations.

Thank you for your time and I would be happy to answer any questions you may have.



DALE KOOYENGA
STATE SENATOR · 5TH DISTRICT

State Capitol · P.O. Box 7882 · Madison, WI 53707-7882 · (608) 266-2512

January 26, 2022

TO: Members of the Assembly Committee on Regulatory Licensing Reform

FR: Senator Dale Kooyenga

RE: Support for AB 857 - requires new licensing exams that are a condition of getting a professional license to be approved by the legislature.

Thank you for holding a hearing on Assembly Bill 857. This bill addresses the growth of a concerning trend—the increasing number of hurdles aspiring professionals must overcome in their effort to get to work.

One such hurdle are licensing exams that are required as a condition of getting a professional work credential and a job. The average cost of getting a license in Wisconsin is \$209, higher than the national average. Worse, as of 2012, Wisconsin required a license for 47 low- and moderate-income jobs. Exam fees and related expenses are hardest on this group. This problem has also grown significantly; the number of regulated professions is up 84% in the past 20 years.

Many occupations also require more than one exam. Of the 47 low- and moderate-income occupations for which Wisconsin requires an exam, 13 require applicants to sit for more than one exam, which can mean taking a day off work and potentially traveling across the state.

If we want to ease the growing burden of exams serving as a barrier to work, the trend should first be stopped. While the goal of ensuring certain professionals are properly trained, new exams that are an additional condition of getting a license should stand up to the scrutiny of the legislative process and earn ultimately the approval of the legislature.

The intention of the bill is to slow the growth of a costly and time-consuming burden put on job seekers that serves as a barrier to employment and advancement. Some questions have been brought to my attention regarding the bill's scope as written and I look forward to working with all interested parties to clarify the bill's intent.

Thank you for hearing AB 857. I respectfully ask for your support.



To: Assembly Committee on Regulatory Licensing Reform
From: Cori Lamont, Senior Director of Legal and Public Affairs
Date: January 26, 2022
RE: AB 857/ SB 824 – examinations required for credentials

The Wisconsin REALTORS® Association (WRA) opposes AB 857/ SB 824 that prohibits the Department of Safety and Professional Services (DSPS) and associated examining boards from requiring passing an examination as a condition for obtaining a credential, other than examinations required at the time the bill is enacted. As drafted, the bill is unclear whether a current license exam(s) can be modified without having to seek separate legislation. For these reasons, the WRA is opposed to AB 857/ SB 824.

Background

Wis. Stat. § 452.09(3) sets forth the competency requirements of applicants for sales and broker licenses and provides examinations, "shall reliably measure an applicant's ability to competently engage in real estate practice."

The Real Estate Examining Board (REEB) establishes the criteria for both the education curriculum and license examinations after consulting with the council on real estate curriculum and examinations. See Wis. Stat. § 452.05 (1)(c). The 7-member council, created under Wis. Stat. § 15.407(5), is comprised of five licensed broker or salesperson members and two public members. The council annually reviews the subjects covered on each of the license exams¹.

Real estate is unlike other professions regulated by the DSPS.

- **No other profession regulated at DSPS has the same authority.** Wisconsin real estate licensees have a limited capacity to practice law. This authority has been acknowledged and granted under statute Wis. Stat. § 452.40 as an exception under Supreme Court Rule Chapter 23 Unauthorized Practice of Law and by the Wisconsin Supreme Court in *State ex rel. Reynolds v. Dinger* in 1961. Accordingly, real estate licensees are permitted, with established parameters in law, to draft real estate contracts on behalf of others in the single largest investment in an individual's lifetime.
- **Regulation of Wisconsin real estate licensees is Wisconsin specific.** Wisconsin real estate licensees must use state-approved (WB) forms by completing the blank lines, using additional provisions and addenda for the purpose of accomplishing the objectives of the party in a specific real estate transaction. When a WB form is not available, Wisconsin law provides specific direction as to the practice. WB forms are updated regularly to address legal and transactional changes. Lastly, Wisconsin statute and administrative code allows real estate licensees to provide a general explanation of approved forms.

¹ Wis. Stat. § 452.06(2)(b). After consultation with the council on real estate curriculum and examinations, promulgate rules establishing criteria for the approval of educational programs and training sessions under s. 452.09 (2) and approve such programs and sessions in accordance with the established criteria.

As currently drafted, AB 857/ SB 824 could be construed that new legislation would have to be pursued to update the current real estate license exams, to reflect current laws and forms ensuring real estate license applicants are competent to practice real estate.

To deny the ability of the REEB to update the license exams to reflect current laws and forms affecting the real estate transaction, would be harmful to the consumer in the single largest investment the average person makes.

If you have any questions, please feel free to contact me at 262.309.2724.



January 25, 2022

Representative Shae A. Sortwell
Chair, Wisconsin Assembly Committee on Regulatory Licensing Reform
Room 316 North
State Capitol
PO Box 8953
Madison, WI 53708

Dear Chair Sortwell:

On behalf of the American Institute of CPAs (AICPA), we appreciate the opportunity to comment on Senate Bill 824/Assembly Bill 857 which prohibit the Department of Safety and Professional Services and its examining boards from requiring the passage of an examination as a condition of obtaining an occupational licensing credential. Specifically, the bills would only allow for a change in examination through the passage of a subsequent law.

The AICPA is the world's largest member association representing the CPA profession, with more than 431,000 members in the United States and worldwide, and a history of serving the public interest since 1887. AICPA members represent many areas of practice, including business and industry, public practice, government, education, and consulting. The AICPA sets ethical standards for its members and U.S. auditing standards for private companies, nonprofit organizations, and federal, state and local governments. It develops and grades the Uniform CPA Examination, offers specialized credentials, builds the pipeline of future talent and drives professional competency development to advance the vitality, and quality of the profession.

The licensure of CPAs in the United States is founded upon three critical pillars: education, experience, and the Uniform CPA Examination. The Uniform CPA Examination protects the public interest by helping ensure that only qualified individuals become licensed as CPAs. Individuals seeking to qualify as CPAs – the only licensed qualification in accounting – are required to pass the Uniform CPA Examination for licensure in all 55 U.S. states and jurisdictions which license U.S. CPAs; there are no exceptions of any kind granted in any state or jurisdiction. Of the three requirements, only the CPA examination is uniform (i.e. it is the only examination that is accepted for CPA licensure in all U.S. jurisdictions) while education and experience requirements may vary from one jurisdiction to another.

The purpose of the Uniform CPA Examination is to provide reasonable assurance to state boards of accountancy that those who pass the exam possess the level of technical knowledge and the skills necessary for initial licensure in protection of the public interest. The public

interest is protected only when qualified individuals are admitted into the profession. A failure to ensure that only qualified individuals become CPAs could ultimately put investments at risk, lead to bad lending decisions by financial institutions, contribute to inaccurate tax filings, and harm the quality of various assurance and attestation services provided to companies, non-profits, and governments.

The Uniform CPA Examination routinely undergoes a practice analysis to define the knowledge and skills candidates for CPA licensure must possess. These studies are carefully designed according to strict standards and are used to ensure the body of knowledge necessary to practice reflects the current state of the profession and the needs of practitioners. The Uniform CPA Examination is currently undergoing such an analysis and a new examination will be launched in 2024. This new examination will be fundamentally different from the current Uniform CPA Examination and would, based on the proposed legislation, be prohibited from being offered in Wisconsin. Wisconsin candidates for CPA licensure would then be forced to take the new Uniform CPA Examination in another state unless subsequent legislation allowing for its use is enacted. Moreover, any future CPA who wished to service clients in Wisconsin would be unable to do so, because they would be unable to obtain a reciprocal license since Wisconsin would not accept the results of an updated examination. This could result in a loss of talent from Wisconsin and potentially harm its businesses.

To ensure the Uniform CPA Examination's continued use and recognition in Wisconsin, the AICPA recommends deleting:

... unless a subsequent law specifically authorizes requiring passage of the examination as a condition for obtaining the credential.

Thank you for your leadership on this issue. I hope this legislation can be modified to ensure that the Uniform CPA Examination retains its status as a core pillar of the requirements of licensure for CPAs in Wisconsin. If we can assist the Wisconsin State Legislature further, please contact Marta Zaniewski, AICPA's vice president of state regulatory and legislative affairs at Marta.Zaniewski@aicpa-cima.com.

Sincerely,



Susan S. Coffey, CPA, CGMA
Chief Executive Officer - Public Accounting

cc: Representative Scott Allen
Representative Cody Horlacher
Representative Daniel Knodl
Representative Rachael Cabral-Guevara
Representative Alex A. Dallman
Representative Jonathan Brostoff
Representative Samba Baldeh
Representative Supreme Moore Omokunde



**Wisconsin Institute of
Certified Public Accountants**

DATE: January 26, 2022

TO: Chairman Sortwell and members of the Assembly Committee on Regulatory Licensing Reform

FROM: Tammy Hofstede, President & CEO
Wisconsin Institute of Certified Public Accountants

RE: Oppose AB857/SB824 authored by Rep. Penterman, Rep. Dittrich, Rep. Edming, Rep. Murphy, Rep. Mursau, Rep. Wichgers, Rep. Knodl and Senator Kooyenga and Senator Stroebel

The Wisconsin Institute of CPAs (WICPA), which represents over 7,100 members across this state appreciates the opportunity to comment on AB857 and SB824.

AB857 and SB824 prohibits the Department of Safety and Professional Services and its examining boards from requiring passage of an examination as a condition of obtaining a credential and would only allow for a change in examination through the passage of a subsequent law. This legislation would adversely effect the CPA Exam in Wisconsin.

The CPA Exam protects the public interest by ensuring that qualified individuals become licensed CPAs. The CPA exam is a Uniform CPA examination in all 55 states and jurisdictions which license US CPAs. There are no exceptions in any state or jurisdiction.

The Uniform CPA Exam undergoes routine analysis to define the skills and knowledge candidates for CPA licensure must possess. It is carefully designed according to strict standards to ensure the knowledge necessary to practice reflects the current state of the profession and the needs of practitioners to serve their clients and businesses.

For example, new tax laws, regulatory changes or new standards enacted in addition to changing technology are considered when updating the CPA Exam. The CPA Exam must stay relevant and must be able to be modernized and stay in uniformity with the 55 licensing jurisdictions to be accepted.

Under AB857/SB824 the current exam would not be allowed in this law. If enacted, this would require the need to open the statute for any changes to the CPA Exam to be implemented. The impact of this would be detrimental to the State and has a cascade effect as it would prohibit candidates from taking the Exam in Wisconsin and be forced to take it in another state; it would remove the CPA as a licensed credential in Wisconsin; it would impact reciprocity for licensed CPAs to work and practice in

Wisconsin as any future CPA would be unable service clients in Wisconsin since Wisconsin would not accept the results of an updated Exam; and it would result in a loss of talent from Wisconsin and harm its businesses. It would disrupt CPA licensure and practice in Wisconsin.

To ensure the Uniform CPA Exam is continued and recognized in Wisconsin, the WICPA is recommending the following amendment by removing the word “subsequent:

... unless a ~~subsequent~~ law specifically authorizes requiring passage of the examination as a condition for obtaining the credential.

By making this simple change would then revert to the CPA statute for the Exam. We want to ensure that the Uniform CPA Exam retains its status as a core pillar and allows for new CPA licensure in Wisconsin.

Thank you for your time and leadership on this issue and thank you for your consideration.