



HOWARD MARKLEIN

STATE SENATOR • 17TH SENATE DISTRICT

April 12, 2017

**Senate Committee on Economic Development, Commerce & Local Government
Testimony on Senate Bill (SB) 130**

Good morning!

Thank you Chair Feyen and members of the committee for the opportunity to testify in favor of Senate Bill 130 (SB 130), which modifies educational requirements for taking the Certified Public Accountant (CPA) exam and receiving a CPA certificate; creates continuing education requirements for license renewal after 2020; and authorizes the Accounting Examining Board (AEB) to participate in national data-sharing programs related to accountants.

In June 2016, new regulations that were designed to ensure Wisconsin students could sit for the CPA exam created a conflict for some students who were nearing or had recently completed their education. The standards listed specific courses that had to be completed to be eligible for the exam. Wisconsin has 26 accredited colleges and universities offering a degree in accounting, but course names vary amongst the different programs. These accredited programs cover the same subject areas, but do not have identical course names. Students who thought they had fulfilled the requirements were told they could not sit for the exam because a specific course was not listed on their transcript. An emergency rule was promulgated to bridge the gap for those students, but Emergency Rule 1628 will expire on June 1, 2017.

SB 130 will fix this problem.

Last session we passed 2015 Wisconsin Act 217, which required the AEB to research the feasibility of rules establishing continuing professional education (CPE) requirements for license renewal, and then report those findings to the legislature. The AEB reported that there are 55 United States CPA licensing jurisdictions, and Wisconsin is the only state that does not require completion of CPE for license renewal. The requirement varies across states, but generally speaking, the majority of states require 40 credits of CPE per year. The provisions in SB 130 allow the AEB to create the most flexible requirements of any state. Adding the CPE provision will help Wisconsin CPA's take full advantage of practice mobility to serve clients across state borders, and will provide additional assurance that the CPA's serving the public are current on tax and accounting issues.

The third provision in the bill authorizes the AEB to participate in national data-sharing programs such as AICPA's Facilitated State Board Access (FSBA) Program, CPA Verify and the Accountancy Licensee Database (ALD).

Several practitioners are here to testify today. They represent both small and large accounting firms, banks, and the educational institutions educating our future CPA candidates. I encourage you to listen to their personal accounts regarding SB 130, and the impact it will have on their business, as well as, the consequences if the legislature fails to act on this bill.

Thank you again for allowing me the opportunity to testify in support of this bill, and I would welcome any questions.

Testimony before the Senate Committee on Economic
Development, Commerce and Local Government -
April 12, 2017

John S. Scheid, CPA
Chair of Wisconsin Accounting Examining Board
PriceWaterhouseCoopers LLP Partner (Retired)

Good morning Chairman Feyen and members of the Committee on Economic Development, Commerce and Local Government. Thank you for the opportunity to testify in support of Senate Bill 130 on behalf of the Wisconsin Accounting Examining Board.

My name is John Scheid. I am a resident of Shorewood, Wisconsin and am a licensed CPA in Wisconsin. I am the Chair of the Wisconsin Accounting Examining Board. The Accounting Examining Board has the responsibility to promulgate rules that govern the practices of persons practicing as a certified public accountant in the State of Wisconsin. In discharging our responsibilities we oversee the application process, examination of candidates, licensing of individuals and CPA firms to practice, together with reviewing complaints, considering enforcement or disciplinary actions, all under the authority granted by Wisconsin Statute 442. Before taking on the Wisconsin Accounting Examining Board Chair position in June 2013, I practiced as a CPA with the global accounting firm of PricewaterhouseCoopers LLP for 36 years. During this time with PwC, I worked with 6 offices of the Firm (5 in the US, including the global office headquarters in New York and in Zurich Switzerland). At one point I held CPA licenses in 8 US states in addition to my Wisconsin CPA license. Today I remain a CPA and serve on the Board of Directors of a NASDAQ listed public insurance company and a Wisconsin private corporation, together with two non-profit organizations Junior Achievement Worldwide and Messmer Catholic Schools, Inc.

The purpose of my testimony today is to share information regarding provisions of the Wisconsin Statutes and Administrative Code relating to the licensing of CPAs that the Wisconsin Accounting Examining Board believe are

appropriate to update as provided in Senate Bill 130 and in fact are necessary to discharge our duties as responsible Board members and public servants.

Senate Bill 130 includes provisions to accomplish three important objectives to (1) ease the entry of new CPAs into the profession in Wisconsin, (2) enhance regulatory efficiency and public transparency, and (3) protect the public and facilitate CPA work mobility.

The three objectives accomplished by Senate Bill 130 include:

1. Updating Wisconsin CPA regulations to expedite the examination process for and the licensure of CPA candidates before the emergency rule (EmR 1628) expires on June 1, 2017. The educational requirements in Senate Bill 130 are based on input from all 26 Wisconsin universities and colleges offering 4 year Accounting degrees. This Bill also provides the Wisconsin Accounting Examining Board the authority to review/approve a CPA candidate's education for CPA Examination and license qualification on a case by case basis should unusual circumstances exist.
2. Authorizing Wisconsin to participate in National CPA Licensing Databases. Three national databases sponsored by the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) protect the public interest and contribute to transparency in addition to improving efficiency of CPA licensing regulation.
3. Requiring mandatory continuing professional education (CPE) to renew a Wisconsin CPA license. In response to 2015 Wisconsin Act 217 the Wisconsin Accounting Examining Board researched establishing continuing education requirements for renewal of a license under section 442.08(1) of the state statutes and issued a report dated September 27, 2016 to the Senate Committee on Revenue, Financial Institutions, and Rural Issues and the Assembly Committee on State Affairs and Government Operations. A copy of this report is attached to my testimony. In summary, the AEB found that the CPA exam alone provides insufficient protection of the public because the exam is taken only once in the CPA's professional career(usually at the start) and the accounting, tax and regulatory provisions which a CPA advises his/her clients on change frequently. For this reason, all 54 other CPA licensing jurisdictions require CPAs to comply with continuing professional education requirements in order to renew a CPA license. Wisconsin is the only state not

requiring CPE for license renewal. Senate Bill 130 authorizes the AEB to develop regulations for CPE and these regulations would be the subject of public hearings before the CPE requirements would be effective for renewal of Wisconsin CPA licenses beginning in 2021. Wisconsin's lack of a CPE requirement for CPA license renewal means that Wisconsin CPAs practicing outside Wisconsin are often subject to greater burdens than CPAs licensed in states with mandatory CPE. This limits a Wisconsin CPA's mobility (serving clients across state lines) and often forces the Wisconsin CPA to comply with a multitude of other states' CPE requirements to serve his/her clients. As an example, I was licensed in 8 additional states to serve my audit clients – requiring numerous additional fees and requirements that were more burdensome due to the lack of Wisconsin's CPE requirement for CPAs. Bringing Wisconsin's CPA regulations into closer alignment with all 54 other licensing jurisdictions would provide greater freedom, fewer burdens and lower compliance risks for Wisconsin CPAs expanding their client service. Finally, the AEB, in reviewing its disciplinary cases, routinely requires continuing professional education for the CPA wanting to regain his/her professional practice rights following enforcement action.

The Wisconsin Accounting Examining Board asks that you vote in favor of Senate Bill 130 to allow the AEB to continue to discharge our duties, to protect the public and bring Wisconsin CPA standards for license renewal to a consistent level with other US CPA licensing jurisdictions.

Thank you Mr. Chairman and members of the Committee for the opportunity to share this perspective.

I would be pleased to answer any questions at this time or in the future. My contact information appears below.

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ACCOUNTING EXAMINING BOARD



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September 27, 2016

TO: Senate Committee on Revenue, Financial Institutions, and Rural Issues and
Assembly Committee on State Affairs and Government Operations
State Capitol
2 East Main Street
Madison, Wisconsin 53707

FROM: Wisconsin Accounting Examining Board
John Scheid, CPA, Chair

RE: Wisconsin Accounting Examining Board Continuing Education Legislative Report

2015 Wisconsin Act 217 included the following, "The accounting examining board shall research the feasibility of rules establishing continuing education requirements for renewal of a license under section 442.08 (1) of the statutes. The board shall prepare a report describing its findings and recommendations, including a description of any suggested changes to the statutes or the board's rules, and shall submit the report to the appropriate standing committees of the legislature in the manner provided under section 13.172 (3) of the statutes no later than December 31, 2016."

There are 55 United States CPA licensing jurisdictions. Wisconsin is the only jurisdiction that does not require completion of continuing education for renewal. The requirement varies across jurisdictions, but generally speaking, the majority of jurisdictions require 40 credits of continuing professional education (CPE) annually.

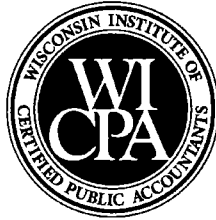
In Wisconsin, 47 licensed professions require completion of continuing education for renewal. For these professions, the Department of Safety and Professional Services provides the administrative infrastructure and support.

After considering the requirements of other licensing jurisdictions, it's the Board's recommendation to pursue continuing education requirements that include:

- 80 CPE hours every two year licensing biennium
- Allow CPAs to accrue continuing education hours in 5 minute increments for activities measured by time
- Out of the 80 required CPE hours, at least 2-3 CPE hours relating to ethics
- Informal learning, to be defined by the Accounting Examining Board to meet up to half of the continuing education requirement, which would include activities such as serving on a professional board, reading a book and writing a summary, teaching a course, etc.

Keeping Wisconsin's requirement in line with other jurisdictions will aid in practice mobility across jurisdictions for Wisconsin licensees.

Based on the findings and recommendations, the Accounting Examining Board suggests adding language to Wis. Stats. 442 providing the Accounting Examining Board with the authority to promulgate administrative rules establishing continuing education requirements for renewal of a certified public accountant license. For example, specific suggested statutory language to include is, "The examining board may establish continuing education requirements by rule for renewal of a certified public accountant license." To allow time for input and communicating with licensees regarding continuing education, the December 15, 2019 – December 14, 2021 biennium is the earliest suggested biennium to require continuing education. Following the recommended timing, Wisconsin CPAs would need to complete 80 CPE hours by December 2021.



Testimony before the Senate Committee on Economic Development, Commerce and Local Government

Dennis Tomorsky, CPA, JD, CGMA

WICPA President and CEO

April 12, 2017

Good morning Chairman Feyen and members of the Committee on Economic Development, Commerce and Local Government. Thank you for this opportunity to testify this morning to express support on behalf of the Wisconsin Institute of CPAs and its members for Senate Bill 130 and its provisions to update Wisconsin Statutes and Administrative Code provisions regarding the licensing of CPAs in Wisconsin.

My name is Dennis Tomorsky. I am a resident of New Berlin, Wisconsin and am licensed in Wisconsin as both a CPA and an attorney. I am the President and CEO of the Wisconsin Institute of CPAs, representing the interests of the estimated 12,000 CPAs who are licensed and reside in Wisconsin. Before taking the position of chief staff executive of the WICPA in 2006, I practiced law for 25 years as an employee benefits attorney, including serving as a shareholder of two large Wisconsin law firms. Prior to entering the practice of law in 1981, I practiced as a CPA with two Big-4 international CPA firms, Deloitte and PWC.

The purpose of my testimony is to share information regarding provisions of the Wisconsin Statutes and Administrative Code relating to the licensing of Wisconsin CPAs that the WICPA and its members believe would be appropriate to update as provided in SB 130.

SB 130 Includes Provisions to Accomplish Three Important Objectives to Protect the Public, Enhance Regulatory Efficiency, and Expedite the Entry of CPAs into the CPA Profession

The three objectives accomplished by SB 130 include:

1. Updating Wisconsin CPA regulations before the June 1, 2017 expiration of an emergency rule to expedite licensure of CPA candidates,
2. Authorizing Wisconsin to participate in national CPA licensing databases, and
3. Requiring mandatory CPE to renew a Wisconsin CPA license on and after December 15, 2021, as required in all 54 other CPA licensing jurisdictions and for 47 other Wisconsin license categories.

Updating Wisconsin CPA Regulations before the June 1, 2017 Expiration of an Emergency Rule To Expedite Licensure of CPA Candidates

In late 2014, a statutory change eliminated all college education requirements to take the CPA exam in Wisconsin. In response to this elimination of education requirements, the AICPA and NASBA determined that the CPA exam would no longer be given in Wisconsin unless the statute was changed to reinstate a college education requirement for the CPA exam. In order to avoid losing the CPA exam in Wisconsin, another statutory change was quickly enacted in early 2015 to reinstate a college education requirement to take the CPA exam in Wisconsin. Unfortunately, the reinstatement of the education requirement created a conflict with prior regulations that specified the nature of college education credits required to take the exam, creating a risk that lack of specific education requirements could again result in losing the CPA exam in Wisconsin. Although a 2016 regulatory change was intended to provide specificity to the education requirements in order to eliminate risk of losing the CPA exam in Wisconsin, an unintended consequence was that several CPA candidates who relied upon older regulations in taking college courses were determined to not qualify for the CPA exam or licensure under the updated 2016 regulations. For this reason, an Emergency Rule (EmR 1628) was quickly implemented in order to temporarily allow CPA candidates to apply college course content information that was referenced in prior regulations in obtaining approval to take the CPA exam and obtain their CPA licenses. Because this Emergency Rule will expire on June 1, 2017, it is very important that a permanent rule be adopted and effective on June 1, 2017 in order to avoid hundreds of CPA candidates again being denied approval to take the CPA exam or obtain their CPA licenses.

SB 130 establishes permanent education requirements to become effective upon the June 1, 2017 expiration of the Emergency Rule EmR 1628 for the CPA exam and license. These requirements in SB 130 are based on input from all 26 Wisconsin colleges and universities that have 4-year accounting programs intended to qualify graduates to take the CPA exam and obtain a CPA license. This Bill also provides flexibility for the Accounting Examining Board to approve a CPA candidate's education for CPA exam and license qualification on a case by case basis in recognition that college and university curricula and courses change periodically to reflect the constantly changing complex information that CPAs must know and apply.

The permanent education rules provided in SB 130 reflect and accommodate the current accounting education curricula at all 26 Wisconsin colleges and universities with 4-year accounting programs, and provide expedited CPA exam and license approval for candidates with degrees from educational

institutions that have satisfied extremely rigorous national academic accreditation standards. The WICPA strongly supports the CPA education provisions of SB 130 recommended by the Wisconsin Accounting Examining Board and 26 Wisconsin colleges and universities to become effective on the June 1, 2017 expiration of Emergency Rule EmR 1628 in order to avoid challenges that are likely to otherwise be faced by many of the hundreds of CPA exam and license candidates who will apply after June 1, 2017.

Authorizing Wisconsin to Participate In National CPA Licensing Databases

There are three national databases containing CPA licensing information from nearly all CPA licensing jurisdictions. These databases are sponsored by the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) to protect the public interest and to contribute to efficiency of regulators with respect to the administration and enforcement of CPA licensing regulations in the 55 CPA licensing jurisdictions. The CPA Verify Database allows licensing boards, business owners and individuals to verify general CPA license and enforcement activities regarding CPAs in all participating licensing jurisdictions, eliminating the need to visit scores of state regulatory websites for such information. The Accountancy Licensee Database (ALD) is a central repository of more detailed current CPA licensee and CPA firm information from state CPA licensing boards and was developed to assist Boards of Accountancy with their regulatory mission. The AICPA's Facilitated State Board Access (FSBA) program gives state CPA licensing boards access to CPA firms' peer review results in order to protect the public interest.

The WICPA strongly supports the provisions of SB 130 recommended by the Wisconsin Accounting Examining Board (AEB) to allow Wisconsin to participate in the three national CPA licensing databases in order to protect the public and contribute to efficiency of regulators with respect to the administration and enforcement of CPA licensing regulations in Wisconsin.

Requiring Mandatory CPE to Renew A Wisconsin CPA License on and After December 15, 2021, as Required in All 54 Other CPA Licensing Jurisdictions and for 47 Other Wisconsin License Categories

The credibility of holding a CPA license results in CPAs being granted access to vast amounts of confidential information along with broad authority to make and influence billions of dollars of financial decisions for Wisconsin organizations and individuals that require analysis and application of extremely complex and continuously changing financial audit and reporting standards, tax and securities laws, cybersecurity risks, data and information processes, and economic considerations.

While the rigorous CPA examination and educational requirements provide evidence that a CPA has satisfied the basic knowledge requirements to enter the CPA profession, the exam alone provides insufficient protection of the public because the information tested on the exam changes significantly and often, and the exam does not evaluate the types of knowledge and skills of a CPA in management or executive positions. For this reason, all 54 other CPA licensing jurisdictions protect the public interest by requiring CPAs to comply with Continuing Professional Education (CPE) requirements in order to renew a CPA license. Wisconsin similarly requires individuals in 47 other license categories to complete continuing education requirements in order to renew any of these 47 other Wisconsin licenses.

As a result of the technical complexity of the services provided by CPAs, those damaged as a result of a CPA failing to apply the most current information and skills will not likely be aware that a financial statement, tax return, or business advice was not provided by a CPA in accordance with the most current knowledge required to competently perform such services.

SB 130 authorizes the AEB to develop regulations which would be the subject of multiple hearings before the CPE requirements would be applied to CPA license renewals on and after December 15, 2021. The provisions of SB 130 that permit CPE in 5-minute time increments, and that up to 50% of CPE may consist of informal learning, provide extreme flexibility for compliance with minimal inconvenience or cost. The widespread availability of free online CPE and CPE provided free by many professionals and consultants also help minimize CPE inconvenience and cost of mandatory CPE.

Wisconsin's lack of a CPE requirement for CPA license renewal means that Wisconsin CPAs are subject to greater burdens than CPAs licensed in other jurisdictions when performing services outside their state of licensure due to the varying inconsistent CPE requirements of many other states. Bringing Wisconsin's CPA regulations into closer alignment with all 54 other licensing jurisdictions would provide greater freedom, fewer burdens and lower compliance risks for Wisconsin CPAs expanding their services outside Wisconsin.

It is unreasonable to compare the complexity of services and potential damage from CPAs as a result of no CPE requirement to other license categories with far less complexity, very few annual technical changes, and far less financial decision making authority and information access.

The WICPA strongly supports the recommendation of the Wisconsin Accounting Examining Board included in SB 130 to allow the AEB to develop regulations to require CPE for renewal of a Wisconsin CPA license on and after December 15, 2021 to protect Wisconsin residents and organizations, help Wisconsin CPAs expand services outside Wisconsin, and reduce CPAs risk with widely available, convenient and free CPE.

Conclusion

SB 130 provisions benefit 26 Wisconsin colleges and universities, as well as their students, with streamlined and flexible CPA education regulations, while protecting Wisconsin residents and organizations with both continuing education requirements for CPAs and easier access to CPA licensing information. SB 130 provisions also increase efficiency and enforcement by the Wisconsin Accounting Examining Board by providing for the sharing of CPA licensee information with national databases.

For the reasons stated above, the WICPA strongly supports the passage of SB 130 and urges members of the Senate Committee on Economic Development, Commerce and Local Government to vote in favor of SB 130.

Thank you Mr. Chairman and members of the Committee for the opportunity to share the perspective of the Wisconsin Institute of CPAs relating to SB 130.

I would be pleased to answer any questions at this time or in the future. My contact information appears below:

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Karin M. Gale, CPA, CM&AA
Schenck SC, Shareholder
April 12, 2017

Testimony in Support of Senate Bill 130
Senate Committee on Economic Development, Commerce and Local Government

Good morning Chairman Feyen and members of the Committee. Thank you for this opportunity to testify in support of Senate Bill 130.

My name is Karin Gale. I am a life-long resident of West Allis and a Wisconsin licensed CPA. I am a Shareholder with Schenck SC, a CPA firm with in excess of 600 employees over 8 offices all in the State of Wisconsin. Schenck is one of the 50 largest CPA firms in the Country. I have focused my 25+ year career on providing assurance services to closely/private held manufacturing companies with locations in Wisconsin.

Additionally I serve on various community and professional boards, including serving on the Joint Trial Review Board of the American Institute of CPAs (AICPA). The Joint Trial Review board is a "Jury of Your Peers" relating to member disciplinary actions.

I thank Dennis Tomorsky for his thoughtful presentation relating to SB 130 and I am in support of Dennis' comments. My testimony is focused on the Mandatory CPE requirement.

For most of my 25+ years as a licensed CPA I have found it unusual compared to other State of Wisconsin licensed professionals as well as other CPA licensing jurisdictions that a CPE requirement is not part of the continuing licensing process. As Dennis referenced 47 other Wisconsin License Categories require CPE and 54 other CPA licensing jurisdictions.

Holding a CPA license results in CPAs being granted access to vast amounts of confidential data. As with any profession nothing is constant, but change. It is critical that a CPA's knowledge base continues to grow with the world around us. It is also important that the public understands that an individual who is a licensed CPA is subject to CPE requirements, in fact I believe most of the public assumes this is a requirement. If it is a requirement for an Interior Designer's license renewal (9 hours over a 2 year period), as a consumer of CPA services one would think it is required for CPAs.

It is has been my experience on the AICPA's Joint Trial Review Board that AICPA member deficiencies are often the result of that member not staying current on changes impacting the accounting profession.

I believe a CPE requirement for licensure will ensure the public is well served into the future.

Thank you for your thoughtful consideration on SB130.

My contact information follows:

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Testimony for SB 130

Senate Committee on Economic Development, Commerce and Local Government

Heather Acker, CPA, Partner

Baker Tilly Virchow Krause, LLP

April 12, 2017

Thank you Chairman Feyen and the Committee on Economic Development, Commerce and Local Government for the opportunity to testify in support of Senate Bill 130.

My name is Heather Acker. I am a Partner with Baker Tilly in Madison, and I have practiced public accounting for over 20 years with our firm. I am a licensed CPA in the states of Wisconsin and Illinois. Baker Tilly is a large, nationally-recognized CPA firm with approximately 2,500 employees. My current role at Baker Tilly includes leadership and oversight of our audit practice in the Midwest. Over my 20 year career, I have specialized primarily in audits of local governments. I also serve as the Chair of the State and Local Government Expert Panel of the American Institute of CPAs (AICPA). This role provides me an opportunity to observe the practices of CPAs on a national scale.

CPAs consistently rank as one of the most respected and trusted professions. It is my opinion that the provisions of SB 130 will bring Wisconsin into alignment with other states and demonstrate our state's commitment that CPAs operate in a manner that protect the public interest and maintain a reputation for quality and trustworthiness.

While I am supportive of the entire bill, including the portion on the statutory changes for licensure and participation in the national licensing database, I will defer testimony on those portions to the others with me today who have specialized knowledge on those topics. I will focus my testimony on the portion of the bill related to the continuing professional education (CPE) provisions.

I have noted throughout my career that the CPA profession is becoming more and more specialized as the regulations are becoming more complex. As CPAs move through their careers, they are often focusing in specific service areas (such as audit or tax) and industries (for example, small business or financial institutions or government). This is necessary in order to stay current on all of the changing regulations and industry knowledge. While the CPA exam focuses on broad areas in which a CPA should be competent to obtain a license, the knowledge that a CPA must possess as they move through their career changes significantly depending on their area of specialization. Therefore, continuing education is imperative to their competency and should be a requirement for continued licensure.

To highlight this, here are a few examples of the nature and magnitude of changes I have experienced in my specialization of government auditing during my career:

- There have been 54 new standards issued by the Government Accounting Standards Board (GASB). My career started the year GASB #31 was issued and we are now at GASB #85.
- U.S. Audit Standards have been clarified to move more to alignment with international standards.
- Government Auditing Standards, which contain important ethical and independence requirements, have gone through numerous revisions.
- The regulations surrounding federal grants management have been overhauled.
- Privacy requirements, such as HIPAA, have been adopted.
- The relevance of technology and cybersecurity risks significantly elevated.

In order to stay current with these changing requirements, I typically have over 60 hours of CPE annually.

Similar to me, many CPAs are likely already meeting the minimum education requirements outlined in SB 130 through voluntary action or CPA society membership requirements. However, those that are not could be harming the reputation of our profession by offering advice that is outdated or not fully understood. For that reason, I support the CPE provisions of SB 130.

I also appreciate that the bill allows sufficient time for thoughtful development of the specific regulations to be enacted and delays the effective date to be for license renewals after December 15, 2021. The flexibility in how the hours may be obtained is also valuable in adapting to the many formats through which CPE is offered.

I encourage the members of the Senate Committee on Economic Development, Commerce and Local Government to vote in favor of SB 130. Thank you for the opportunity to appear before you today. My contact information for future questions or discussion is as follows:

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**Testimony before the Senate Committee on Economic Development,
Commerce and Local Government**

**Randall Wichinski, CPA, MBA
WICPA Member and Retired Tax Partner, EY
April 12, 2017**

Good morning Chairman Feyen and members of the Committee on Economic Development, Commerce and Local Government. Thank you for this opportunity to testify as a CPA licensed in Wisconsin and on behalf of the Wisconsin Institute of CPAs (WICPA) in support of Senate Bill 130 (SB 130) and its provisions to update Wisconsin Statutes and Administrative Code provisions regarding the licensing of CPAs in Wisconsin.

My name is Randy Wichinski. I am a proud cheesehead and Badger; I was born in Wisconsin, my grandfather was a cheesemaker, and I have a BBA and MBA from the University of Wisconsin—Madison. I was licensed in Wisconsin as a CPA in 1981, and have lived and worked in Wisconsin as a CPA for more than half of my 35 year career; however, I was also licensed as a CPA in Ohio, where I lived and worked for 7 years, and more recently, I was licensed as a CPA in Illinois for 4 years. I have been a resident of Brookfield, Wisconsin since 2003, and for 10 years, from 2003 to 2013, I worked as a CPA for several different firms located in Chicago, including a national financial services consulting firm, and the Big 4 international CPA firm of Ernst & Young.

The purpose of my testimony is to express support for SB 130 and the testimony of certain other CPAs regarding provisions of the Wisconsin Statutes and Administrative Code related to the licensing of Wisconsin CPAs and the importance of mandatory continuing professional education, or CPE, as provided in SB 130. I would also like to share information regarding CPA mobility, or the practice of CPAs and CPA firms across state lines, and my experience with certain CPA mobility issues that can be avoided through the passage of SB 130. By avoiding these mobility issues, Wisconsin-based CPAs and firms will be permitted to obtain a CPA license and work in other states without the hindrance of unnecessary filings, forms, and the burden of additional time or expense to meet a variety of CPE requirements in those states.

The Issue of CPA Mobility (Extracted in part from the AICPA Website)

For many years, the issue of cross-border practice (or mobility) of CPAs and CPA firms has been of interest to the accounting profession. CPA mobility is the ability of a licensee in good standing from a substantially equivalent state to gain practice privilege outside of their home state without getting an additional license in the state where they will be serving a client or an employer.

In 1997, the American Institute of CPAs (AICPA), working with the National Association of State Boards of Accountancy (NASBA), added the concept of substantial equivalency to the joint Uniform Accountancy Act (UAA), the profession's model state accountancy statute. Under Section 23 of the UAA, if a CPA has a license in good standing from a state that utilizes CPA certification criteria that are essentially the same as those outlined in the UAA (the "three E's": Education, the 150-hour education requirement; Examination, passage of the Uniform CPA Exam; and, Experience, the one-year experience requirement), then the CPA would be qualified to practice in another state that is not the CPA's home or principal place of business.

In order for substantial equivalency to form the rationale for CPAs to serve clients across state lines, as well as give state boards the ability to protect the public, each state needed to enact and implement the provision in a manner similar to what appeared in Section 23. Many states enacted substantial equivalency provisions with complicated and varying notification requirements that did little to protect the public interest. The result was a patchwork system of individual state requirements that was inefficient and increasingly difficult to navigate.

After further study, the AICPA and NASBA concluded that the original concept of substantial equivalency was not working. In 2006, the AICPA and NASBA, working with state boards of accountancy and state CPA societies, developed a plan that would allow clients to receive timely services from the CPA best suited to the job, regardless of location, without the hindrance of unnecessary filings, forms, and increased costs. At the same time, they wanted to make certain that the plan also maintained the regulatory system that protects the public interest.

The AICPA and NASBA amended the UAA to allow interstate mobility, by adding a provision stating that a CPA with a valid license from a state with CPA licensing criteria "substantially equivalent" to

those outlined in the UAA could practice in another state without obtaining another license. The notification requirement previously in Section 23 was also removed, and the AICPA and NASBA added language to give Boards of Accountancy automatic jurisdiction over out-of-state CPAs and firms practicing in their states. The idea was that licensed CPAs should be able to practice across state or jurisdictional lines, personally or electronically, as long as they were in good standing in their own jurisdiction and they met the substantial equivalency criteria. The new mobility rules also protect the public and enforcement efforts by the state boards, since a CPA practicing under mobility is automatically subject to the jurisdiction of the state boards.

Importance To Wisconsin CPAs (Extracted in part from the AICPA Website)

Since 2006, the AICPA and NASBA have led a national effort for all states to adopt a uniform system that will allow licensed CPAs to provide services across state lines. As of May 2014, all 50 states, including Wisconsin, and the District of Columbia had substantially equivalent licensing criteria and passed mobility laws that are now in the implementation and navigation phases. Now, because Wisconsin has no CPE requirement for renewal of a CPA license, Wisconsin CPAs will have additional regulatory burdens to comply with numerous and different CPE requirements in states outside of Wisconsin. Many of those states treat visiting out-of-state CPAs as complying with their CPE requirements only if the visiting CPAs also comply with the CPE requirements of their state of licensure and their state of licensure requires mandatory CPE.

Conducting business across state borders is an everyday occurrence, and there is a critical need for all states to adopt a uniform mobility system that will allow licensed CPAs to provide services across state lines without unnecessary burdens that do not protect the public interest. An increase in interstate commerce and virtual technologies require a uniform system that allows a fluid practice across state lines. Businesses today are often located in multiple states and, as a result, they have compliance responsibilities in multiple jurisdictions. A uniform process and greater alignment with regulations of the 54 other licensing jurisdictions will give Wisconsin CPAs greater flexibility to better serve their clients. Implementation of the provisions under SB 130 will provide increased freedom for Wisconsin CPAs to better serve businesses outside of Wisconsin with fewer hindrances from unnecessary filings, forms, and increased costs.

Wisconsin has an excellent business climate and numerous Wisconsin organizations conduct business in other states and internationally. The highest level of CPA mobility is essential for Wisconsin-based firms to provide services to their multi-state clients in an efficient manner. CPA mobility is also critical for a CPA living in and licensed in Wisconsin, particularly if the most appropriate job opportunity for that CPA is located in a bordering state, such as Illinois. It is likely that the job opportunity will be conditioned upon obtaining a CPA license in Illinois, which can only occur if Wisconsin has licensing criteria that are substantially equivalent. If not, the only alternative would be for that CPA to retake and pass the CPA exam in Illinois after establishing that all requirements for the exam had been met; and, that would be a very impractical and difficult task to accomplish. The lack of substantial equivalency with respect to CPE requirements will significantly diminish the inherent value of a Wisconsin CPA license.

SB 130 Includes Provisions to Enhance CPA Mobility

SB 130 includes three provisions that will enhance CPA mobility for Wisconsin CPAs and firms:

1. Updating Wisconsin CPA regulations before the June 1, 2017 expiration of an emergency rule to expedite licensure of CPA candidates;
2. Authorizing Wisconsin to participate in national CPA licensing databases; and,
3. Requiring mandatory CPE to renew a Wisconsin CPA license on and after December 15, 2021, as required in all 54 other CPA licensing jurisdictions.

Updating Wisconsin CPA Regulations before the June 1, 2017 Expiration of an Emergency Rule

SB 130 will establish permanent education requirements that become effective on June 1, 2017, the expiration date of Emergency Rule 1628 (EmR 1628) which became effective in 2016 to expedite the approval of CPA exam and license applications following unanticipated challenges from a 2016 change in CPA exam and license education requirements. The provisions in SB 130 to refine these educational requirements are based on input from more than 25 Wisconsin colleges and universities that have accounting programs intended to qualify graduates to take the CPA exam and obtain a CPA license. In addition, the CPA exam and license education requirements in SB 130 are substantially equivalent to the other jurisdictions and, as a result, that will also enhance mobility for Wisconsin CPAs.

Authorizing Wisconsin to Participate In National CPA Licensing Databases

I support the provisions of SB 130 recommended by the Wisconsin Accounting Examining Board (AEB) that will allow Wisconsin to participate in the three national CPA licensing databases, which will also enhance CPA mobility and provide efficiency for regulators with respect to the administration and enforcement of CPA licensing regulations in Wisconsin.

Requiring Mandatory CPE to Renew A Wisconsin CPA License

Wisconsin's lack of a CPE requirement for renewal of a CPA license means that Wisconsin CPAs are subject to greater burdens than CPAs licensed in other jurisdictions when performing services outside their state of licensure due to the varying and inconsistent CPE requirements of many other states. Making Wisconsin's CPA regulations more closely aligned with the other 54 licensing jurisdictions will enhance CPA mobility by providing greater freedom, fewer burdens, and lower compliance risks for Wisconsin CPAs that expand their services to clients outside of Wisconsin.

I strongly support the provision in SB 130 for the Wisconsin AEB to promulgate regulations to require CPE for renewal of a Wisconsin CPA license beginning in 2021; this provision will not only protect Wisconsin residents and organizations, it will also enhance mobility for Wisconsin-based CPAs and firms as they provide services to clients or employers in other states.

Conclusion

Many of the organizations that require professional services from CPAs transact business on an interstate and international basis. As a result, the practice of Wisconsin CPAs and firms (physically, electronically, or otherwise) that serve Wisconsin-based companies typically extends across state lines and international boundaries. In addition, there are numerous CPAs that live in Wisconsin, but work for employers or provide services to clients located in neighboring states. Differing requirements for CPA certification, reciprocity, temporary practice, and other aspects of state accountancy legislation in the 55 American licensing jurisdictions constitute artificial barriers to the interstate practice and mobility of Wisconsin CPAs.

A uniform mobility system allows licensed CPAs to provide services across state lines without artificial barriers that do not provide additional public protection. To accomplish this, Wisconsin must have CPA licensing requirements that are substantially equivalent to all of the other 54 licensing jurisdictions; and, passage of SB 130 will accomplish this. If not, Wisconsin CPAs and firms will be at a competitive disadvantage, facing greater burdens than CPAs licensed in other jurisdictions; and, the inherent value of a Wisconsin CPA license will be significantly diminished.

For the reasons described above, I support passage of SB 130 and encourage the Committee to vote in favor of SB 130.

Thank you Mr. Chairman and other members of the Committee for this opportunity to share my thoughts with respect to SB 130.

I would be pleased to answer any questions at this time or in the future. You may email me at wichinski@aol.com, or call me at 262-832-4404 if you have further questions.



**Testimony before the Senate Committee on Economic Development,
Commerce and Local Government**

Leniwati M Siker CPA

April 12, 2017

Good morning Chairman Feyen and members of the Committee on Economic Development, Commerce and Local Government. I appreciate the opportunity to testify this morning to share my thoughts and the perspective of a smaller CPA firm regarding Senate Bill 130.

My name is Leni M. Siker, I am resident of Milwaukee, Wisconsin and am licensed in Wisconsin as a CPA. I own and operate Siker Consulting Inc. for the last 24 years. My firm was the first woman and minority owned CPA firm certified in the state of Wisconsin to do business with the US Government agencies like the US Small Business Administration, US Department of Commerce-Minority Business Development Agency, Wisconsin Department of Transportation, and numerous other state & local government. *"I took the right turn to use what might have been stumbling blocks to my advantage,"* noting that *"being a woman and the owner of a small business can be an entree to a client rather than a barrier."* I am currently focusing on expanding my business internationally to Indonesia, where I was born and lived for the first 21 years of my life. Participating in the global economy is a solid way and a natural progression to growing my Wisconsin business beyond our borders.

The purpose of my testimony is to show my support for requiring mandatory CPE to renew a Wisconsin CPA License beginning in 2021, as now required in all other jurisdictions that license CPAs.

CPAs are given broad authority regarding business decisions of CPA firm clients as well as other organizations that employ CPAs as CFOs, controller, internal auditors, and other financial executives. Organizations rely on CPAs to make decisions regarding the recording and security of financial information, as well as the presentation of business information to others who make borrowing, lending and purchasing decisions for organizations. The information that we CPAs must know in order to serve

our clients and employers changes often. The accounting standards and tax laws that may be in effect on the day a CPA passes the CPA exam will change significantly throughout a CPA's career.

What currently exists in Wisconsin:

- With the sole exception of Wisconsin, all 55 CPA licensing jurisdictions protect the public interest by requiring a licensed CPA to comply with continuing education requirements.
- Wisconsin protects residents from damage by other license holders by requiring continuing education to renew licenses in 47 other license categories.
- The public's reliance on the licensed status of CPAs, and the competence that the public assumes a license demonstrates, subjects Wisconsin residents and businesses to increased risk of damage compared to states that require continuing education to renew a CPA license.
- The proposed statutory change provides that the mandatory CPE requirement could not become effective earlier than 2020, which provides significant lead time for Wisconsin CPAs to understand and comply with any promulgated regulatory CPE requirements.
- It is unreasonable to compare the complexity of services and potential damage from CPAs as a result of no CPE requirement, to other license categories that apply technical information that is much less complex, has far fewer annual technical changes, give license holders far less access to confidential information and far less authority to make significant financial decisions.

Conclusion

SB 130 provisions will protect Wisconsin residents and organizations with both continuing education requirements for CPAs, and easier access to CPA licensing information. SB 130 provisions also increase efficiency and enforcement by the Wisconsin Accounting Examining Board through providing for the sharing of CPA licensee information with national databases.

I support the passage of SB 130, and encourage members of the Committee to also support SB 130.

Leniwati M. Siker, CPA
President & CEO
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Testimony before the Senate Committee on Economic Development, Commerce and Local Government

MATTHEW SCHAEFER CPA, CGMA

APRIL 12, 2017

Good morning Chairperson Feyen and members of the Committee on Economic Development, Commerce and Local Government. I appreciate your time this morning to testify in regards to Senate Bill 130. In particular the establishment of continuing education requirements for certified public accountants.

My name is Matthew Schaefer and I am a board member with the Wisconsin Institute of Certified Public Accountants. I have been employed with a small community bank for 14 years as a Loan Officer and as Vice President of Regulatory Risk. Through these years I have seen the bank grow its loan portfolio and its assets from \$230 million to \$500 million. This community bank has developed an intrinsic trust between its customers, colleagues, and service providers. Customers trust that we will protect financial and personal information and make decision based on accurate and current information.

Financial institutions, in particular, have seen an influx of regulatory implementation through the Dodd Frank Act, Financial Accounting Standards Board, Uniform Standards of Professional Appraisal Practice and prudential regulators that enforce laws promulgated through these laws, standards and practices. With the complexity of financial products there has been increased oversight of product offerings and accounting by these regulators. Based on recent headlines

of financial institutions continued litigation throughout the past few years, this may seem warranted.

Observations

As Vice President of Regulatory Risk, one of my responsibilities is the assimilation of new laws into controls and procedures. This may require months of initial review through development of action plans and the measurement of benefits and liabilities associated with the offering of a product or service. A large part of incorporation of regulatory change is communication with third party providers and training of personnel. Dependent on the breadth and depth of a process change, this can be onerous and burdensome to a business. Reliance on industry experts and CPA firms to help with bank related regulatory change is usually customary in the planning, implementation, and review of a product or service. The complexity of new laws is not exclusive to the financial industry. However, financial products, investments, and, equity transactions have a tendency to adversely affect a large group of individuals based on the number of users of these services.

With these complexities a requisite amount of training is required. Financial institutions, in particular, are required, based on an examination by the FDIC, OCC, and Federal Reserve, to document training for products and services. The training that is required by prudential regulators is not specific by amount (number of minutes) or type (webinar, seminar, etc.), but is expected.

The training required through credit hours for certified public accountants should also be expected. Although regulators may not subject CPAs individually to the breadth and depth of bank examinations there needs to be a trust maintained with businesses and individuals.

Certified public accountants are responsible for the accounting and valuation and existence of assets, measurement of liabilities, and the reporting of accounts to stakeholders for financial institutions. There is also a large reliance on CPAs to calculate proper tax liabilities (or tax assets), and accurate taxable income for reporting to the Internal Revenue Service.

With these responsibilities, why is Wisconsin the only US licensing jurisdiction that does not require continuing education for certified public accountants? Is it general public reliance that the designation of a certified public accountant should be enough to obtain or apply expert knowledge to accounting subject matter? With the velocity of changes through the business cycles of sole proprietorships, partnerships, corporations there are also changes to applicable laws, required forms, and reporting periods. In the financial industry, some of these changes are expected to be incorporated within a short period of time. The expectation of a business's management should be that the requisite amount of training and experience was completed by a certified public accountant in order to provide applicable solutions to a business.

This training can be documented through required continuing professional education requirements (CPE). The wide availability of CPE provides a certified public accountant with a diverse knowledge set that can be applied to all industry types. The requirements can be met through formal and informal learning. On the job training, seminars, webinars, article review are just a few ways to complete CPE and provides limited excuse to not gain a requisite amount of applicable knowledge.

Conclusion

Senate Bill 130 is an integral piece of legislation for protection of public interest. Fifty-four of fifty-five licensing jurisdictions currently require CPE for certified public accountants. This CPE requirement should be expected by internal and external users of accounting services within the state of Wisconsin. These users should also expect that a CPA's knowledge be based on timely and accurate information that is provided by document training. Thank you for the opportunity to provide this testimony to the Committee and stakeholders of the proposed bill.

Matthew Schaefer, CPA, CGMA
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Angela C. Thomas, CPA
General Accounting Section Chief
Wisconsin Dept. of Natural Resources
April 12, 2017

Testimony in Support of Senate Bill 130
Senate Committee on Economic Development, Commerce and Local Government

Good morning Chairman and members of the Committee. Thank you for this opportunity to testify in support of Senate Bill 130. My name is Angela Thomas. I am a resident of Sun Prairie, Wisconsin and a licensed CPA. I have over 11 years of state service and am currently serving as the General Accounting Section Chief at the Wisconsin Department of Natural Resources. Prior to this role, I served at the Department of Justice for 3 years and the University of Wisconsin Hospital & Clinics for about 7 years.

Senate Bill (SB) 130 Includes Provisions to Accomplish Three Important Objectives to Protect the Public, Enhance Regulatory Efficiency, and Expedite the Entry of CPAs into the CPA Profession

The three objectives accomplished by SB 130 include:

1. Updating Wisconsin CPA regulations before the June 1, 2017 expiration of an emergency rule to expedite licensure of CPA candidates,
2. Authorizing Wisconsin to participate in national CPA licensing databases, and
3. Requiring mandatory CPE to renew a Wisconsin CPA license on and after December 15, 2021, as required in all 54 other CPA licensing jurisdictions and for 47 other Wisconsin license categories.

The purpose of my testimony is to provide support for SB 130 and the three objectives. While I am supportive of the entire bill, I will focus my testimony on the portion of the bill related to the continuing professional education (CPE) provisions.

Prior to obtaining my CPA licensure I worked as a pharmacy technician and passed the examinations and met the requirements necessary to become a certified pharmacy technician (CPhT). As a CPhT I was required to complete CPE, which included pharmacy law, patient safety, and other topics at my discretion at least every two years. Some of these CPE were allowed to be obtained through on the job tasks, similar to the proposal before you today.

As a result of the CPE, which required me to stay current, learn about best practices, and become a subject matter expert, I know there was a direct correlation to my success and abilities to do my job and

provide the best care possible. I moved from being a retail technician to inpatient/surgical and eventually into Drug Policy practice before returning to school and becoming a CPA.

Becoming a licensed professional should not be the end of the education, but only the beginning. The public puts a great deal of trust in CPAs and holds us to a higher standard. We should be ensuring that standard is maintained. All 54 other CPA licensing jurisdictions protect the public interest by requiring CPAs to comply with CPE requirements in order to renew a CPA license. Wisconsin similarly requires individuals in 47 other categories to complete continuing education requirements in order to renew.

I appreciate that this bill allows time for implementation and offers a variety of learning formats. Also, there are a number of ways to obtain these CPE at a free or reduced expense and while learning in the workplace.

It is difficult to measure the consequence of not requiring CPE, but in my experience Government is often delayed in implementing new practices, processes, and technology.

As a member of the WICPA, I do maintain a level of CPE and this helps generate ideas. When I bring ideas or questions to the work place I am often met with the response, "we have always done it this way." This type of attitude is preventing some professionals from being the best they can be and improving the business and results for customers. My customers are the tax payers of Wisconsin. Since many professionals are not staying up to date, they do not even realize there are alternatives or new research based recommendations. I am focused on improving efficiencies and effectiveness for the state of Wisconsin and to do this, we all need to partake in continuing professional education.

Thank you, Chairman, and members of the Senate Committee on Economic Development, Commerce and Local Government for allowing me to provide input for SB 130. If you have any questions regarding my comments, please feel free to contact me.

Angela C. Thomas, CPA
General Accounting Section Chief – Bureau of Finance
Wisconsin Department of Natural Resources
Cell: 608-358-9124
angela.c.thomas@gmail.com



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**TOGETHER
FORWARD**

Memorandum

To: Senate Committee on Economic Development, Commerce and Local Government
From: Professor Terry Warfield

April 10, 2017

Re: Senate Bill 130

I am registering to support this bill, which addresses the following issues:

1. Update Wisconsin CPA regulations to expedite CPA exam and license applications and help students by clarifying CPA education requirements before the June 1, 2017 expiration of an emergency rule,
2. Authorize Wisconsin to participate in national CPA licensing databases to protect the public and increase regulatory efficiency, and
3. Require mandatory CPE to renew a Wisconsin CPA license (as currently required in all 54 other CPA licensing jurisdictions and for 47 other Wisconsin license categories) to protect the public, since financial standards and tax rules applied by CPAs are constantly changing and since licensed CPAs are granted financial authority and access to confidential information that could result in far more damage than most other license categories.

As the Chair of the Department of Accounting and a member of the WICPA Accounting Higher Education Committee, I support all elements of the bill, but especially the elements addressing CPA exam education requirements. In brief, the expiration of the current emergency rule covering requirements to sit for the CPA exam without new regulations (which passage of this bill will address), students will experience *significant* disruption to educational plans in order to be eligible to sit for the CPA exam in Wisconsin. Specifically, students must create plans to sit for the CPA well in advance and are currently making employment and living decisions based on their intention to sit for the CPA exam. Unexpected changes to their plans similar to what happened in the spring/summer of 2016 will create a lot of unnecessary stress and financial loss for students who have turned down internships, invested in study materials, signed leases, etc. These issues are in addition to the longer-term challenges in place upon the expiration of the emergency rule.

I also support the other provisions in the bill, as they bring Wisconsin in alignment with other jurisdictions concerning administration of CPA licenses and encouraging continuous learning by those who hold the CPA credential.

Please do not hesitate to reach out to me directly with any questions. I will be in attendance at the hearing and would be glad to answer questions from the floor.

Sincerely,

Terry Warfield
Department Chair
PwC Professor in Accounting

Department of Accounting & Information Systems

Wisconsin School of Business 4117B Grainger Hall 975 University Avenue Madison, WI 53706

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Dr. Michael D. Akers
Charles T. Horngren Professor of Accounting

Straz Hall
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P 414.288.1453
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April 12, 2017

Dear Chairman Dan Feyen and members of the Senate Economic Development, Commerce and Local Government Committee:

The purpose of this letter is to express my written support for Senate Bill 130 since my schedule doesn't allow me to attend in person on April 12. As a way of introduction, my name is Michael D. Akers and I am a resident of New Berlin, Wisconsin. I am a licensed CPA in both Wisconsin and Kentucky. For the past thirteen years I have served as the Chair of the Department of Accounting Department at Marquette University and I have held the position, Charles T. Horngren Professor of Accounting, for the past twenty-one years. Prior to entering a career in academe, I worked with Arthur Andersen. I am on the Board of Directors and Audit Committee of two publicly traded companies and I also serve on the Audit Committee of the largest nonprofit organization in Wisconsin. In addition to my CPA licenses, I hold several other professional accounting certifications. Accordingly, in my role at Marquette University and board memberships, I help to educate future CPAs as well as interacting with practicing CPAs on a regular basis.

My comments will focus on the 3 primary objectives of SB 130:

1. Updating Wisconsin CPA regulations before the June 1, 2017 expiration of an emergency rule to expedite licensure of CPA candidates,
2. Authorizing Wisconsin to participate in national CPA licensing databases, and
3. Requiring mandatory CPE to renew a Wisconsin CPA license on and after December 15, 2021, as required in all 54 other CPA licensing jurisdictions and for 47 other Wisconsin license categories.

Since the oral testimony of colleagues from both academe and practice will provide historical details with respect to the three objectives of SB 130 and I realize that you and your committee have a busy schedule, my brief comments will focus on why I believe the proposed legislation is necessary to update the Wisconsin Statutes and Administrative Code.



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Updating Wisconsin CPA regulations before the June 1, 2017 expiration of Emergency Rule EmR 1628 for the CPA exam and license

SB 130 is necessary in order to avoid challenges that are likely to otherwise be faced by many of the hundreds of CPA exam and license candidates who will apply after June 1, 2017. The legislation that was passed in 2016, while well intended, did not incorporate broad-based input from academic institutions and had negative unintended consequences for candidates seeking licensure or application to take the CPA exam. SB 130 will address those unintended consequences.

The permanent education rules provided in SB 130 reflect and accommodate the current accounting education curricula at all 26 Wisconsin colleges and universities with 4-year accounting programs, as well as the different types of accreditation at these institutions, and provide expedited CPA exam and license approval for candidates with degrees from educational institutions that have satisfied extremely rigorous national academic accreditation standards. The requirements in SB 130 are based on the **UNANIMOUS** support from all 26 Wisconsin colleges and universities that have 4-year accounting programs intended to qualify graduates to take the CPA exam and obtain a CPA license. Flexible educational requirements allows each institution to address curriculum in a manner that best meets their needs but still allowing the state to maintain its successful pass rate on the CPA exam. Wisconsin is historically in the top 3 to 5 states on the first-time pass rate on the CPA exam. In my 30 years at Marquette University I have not seen such engagement and cooperation among the academic community regarding an issue that impacts each program. This Bill also provides flexibility for the Accounting Examining Board to approve a CPA candidate's education for CPA exam and license qualification on a case by case basis in recognition that college and university curricula and courses change periodically to reflect the constantly changing complex information that CPAs must know and apply.



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Authorizing Wisconsin to participate in national CPA licensing databases

There are three national databases which contain CPA licensing information from almost all CPA licensing jurisdictions. Since Wisconsin doesn't participate in these databases, this makes it much more difficult for other licensing boards and businesses to verify CPA license and enforcement actions against Wisconsin CPAs, thus placing Wisconsin CPAs at a competitive disadvantage. Such information about Wisconsin CPAs is more challenging and time consuming to obtain than it would be if Wisconsin participated in these national databases which are sponsored by the American Institute of Certified Public Accountants, the national organization for CPAs, and the National Association of State Boards of Accountancy, a national organization serving regulators of the CPA profession in all 55 CPA licensing jurisdictions.

Requiring mandatory CPE to renew a Wisconsin CPA license on and after December 15, 2021

The credibility of a CPA license is important because the public places their TRUST in our actions regarding confidential information and technical issues related to various areas that include financial statement audits, tax preparation and consulting, and consulting related to internal controls, fraud, and mergers and acquisitions. While Wisconsin does an excellent job of preparing future CPAs for the CPA exam (as noted above), Wisconsin is currently the only jurisdiction that does NOT require mandatory CPE requirements. In my opinion this negatively impacts the perception of the Wisconsin CPA license and the lack of mandatory CPE is also inconsistent with other license categories in Wisconsin as well as EVERY other accounting professional certification. Currently there are 47 other Wisconsin license categories that have mandatory CPE. SB 130 allows Wisconsin to address this issue while also introducing innovative methods to obtain CPE, thus allowing Wisconsin to be a role model nationally in the area of CPE, similar to the performance on the CPA exam.



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Thank you Chairman Dan Feyen and members of the Senate Economic Development, Commerce and Local Government Committee for allowing me to provide input for SB 130. If you have any questions regarding my comments please feel free to contact me.

Sincerely,

Michael D. Akers, PhD, CPA, CIA, CMA, CFE, CGMA

Professor and Chair, Department of Accounting-Marquette University

Charles T. Horngren Professor

Member, Accounting Higher Education Committee

WICPA Accounting Higher Education Committee**1-Nov-16**

Name	College or University
Tobin, Richard	Alverno College
Hanks, Deborah	Cardinal Stritch University
Olsen, Gary L.	Carroll University
Schlichting, David K.	Carthage College
Outhouse, Dana	Concordia University
Dragoo, Amie	Edgewood College
Killion, Brett	Lakeland University
Akers, Michael D.	Marquette University
Fletcher, Mary Ellen	Mount Mary College
Dell, Scott	Marian University
Kuenzi, Thomas N.	Silver Lake College
Haen, Jason J.	St. Norbert College
Doering, James	University of Wisconsin Green Bay
Loebl, James	University of Wisconsin Green Bay
Fischer, Paul M.	University of Wisconsin Milwaukee Business School
Aroskar, Rajarshi	University of Wisconsin-Eau Claire
Pernsteiner, Aimee J.	University of Wisconsin-Eau Claire
Maas, William E.	University of Wisconsin-La Crosse
Fuhremann, Kristen A.	University of Wisconsin-Madison
Warfield, Terry D.	University of Wisconsin-Madison
Cross, Joann Noe	University of Wisconsin-Oshkosh
Baldwin, Dirk	University of Wisconsin-Parkside School of Business
Determan, Thomas R.	University of Wisconsin-Parkside School of Business
Wang, Jamie	University of Wisconsin-Parkside School of Business
Carothers, Todd A.	University of Wisconsin-Platteville School of Business
Corcoran, Charles	University of Wisconsin-River Falls
Hukai, Dawn	University of Wisconsin-River Falls
Schalow, Christine M.	University of Wisconsin-Stevens Point Division of Business & Economics
McCoon, Mark A.	University of Wisconsin-Superior
Becker, D'Arcy A.	University of Wisconsin-Whitewater
Marson, JoAnn M.	Viterbo University
Rick, Katherine R.	Viterbo University
Derouin, Lisa A.	Wisconsin Lutheran College



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To: Senate Committee on Economic Development, Commerce and Local Government

From: Rick Vojtisek, CPA, CliftonLarsonAllen LLP Principal

Date: April 12, 2017

RE: CliftonLarsonAllen LLP Support for SB 130

The national CPA firm of CliftonLarsonAllen LLP supports SB 130 and its provisions that update Wisconsin's CPA exam and license education requirements, allow Wisconsin to participate in national CPA licensing databases, and require continuing professional education to renew a Wisconsin CPE license beginning in 2021.

CliftonLarsonAllen LLP has more than 100 locations across the United States and employs more than 5,000 professionals, including 700+ principals and more than 1,800 CPAs.

CliftonLarsonAllen LLP urges the Committee to vote in favor of SB 130 to protect Wisconsin residents, expedite the entry of CPAs into the profession, and enhance opportunities for Wisconsin CPAs to expand their services by serving clients outside the state of Wisconsin through greater alignment of Wisconsin's continuing education licensing requirements with the requirements of the other 54 CPA licensing jurisdictions.

A handwritten signature in black ink that reads 'Rick Vojtisek, CPA'.

Rick Vojtisek, CPA
Principal, CliftonLarsonAllen LLP