



Nov. 15, 2024

AICPA/NASBA Joint UAA Committee
AICPA Leadership and Board of Directors
NASBA Leadership and Board of Directors

The Minnesota Society of CPAs (MNCPA) appreciates the opportunity to provide comments on proposed amendments to the Uniform Accountancy Act (UAA), issued Sept. 30, 2024. The MNCPA represents more than 7,000 CPAs working in public accounting, industry, government and education.

We appreciate that NASBA and the AICPA acknowledged the need for an additional pathway and shifted their position to broadening the pathways to CPA licensure. Given the vital importance of CPAs in building trust and supporting business growth leading to vibrant communities, a lack of CPAs is a crisis. We also recognize the value of the regulatory role in establishing CPAs as trusted advisers.

The CPA exam is the most consistent requirement across all jurisdictions to become a CPA. Education and experience are equally important, but these requirements vary by state. We support the requirement for candidates to earn a bachelor's degree with a concentration in accounting or equivalent as determined by board rule. This provides a solid foundation for passing the CPA exam.

We also agree that experience is a vital component of licensure. CPAs work across all sectors of our economy, which provides a diverse range of opportunities to gain experience. In all of these sectors, systems are in place to review employee performance and provide feedback and coaching to develop future CPAs. Performance is assessed on both technical and nontechnical skills.

Licensure requirements are designed as an entry point. They set a minimum standard, and changes should not add complexity for regulators, candidates or employers.

We do not support the proposed competency-based framework for the following reasons:

1. The competency-based experience duplicates existing employee review systems and adds unnecessary administrative overhead for employers and boards of accountancy.
2. The requirement only applies to one of three candidate scenarios. This adds complexity for candidates in making a licensing path decision adding a needless barrier. This is especially true as we compete with other career options available

to candidates. This is counterproductive to the goal of broadening the pathways to licensure.

3. There is no evidence to support that the competency-based requirement will result in better candidate outcomes compared to the alternative of a two-year general experience requirement. Systems to support the requirement will require a significant ongoing investment not to mention the initial challenges that will come with implementation.
4. The competencies identified in the framework — critical thinking, teamwork, communication — are highly subjective, context sensitive, difficult to standardize and assessments are easily influenced by evaluator bias. This type of assessment as a licensure requirement creates liability concerns and challenges to its perceived fairness.

Modernizing the requirements to become a CPA is critical to remaining a top career choice and attracts a diverse range of talented individuals from all backgrounds. This will not only strengthen the profession but also better reflect and serve our increasingly diverse society.

As noted in the proposal, the key challenge to licensure changes is mobility as it is currently determined. To resolve the mobility challenge, we support automatic mobility with guardrails related to the CPA exam, education and experience to ensure minimum requirements making mobility less vulnerable to disruption while maintaining strong public protection.

Automatic mobility provides jurisdiction to boards of accountancy when a CPA is practicing in their state, which is fundamental to serving as a regulator protecting the public and the CPA's role a trusted financial adviser. It significantly reduces complexity for regulators, CPAs, clients and employers in determining if they have practice privileges. In a digital world, with the common practice of remote work, automatic mobility facilitates the delivery of CPA expertise to large, small, urban and rural communities.

Four states have operated under automatic mobility for multiple years, which is a natural experiment demonstrating that it works. Boards of accountancy executive directors from these states have publicly supported the adoption of automatic mobility.

We support the following amendments to the UAA:

1. Allow the following paths to CPA licensure:
 - a. Bachelor's degree plus two years of general professional experience.
(New)
 - b. Master's degree plus one year of general professional experience.
(New)

- c. 150 college credit plus one year of general professional experience.
(Existing)
2. Adopt automatic mobility as the standard for practice privileges with guardrails related to education, CPA exam and experience.
3. Allow an adoption period where states maintain mobility while changes are made to statutes and rules modify licensure requirements. We recommend a grace period through Jan. 1, 2030, given the legislative and rule process that govern the processes each state must navigate.

The timing to make these changes is urgent with the ongoing decline in high school graduation sizes. Adopting automatic mobility is forward-thinking and positions the profession to remain a trusted adviser. A grace period ensures CPAs will continue to provide valuable services without the distraction of mobility disruption, which leaders within the profession have the ability to avoid.

Thank you for your consideration. We look forward to a CPA licensure model that meets the needs of CPA candidates, the clients and businesses the profession serves and the public.

Respectfully,



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