

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number

Accy 1-9

3. Subject

Updating accounting practices and standards

4. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.165 (1) (g)

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect Increase Existing Revenues Increase Costs
 Indeterminate Decrease Existing Revenues Could Absorb Within Agency's Budget
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy Specific Businesses/Sectors
 Local Government Units Public Utility Rate Payers
 Small Businesses **(if checked, complete Attachment A)**

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

9. Policy Problem Addressed by the Rule

The Accounting Examining Board undertook a comprehensive evaluation of the current Wis. Admin. Code ch. Accy 1 to 9 and determined that the rules needed updating to reflect current practices within the profession. The evaluation also included bringing the accounting rules into conformity with recently passed legislation. 2013 Wisconsin Act 21 replaced the accreditation for bachelor's degree from the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools or its regional equivalence to an accrediting agency recognized by the Secretary of the Federal Department of Education. The proposed rule eliminates all references to the former accreditation body and updated pertinent provisions with the new accreditation standard. 2013 Wisconsin Act 210 amended the requirements for taking the accountancy exam by reducing the number of semester hours of education from 150 to 120 semester hours and by eliminating the bachelor's degree requirement. The proposed rule amends the affected provisions to implement this statutory change.

10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

The rule was posted on the Department of Safety and Professional Service's website for 14 days in order to solicit comments from businesses, associations representing businesses, local governmental units and individuals that may be affected by the rule. No comments were received.

11. Identify the local governmental units that participated in the development of this EIA.

No local governmental units participated in the development of this EIA.

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

This rule is expected to have very little impact on specific businesses, business sectors, public utility rate payers, local governmental units or the State's economy as a whole. Implementation and compliance costs will be nominal.

13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The proposed rule will amend the current rules by making them conform to contemporary standards and practices of the accounting profession.

14. Long Range Implications of Implementing the Rule

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Long range implication of the rule includes greater consistency with national standards accepted throughout the accounting profession.

15. Compare With Approaches Being Used by Federal Government
None.

16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois: Illinois requires 150 college or university semester hours with an accounting concentration to be admitted to take the certified public accountant examination. The 150 hours must include a baccalaureate or higher degree conferred by an academic institution acceptable to the Board. 225 ILL COMP. STAT. 450/3. The Board recognizes institutions of higher education accredited by a regional accrediting association recognized by the Council for Higher Education Accreditation or the U.S. Department of Education. The Board also recognizes business schools accredited by the Association of Advance Collegiate Schools of Business or the Association of Collegiate Business Schools and Programs. 23 Ill. Adm. Code 1400.90 (c) (2) (H).

Iowa: Qualifications for a certificate as a certified public accountant in Iowa includes completion of at least 150 semester hours of college level education and receiving a baccalaureate or higher degree by a college or university recognized by the Board. Iowa Code §542.5 (7). The Board recognizes institutions accredited by the American Assembly of Collegiate Schools of Business. 193A IAC 3.2. Other qualifications include one year of verified experience and successful completion of the uniform certified accountant's examination. 193A IAC 3.1.

Michigan: Certification requirements in Michigan include the completion of a least 150 semester hours of college education including a baccalaureate degree or higher with a concentration in accounting. Mich. Admin. Code r. 338.5116 (1). For purposes of accreditation the Board recognizes the North Central Association of Colleges and Schools Commission on Institutions of Higher Education. Mich. Admin. Code r. 338.5115. Qualifying experience for certification includes 2,000 hours of experience within a period of not less than one calendar year and not more than 5 calendar years. Mich. Admin. Code r. 338.5117 (1).

Minnesota: The requirements for certification include the completion of one year of experience and 150 semester hours or 225 quarter hours at a college or university accredited by a recognized accrediting agency listed with the United States Department of Education, or an equivalent accrediting association. Minn. Stat. §3261.03 Subd.6 . Before taking the examination an applicant is required to have a "baccalaureate or higher degree, with a major in accounting or a major in business with accounting emphasis, or an equivalent education, from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education or an equivalent accrediting association." Minn. Stat. §3261.03 Subd. 3.

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ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
 - Less Stringent Schedules or Deadlines for Compliance or Reporting
 - Consolidation or Simplification of Reporting Requirements
 - Establishment of performance standards in lieu of Design or Operational Standards
 - Exemption of Small Businesses from some or all requirements
 - Other, describe:
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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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