

DALE KOOYENGA

STATE REPRESENTATIVE • 14th ASSEMBLY DISTRICT

(608) 266-9180
Fax: (608) 282-3614
Toll Free: (888) 534-0014
Rep.Kooyenga@legis.wi.gov

P.O. Box 8952
Madison, WI 53708-8952

April 27, 2017

TO: Assembly Committee on Regulatory Licensing Reform
FR: Representative Dale Kooyenga
RE: Assembly Bill 188

Thank you for holding a hearing on this bill.

Senator Marklein and I introduced Assembly Bill 188 in order to update the legal code that regulates Certified Public Accountants. Assembly Bill 188 deals with educational requirements before taking the accounting examination; license renewal and continuing education; data-sharing programs with the American Institute of Certified Public Accountants (AICPA); peer reviews for CPA firms; and modification of rules promulgated by the Accounting Examining Board (AEB).

The first goal of AB 188 is to establish an updated permanent CPA exam and license statute. The Wisconsin Institute of Certified Public Accountants (WICPA) has worked with the Accounting Examining Board (AEB) and the 26 Wisconsin institutions of higher education that offer a 4-year accounting degree to ensure those students will be able to sit for the CPA exam. It also offers a solution for issues covered by Emergency Rule 1628, which will expire on June 1, 2017. This change will allow certain individuals who have previously passed the CPA exam, but were not allowed to be designated as a CPA, to now be allowed to use the CPA designation.

AB 188 will also fix a major problem with educational requirements. Last year, new regulations for the CPA exam accidentally created conflict for some students who were ready to take the exam. The resulting conflict arose from discrepancies in course names, and miscommunication as to whether the students had achieved all of the qualifications to take the exam. Although the students had fulfilled their duties, they were in danger of being denied entrance to the exam. Emergency Rule 1628 was enacted as a temporary fix, but will expire June 1, 2017 and AB 188 is the solution to this problem.

Currently, Wisconsin is the only state that does not require CPE requirements for license renewal. The AEB was directed under 2015 Act 217 to research the feasibility of establishing continuing education requirements for renewal of a CPA license in Wisconsin. Under AB 188, Wisconsin's CPE requirement will:

- be set in statute at 80 hours (over a two year period), which is one of the lowest levels of CPE hours in the 55 jurisdictions;
- permit half of the hours to consist of convenient informal reading and work experience activities; and,
- allow maximum flexibility for learning activities as short as five minutes.

These unique innovative features will result in Wisconsin having the most convenient and flexible CPE requirements of all 55 jurisdictions. The AEB is given guidance for promulgating these rules for license renewal beginning in 2020.

Finally, the bill authorizes the AEB to participate in data-sharing programs with the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA).

Thank you for hearing this bill and I ask for your support.



HOWARD MARKLEIN

STATE SENATOR • 17TH SENATE DISTRICT

April 27, 2017

**Assembly Committee on Regulatory Licensing Reform
Testimony on Assembly Bill (AB) 188**

Good afternoon!

Thank you Chair Horlacher and members of the committee for the opportunity to testify in favor of Assembly Bill 188 (AB 188), 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.

AB 188 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 AB 188 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, and the educational institutions educating our future CPA candidates. I encourage you to listen to their personal accounts regarding AB 188, and the impact it will have on their business, as well as, the consequences if the legislature fails to act on this bill. This bill passed in the Senate Committee on Economic Development, Commerce and Local Government unanimously, 7-0.

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



**Testimony before the Assembly Committee on
Regulatory Licensing Reform
Leniwati M Siker CPA
April 27, 2017**

Good afternoon Chairman Horlacher and members of the Committee on Regulatory Licensing Reform. I appreciate the opportunity to testify this afternoon to share my thoughts and the perspective of a smaller CPA firm regarding Assembly Bill AB 188.

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

AB 188 provisions will protect Wisconsin residents and organizations with both continuing education requirements for CPAs, and easier access to CPA licensing information. AB 188 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 AB 188, and encourage members of the Committee to also support AB 188.

Leniwati M. Siker, CPA
President & CEO
Siker Consulting, Inc.
2360 N Terrace Ave
Milwaukee , WI 53211-4510
Phone: 414-265-7388



262.754.9400 // www.sikich.com

13400 Bishops Lane, Suite 300
Brookfield, Wisconsin 53005

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

Testimony in Support of Assembly Bill 188 Committee on Regulatory Licensing Reform

Neil R. Keller CPA/ABV,CVA
Sikich LLP, Partner in Charge – Tax
April 27, 2017

Good afternoon Chairman Horlacher and members of the Committee. Thank you for this opportunity to testify in support of Assembly Bill 188.

My name is Neil Keller. I am a resident of Pewaukee, Wisconsin and am licensed in Wisconsin as a CPA. I am the Partner in Charge of Tax for Sikich LLP. Sikich is a CPA and business consulting firm with over 750 employees in 21 offices over 13 states including my office in Brookfield, Wisconsin. We are ranked as one of the country's top 30 largest CPA firms. I have dedicated my 20+ years of experience to providing tax services to closely held companies, mainly in Wisconsin.

In addition, I serve on various boards and committees for the betterment of the accounting profession. I serve on the Board of Directors for the Wisconsin Institute of Certified Public Accountants (WICPA) and also a member of the WICPA's Accounting Careers Committee. I also serve on the Council for the American Institute of Certified Public Accountants (AICPA).

While I support Assembly Bill 188 in its entirety, my testimony is focused on the mandatory CPE requirement.

Through my involvement with the AICPA, I have a substantial amount of interaction with CPAs from other states. When discussing this issue with CPAs from other states, they are typically shocked that Wisconsin does not have a CPE requirement to renew a CPA license like the other 54 CPA licensing jurisdictions have in place. I also find it very unusual and believe we need to have a requirement in place and that Assembly Bill 188 successfully does that.

The accounting profession is in a constant state of change. Tax regulations and financial reporting standards are continually being changed or modified. Technology and the risks and benefits associated with technology have changed the landscape of what CPAs are being asked to do. How the companies we consult with and work for actually do business is substantially different than when I got into the profession 20+ years ago. While the CPA Exam may do a great job of assuring competence at an entry-level, that exam is static. I would not be surprised if a substantial amount of information from the Exam as I took it back in November of 1995 has changed and I guarantee that what may have been applicable to me as a new staff person entering the profession, is no longer applicable to me in my current role. As such, I strongly believe that requiring CPE to renew our CPA licensing is important in making sure that Wisconsin CPAs are staying current and competent.

In addition, being a Partner in a firm that does work across several states, I am concerned with the additional burdens that are being put on our Wisconsin employees as they do work in other states. We have become a global economy and the days of Wisconsin CPAs only doing work in Wisconsin are behind us. By bringing the Wisconsin CPE requirements into closer conformity with the other states and licensing jurisdictions we would be easing the burden of the CPA firm and its employees of not being in compliance with the requirements of other states in which they may be working.

Thank you for the opportunity to share my perspective and thank you for your thoughtful consideration on Assembly Bill 188.

My contact information is as follows:

Neil R. Keller CPA/ABV, CVA
Partner in Charge – Tax
Sikich LLP
13400 Bishops Lane, Suite 300
Brookfield, WI 53005
ph: 262-754-9400
Neil.Keller@Sikich.com

Testimony before the Assembly Committee on Regulatory Licensing Reform

MATTHEW SCHAEFER CPA, CGMA

APRIL 27, 2017

Greetings Chairperson Horlacher and members of the Committee on Regulatory Licensing Reform. I appreciate your time in providing this testimony in regards to Assembly Bill 188. 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 their financial and personal information and make decisions 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

Within my position in the bank, 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. 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, for example, 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 and should 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 both 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

Assembly Bill 188 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 documented training. Thank you for the opportunity to provide this testimony to the Committee and stakeholders of the proposed bill.

Matthew Schaefer, CPA, CGMA
Vice President
Bank of Wisconsin Dells
716 Superior Street
Wisconsin Dells, WI 53965
Ph: 608.448.1303
mascha@dellsbank.com



Building a better
working world

Ernst & Young LLP
875 East Wisconsin Avenue
Milwaukee, WI 53202

Tel: +1 414 273 5900
Fax: +1 414 223 7200
ey.com

March 6, 2017

Dennis Tomorsky, CPA, JD, CGMA
President and CEO, Wisconsin Institute of CPAs
W233N2080 Ridgeview Parkway, Suite 201
Waukesha, WI 53188

Dear Mr. Tomorsky,

As the Managing Partner for the Milwaukee office of Ernst & Young LLP, I've been paying close attention to the potential for legislation around CPA licensing. I am writing to express my strong support for legislation sponsored by Senator Howard Marklein, CPA and Assembly Representative Dale Kooyenga, CPA (LRB 1857/4).

We are the only state that doesn't require continuing education requirements for our CPA's. Unfortunately in this case, we're not the only state that has it right; we're the one state that has it wrong. When I share with my counterparts in other states that Wisconsin doesn't have continuing education requirements, they are shocked. Financial reporting standards change every year. Tax regulations are updated regularly. Information technology risks are increasing at an ever-accelerated pace. In order for a CPA to keep up, it's imperative he or she engage in regular continuing professional education. A Wisconsin licensed CPA holds tremendous responsibility to Wisconsin businesses, individuals and the broader public trust. Other states, as well as our professional societies – the American Institute for CPAs and the Wisconsin Institute of CPAs – recognize this and require continuing professional education. We must do the same.

I also lead our Firm's recruiting efforts at the University of Wisconsin at Madison. I have personally been engaged in several discussions with graduating seniors who were struggling to identify whether or not their college curriculum satisfied the CPA exam and licensing requirements. It was unnecessarily time-consuming and frustrating for them. I ask you please update the requirements to reflect recommendations from all of Wisconsin's 26 colleges and universities with 4-year accounting programs.

Lastly, I ask you to authorize Wisconsin's participation in national CPA licensing databases. This information is extremely important to protect Wisconsin residents.

The legislation sponsored by Senator Marklein and Assembly Representative Kooyenga is not ground-breaking. It's consistent with requirements across our country. And it's far past due. I ask you to please pass this legislation as soon as possible.

Sincerely,

David W. Gay
Managing Partner, Ernst & Young, LLP

cc: Wisconsin Legislature



Dennis Tomorsky, CPA, JD, CGMA
President and CEO
Wisconsin Institute of CPAs
W233 N2080 Ridgeview Pkwy
Waukesha, WI 53186

Re: Support for Wisconsin Legislation LRB 1857/4

Dear Mr. Tomorsky:

We are writing to commend your advocacy on recent legislation affecting the CPA profession sponsored by Senator Howard Marklein, CPA and Assembly Representative Dale Kooyenga, CPA (LRB 1857/4). We appreciate the leadership that you, your organization, and these two CPA lawmakers have shown in updating your accountancy statute to make these important changes.

In particular, we would like to highlight a number of key components of the proposal.

1. Enhanced information sharing. The legislation authorizes the state board to participate in data-sharing programs with the National Association of State Boards of Accountancy. This provision promotes transparency about licensees and is important to the protection of the public.
2. Consideration of military training and veteran service in regard to the CPA education requirement for licensure. In certain circumstances, colleges and universities around the country have recognized relevant life experience for academic credit. When granted after appropriate review and approval by an accredited institution of higher learning, such a provision could provide a greater degree of flexibility to our armed services members who may follow non-traditional routes to joining the profession. We believe that allowing a certain amount of such credit to apply to licensure requirements would be appropriate. We would be happy to provide our assistance and insight in the future promulgation of any related rules by the Accounting Examining Board.
3. Establishment of a Continuing Professional Education (CPE) requirement. CPE is a critical part of what makes CPAs part of a learned profession. Indeed, every U.S. jurisdiction (including territories such as Guam and Puerto Rico) have such a requirement except Wisconsin. In just the past few years, the emergence of Big Data, data analytics, cloud computing, changes in tax laws, changes in audit standards, updates to state ethics codes and the AICPA Code of Conduct, newly proposed peer review models, changes in clients' industries, enhanced use of XBRL, the rise of cybersecurity threats, debates on integrated reporting, the passage and repeal of various industry regulations, the activities of the PCAOB and SEC, as well as a whole host of other developments means that robust CPE is

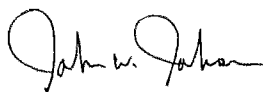
more essential than ever in assisting CPAs in meeting the on-going high standards expected of our profession. We believe it is critically important that Wisconsin CPAs be required to meet CPE standards, just like all other CPAs across the United States. Such a policy ensures our licensees remain relevant, current on emerging changes to standards, technology, and laws, and it equally serves an important protection for the public.

The establishment of CPE in Wisconsin would also be an important issue in promoting Wisconsin CPAs' reputations for competency and quality and in removing certain compliance burdens on those CPAs. Part of the profession's success nationally is predicated on the idea that a CPA=CPA=CPA. This means that a CPA is considered "substantially equivalent" to all other CPAs in qualifications no matter where the CPA lives. Wisconsin's lack of CPE harms this concept. In addition, for those licensees who hold more than one state license due to firm or engagement requirements, they cannot take advantage of the concept of CPE reciprocity and must still comply with the CPE requirements of all other states where they are licensed. Implementation of Wisconsin CPE would solve this compliance problem.

4. Use of Facilitated State Board Access (FSBA). Over the years, the AICPA's FSBA has been an important way for more and more state boards of accountancy to access CPA firms' peer review information, and it simplifies the process for boards of accountancy as well as for CPA firms. We believe this provision is an important update to the statute and will be of great value to the state board in fulfilling its peer review oversight requirements.

Again, we would like to commend you for your work on this proposal. Working with profession leaders such as Senator Marklien and Representative Kooyenga, as well as other thoughtful lawmakers and advocates, we hope you will soon see this legislation enacted into law. Please let us know if we can be of any assistance as you move forward.

Sincerely,



John Johnson
Director
Legislative & Government Affairs
NASBA



Mat Young
Vice President
State Regulation & Legislation
AICPA



Baker Tilly Virchow Krause, LLP
Ten Terrace Ct, PO Box 7398
Madison, WI 53707-7398
tel 608 249 6622
fax 608 249 8532
bakertilly.com

Testimony for AB 188

Assembly Committee on Regulatory Licensing Reform

Heather Acker, CPA, Partner

Baker Tilly Virchow Krause, LLP

April 27, 2017

Thank you Chairman Horlacher and the Committee on Regulatory Licensing Reform for the opportunity to testify in support of Assembly Bill 188.

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 AB 188 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 AB 188 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 AB 188.

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 Committee to vote in favor of AB 188. Thank you for the opportunity to appear before you today. My contact information for future questions or discussion is as follows:

Heather Acker, CPA, Partner

Baker Tilly Virchow Krause, LLP

P.O. Box 7398

Madison WI 53707-7398

608 240 2374

Heather.Acker@bakertilly.com



333 S. Wabash Ave. Chicago IL 60604

Karen E. Melchert

*Assistant Vice President
State Government Relations*

Telephone 312-822-2718

Facsimile 312-822-1186

Internet karen.melchert@cna.com

March 6, 2017

Mr. Dennis Tomorsky, CPA, JD, CGMA
Wisconsin Institute of CPAs
W233N2080 Ridgeview Parkway
Suite 201
Waukesha, WI 53188

Re: Support for Wisconsin Legislation LRB 1857/4

Dear Mr. Tomorsky:

I am writing to express CNA's support for legislative efforts being undertaken by the Wisconsin General Assembly to impose a requirement for continuing professional education for Certified Public Accountants licensed in Wisconsin.

As you are aware, Wisconsin is the only jurisdiction within the United States to not require continued education for CPAs. As one of the largest writers of professional liability insurance coverage for accountants, CNA strongly supports continuing education as a key tool to minimize professional malpractice.

CNA believes the approach set forth in the proposed legislation is a reasonable course of action that will protect customers and allow for a thoughtful implementation process that will not be disruptive to the accounting professionals.

We thank you for your efforts to advance this legislation and look forward to assisting you as the legislation advances through the General Assembly.

Sincerely,

cc: Andy Franken, Wisconsin Insurance Alliance

Handrick Consulting, LLC
1112 Lansdale Circle
De Pere, WI 54115-1692

Steven G. Handrick, CPA, CGMA
StevenHandrickCPA@gmail.com
920.217.4232

April 2017

Written Testimony in Support of Assembly Bill 188
Assembly Committee on Regulatory Licensing Reform

Chairman Horlacher and members of the Committee:

Thank you for providing me the opportunity to give written testimony in support of Assembly Bill 188.

My name is Steven Handrick. I grew up in Auburndale, Wisconsin, attended UW-Eau Claire, and began my professional career as a CPA in Marshfield with then Hawkins Ash Baptie & Company. In 1988, I moved to Green Bay to manage our newly acquired office in that city. I am a Wisconsin licensed CPA. This past January, I retired from Hawkins Ash CPAs which is headquartered in La Crosse. We have five offices throughout Wisconsin and two offices in southeast Minnesota. During my tenure with Hawkins Ash CPAs, I was Managing Partner from 2003 through 2015. My focus has been on providing assurance services to not for profits, to credit unions and to numerous other privately held companies throughout Wisconsin.

I am currently Chair of the WICPA Board of Directors and from 2012-2015 was chair of the American Institute of CPAs (AICPA), large firm networking group of their Private Companies Practice Section (PCPS).

As WICPA Board Chair-Elect and now Chair, I worked with Dennis Tomorsky, our President/CEO, with regards to his background research relating to AB 118, and I am in support of his comments. My testimony is focused on the requirement of CPE for licensure by Wisconsin CPAs.

Many legislators hold other professional designations. Some are lawyers, some financial advisors, investment brokers, doctors, teachers, or craftsmen of one of many trades. During my career as a CPA, I have found it very unusual that after five years of post-secondary education including passing the CPA exam, Wisconsin CPAs are not required to receive any further education to stay current in their skill set, including accounting standards and tax laws. I say this because the times we live in are rapidly changing. Imagine for yourself, with regard to your professional career, if our state and your respective licensing board did not require CPE as a condition of licensure. If this was true, how would your career professionals and, more importantly, users of your services feel?

Those individuals who voluntarily secure this CPE or firms that require this CPE of their professional staff are at a significant competitive advantage. These competitive advantages result from reduced risk, increased efficiency and productivity, as well as the ability to attract and retain high performing professionals who wish to maintain and enhance their professional skills. However, Wisconsin CPAs who are not staying current on accounting and/or tax matters are considered to be the equals of those CPAs who have the voluntary CPE of at least 80 hours over a two-year reporting period. Those CPAs who are not getting the CPE are putting the profession at higher risk with regards to interaction with clients, bankers, investors, and other interested parties.

As mentioned previously, I have been very active in the AICPA and with an affiliation of CPA firms made up primarily of firms west of the Mississippi. Both groups were very surprised to hear that Wisconsin does not have a requirement for CPE for its CPAs as a condition of licensure. That same feeling is expressed by business acquaintances. In fact, one individual said that this situation was scary. Everyone I have talked to assumes that CPAs taking such a rigorous exam would have a requirement of CPE as a condition of licensure in order to maintain our CPA designation.

It is my testimony that AB 188, including the update to Section 442.083(2), which the public is assuming we already have, is critical for Wisconsin CPAs to maintain the public trust and confidence given to us by the financial industry, investors, and the general public.

My contact information follows:

Steven G. Handrick, CPA, CGMA
Retired
Hawkins Ash CPAs, LLP
1112 Lansdale Circle
De Pere, WI 54115-1692
Mobile 920.217.4232
StevenHandrickCPA@gmail.com



Be The Difference.

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

Straz Hall
P.O. Box 1881
Milwaukee, Wisconsin 53201-1881

P 414.288.1453
F 414.288.5755

April 27, 2017

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

The purpose of this letter is to express my written support for Assembly Bill 188 (AB 188) since my schedule doesn't allow me to attend in person on April 27. 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 AB 188:

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 AB 188 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.



Be The Difference.

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

Straz Hall
P.O. Box 1881
Milwaukee, Wisconsin 53201-1881

P 414.288.1453
F 414.288.5755

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

AB 188 is necessary 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 consequence for candidates seeking licensure or application to take the CPA exam. AB 188 will address those unintended consequences.

The permanent education rules provided in AB 188 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 AB 188 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.



Be The Difference.

Dr. Michael D. Akers
Charles T. Horngren Professor of Accounting
Straz Hall
P.O. Box 1881
Milwaukee, Wisconsin 53201-1881
P 414.288.1453
F 414.288.5755

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 making 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.

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. AB 188 allows Wisconsin to address this issue while also introducing innovative methods to obtain CPE. This opportunity allows Wisconsin to be a role model nationally regarding CPE, consistent with the performance on the CPA exam.



MARQUETTE
UNIVERSITY

Be The Difference.

Dr. Michael D. Akers

Charles T. Horngren Professor of Accounting

Straz Hall

P.O. Box 1881

Milwaukee, Wisconsin 53201-1881

P 414.288.1453

F 414.288.5755

Thank you Chairman Horlacher and members of the Assembly Committee on Regulatory Licensing Reform for allowing me to provide input for AB 188. 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



Deloitte & Touche LLP
555 East Wells Street
Suite 1400
Milwaukee, WI 53202
USA

Tel: 1 414 271 3000
Fax: 1 414 347 6200
www.deloitte.com

March 8, 2017

Dennis Tomorsky, CPA, JD, CGMA
President and CEO
Wisconsin Institute of CPAs
W233N2080 Ridgeview Parkway, Suite 201
Waukesha, WI 53188

Re: Support for Wisconsin Legislation LRB 1857/4

Dear Mr. Tomorsky,

I am writing to express our support for legislation sponsored by Senator Howard Marklein, CPA and Assembly Representative Dale Kooyenga, CPA (LRB 1857/4) implementing the recommendations of the Wisconsin Accounting Examining Board's recommendations to:

- Update CPA exam and licensing education requirements to reflect recommendations from all of Wisconsin's 26 colleges and universities with 4-year accounting programs;
- Allow Wisconsin's participation in national CPA licensing databases; and
- Establish continuing professional education (CPE) requirements for Wisconsin CPA license renewal

With the exception of Wisconsin, all 55 US CPA licensing jurisdictions protect the public interest by requiring a licensed CPA to comply with continuing education requirements. While the Wisconsin Accounting Examining Board ("Wisconsin Board") does not have a CPE requirement for CPAs, continuing education is a requirement for license renewal for more than 45 other licensing categories.

Wisconsin's lack of a CPE requirement for CPA license renewal means that Wisconsin CPAs are subject to the varying inconsistent CPE requirements of many other states in which they perform services.

Please work with the Wisconsin Accounting Examining Board and Legislators to protect Wisconsin residents and to provide the greatest licensing mobility for Wisconsin CPAs to encourage the passage of LRB 1857/4.

Sincerely,

Scott A. Wrobbel
Managing Partner

cc: Wisconsin Legislature



CHRIS KAPENGA

WISCONSIN STATE SENATOR

Testimony on Assembly Bill 188

Assembly Committee on Regulatory Licensing Reform

April 27, 2017

Thank you, Chairman Horlacher and committee members, for allowing me to testify on Assembly Bill 188. I am speaking in favor of parts of this bill, but against the mandatory continuing education requirements that have been proposed. I am a licensed CPA of over twenty years and have held licenses in Wisconsin and Michigan. Many of the individuals testifying today will outline reasons that the other two portions of the bill are necessary and need to be passed; on those issues, I agree. However, the provision that requires every Wisconsin CPA to report mandatory continuing education hours to the state is unnecessary and overly burdensome on the profession.

There are several reasons why mandatory continuing education will be detrimental to Wisconsin's CPA profession. First, compared to other states, Wisconsin CPA's have a low complaint rate. In an analysis of complaints filed against CPA's in Midwestern states, Wisconsin had both the lowest rate of complaints filed and the lowest rate of board discipline. This demonstrates that even without mandatory continuing education, Wisconsin CPA's are making the grade and performing a high level.

Second, the Uniform Accountancy Act's CPA mobility rules allow CPA's across the nation to have practice privileges in states with "substantially equivalent" requirements. The "substantial equivalency" standards do not include any mention of continuing education. According the National Association of State Boards of Accountancy, all U.S. states and territories are considered substantially equivalent; therefore, Wisconsin CPA's have practice privileges in all 55 license jurisdictions. CPA's who obtain licenses in multiple states maintain the ability to report continuing education obtained on their own time, as many firms across Wisconsin already require.

Lastly, requiring every licensed CPA in Wisconsin to complete 80 hours of continuing education every two years places a massive burden on the profession in terms of lost time and output. Currently, there are about 12,500 licensed CPA's in Wisconsin. Requiring every one of those individuals to comply with an 80 hour mandate equates to a million hour mandate on Wisconsin CPA's. When factoring in the time spent seeking out these opportunities and recording them, that mandate grows even larger. A conservative estimate of the lost output from imposing this mandate is roughly \$100 million based on the average junior CPA billing rate of \$100 an hour.

I have spoken with a number of practicing CPA's, and most have indicated that they do not support the proposed requirement. They believe that the field has generally done an effective job of ensuring its own quality. I agree with their assessment, and for that reason recommend to the committee that the continuing education requirement be removed from this bill. Thank you again, Chairman and committee members. At this time, I am happy to answer any questions.

Written Testimony in Support of Assembly Bill 188
Assembly Committee on Regulatory Licensing Reform

Chairman Horlacher and members of the Committee. Thank you for this opportunity to provide written testimony in support of Assembly Bill 188.

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/privately 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 AB 188 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 AB 188.

My contact information follows:

Karin M. Gale
Shareholder, Manufacturing & Distribution Team Leader
Schenck SC
11414 W. Park Place, Suite 200
Milwaukee, WI 53224
ph: 414-465-5533
karin.gale@schencksc.com

**Testimony regarding AB 29, Relating to Practice Requirement for Licensure as a Clinical Social Worker
Wisconsin State Assembly Committee on Regulatory Licensing Reform 04/27/2017**

To: Representative Cody Horlacher (Chair) Representative Joan Ballweg (Vice-Chair)
Representative Rob Hutton Representative André Jacque
Representative John Macco Representative Romaine Quinn
Representative Jonathan Brostoff Representative Eric Genrich
Representative Jimmy Anderson

From: Eric Alvin, former member of the Marriage and Family Therapy, Professional Counseling, and Social Work Examining Board and current member of the Board of Directors of NASW-WI.

Thank you for the opportunity to speak with you today, and thank you for taking the time to address this problem in current law. The basic question that this bill attempts to address is this:

Before the State of Wisconsin issues a license which would permit the licensee to provide psychotherapy services – i.e. diagnosing and treating mental disorders – independently and without supervision, should the State first make sure that the applicant has provided psychotherapy services under supervision of someone qualified to instruct them and assess their competence?

The Legislature has defined **psychotherapy** in statute, and has limited the practice of psychotherapy to licensed Clinical Social Workers, Marriage and Family Therapists, Professional Counselors, Psychologists, and Psychiatrists. The Legislature has clearly indicated that **psychotherapy** should be a protected and licensed activity because of the significant amount of knowledge, training, and experience required to provide this activity competently and without risk of serious harm to members of the public. A mental health diagnosis has significant implications for an individual. Insurance companies and medical providers will have access to this information, and a variety of public and private entities will request access to these records. It can affect employment status, can be an issue in family court, and can affect the ability of someone to own a firearm. An inaccurate diagnosis can be extremely harmful. A missed diagnosis or improper treatment of someone who is at risk for suicide can be fatal.

It would seem to be obvious to most people that before a person is granted a license to provide complex diagnostic and treatment services without supervision or oversight, they should complete a period of practice where they provide those services under the supervision of a qualified practitioner. Applicants should need to show that they have completed an experience - similar to an apprenticeship or residency - where a supervisor can assess their clinical skills and make sure that they competently diagnose, and treat a variety of patients in a therapeutic setting. The law already requires that an applicant complete 3000 hours of supervised practice, and specifies that 1000 hours of this must be face-to-face client contact. This requirement that the applicant should be practicing psychotherapy during the 1000 hours of face-to-face client contact probably seemed obvious when the law was first written. This expectation was included in the administrative rules by the Social Work Section of the MPSW Board, and has been a basic requirement of licensure for twenty years.

Recently, however, the Department of Safety and Professional Services has determined that Chapter 457 did not specifically require that candidates for a clinical license in social work (the LCSW) provide **any** psychotherapy during their period of post-graduate supervision, and so they have attempted to disallow the Social Work Section from requiring this when issuing the credential of Licensed Clinical Social Worker. According to DSPS, a social worker would be able to receive a license to provide psychotherapy independently after completing a post-graduate period of supervision that included 1000 hours of **any** sort of face-to-face client contact. AB 29 is intended to correct this, and I am grateful that you are considering this bill.

Unfortunately, the bill as amended would not solve the problem entirely. The Department of Safety and Professional Services has indicated that all licensure requirements must be clearly defined in the statutes. DSPS has been interpreting statutes and administrative rules as narrowly as possible. I understand the intent, and the desire to limit the role of government and to reduce regulatory burden. However, when taken to extremes, the results occasionally can be absurd. The Department easily could interpret a rule such as this to indicate that one hour of supervised practice of DSM diagnosis and treatment was sufficient to require that a license be granted to an applicant. This is patently absurd. The point of the requirement for 1000 hours of face-to-face client contact is to ensure that licensees have been involved in supervised diagnosis and treatment of a wide range of

individuals and have worked with clients who have a range of mental disorders prior to granting a license to do these things without supervision.

I served on the Social Work Section of the Marriage and Family Therapy, Professional Counseling, and Social Work Examining Board from 2004 to 2013. I was chair of the Social Work Section in 2012. I reviewed many of the applications for LCSW that the Department received during the time I was a member of the Board. During the time I served on the Social Work Section – before the Department considered this interpretation of the rules - my colleagues and I regularly reviewed all the applications for the LCSW credential. Most of the applicants were clearly qualified, and we approved those applications quickly. However, we frequently received applications for the LCSW where the applicant clearly was **not** qualified to provide psychotherapy services. Under the previous interpretation of the law and the administrative rules, we denied the application, but we were able to provide the applicant with accurate information as to how to meet the requirements.

Social workers practice in a wide variety of roles. Many of these roles do **not** include providing psychotherapy services. All social workers are trained to provide services that can be part of the practice of clinical social work. These would include *psychosocial evaluation, counseling of individuals, families, or groups, referral to community resources, advocacy, and facilitation of organizational change to meet social needs*. These tasks are central to the unique body of knowledge that defines the social work profession. Social workers can perform these tasks without a period of supervised practice, as they learn these skills during their degree program. However – and unlike the other professions that are licensed to provide psychotherapy services - many social workers practice in roles where they do not provide psychotherapy.

I urge the Committee to change this bill to allow the MPSW Board to set a clear standard for LCSW applicants. Without a more clear standard, the Department will now require that licenses be provided to applicants that are clearly not qualified. Thus an applicant who has done as few as one or two hours of DSM diagnosis and treatment would be “entitled” to a clinical license to practice psychotherapy independently – even though the majority of their face-to-face client contact may have consisted of filling out forms, consulting with clients about service options (or arranging for them to see a primary therapist), attending court hearings with clients, doing check-ins with foster children in foster homes, or monitoring drug testing. These could all qualify as “case management” or even “counseling” activities. They are **NOT** psychotherapy. Most clients would not consider these activities to be psychotherapy. Social workers performing those tasks are not learning how to do DSM diagnosis and treatment. However, DSPS has indicated that they do not believe that this matters and had tried to prohibit the Section from denying applications and helping applicants learn the skills they actually need.

When unqualified practitioners are licensed to provide psychotherapy services without the required knowledge and training, it creates safety risks for members of the public. It harms those who are labeled with an inaccurate diagnosis. It denies people access to appropriate, safe, evidenced-based treatment. It has CLEAR consequences for citizens of the state, and it greatly increases costs for businesses, insurers, taxpayers, and consumers.

As written, this legislation does **not** correct this problem. DSPS has now indicated that the Section is unable to provide information clarifying requirements to applicants – meaning that people will be licensed to practice without even knowing what they do not know. Most practitioners understand the difference between psychotherapy and “counseling” (which is not defined in statutes, and which is a part of social work practice at all levels of credentialing), but some do not. Social Workers can come to believe they can do something that they lack the experience, competency, and qualifications to provide safely and effectively. If social workers are unclear about the requirements and do not fully understand these differences, members of the public will be confused about whether or not an activity should be considered to be psychotherapy.

Thank you for your attention to this matter. I ask that the Committee consider modifying this bill to require that applicants demonstrate that their supervised clinical experience either includes 1000 hours of face-to-face client contact consisting of DSM diagnosis and treatment, or that the Committee allow the MPSW Board to set a standard number of hours.



**WISCONSIN
SCHOOL OF BUSINESS**

UNIVERSITY OF WISCONSIN-MADISON

**TOGETHER
FORWARD®**

Memorandum

To: Assembly Committee on Regulatory Licensing Reform
From: Professor Terry Warfield

April 26, 2017

Re: Assembly Bill AB 188

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

Accounting

Testimony before the Assembly Committee on Regulatory Licensing Reform - April 27, 2017

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

Good afternoon Chairman Horlacher and members of the Committee on Regulatory Licensing Reform. Thank you for the opportunity to testify in support of Assembly Bill 188 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 Assembly Bill 188 and in fact are

necessary to discharge our duties as responsible Board members and public servants.

Assembly Bill 188 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 Assembly Bill 188 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 Assembly Bill 188 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. Assembly Bill 188 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 Assembly Bill 188 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.

John S. Scheid email:jsscheid1@gmail.com/jss@scheidgroup.com
3801 N. Lake Drive ph: 646-772-3061
Shorewood, WI 53211

John Scheid, CPA
Chairperson

Todd Craft, CPA
Vice Chairperson

Gerald Denor, CPA
Secretary

ACCOUNTING EXAMINING BOARD



1400 E Washington Ave
PO Box 8935
Madison, WI 53708-8935

dsps@wisconsin.gov
608-266-2112

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.



CliftonLarsonAllen

CliftonLarsonAllen LLP
10700 West Research Drive, Suite 200
Milwaukee, WI 53226
414-476-1880 | fax 414-476-7286
CLAAconnect.com

Testimony before the Assembly Committee on Regulatory Licensing Reform

Todd C. Craft, CPA

CliftonLarsonAllen LLP, Managing Principal of Office, SE Wisconsin
Vice-Chair of Wisconsin Accounting Examining Board

April 27, 2017

Verbal Testimony in Support of Assembly Bill 188

Good afternoon Chairman Horlacher and members of the Committee, I as well thank you for this opportunity to provide my testimony in support of Assembly Bill 188.

My name is Todd Craft. I have been a resident of Hartland since June 2006. I am a licensed CPA in the states of Wisconsin and Illinois. Today, I am the Managing Principal of the SE Wisconsin office with CliftonLarsonAllen LLP (CLA for short) serving the greater communities of Milwaukee and Racine. CLA is one of the top 10 largest public accounting and professional services firms in the country with more than 5,000 people serving clients in more than 100 locations across the United States. 13 of those office locations are located here across the great state of Wisconsin.

Personally, I have focused my 25+ year career in public accounting in providing integrated advisory, outsourcing and public accounting services to help enhance our client's ability to succeed professionally and personally. Prior to working for CLA, I began my career with a small 3 partner accounting firm and immediately before CLA worked for the global accounting firm KPMG Peat Marwick. At CLA and its legacy firm's prior to my current role, I have served as full-time client service principal, the firm's National Director of Tax and the firm's Chief Business Officer. In each of my roles, ensuring quality service to those in the public we choose to serve is a top responsibility.

In addition to my work at CLA, I serve on various community and professional boards, including serving as the Vice-Chair on the Wisconsin Accounting Examining Board. As previously shared by Chair John Scheid, 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.

I join my CPA peers here today in support of all elements relative to Assembly Bill 188. My testimony today will focus with regards to the CPE requirement provided for in the bill.

Upon attending a State Board of Accountancy orientation provided by the National Association of State Boards of Accountancy shortly after my appointment to the Wisconsin Accounting Examining Board, I was surprised and I must admit embarrassed to learn as John Scheid has shared in his testimony that Wisconsin unlike the other 54 CPA licensing jurisdictions of the United States does not have a CPE



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

requirement as part of the continuing licensing process. My surprise came as a result of my entire professional career prior to that time requiring continuing education for employment as well as my compliance with out-of-state license CPE requirements. Each firm, local, national and global, regardless of size, requires CPE which generally equates to 40 hours of CPE per year as part of their continued employment requirements. In addition, active membership in organizations like the American Institute of Certified Public Accountants and state societies require annual CPE to meet the professional standards set by these self-regulating bodies. My team members that practice in specific areas like governmental or employee benefit have specific CPE requirements that must be met by certain regulatory bodies. I found in conversations with other Wisconsin CPAs that all those I spoke to were surprised and unaware that Wisconsin does not have a CPE requirement for many of the same reasons I was unaware.

As provided in Dennis Tomorsky's and John Scheid's testimony today, 47 other Wisconsin License Categories require continuing education. For example, Landscape Architect's, one of these other Wisconsin License categories, must affirm at the time of license renewal to having completed 24 hours of continuing education pertinent to the practice of landscape architecture. Of the 24 hours, a minimum of 2 hours focus on ethics and professional conduct every two years and a minimum of 16 hours focus on health, safety and welfare topics.

As provided on the website of the American Institute of Certified Public Accountants, CPAs are many things from serving as Chief Financial Officers of public companies to providing accounting services for the small neighborhood business. CPAs are business and personal advisors acting as consultants on issues ranging from taxes, accounting standards and business issues. In completing an audit, CPAs opine and provide assurance on whether or not an organization's financial statements are free of material misstatement. The public entrusts CPAs with vast amounts of private, confidential finances. The public makes informed business and personal decisions based on accounting information as interpreted by CPAs.

It is my personal belief that the public understands and expects that an individual who is a licensed CPA is held to a rigorous continuing education requirement. As with any profession, the standards and procedures followed by CPAs are constantly evolving and changing through self-regulation, case law, regulatory action and legislation.

Without a CPE requirement, as shared in John Scheid's testimony a Wisconsin based CPA not meeting standard CPE requirements will run the risk of losing multi-state CPA mobility. Loss of mobility may negatively impact the Wisconsin CPA's business opportunities and earning potential outside the state of Wisconsin.

As a member of the Wisconsin Accounting Examining Board screening panel, monthly we see public complaints against Wisconsin CPAs (these complaints range between 3 to 5 complaints per monthly session) where the complaint is driven due to the CPA's lack of not staying current with technical

knowledge, practice knowledge, professional conduct knowledge, and other changes impacting the accounting profession. At times the recourse or resolution to these complaints, when applicable, is requiring the CPA to complete continuing education to avoid recurrences in the future.

Personally, I advocate that the CPE requirement in Assembly Bill 188 be viewed as industry based self-regulation and not unnecessary government regulation. Continuing education is cost effective and available from many different venues both in person and virtually. I believe a CPE requirement for CPA licensure renewal ensures the public will be served well in the future. In making Assembly Bill 188 law, Wisconsin has the opportunity to transform from an outlier to a leader in how CPAs utilize continuing education to ensure continued trust and quality to the Wisconsin public.

Thank you for your time today and your thoughtful consideration of Assembly Bill 188.

My contact information follows:

Todd C. Craft
Managing Principal of Office, SE Wisconsin
CliftonLarsonAllen LLP
10700 West Research Drive, Suite 200
Milwaukee, WI 53226
Phone: 414-721-7522
E-mail: Todd.craft@claconnect.com



Testimony before the Assembly Committee on Regulatory Licensing Reform

Dennis Tomorsky, CPA, JD, CGMA

WICPA President and CEO

April 27, 2017

Good afternoon Chairman Horlacher and members of the Committee on Regulatory Licensing Reform. Thank you for this opportunity to testify this afternoon to express support on behalf of the Wisconsin Institute of CPAs and its members for Assembly Bill AB 188 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 AB 188.

AB 188 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 AB 188 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.

AB 188 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 AB 188 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 AB 188 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 AB 188 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 AB 188 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.

AB 188 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 AB 188 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 CPA 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 AB 188 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

AB 188 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. AB 188 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 AB 188 and urges members of the Senate Committee on Regulatory Licensing Reform to vote in favor of AB 188.

Thank you Mr. Chairman and members of the Committee for the opportunity to share the perspective of the Wisconsin Institute of CPAs relating to AB 188.

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

Dennis F. Tomorsky, CPA, JD
President and CEO
WICPA
W233N2080 Ridgeview Parkway, Suite 201
Waukesha, WI 53188
ph: 262-785-0445 x4519 | 800-772-6939
fax: 262-785-0838
Dennis@WICPA.org

Angela C. Thomas, CPA
General Accounting Section Chief
Wisconsin Dept. of Natural Resources
April 27, 2017

Testimony before the Assembly Committee on Regulatory Licensing Reform

Good afternoon Chairman Horlacher and members of the Committee on Regulatory Licensing Reform. Thank you for this opportunity to testify in support of Assembly Bill AB 188. 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.

AB 188 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 AB 188 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 AB 188 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 AB 188. 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