

MINUTES OF THE HOUSE COMMERCE, LABOR AND ECONOMIC DEVELOPMENT
COMMITTEE

The meeting was called to order by Chairperson Mark Hutton at 1:30 pm on Monday, February 01, 2016, 346-S of the Capitol.

All members were present except:

Representative Annie Tietze – Excused
Representative Gene Suellentrop – Excused

Committee staff present:

Linda Herrick, Kansas Legislative Committee Assistant
Reed Holwegner, Legislative Research Department
Chris Courtwright, Legislative Research Department
Chuck Reimer, Office of Revisor of Statutes

Conferees appearing before the Committee:

Aron Dunn, CPA, Chairperson, Kansas Society of CPAs Advocacy Task Force
Mary MacBain, President and CEO, Kansas Society of CPAs
Dan Deines, Ph.D., Professor of Accounting, Kansas State University

Others in attendance:

[See Attached List](#)

Possible bill introductions

Chairperson Hutton asked if there were any bills to be introduced. The Committee had none. Justin McFarland, Kansas Department of Labor, asked that a bill be introduced relating to worker's compensation. Representative Mason moved, and Representative Corbet seconded, the bill be introduced. The motion carried.

Hearing on: HB2512 — Allowing students early access to the CPA examination.

Chairperson Hutton opened the hearing on the bill. Chuck Reimer, Revisor, gave an overview. The purpose of the bill is to allow applicants to take the certified public accountants (CPA) examination 60 days before the applicant reasonably expects to meet the education requirements. The bill stipulates the applicant must meet all educational requirements--to hold a baccalaureate or higher academic degree; have credits approved by the board for at least 150 semester hours with a concentration on accounting; and accepted by the Board of Accountancy. Within 90 days of taking the first section the exam, documents verifying completion of education requirements must be furnished to the Board. In response to questions, Mr. Reimer noted the bill provides for the exact same credentials and is no lessening of the degree.

CONTINUATION SHEET

MINUTES of the Committee on Commerce, Labor and Economic Development at 1:30 pm on Monday, February 01, 2016 in Room 346-S of the Capitol.

Aron Dunn, CPA, and Chairperson of the Kansas Society of CPA Advocacy Task Force, provided testimony ([Attachment 1](#)) supporting the bill, and requested an amendment to allow the applicant to submit verification of education requirements within 120 days after the applicant has taken the first section of the examination. If the timeline is not met, grades for all sections of the exam are voided. The reason, after talking with various college and university registrars and students, is because processing of final transcripts may take up to six weeks following graduation. Several surveys conducted by the KSCPA provided results that 87% of students and approximately 80% of KSCPA members supported taking the exam 60 days prior to completing the 150 hour requirement. Mr. Dunn stood for questions.

Mary MacBain, President of the KSCPA, provided proponent testimony ([Attachment 2](#)). This included survey data and a great deal of research all favoring CPA exams being taken while enrolled in the final semester of completing the 150-hour requirement. In response to questions, Ms. MacBain noted this change would allow more time to focus on a career and to get experience. Multiple sections of the test can be taken at the same time. In medicine, national boards can be taken while a student is still in medical school.

Written only proponent testimony ([Attachment 3](#)) was furnished by William Pickert, Managing Partner, BKD CPAs, Wichita.

Dan Deines, Ph.D., Professor of Accounting, Kansas State University, provided opponent testimony ([Attachment 4](#)) and ([Attachment 5](#)). Doctor Deines opposes the bill because it detracts from the students' academic courses and early testing provides minimal benefit. Accounting programs at major universities all oppose for these reasons. In response to questions, he noted about 50% of accounting graduates take the CPA exam.

The fiscal note indicates enactment of the bill would have no fiscal effect.

There was no neutral testimony.

The hearing on this bill was closed.

Adjournment

The meeting adjourned at 2:40 p.m.