

EMPORIA STATE UNIVERSITY

 School of BUSINESS

Campus Box 4039
1 Kellogg Circle
Emporia, Kansas 66801-5415
620-341-5225
620-341-5892 fax
www.emporia.edu/business



February 26, 2016

Senate Committee on Commerce
Kansas State Capitol
300 SW 10th Street
Topeka, KS 66612

Dear Committee Members:

Several times since 2011 the accounting faculty at Emporia State University (ESU) have discussed a proposal originating with the Kansas Society of CPAs to change the Kansas law regarding when individuals may sit to take the Certified Public Accountancy exam as Kansas candidates. In 2011 and in 2014 we responded to requests from the Kansas Board of Accountancy regarding our position on this and other matters. A representative from our faculty also spoke at the January 15, 2016 Kansas Board of Accountancy meeting. In each case the position of our faculty was that we were in opposition to making changes to the current law regarding the timing of taking the exam. There are several reasons why the accounting faculty at ESU oppose a change, especially at this time.

One reason for the proposed change is that the testing "windows" for sitting for the exam meant that students who finished studies in May were unable to take the exam until at least July. Thus a student may have to wait almost two months from completing their hours of college credit until taking the exam. In those two months they may have started a new job, changed their living arrangements, and generally proceeded with life without the opportunity to take this important exam. Some thought that these were two wasted months of valuable time. However, this reason is no longer valid as the American Institute of Certified Public Accountants (AICPA), who administer the exam, have changed the timing of the exam so that June is now an available month. Thus, one reason for making a change to the Kansas Law may have been rendered unnecessary. The ESU accounting faculty believe the effect of this change by the AICPA should be given time and then evaluated to determine if this alleviates the timing issues before any change to existing law is considered.

Another reason we oppose changing the law is that we have observed that students who already are eligible to take the exam tend to devote less time to their college courses when they sit for the exam during a semester. Many times their priorities change, to the detriment of their studies, and consequently to the knowledge they attain from college courses and their grades, both of which can impact their future careers. This is a small minority of students at this time but if the law is changed this may become a majority of students. While the CPA exam can be delayed without

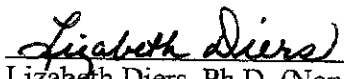
significant consequence, their attention to these courses cannot. We believe it is beneficial in the long run for students to concentrate on their college course studies in their final semester rather than to devote significant time to studying for an exam that can be taken later.

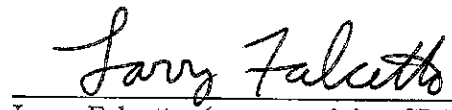
A reason proposed for making a change to the law is to conform to the laws and regulations of other states. While this may have some merit, we believe this is not a reason to make changes to Kansas law. It is to a CPA candidate's advantage to sit for the CPA exam with state credentials that are more rigorous compared to other states. Transferability of scores and reciprocal certification is enhanced when the original state has more stringent requirements than another state. There are fewer questions as to the CPA's eligibility to be a CPA in the reciprocating state. Most students just completing college requirements can not possibly know what opportunities may exist for them in their future careers. Passing the exam when meeting more stringent requirements will enhance their ability to successfully become CPAs in other jurisdictions, if necessary, without the need to meet additional conditions.

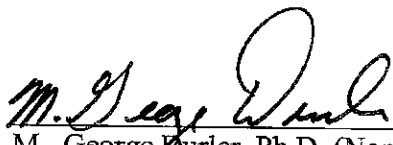
The accounting faculty at ESU believe the legislation introduced to this committee will not result in significant improvement to our students' ability to become successful professional accountants in Kansas. We believe the changes the AICPA has made to the timing of when candidates may take the exam be evaluated before making changes to Kansas law. We further believe that it is important for students to concentrate on their college courses. We also believe current Kansas law enhances our graduates' ability to be professional accountants regardless of their future residence. The accounting faculty at ESU request you consider our position on this legislation.

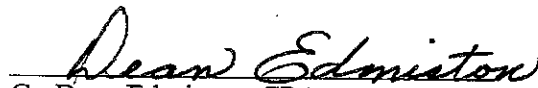
Sincerely,

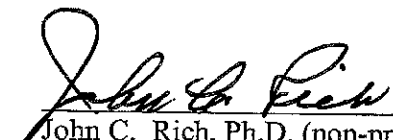
The accounting faculty at Emporia State University

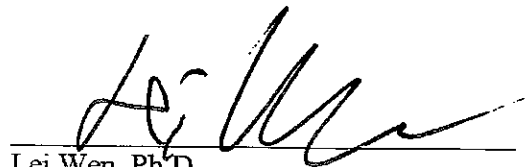

Lizabeth Diers, Ph.D. (Non-practicing CPA)


Larry Falcetto, (non-practicing CPA)


M. George Durler, Ph.D. (Non-practicing CPA)


G. Dean Edmiston, CPA


John C. Rich, Ph.D. (non-practicing CPA)


Lei Wen, Ph.D.