

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Don Dahl at 9:00 A.M. on March 14, 2006 in Room 241-N of the Capitol.

All members were present except:

Bob Grant- excused

Committee staff present:

Jerry Ann Donaldson, Kansas Legislative Research Department

Norm Furse, Office of Revisor of Statutes

Renae Jefferies, Office of Revisor of Statutes

June Evans, Committee Secretary

Conferees appearing before the committee:

Representative Steve Brunk

Jill Ochs

Diane Gjerstad, Wichita Public Schools

Virginia Powell, CPA, Chair, Kansas Board of Accountancy

Others attending:

See attached list.

The Chairman opened the hearing on **HB 3004 - Certified public accountants; admission to examination.**

Staff gave a briefing on **HB 3004**. The education requirement is satisfied by successful completion of course work consisting of at least 150 semester hours, with a concentration in accounting, at a college or university recognized by the board and the applicant is the holder of a baccalaureate or higher academic degree. When determining whether an applicant for admission has completed the course work required by this section, the board shall include: (1) any academic credit granted for course work successfully completed by an applicant which was applicable toward an academic degree pursuant to K.S.A. 72-11a01 et seq., and amendments thereto; and (2) any academic credit granted for advance placement classes successfully completed by an applicant which was applicable toward an academic degree under an advance placement program.

Jill Ochs testified as a proponent to **HB 3004**. Ms. Ochs is a graduate student at Wichita State University (WSU) working on a master's degree in accounting with an emphasis on taxation. Her transcript includes 156 college hours. 14 of these hours were awarded by WSU for classes taken during her junior and senior years of high school and also counted for college semester hours as well. These are known as Advance Placement (AP) classes. The Kansas Board of Accountancy, upon a deficiency review, determined these classes did not count towards the legislative requirement of 150 college hours in order to sit for the Certified Public Accountants exam.

Being a student in graduate school at WSU, the undergraduate degree is closed and the university will not allow coursework below a 600 level. In order to retake these classes, they would have to be taken at another state university or a community college. When attending another college or university, they require students to send them a transcript from any other colleges or universities. These colleges or universities would not allow these classes be taken either because, according to WSU and the Kansas Board of Regents, these hours have already been completed. It is asked that the committee accept this bill allowing AP coursework be considered college semester hours in the same way the Kansas Board of Regents and all state universities do (Attachment 1).

Representative Steve Brunk testified as a proponent to **HB 3004**. The AP courses in Kansas and the rigorous nature of those classes will be discussed today. Ms. Ochs is an outstanding student who has successfully completed her AP courses, has graduated from an accredited Kansas college, received her masters degree and is ready and well prepared to enter her professional life. Her AP courses are not being recognized by the Board of Accountancy. This bill simply says that the Board of Accountancy would recognize AP classes when reviewing an individual's application for the CPA exam (Attachment 2).

Diane Gjerstad, Wichita Public Schools, testified in support of **HB 3004** which makes it clear the advanced

CONTINUATION SHEET

MINUTES OF THE House Commerce and Labor Committee at 9:00 A.M. on March 14, 2006 in Room 241-N of the Capitol.

placement (AP) classes count toward the Board of Accountancy's 150 hour requirement prior to sitting for the certified public accountant examination. Students are encouraged to take AP courses while in high school. College bound students taking AP courses are most likely to be successful in college. AP courses are the only courses actually designed by teams of college professors, who work alongside expert secondary teachers (Attachment 3).

Virginia Powell, CPA, Chair of the Kansas Board of Accountancy, testified in opposition to **HB 3004** on behalf of the Board. In 1997 a 150 hour course specific education requirement to sit for the CPA exam was implemented. Within the 150 hour overall education requirement, there are core courses required that a candidate must obtain in order to qualify to sit for the exam: 42 hours of specific business courses, 11 hours of written and oral communications and 30 hours of specific accounting hours. K.S.A. 1-302a, in its current form, requires that an exam applicant successfully complete coursework at a college or university level; which means that the applicant must actually take the course at a college or university, not receive credit by advance placement or by testing out the course. This is also the interpretation of our general counsel who is an Assistant Attorney General. Disallowing advanced placement credits has not previously been an issue for any candidate. Based upon transcripts submitted by other candidates, the Board believes the issue is unique to the candidate requesting this amendment. The Board strongly believes it would not be prudent to hurriedly amend a statute to accommodate one person (Attachment 4).

Jeff Bottenberg, Attorney, Board of Accountancy, stated the law has been in place since 1997. Applicants are to send in their transcripts so the Board can identify any deficiency. The Board can not try to change this for one person. The applicants need to find out what the law is the first day of school to make certain they have the needed credits.

The Chairman closed the hearing on **HB 3004**.

The meeting adjourned at 10:25 a.m. The next meeting will be March 16, 2006.