

Ms. Jennifer Winters, CPA
NYS Board for Public Accountancy
89 Washington Ave., Room 201
Albany, New York 12234

April 26, 2022

Dear Members of the New York State Board for Public Accountancy and its Education Committee:

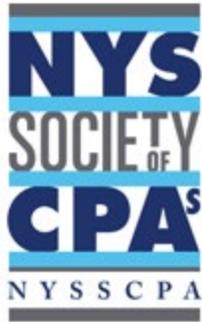
Thank you, Ms. Winters, and to the New York State Board for Public Accountancy (NYSBPA) for, again, meeting with the Future of Accounting Education Committee. The Committee greatly appreciates your time and guidance as we navigate CPA Evolution. The Committee applauds the NYSBPA for its efforts this past year in moving swiftly in developing recommendations so that programs may timely apply for re-registration. We especially applaud the NYSBPA's decision to specify the degree requirement in accounting or business. We respect the voluminous work that lies ahead for the NYSBPA for that re-registration, and the Committee is anxious to assist in that process through educating program leaders about the expectations for the re-registration process and education requirements. We are pleased to hear that information sessions will be available, and we are willing to assist in promoting these sessions.

The Committee has many concerns as programs strategize licensure curriculum revisions. These concerns also address the scalability in delivering the Evolution curriculum. The task is especially daunting, given the significant declines in accounting enrollment, particularly during recent years. Our comments below solely focus on one theme: Remove any potential impediments to improving the CPA pipeline.

Distinguishing Between Upper- and Lower-Division Courses for Licensure

The Committee believes that specifying course levels, as described in Attachment B of the October 2021 Public Package, could be detrimental to the pipeline and significantly increases the cost of an accounting education for licensure. Community college students' ability to enter the profession will be limited because the NYSBPA recommendation permits only one required core course that is accepted at the lower level (cost/managerial accounting).

The NYSBPA recommendation imputes a transfer policy, that is, four-year institutions may point to the NYSBPA recommendations for the required core as support for a transfer policy in articulation agreements. The Committee believes it is not the intention of the NYSBPA to influence articulation agreements. The Committee supports articulation agreements between community and senior colleges that are seamless and provide a less costly transition for community college students into a senior college.



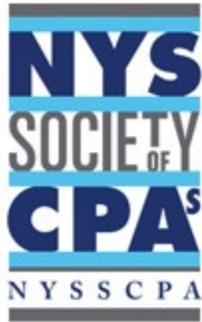
A primary concern is the ability to permit community college intermediate accounting, tax and audit courses to satisfy the required core because of their 200-level or lower-division course coding. As the accounting professionals that we are, that recommendation is akin to placing form over substance. The Committee supports the belief that the content and rigor of the course is more relevant than when the course is taken or its assigned course number.

Success in the intermediate sequence is particularly consequential for continued progress in an accounting program because it typically represents at least a two-course sequence. Some senior colleges require a three-course sequence. Limiting the community college student success by imputing a transfer policy could deter these students from progressing in an accounting program due to the cost burden of having to repeat intermediate accounting, tax or audit courses at a senior college.

The curriculum for intermediate accounting, tax and audit taken at a community college is the same as it would be at a senior college. Committee members have expressed that the relationship between senior and community colleges is beyond that of a formal articulation agreement. That relationship includes mutual faculty involvement through actions such as shared syllabi, identical course objectives and textbooks, and rigorous examinations and pedagogical methods for courses taught at the community college level. Faculty credentials are also aligned (i.e., CPA license, master's degree and/or Ph.D.). These relationships assure course similarity and, thus, a uniform and welcoming transfer policy.

Courses such as intermediate, tax and audit taken at the community college level will ultimately not be transferred, and credit will be lost. These courses will be repeated at a four-year institution simply because four-year institutions typically code these courses at the 300- or 400-level, and dual credit cannot be awarded for the same course. Some Committee members have expressed that their four-year institutions start the intermediate sequence at the *sophomore level*, which is identical to the programming in a community college. The individual tax course may carry no prerequisite, the same treatment afforded to a basic law course. The same tax course may have an upper-division coding at a senior college, yet, may be taken in the sophomore year at a community college. These characteristics are, likewise, applicable to an audit course. These circumstances should not warrant different treatment for licensure if the courses are of identical content and rigor.

Increasingly, senior colleges establish agreements with high schools that provide college credit for courses that are the equivalent of those required at the college/university level. The purpose of these agreements is to encourage high school students to attend that institution. These agreements are in addition to the typical Advanced Placement (AP) courses that equate to equivalent credit at the college/university level. Most of these courses are for the liberal arts requirements for a degree, generally, not accounting or business equivalency. The experience of the Committee, with respect to these agreements and AP credit, sees freshmen earning a significant head start on their college program, sometimes more than a full semester of credits. The tuition cost savings are tremendous.



The AP advantage may result in students *starting their accounting major as freshmen*; intermediate- and advanced-level courses may be taken earlier than typical senior college programming. *An early start to the major at a senior college parallels the community college program experience.* Should AP students be denied upper-division credit because the course was taken earlier in their accounting education? Should a community college student be afforded different treatment than an AP student who took the same course early in his, her or their academic career at a senior college? The Committee strongly believes that AP and community college students should not be deterred from an accounting program or the CPA pipeline but, rather, should be supported because they have demonstrated success and/or an early commitment to pursue the major and the profession.

Requiring upper-division financial accounting beyond intermediate accounting for CPA candidates who are not pursuing the BAR discipline, as an example, is costly for candidates. The current recommendation may require candidates to utilize accounting electives for courses taken at the lower division.¹ That result limits the use of electives as preparation for the Evolution disciplines. The situation can also be applied to the AIS, tax or audit upper-division requirements.

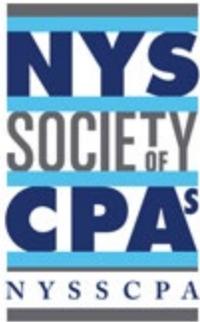
When the Committee met with Carl Mayes, AICPA Associate Director of CPA Quality and Evolution, we were informed that each discipline's content knowledge represents approximately 3-4 courses in that discipline. Although candidates may choose to enroll in a specialized master's degree (i.e., M.S. in Taxation), a specialized degree is not necessary to acquire the CPA exam content knowledge. Specifying upper/lower-division courses for the required core will restrict candidate choice by forcing prerequisites and accounting electives to count toward the remaining 18 credits. The result increases the cost of education necessary to attain CPA exam content knowledge for a discipline.

Community College Impact on the Pipeline

Community colleges serve a tremendous role in serving students of diverse backgrounds, and thus, have significant diversity, equity and inclusion (DEI) implications for the CPA pipeline.² Moreover, community college enrollment is already experiencing significant declines since the availability of NYS Excelsior scholarships. These enrollment declines are further exacerbated by the overall decline in accounting majors since the implementation of the 150-credit-hour requirement for CPA licensure.

¹ The recommendations currently approved indicate that of the 33 required accounting credits, 18 credits are upper-division, 12 of which are required core taken at the upper division. Therefore, 6 credits in upper division remain for non-core prerequisites or electives. Of the 15 remaining required accounting credits, 3 credits are required core that may be taken at the lower division (cost/managerial accounting). Therefore, 12 credits remain for non-core prerequisites or electives. In summary, 18 credits in non-core prerequisites or free electives remain, of which 6 credits must be taken at the upper-division level. Any excess accounting credits beyond the 33-credit requirement may be applied to the 36 credits required in business content, identified on page 66 of the October 20, 2021 Public Package. No distinction for the lower- or upper-division levels is specified for business content.

² See <https://www.suny.edu/about/fast-facts/>



New York state has made significant investments in the community college system for more than 60 years. The proposed regulations will reduce the efficacy of the community colleges system as a conduit for CPA candidates from local and disadvantaged communities. Under the proposed recommendations, community colleges will be left to offer only introductory courses. Transfer A.S. (associate of science) accounting programs will be rendered irrelevant, and students will have no choice but to enroll at four-year schools that are less accessible, farther away from home, and more expensive.

With the currently proposed education recommendations, the likely outcome for community colleges would be offering only a generic business program. Community college students will be far less exposed to the profession, which will hinder the recruiting efforts of accounting firms. The firms are counting on community colleges having distinct accounting programs, not just to ensure a diverse pipeline, but to ensure that there is a sufficient pipeline of new entrants to the profession.

The profession has accelerated their hiring from community college programs to fill their ranks to make up for diminished accounting enrollments at senior colleges. These hiring strategies are in addition to recent trends in hiring outside the accounting discipline. Having the flexibility to transfer lower-division community college courses encourages community college student hires to continue their education to fulfill CPA education requirements, especially if a firm funds that education.³

The NYSBPA is very much aware of other jurisdictions' education requirements for licensure. In our review of these requirements, it is the exception that differentiates between lower- and upper-division courses. Many jurisdictions specify courses in credits with no distinction as to the level of courses in a 150-credit program. Some jurisdictions (i.e., Connecticut⁴) explicitly state that community college courses meet education requirements.

We respectfully request that the NYSPBA reconsider the recommendation that differentiates between lower- and upper-division courses for the required core and, in its place, adopt the following recommendation for education regulations.

We Recommend:

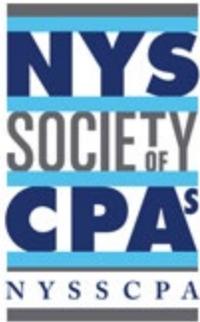
1. Accept community college courses into the licensure program if that community college course is accepted for equivalent credit by a four-year institution.

Evolution and Survival of the Accounting Unit

The Committee is very concerned about the future of the separate accounting unit and its ability to deliver the Evolution curriculum for licensure. Without flexibility in satisfying the 33 required

³ See [Deloitte will pay for students to finish their bachelor's at, for at least two years.](#)

⁴ See <https://portal.ct.gov/DCP/License-Services-Division/License-Division/CPA-Educational-Requirements>



accounting credits through leveraging existing resources outside the accounting unit, it is reasonable to expect that certain licensure programs will be unable to sustain the Evolution program. If each Evolution discipline content were equivalent to three courses, then nine courses would be necessary for a program to offer all three disciplines.

At our meeting, discussion points suggested that it was expected that certain existing licensure programs may be unable to offer program requirements for all Evolution disciplines, especially with respect to accounting analytics and related technologies. The Committee expects that programs may consider partnerships with other institutional programs or utilize resources outside the accounting unit to cover content specified in the forthcoming AICPA Evolution Blueprints. Leveraging creative and valued partnerships could help mitigate any further declines in the pipeline by attracting students to the program within an institution.

Specifically, we ask that if a course is taken outside the accounting unit and that course covers the content specified in the AICPA Evolution Blueprints, that course should qualify toward the required 33 accounting credits. The Committee posits that the content and rigor matter, not the course prefix.

We Recommend:

2. To complete the 33 required credits in accounting, courses may be taken outside the accounting unit, with the provision that the course content is consistent with what would be covered by an accounting unit.

The Committee strongly believes that these recommendations will not only assure the viability of many existing programs, but will also enhance the CPA pipeline through educational excellence in New York state.

Sincerely,

New York State Society of CPAs' Future of Accounting Education Committee

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