

Impact of Dental Board Case

States continue to wrestle with the meaning of the U.S. Supreme Court's decision in *N.C. State Board of Dental Examiners v. Federal Trade Commission* as legislation has been introduced in the 2016 regular sessions in Alabama, Virginia, West Virginia and Wyoming, with a possible "shell bill" filed in South Dakota. (For background see the December 10, 2015 NASBA webinar on the "North Carolina Dental Case Decision: Implications for State Boards of Accountancy," which can be found at <https://nasba.org/mc/legislative-support/north-carolina-dental-case/>)

Speaking during the Middle Atlantic Region's conference call, NASBA Legislative and Governmental Affairs Director John Johnson reported he had worked with the Virginia Board of Accountancy on monitoring and responding to House Bill No. 1388, which requires the agency director of each agency in Virginia's executive branch to be responsible "for determining if decisions on licensing practitioners, disciplining non-licensees, setting prices or rates, adopting regulations, developing codes of ethics or standards of conduct, or issuing guidance documents or advisory letters, or any other matters that the agency director believes may have a potential adverse impact on competition and, if so, whether such action is consistent with clearly articulated state policy." The bill gives the agency director the



authority to approve case decisions, remand the case to the regulatory board if he or she determines it is not consistent with state policy or to remand the case to the regulatory board to obtain more information on "specific market issues." Mr. Johnson explained, "This is one of several ways jurisdictions are addressing active state supervision as set forth in the NC Dental Board case."

The bill that has emerged in West Virginia, based on the North Carolina Dental Board case, would change the composition of the Board of Accountancy. Presently the Virginia Board has seven

(Continued on Page 2)

NASBA and AICPA Meet With Accreditors

Though the snow kept some groups from attending the CHEA (Council for Higher Education Accreditation) Annual Meeting in Washington, D.C., representatives from regional, national and program accreditors attended the Accreditation Forum cosponsored by NASBA and the AICPA on January 29 in D.C. NASBA Education Committee Chair Dr. Raymond N. Johnson (OR) reported: "We had a good discussion of the role of accreditation and what is happening in the higher education environment. We had the deepest discussions on transcript transparency, competency-based education, credits for life experience and various models for granting credit hours that appear on transcripts. My take-away from this forum was that the regional accreditors are generally willing to work with us to do something different if we can articulate our concerns. We have begun a conversation with accreditors, and there are likely more productive conversations ahead."



Ray Johnson

After listening to the presentations, Dr. Elizabeth Sibolski from the Middle States Commission on Higher Education (a regional accreditor) stated: "Accreditors do not have the resources or mission to review every course, only to ensure proper guidelines are established and implemented."

The Accreditation Forum was moderated by Jan Williams, Past President of the American Accounting Association. Besides NASBA and AICPA volunteer leadership and staff, participants included: Accreditation Council for Business Schools & Programs (ACBSP) –

Steven Parscale; Accrediting Council for Independent Colleges & Schools (ACICS) – Anthony S. Beida and Perliter Walters-Gilliam; American Accounting Association – Bruce Behn and Tracey Sutherland; Association to Advance Collegiate Schools of Business (AACSB) – Bob Reid and Tom Robinson; International Assembly for Collegiate Business Education (IACBE) – Phyllis Okrepkie; Middle States Commission on Higher Education (MSCHE) – Elizabeth Sibolski; and New England Association of Schools & Colleges (NEASC) – Paula Harbecke.

NASBA President Ken Bishop thanked NASBA Past Chair Carlos E. Johnson (OK) for his assistance in developing this program in response to issues raised by the State Boards. ♦

Contents

Impact of Dental Board Case	1
NASBA and AICPA Meet with Accreditors	1
Bishop Announces New Service to BOD	2
Call for Vice Chair Nominees	2
President's Memo	3
Grants Applications Until April 14	4
Board Re-Exposes CPE Standards	4

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Bishop Announces New Service to BOD

NASBA has launched its Experience Verification Service in response to requests from State Boards for more in-depth proof of experience outside the United States. President and CEO Ken Bishop told the January Board of Directors meeting that the new service will enable international candidates to have their experience measured and checked by U.S. CPAs. This will enable those who have passed the Uniform CPA Examination outside the United States to obtain verification of the completion of their experience for licensure as required within the three-year period after taking and passing the Examination outside the country.

"We are working with people in the Middle East who can get information where we can't," President Bishop explained. "We know there are experience mills out there where people will sign off on anything. We are doing international background checks to ensure people are who they claim to be. This will be a great public



protection service for the Boards that require experience be signed off by a U.S. CPA."

Another NASBA service being given special attention on the basis of State Board requests is CPE Tracking. Mr. Bishop told the Board of Directors that the further development of this sophisticated system is being given top priority by the IT team and should be completed by mid-September 2016.

NASBA is instituting more formal quarterly business reviews to ensure its business units are fitting their activities into the strategic plan. "We are working on changing the NASBA culture and how it coordinates with the strategic plan," Mr. Bishop told the Board of Directors. "We are enhancing operational

quality and implementing efficiencies."

Executive Vice President and COO Colleen Conrad reported 51 jurisdictions are now participating in the Accountancy Licensee Database and CPAVerify, covering 99 percent of the CPAs licensed in the United States. Michigan was the most recent jurisdiction added to the databases. ♦

Call for Vice Chair Nominees

NASBA Nominating Committee Chair Walter C. Davenport (NC) is asking all those interested in serving as NASBA Vice Chair 2016-17 to please submit their resume, preferably accompanied by a recommendation from the State Board, to him at NASBA, 150 Fourth Avenue North – Suite 700, Nashville, TN 37219-2417 or e-mail aholt@nasba.org or fax (615)880-4291.

If elected Vice Chair at the Annual Business Meeting on November 1, 2016, in Austin, TX, the individual will accede to the office of Chair 2017-2018. To be eligible to serve as Vice Chair, an individual must have served as a NASBA Director-at-Large or Regional Director for a minimum of one year, but does not need to be a current member of the Board of Directors at the time of his or

her election as Vice Chair.

Mr. Davenport explained that while candidates have in the past sought support of their nomination from multiple State Boards, this is not necessary. He asked that all nominations be submitted no later than April 22, 2016.

Nominations for any Board of Directors' vacancy can be made by at least five Boards of Accountancy that file with the NASBA Chair at least 10 days prior to the Annual Business Meeting. No nominations will be recognized from the floor of the Annual Business Meeting.

Please direct any questions about the nominating process to Assistant to the President Anita Holt (615)880-4202. ♦

Impact of Dental Board Case (Continued from Page 1)

members including five certified public accountants; however, House Bill 4312 would alter that so that three members would be CPAs and three members must be "retired, inactive or emeritus members...and may not be licensed to practice under the provisions of this article." The Bill goes on to state that any Board member who is unlicensed or who holds a retired, inactive, or emeritus license immediately and automatically forfeits his or her membership on the board if he or she obtains an active license that would permit him or her to practice under the provisions of this article. An additional "citizen member" of the Board cannot be a person who offers to the public any bookkeeping, tax preparation, financial advisory or insurance service.

"Unfortunately," Mr. Johnson observed, "based on what we glean from the FTC staff guidance paper as it relates to what constitutes a 'controlling interest of licensees' serving on state boards, replacing two 'active' CPAs with retired, inactive or emeritus members would not accomplish what was intended – and that is to protect the board from

an anti-trust lawsuit."

While similar West Virginia legislation was filed for each of the other West Virginia professional licensing boards, Mr. Johnson pointed out that the West Virginia Accountancy Board became well educated on the issues surrounding the North Carolina Dental Board case in record time.

"West Virginia Board member David Hill did one heck of a job delivering the message before the House Government Organization Committee and, so far, accountancy is the only profession to defeat the bill in committee," he said. Noting that the West Virginia Board anticipates the bill will come up again before the legislature adjourns, Mr. Johnson remarked: "We won this battle, but not the war."

Mr. Johnson will be participating in all the NASBA Regional conference calls. He encourages all states to regularly review the legislation tracking and the North Carolina Dental Board case pages on www.nasba.org. ♦

PRESIDENT'S MEMO

It's Agenda Time

At NASBA we have made it through the winter holidays, a rare snowfall in Nashville and a virtual blizzard in New York, and are now “up to our elbows” in preparing for upcoming meetings, including the Executive Director and Board Staff Conference, Legal Counsel Conference and the 2016 Regional Meetings. The process begins with the consideration and development of agendas that reflect what is going on now and what is anticipated for the coming months -- and even years. The staff and volunteers developing the topics and focuses of NASBA conferences take seriously the attendees' expectation of value for their time spent at these meetings. In a time of rapid change, potential threats and new opportunities in public accounting and its regulation, identifying and settling on the elements of the agendas is a complicated process. As one might expect, the resulting conference agenda items will closely mirror the prioritization of NASBA's organizational focus for the coming year.



Ken L. Bishop
President & CEO

In December, in my *President's Memo: It's All Good*, I laid out several important topics that will be a part of our agendas in 2016. These topics include the evolving education delivery models, confusing credentials and their impact on the CPA candidate pipeline and potential modifications in recognition of international professionals. We will also be focusing on the updated standards in peer review and continuing professional education. The potential impact on State Boards of the Supreme Court's decision in the North Carolina Dental Board case and other challenges in enforcement and legislative threats will remain key issues for NASBA meetings. I would suggest that all of these topics not only be on NASBA's agenda, but should be on the agenda of every State Board of Accountancy.

NASBA intends to be well prepared to respond and act on each of these identified issues. We have engaged in virtually every one, and some significant progress has been made. Since the start of the new year, several significant discussions have occurred, including the Accreditation Forum, the AICPA/NASBA Summit, and meetings of the NASBA/AICPA International Qualification Appraisal Board (IQAB) and the AICPA/NASBA Uniform Accountancy Act (UAA) Committee. While we never want to be overly optimistic, I believe these discussions produced positive momentum.

The Accreditation Forum was well attended by major accreditation bodies, education associations, academics, and a mix of volunteers and staff from NASBA and AICPA. Although the next steps for the Forum are just being developed, the open dialog, frank discussions, and the accreditation leaders' willingness to consider change and improvements will hopefully lead to a mitigation of many of our education delivery concerns.

The NASBA/AICPA Summit was a valuable opportunity to openly discuss challenges and opportunities wherein the organizations can work together. One primary outcome of the Summit was the mutual dedication to preserving the value of the CPA credential and recognizing its direct relationship to the CPA candidate pipeline. Specifically, we agreed to consider how we can coordinate our work in a joint effort. Finally, the IQAB and UAA Committee are making headway as to how recognition of well qualified non-U.S. professionals can best be achieved.

Attendees at this year's NASBA conferences will have the opportunity to gain a good understanding of major issues that may impact their Board now or in the future. It is imperative that all states and territories are represented at NASBA meetings during this pivotal time. As in previous years, we know that attending meetings and conferences is challenging to some states because of limited budgets and/or arbitrary travel restrictions. NASBA will continue to do all it can do to provide support, resources and guidance to any Board that faces obstacles in having its representatives at these meetings. It may not be easy, but “It's agenda time!”

Semper ad meliora (Always toward better things).


— Ken L. Bishop
President & CEO

Grants Applications Until April 14

As requested by the NASBA Education Committee, the NASBA Board of Directors voted to provide an additional window for receiving accounting education research grant proposals until April 14, 2016. Research grants are available for faculty and postdoctoral researchers at institutions of higher education. Preference in awarding the grants is given to research in areas helping NASBA and the State Boards of Accountancy protect the public and be better resources to the public accounting profession.

Research Interests of NASBA include, but are not limited to:

- Characteristics of successful CPA Exam candidates,
- Variables in accounting programs that impact CPA exam performance,
- Impact of work/internship experience on the success of CPA exam candidates,
- Lack of appeal/barriers to entry into the accounting profession for under-represented groups,
- Effectiveness of non-traditional teaching and delivery methods,
- Increase in accrediting bodies and their impact on accounting education, and
- International education equivalency.

Applicants must be affiliated with a U.S. academic institution.

NASBA will fund and award grants totaling up to \$25,000 for one-year research projects. The researcher(s) will be expected to finalize the research within one year of the grant award date and may be asked to present their findings to NASBA's Board of Directors or at its national

meeting. Details about the program can be found on www.nasba.org. Applications should be made to grantproposal@nasba.org.

At the NASBA Board's January meeting, Nathan H. Jeppson and Mary B. Burns of Montana State University were awarded research funding for their project on: "Is Being Selective and Attuned to Top Quality Students All That Matters? The Impact on CPA Exam Performance by Student Characteristics, Accounting Program Quality, and Delays in Test Taking." ♦

Board Re-Exposes CPE Standards

April 30, 2016 is the new deadline for comments on the revised Statement on Standards for Continuing Professional Education (CPE) Programs. The NASBA Board of Directors and AICPA Board of Directors voted to re-expose the standards at their meetings in January at the request of the CPE Standards Working Group. The revised exposure draft includes changes based on comments submitted during the previous vetting.

"We believe the revisions to the Standards have been enhanced by the most recent round of changes and will keep CPE relevant and meaningful to CPAs," Maria Caldwell, NASBA Director of Compliance Services, stated.

Among the enhancements are: clarification of acceptable instructional materials for a nano-learning program; classification of programs; and independent study verification. Copies of the exposure draft can be found on www.nasba.org. ♦