

NASBA STATE BOARD REPORT

A Digest of Current Developments Affecting State Accountancy Regulation

Spring 2025

NASBA Selects 2025-2026 Vice Chair Nominee

NASBA is pleased to announce that J. Coalter Baker of Austin, TX, has been selected as its vice chair nominee for 2025-2026. Baker's selection comes following a meeting of NASBA's Nominating Committee on Tuesday, May 6.

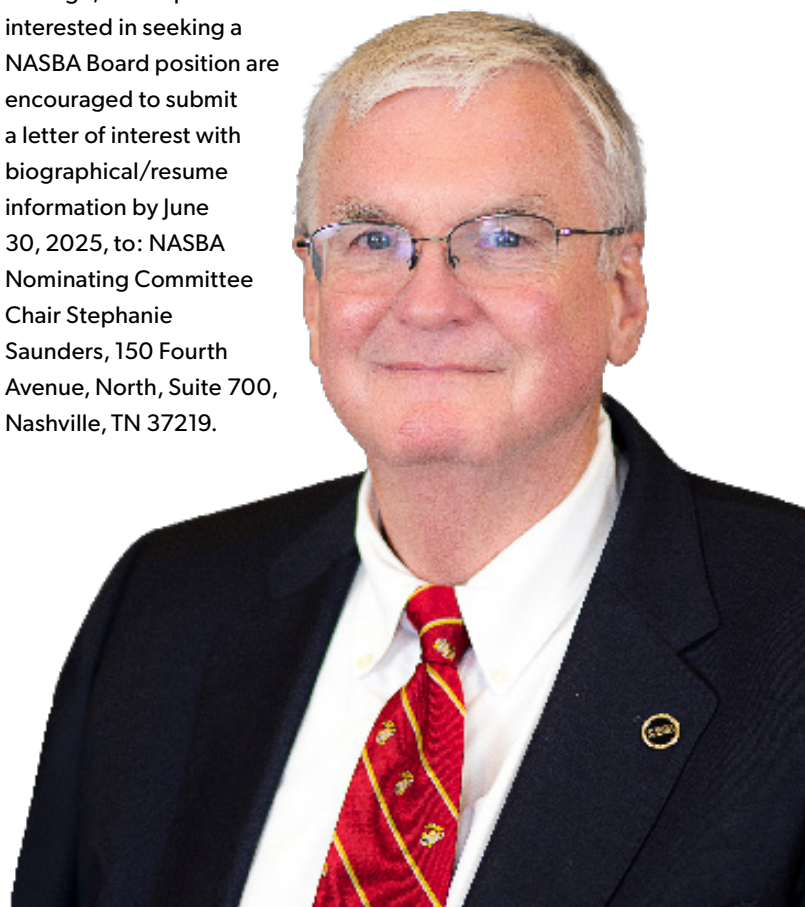
Baker's association with NASBA began following his appointment to the Texas State Board of Accountancy in 2003. During his tenure on the NASBA Board of Directors, he served as Southwest regional director (2014-2016) and director-at-large (2017-2023). He is a former chair of NASBA's Uniform Accountancy Act Committee (UAA), Ethics Committee and Standard Setting and Professional Trends Advisory Committee. Baker is also a former member of the Inclusion, Nominating, Regulatory Response, Relations with Member Boards and Selection Advisory committees, and the Strategic Planning Task Force. Currently, he serves on NASBA's Uniform Accountancy Act Committee.

Baker has been honored to serve the accounting profession through his participation in the Tax Practice Responsibilities and Professional Ethics Executive committees of the AICPA. As a self-employed CPA and personal financial specialist in Austin, he received a Bachelor of Business Administration in Accounting from the University of Texas at Austin. Previously, Baker served as a graduate school lecturer in taxation at the University of Texas, McCombs School of Business. Most recently, he was selected to serve on the Board of Trustees of Huston Tillotson University, a private historically Black university and the first institution of higher learning established in Austin.

"I have a genuine passion for our profession. NASBA has allowed me opportunities of leadership that I never dreamed possible. I

encourage every state board member to rise to our challenges and have your voices heard for the next generation of CPAs," shared Baker.

Elections of NASBA's vice chair nominee, three director-at-large nominees and eight regional director nominees will take place at the 118th Annual Business Meeting on October 28, 2025, in Chicago, IL. All qualified individuals interested in seeking a NASBA Board position are encouraged to submit a letter of interest with biographical/resume information by June 30, 2025, to: NASBA Nominating Committee Chair Stephanie Saunders, 150 Fourth Avenue, North, Suite 700, Nashville, TN 37219.



J. Coalter Baker

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NASBA Diagnostic Update

In August 2024, NASBA partnered with a consultant to help the Association take a comprehensive and unflinching look at itself in order to better understand NASBA's potential, what invites or prevents that potential, and how NASBA might become a greater force for its members and within itself in the short and long terms. The initial four-month, or Understanding phase, of the Diagnostic project consisted of the consultant immersing himself in 760 pages of organizational material alongside weekly meetings with President and CEO Daniel Dustin. That comprehensive work formed the basis of a tailored set of inquiries for stakeholder interviews in the second, or Diagnosing, phase—the first step of which was conducted over eight weeks with NASBA's Board of Directors, including the eight regional directors. That stage, which ended in January 2025, produced 126 pages of feedback.

In February, the Diagnosing phase moved into its membership segment. Jurisdictions were invited to provide up to two sources for this step: one board chair or member, along with their executive director. After 11 weeks of interviews, an impressive 80 percent of NASBA's jurisdictions have scheduled to participate in the Diagnostic, and 50 percent have been interviewed. Because several jurisdictions have offered two representatives, 35 total individuals have already contributed to this step. Five jurisdictions are represented by a board member alone (chair or member), 22 by an executive director alone, and

15 by both. Only 11 boards have not yet responded, and two jurisdictions have declined. On average, 27 in-depth questions have been asked of each participant, and each conversation has lasted an average of 63 minutes. Following the membership segment, the Diagnostic will once again move internally—this step with selected NASBA staff—and in doing so, draw a holistic assessment of the NASBA community.

Too often in Likert rating scales and quick-hit surveys, valuable insights can hide and data can outright mislead. At this moment of leadership change and organizational maturity, what NASBA wanted from its stakeholders was feedback that was more nuanced, more bracingly honest, and more far-reaching. Once all interviews are completed, the Diagnosing phase will shift to the Reporting phase, the first objective of which is to distill the feedback from the three constituencies into a meaningful report that NASBA can use for strategic planning and, with member input, to design a clearly defined roadmap for implementation that enhances NASBA's service and furthers its value to members.

NASBA looks forward to sharing these findings as they emerge and gaining your guidance as the project goes forward. In the meantime, if your jurisdiction has not yet participated in the Diagnostic, please use [the link here](#) to schedule a 75-minute guided conversation with our consultant.

New Task Force to Examine Private Equity Ownership in CPA Firms

As private equity investment in CPA firms continues to grow, State Boards of Accountancy are facing new and complex regulatory questions. In response, NASBA Chair Maria Caldwell (FL) has appointed a Private Equity Task Force to evaluate the implications of this trend and identify ways to support state boards in their oversight responsibilities.

The Task Force will explore how private equity ownership may impact the public interest, firm independence, governance structures and audit quality. It will also assess existing regulatory frameworks and identify gaps where additional guidance or resources may be needed. An update on the group's progress will

be shared with the regulatory community throughout the process.

NASBA Board of Directors' member, Dan Vuckovich (MT) has been appointed as chair. Other Task Force members include Barry Berkowitz (PA), Boyd Busby (AL), Dominic Franzella (CA), David Nance (NC), Steve Platau (FL) and Melissa Ruff (NE).



Maria Caldwell

For more information or to share input with the Task Force, please contact petaskforce@nasba.org.

PRESIDENT'S MEMO

The Relevance Paradox

Twenty years ago, Boeing CEO Harry Stonecipher said of the eminent company: "It's a great engineering firm, but people invest in a company because they want to make money." One application of this philosophy was Boeing's decision to rework its older 737 planes into the 737 Max, a choice which resulted in cutting costs and enhancing share price. But according to journalist Ed Smith, in a recent essay on economist John Kay's new book *Why (Almost) Everything We Are Told About Business Is Wrong*, Boeing's pivot in mission can also be linked to the 737 Max's recent and catastrophic failures; these failures, in turn, leading Airbus, Boeing's longtime rival, to overtake it in sales and profit.

Kay provides another equally instructive case study: In 1988, British company Marks & Spencer committed to a goal of £1 billion in company profit. Having achieved it, the retailer's share price duly increased to an impressive £6. However, in pursuing the ambitious goal, the blue-chip business was obliged to cut corners in value and quality. Customers noticed, and it wasn't long before sales dried up, sending the share price crashing to £1.

What sustains a business' relevance to its customers? Or, in NASBA's case, what sustains our relevance to you, our members? The answer, I think, can sound paradoxical.

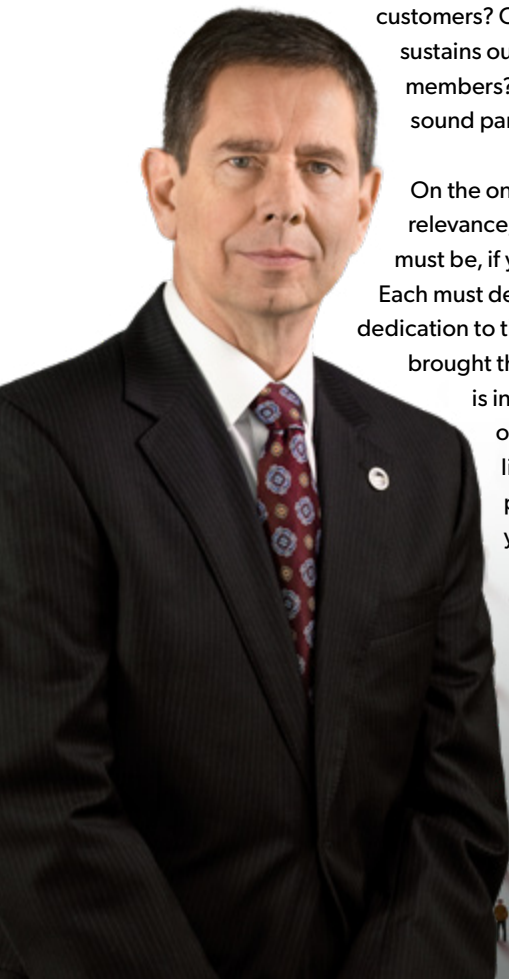
On the one hand, to maintain relevance, organizational activities must be, if you will, "acts of memory." Each must demonstrate an unswerving dedication to those core principles that brought the organization to where it is in the first place. Lose sight of them and—like Boeing, like Marks & Spencer—the people most important to you lose sight of your value.

On the other hand, no organization can become so bound to tradition that it forgets innovation—a term that really describes how an institution furthers ongoing value to stakeholders in new ways. Achieving this balance is, of course, easier said than done.

As I write this column, I have served as NASBA's CEO for nine months. What has come to light for me during this time is how the Association has lately struggled a bit with getting the "relevance paradox" right. In some ways, this isn't surprising. We are at an inflection point in accounting. You don't need me to tell you about the winds of change by which our profession has lately been buffeted: from the new CPA Exam to the pathways debate, from private equity to threats to licensure, from board consolidation to board turnover. Not to mention the upheaval of the pandemic, which created a baseline dissonance in our human (and humane) ability to see, hear and interact with one another—an illegibility that still lingers. Indeed, as much as our profession and our world continue to seek innovation, they crave stability. As much as we as a society profess to want to usher in the new, we also long for a recommitment to the old wisdoms that anticipate—and steer us around—the pitfalls the naïve overlooks.

Over the last several years, NASBA has toggled back and forth between these forces. Between wanting to innovate through good guidance and wanting to honor tradition through supportive service. At times, our loyalties to both have produced tension and occasionally distrust, sometimes making our sincere desire for relevance misconstrued as tone-deaf absolutism. These pushes and pulls have forced me to ask just where the intersection—between leadership and service, innovation and tradition, guidance and support, relevance and irrelevance—resides? One way to answer that is to recall what our natural instincts tell us to do when we attempt to walk a literal fine line: To achieve balance, don't we throw out our arms in opposite directions?

Continued on the following page.



The Relevance Paradox (Continued)

That, in a manner of speaking, is what I've been aiming to do since beginning my CEO tenure last August. Whether it's through establishing a "kitchen cabinet" monthly call with a diverse range of executive directors, strategizing with our regional directors on how to reinvigorate our touchpoints, or by launching a jurisdiction-by-jurisdiction "Diagnostic" on NASBA as a whole, I am determined that we find that still point of relevance with you.

Speaking of the Diagnostic, at press time for this edition of the *State Board Report*, more than 80 percent of jurisdictions have now reserved their 75-minute slot with our consultant in order to address his 27 questions. This means more than 55 hours of in-depth conversations have already taken place with state board chairs, board members, and executive directors. As far as I know, NASBA has never in its 117-year history sought such direct and unvarnished perspectives from you, our members. All too often with standard rating surveys and one-off questionnaires, real insights get buried and data ends up leading us in the wrong direction. That's why, for this project, we aimed for an outcome that would be more

nuanced, more bracingly honest, and ultimately, more meaningful. It's only by "getting real" that anyone gets better. If you're a Board of Accountancy chair or executive director and haven't yet reserved a slot for the NASBA Diagnostic, I encourage you to do so.

Composer Gustav Mahler once said that "tradition is not the worship of ashes but the preservation of the fire." I might add to the maestro's words: In tending to that fire, organizations keep—but also ignite the inspirations that extend their relevance to those gathered around it.

In that spirit, I look forward to seeing you at our regional meetings in June.

Sincerely,

Daniel J. Dustin

Daniel J. Dustin, CPA
President and CEO

Web Accessibility Initiative Takes Shape

NASBA is committed to ensuring web accessibility for all individuals, regardless of ability. Whether someone is using assistive technologies like a screen reader, a magnifier, voice recognition software, or captions for videos, the Association's goal is to make the use of NASBA's website a successful and enjoyable experience. NASBA is taking a variety of steps and devoting resources to further enhance the [accessibility of its website](#) and upcoming mobile app, including informing member boards about Digital Inclusion.

The Department of Justice ([DOJ](#)), which has the authority to oversee Americans with Disability Act (ADA) civil rights issues, including [Section 508 Web Accessibility](#) violations, recently published its [final rule on digital accessibility](#), which establishes specific requirements for making services, programs, and activities offered by state and local government entities to the public through web and mobile apps accessible. These regulations implement [Title II](#) of the [ADA](#) with the adoption of specific technical standards, called the Web Content Accessibility Guidelines, or [WCAG](#). The regulations became effective June 24, 2024, with a tiered compliance date for state governments, and thus for state accountancy boards, based on their total population. The first compliance date, April 24, 2026, is for public entities that have a total population of 50k or more. Thus, state governments will need to comply with the DOJ's final rule by April 24, 2026, at the earliest, unless they are already complying with a comparable state law.

WCAG, the [Web Content Accessibility Guidelines](#) (WCAG), is a set of global standard guidelines that specify what is needed for web accessibility, to ensure that the use of assistive technologies to access web content—such as a screen reader or voice recognition

software—is successful. Captions for videos and the contrast between text and a background color are two examples of considerations for assistive technologies to work effectively. WCAG is developed by the Accessibility Guidelines Working Group, which is part of the [World Wide Web Consortium](#). WCAG is the standard adopted by the DOJ and by most of the 17 states that have a state web accessibility law.

The DOJ is requiring that public entities comply with the WCAG 2.1 Level AA success criteria and conformance requirements at a minimum. Several state laws have a higher WCAG requirement such as Colorado and New York, which have adopted WCAG 2.2 Level AA success criteria.

For more information on web accessibility and WCAG requirements, please visit the links provided throughout this article and consult with your board counsel and information technology vendor.





NASBA Opens 2025 Awards Call for Nominations

NASBA is pleased to announce the opening of the 2025 call for nominations for its annual awards program, which honors individuals who have made exceptional contributions to the betterment of NASBA, Boards of Accountancy and the accounting profession. Under the leadership of chair Richard Reisig (MT), the program is spearheaded by NASBA's Awards Committee.



Richard Reisig

Nominations are being accepted in the following award categories:

- **William H. Van Rensselaer Public Service Award** – Recognizing individuals who have contributed to the development of a new program, improvement of a current program for the Boards of Accountancy, or who have influenced

passage of rules or statutes to strengthen accountancy regulations.

- **NASBA Distinguished Service Award** - Honoring those who have demonstrated an outstanding commitment to enhancing the mission of NASBA.
- **Lorraine P. Sachs Standard of Excellence Award** – Celebrating exceptional leadership and dedication by saluting the contributions of a current state board executive director.

The deadline for submitted online nominations is June 30, 2025, at 11:59 pm (CDT). To access the awards criteria and the nomination form, visit <https://nasba.org/mc/awards/>.

Don't miss this opportunity to help NASBA recognize excellence in the profession. Nominate a deserving individual today!

UAA 9th Edition Receives Joint Approval

The board of directors for both NASBA and AICPA have approved changes to the Uniform Accountancy Act (UAA) and therefore an upcoming release of the 9th Edition of the Act. In March 2025, NASBA and AICPA exposed proposed changes to the profession's model law. At the end of the 60-day comment period (May 3, 2025), a total of 209 stakeholder comments were submitted.

Comments were received from stakeholder groups including current licensees, firms, students and educators, exam and licensure candidates, State CPA Societies and Boards of Accountancy. The comments have been made public and are assessable [here](#).

The Uniform Accountancy Act (UAA) provides state legislatures and Boards of Accountancy with a national model that can be adopted in full or partially adopted to meet the needs of each jurisdiction. The amendment to the UAA would enable the potential adoption by states that would:

- Specify the educational requirements to sit for the Uniform CPA Examination
- Define the requirements for an additional CPA licensure pathway of a baccalaureate degree conferred by a college or university acceptable to a board, the total educational program to include an accounting concentration (as determined by board rule), at least two-years of experience also defined by board rule and passage of the CPA Exam
- Move the basis of mobility from a state-based substantial equivalency model to one based on how an individual was licensed and provide safe harbor language for CPAs licensed under previously approved pathways

With approval from the respective board of directors, the 9th Edition of the UAA went into effect on May 13, 2025. The full release of the entire 9th Edition of the UAA is scheduled for early this summer.

2025 ED Legal Conference Recap

This year, NASBA hosted its 43rd Annual Conference for Executive Directors and Board Staff and 30th Annual Conference for Board of Accountancy Legal Counsel in Clearwater Beach, FL, from March 25-27.

Attendees gathered for joint updates from representatives of the Securities and Exchange Commission (SEC), Public Company Accounting Oversight Board (PCAOB), Internal Revenue Service (IRS), Department of Education (DOE), Health and Human Services (HHS), and NASBA leadership. Following the joint plenary sessions, attendees split into separate groups to allow for more focused discussion.

The Executive Directors and Board Staff group heard from NASBA leadership, who provided updates on the Uniform CPA Exam, Uniform Accountancy Act (UAA), legislation, and NASBA roles and responsibilities. Additional updates included

Navigating Relationships with Societies and Legislators, Peer Review, Delegating Work-Life Balance, and Mobility Enforcement.

Legal Counsel Conference attendees began their separate session on day two. Topics of discussion included Government Attorney Ethics, Investigations In-Depth, The End of Chevron, and a Q&A with the DOE and HHS. The Honorable Yolonda Y. Green was also a featured presenter on the last day of the conference.

In total, 25 executive directors, 22 board staff, 27 board attorneys, and 26 representatives from various State CPA Societies were in attendance. Representatives from the American Institute of CPAs (AICPA), other accounting organizations and 12 speakers were also present. Including 30 NASBA staff members, a total of 152 people registered for the in-person meeting. There were also 22 individuals who participated in the conferences virtually.



NASBA welcomed 152 attendees to Clearwater, FL, including 22 virtual conference attendees.



Representatives of the Department of Education, Mark Priebe (left) and Amy Bales (right), give an in-depth discussion featuring Peer Review v. Quality Control Review.



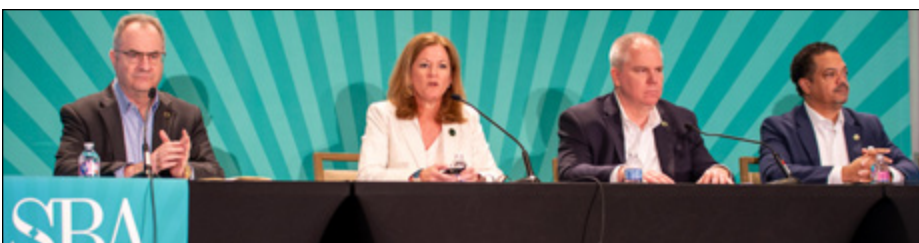
ED Liaison Nancy Glynn welcomes attendees to the ED-Legal conferences in Clearwater, FL.



Carla Ratchford, Executive Director for the Illinois Board of Examiners and Geoffrey Brown, President & CEO of the Illinois Society of CPAs explain how to navigate relationships with societies and legislators.



Martin Pittioni provides insight to the firm ownership discussion.



NASBA's new leadership describe their new roles and responsibilities. From left to right: Kent Absec, Wendy Garvin, Bill Emmer and Sedrik Newbern.



The Honorable Yolonda Y. Green speaks to meeting attendees during the Legal Counsel Conference.



WESTERN REGIONAL MEETING
New Orleans, LA | June 17-19, 2025

NASBA

We look forward to seeing our membership
and guests at the Regional Meetings!

EASTERN REGIONAL MEETING
Philadelphia, PA | June 24-26, 2025

