

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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1. Type of Estimate and Analysis

Original    Updated    Corrected

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2. Administrative Rule Chapter, Title and Number

Accy 2

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3. Subject

Education required for examination and certification

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4. Fund Sources Affected

GPR    FED    PRO    PRS    SEG    SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.165(1)(g)

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6. Fiscal Effect of Implementing the Rule

No Fiscal Effect       Increase Existing Revenues       Increase Costs  
 Indeterminate       Decrease Existing Revenues       Could Absorb Within Agency's Budget  
 Decrease Cost

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7. The Rule Will Impact the Following (Check All That Apply)

State's Economy       Specific Businesses/Sectors  
 Local Government Units       Public Utility Rate Payers  
 Small Businesses (if checked, complete Attachment A)

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8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes       No

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9. Policy Problem Addressed by the Rule

These proposed rules modify the semester hours and course subjects required in order to be granted a CPA certificate or to take the CPA examination, as follows:

1. Specifies methods for satisfying the 150 hours requirement for obtaining a CPA certificate. The methods differ depending on the degree received by the applicant and how the educational program, department, or educational institution from which the applicant earned the degree is accredited.
  2. Provides that a person may satisfy the 120 hours requirement for taking the CPA examination if the person already satisfies the 150 hours requirement for obtaining a CPA certificate described above, the person otherwise satisfies the course content and semester hours required for a CPA certificate, or the person has completed course work that the board determines is reasonably equivalent to those requirements.
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10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

The proposed rule was posted on the Department of Safety and Professional Services' website for 14 days in order to solicit comments from businesses, representative associations, local governmental units, and individuals that may be affected by the rule. No comments were received.

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11. Identify the local governmental units that participated in the development of this EIA.

No local governmental units participated in the development of this EIA.

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12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

This proposed rule will not have a significant impact on specific businesses, business sectors, public utility rate payers, local governmental units, or the state's economy as a whole.

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13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The benefit to implementing the rule is providing updated educational requirements. If the rule is not implemented, it will continue to provide outdated educational requirements.

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14. Long Range Implications of Implementing the Rule

The long range implication of implementing the rule is updated educational requirements.

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15. Compare With Approaches Being Used by Federal Government

None

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16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

**Illinois:**

Illinois requires 150 college or university semester hours with an accounting concentration to be admitted to take the certified public accountant examination. The 150 hours must include a baccalaureate or higher degree conferred by an academic institution acceptable to the Illinois Board of Examiners (225 Ill. Comp. Stat. 450/3). The Board recognizes institutions of higher education accredited by a regional accrediting association recognized by the Council for Higher Education Accreditation or the U.S. Department of Education. The Board also recognizes business schools accredited by the Association of Advance Collegiate Schools of Business or the Association of Collegiate Business Schools and Programs (23 Ill. Adm. Code 1400.90 (c) (2) (G)).

**Iowa:**

Qualifications for a certificate as a certified public accountant in Iowa includes completion of at least 150 semester hours of college level education and receiving a baccalaureate or higher degree by a college or university recognized by the Iowa Accountancy Examining Board (Iowa Code §542.5 (7)). The Board recognizes institutions accredited by the American Assembly of Collegiate Schools of Business (193A IAC 3.2). Other qualifications include one year of verified experience and successful completion of the uniform certified accountant's examination (193A IAC 3.1).

**Michigan:**

Certification requirements in Michigan include the completion of a least 150 semester hours of college education including a baccalaureate degree or higher with a concentration in accounting (Mich. Admin. Code R 338.5116). For purposes of accreditation the Michigan Board of Accountancy recognizes the North Central Association of Colleges and Schools Commission on Institutions of Higher Education (Mich. Admin. Code R 338.5115). Qualifying experience for certification includes 2,000 hours of experience within a period of not less than one calendar year and not more than 5 calendar years (Mich. Admin. Code R 338.5117).

**Minnesota:**

The requirements for certification include the completion of one year of experience and 150 semester hours or 225 quarter hours at a college or university accredited by a recognized accrediting agency listed with the United States Department of Education, or an equivalent accrediting association (Minn. Stat. §326A.03 Subd. 6.). Before taking the examination an applicant is required to have a "baccalaureate or higher degree, with a major in accounting or a major in business with accounting emphasis, or an equivalent education, from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education or an equivalent accrediting association." (Minn. Stat. §326A.03 Subd. 3.).

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