



National Association of State Boards of Accountancy

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## MEMORANDUM

**TO:** **Ruben Davila**, CPA, Esq.  
Chair, Accounting Education Committee  
California Board of Accountancy

**FROM:** **Mark Harris**, CPA  
Chair, Education Committee  
National Association of State Boards of Accountancy

**DATE:** August 30, 2010

**SUBJECT:** California Board of Accountancy Accounting Education Committee Work

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On behalf of NASBA's Education Committee, I reviewed the archived recordings of the meetings of CBA's Accounting Education Committee (AEC) and have read the September 3, 2010 meeting's agenda materials. We applaud your leadership and the committee members' dedication in carrying out their charge. We compliment the staff of the CBA in producing informative resource materials. We appreciate the difficulty of the AEC's charge, which calls for balancing the concerns of many important stakeholders. While we know that the AEC will provide an opportunity for formal public comment on its proposed regulatory language prior to presenting it to the CBA, we respectfully ask you to consider the following thoughts as the AEC's work progresses.

The specific language and listings found in the Uniform Accountancy Act (UAA) Model Rule 5-2 and CBA current Rules 9.2(b) and 9.2(c) are generally consistent in their requirements of 24 units in both accounting and business related subjects.

Agenda item IV's attachment for the AEC's upcoming September meeting presents draft language for Rule 9.3 and proposes guidelines for the additional 20 semester units of accounting study, as prescribed by California's recently enacted 150-hour requirement. We encourage the AEC, as much as is possible in achieving the objectives set forth in California's statute, to consider regulatory language in a manner that remains consistent with UAA's Model Rule 5-2 or that minimizes variances from it. The UAA results are from national vetting processes sponsored by NASBA and the AICPA. The foremost intent of the UAA's provisions is to adequately protect the public. It also considers the concerns of administration, flexibility, mobility and accessibility for licensees and candidates among the 55 states and territories.

We look forward to the continued work of your committee and the Advisory Committee on Ethics Education, chaired by Don Driftmier. In addition, we welcome the opportunity to address the committees' comments, inquiries and exposure drafts.

Thank you in advance for considering our thoughts as you continue your very important work.



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AEC Agenda Item VIII.  
February 18, 2011

February 10, 2011

Jenny Sheldon, Coordinator  
California Board of Accountancy

Dear Jenny:

I previously commented on the 20-unit accounting education requirement in a letter to Deanne Pearce on September 9, 2010. The purpose of this letter is to address Agenda Item IV to be discussed at the Accounting Education Committee meeting on February 18.

I fully support the idea of allowing a specified master's degree to meet the 20-unit requirement. I believe most educators would agree that given the choice, the better educational approach to meeting this requirement is for students to take a coordinated degree program where they advance through it with other students having the same goal and at the graduate level. This is not likely to happen if the 20-unit requirement is not tied to a specific degree. Moreover, it helps address the issue of a hollow 20-unit requirement. From an administrative point of view, it would seem to be a much simpler task to monitor the acceptability of a separate master's degree program rather than 6-8 courses. One concern is whether a Masters in Taxation should be acceptable in addition to a Masters in Accountancy. I do believe this should be seriously considered to provide universities with greater flexibility in meeting the 20-unit requirement. Also, our past experience tells us that tax graduates are in greater demand by the accounting profession.

My main concern is monitoring the specific content of a master's degree program whether in accounting or taxation. It is possible that some of the units wouldn't be covered in accounting/tax-specific courses. For example, there could be a required management information systems course, spreadsheet modeling, business communications, or another graduate business course. Absent a change in the current law under SB 819, it would seem there still would be a need to insure that the units in the master's degree satisfy the 20-unit accounting requirement. This might be solved by requiring all of them to be in accounting and taxation courses.

A more complicated issue pertains to the 10-unit ethics education requirement. As a member of the ECC, I can tell you that the issue of whether those 10-units should hold and at what level they can be offered has not been decided. It seems to me a questionable proposition to require all 30 units to be at the graduate level (beyond the bachelor's degree), whether in a specific degree program or stand-alone courses, since a philosophy of ethics course typically is an undergraduate course as might be a business ethics course.



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So, if a master's degree is allowed to meet the 20-unit requirement, and given that such a degree typically includes 30 units, it could impose an additional requirement for the ten ethics units that might not be satisfied in the graduate program curriculum in whole or part. The result may be 30+ units beyond the bachelor's degree.

I suppose the bottom line is there needs to be further coordination between the ACC and EEC and it may be necessary for clean-up legislation to address these issues.

Sincerely,

*Steven M. Mintz*

Steven M. Mintz, PhD



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**AEC Agenda Item VIII.**  
**February 18, 2011**

September 9, 2010

Deanne Pearce  
Chief, Licensing Division  
California Board of Accountancy

Dear Deanne:

The purpose of this letter is to express some of my concerns with the interpretation of SB 819 by the Accounting Education Committee of the California Board of Accountancy. I also summarize e-mail communication that I recently had with Ruben Davila about the Accounting Education Committee's deliberations with respect to allowing courses such as biology and mathematics to count towards 14 of the 20 units of study required under SB 819. I apologize if some of these issues have already been dealt with by AEC but I have been off-campus this past summer and am playing catch up.

It seems to me the way in which the AEC is going about defining the 20 units is inconsistent with the original language of SB 819. That bill specifically stated the 20 units should be in accounting. There appears to be some inconsistency in the memos sent to Board members and other interested parties on October 23, 2009 by yourself and Matthew Stanley. Both letters state that the 20 units plus 10 in ethics is in addition to the existing 24 units in business and 24 in accounting. Mr. Stanley's memo refers to "20 units of accounting study" while yours refers to "20 units of accounting-related subjects." Your interpretation may have led to the language in agenda items for the September 3, 2010 meeting of AEC as explained in the next paragraph. Apparently, there is also some confusion whether the 20 units in accounting includes the existing 24 units in accounting requirement. To me, this interpretation makes no sense. The requirement should be for 20 units in accounting beyond the 24 units. Otherwise, why even adopt new legislation in this regard. Again, I apologize if this issue has already been dealt with by the AEC.

So, the main issue here seems to be what should be allowed in the 20 unit requirement. I can understand the need to broadly interpret SB 819 to consist of "accounting-related subjects." However, I do not understand how courses such as mathematics and biology would be acceptable. Yes, students might learn useful skills in these courses but I can tell you from thirty years of teaching that they also learn such skills (communication, critical thinking, and research) in business courses. Why go out of the business field and allow non-business courses unless it is to try and satisfy all stakeholders including colleges and universities with smaller business programs. To adopt such an interpretation is, I believe, contrary to the intent of SB 819. Moreover, sometimes when you try to satisfy all



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stakeholders you fail to meet the needs of the main stakeholders who are, I believe, the students many of whom may transition to jobs in the business world after a brief career in accounting, and the firms that employ them.

Let me elaborate on my concerns. If the clean-up legislation ultimately allows for courses such as and mathematics and biology, then how will the CBA decide whether other non-business courses will be acceptable. I recently mentioned in an e-mail exchange with Ruben Davila courses such as calculus, chemistry, archeology and international relations. I can think of many more such courses. What will be the standard for acceptance or will the Board basically accept any non-business course? It seems to me we should limit the 20 units to accounting and business-related courses that develop the aforementioned specific skills. There are so many courses in business that are more useful than non-business courses including financial valuation and analysis, information systems including spreadsheet modeling and data base management, business economics, business policy and so on. Another issue is whether such courses must be at the graduate level or will upper division undergraduate courses be accepted as well. SB 819 seems to say the 30 units are beyond the baccalaureate degree

I hope my comments are helpful to the AEC as it moves forward. Your task is a daunting one but probably no more so than the Ethics Curriculum Committee that I serve on and will meet for the first time in Sacramento on September 21.

Sincerely,

*Steven M. Mintz*

Steven M. Mintz, PhD