



**California Board of Accountancy**  
2450 Venture Oaks Way, Suite 300  
Sacramento, CA 95833

*phone:* (916) 263-3680    *fax:* (916) 263-3675    *web:* [www.cba.ca.gov](http://www.cba.ca.gov)



## OFFICIAL NOTICE AND MEETING AGENDA OF THE CALIFORNIA BOARD OF ACCOUNTANCY

**Thursday, March 25, 2021, beginning at 10:00 a.m.**

**Friday, March 26, 2021, beginning at 10:00 a.m.**

The California Board of Accountancy will hold a public meeting via a teleconference platform. Pursuant to the provisions of Governor Gavin Newsom's Executive Order N-29-20, dated March 17, 2020, a physical meeting location is not being provided.

### INSTRUCTIONS FOR PARTICIPATION:

For all those who wish to participate or observe the meeting on Thursday, March 25, 2021, please log on to this website: <https://dca-meetings.webex.com/dca-meetings/onstage/g.php?MTID=e23bcc011340de5d6465d5dc43e60e895>

For all those who wish to participate or observe the meeting on Friday, March 26, 2021, please log on to this website: <https://dca-meetings.webex.com/dca-meetings/onstage/g.php?MTID=e6431e8eb9887d3d422291e6de4660c1d>

Instructions on how to observe and participate in the meeting using the WebEx platform can be found on the California Board of Accountancy's [website](#).

Members of the public may, but are not obligated to, provide their names or personal information as a condition of observing or participating in the meeting. When signing into the WebEx platform, participants may be asked for their name and email address. Participants who choose not to provide their names will be required to provide a unique identifier, such as their initials or another alternative, so that the meeting moderator can identify individuals who wish to make public comment. Participants who choose not to provide their email address may utilize a fictitious email address in the following sample format: [XXXXX@mailinator.com](#).

Public comments will be limited to five minutes per person unless, in the discretion of the California Board of Accountancy President, circumstances require a shorter period. Members of the public will not be permitted to "yield" their allotted time to other members of the public to make comments.

Click [here](#) for information on how to interact and participate during a public meeting.

The meeting is accessible to individuals who are physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Rebecca Reed at (916) 561-1716, or email [rebecca.reed@cba.ca.gov](mailto:rebecca.reed@cba.ca.gov), or send a written request to the California Board of Accountancy at 2450 Venture Oaks Way, Suite 300, Sacramento, CA 95833. Providing your request at least five (5) business days before the meeting will help to ensure availability of the requested accommodation.



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phone: (916) 263-3680 fax: (916) 263-3675 web: www.cba.ca.gov



**CBA MISSION: To protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards**

**DEPARTMENT OF CONSUMER AFFAIRS  
 CALIFORNIA BOARD OF ACCOUNTANCY**

**TELECONFERENCE MEETING AGENDA**

**Thursday, March 25, 2021  
 10:00 a.m. – 5:00 p.m.**

**Friday, March 26, 2021  
 10:00 a.m. – 12:30 p.m.**

**Important Notice to the Public**

All times indicated, other than those identified as “time certain,” are approximate and subject to change. **Action may be taken on any item on the agenda.** Agenda items may be discussed and action taken out of order at the discretion of the California Board of Accountancy President for convenience, to accommodate speakers, or to maintain a quorum. Identified presenters are subject to change. The meeting may be canceled without notice. For verification of the meeting, call (916) 263-3680 or access the California Board of Accountancy’s [website](#).

**Agenda Item.**

Thursday,  
 March 25, 2021

**Call to Order, Roll Call, Establishment of Quorum, and Opening Remarks (Nancy J. Corrigan, CPA, President).**

**10:00 a.m. –  
 10:10 a.m.**

I. Public Comments for Items Not on the Agenda.

**10:10 a.m. –  
 12:10 p.m.**

II. Report of the President (**Nancy J. Corrigan, CPA, President**).

A. Discussion Regarding the California Board of Accountancy’s Business Modernization Project (**Jason Piccione, Deputy Director and Chief Information Officer, Department of Consumer Affairs Office of Information Services/Sean O’Connor, Chief, Department of Consumer Affairs Project Delivery and Administrative Services**).

**Agenda Item.**

- B. Report on the Department of Consumer Affairs' President's Training.
- C. Resolution for Retired California Board of Accountancy Member, Carola Ana Nicholson, CPA.
- D. Resolution for Retiring Qualifications Committee Member, Kristian George, CPA.
- E. Resolution for Retired Qualifications Committee Member, Charles W. Hester, Sr., CPA.
- F. Resolution for Retired Qualifications Committee Member, Cliff J. Leiker, Jr., CPA.
- G. Resolution for Retiring Enforcement Advisory Committee Member, Thomas Gilbert, CPA.
- H. Resolution for Retiring Peer Review Oversight Committee Member, Jeffrey De Lyser, CPA.
- I. Resolution for Retired Peer Review Oversight Committee Member Iryna Oreshkova, CPA.
- J. Discussion Regarding the Proposed California Board of Accountancy and Committee Meeting Format and Announcement of the New Committee and Liaison Assignments.
- K. National Association of State Boards of Accountancy Committee Interest Form.
- L. Discussion and Possible Action on the Acceptance of Scores from the Pilot Administration of the Uniform Certified Public Accountant Examination by Remote Proctor (**Michelle Center, Chief, Licensing Division**).
- M. Review and Consideration of Possible Positions on Legislation (**Deanne Pearce, Assistant Executive Officer/Patrick Ibarra, Information and Planning Officer**).
  - 1. Assembly Bill 29 – State Bodies: Meetings.
  - 2. Assembly Bill 107 – Licensure: Veterans and Military Spouses.

**Agenda Item.**

3. Assembly Bill 225 – Department of Consumer Affairs: Boards: Veterans: Military Spouses: Licenses.
  4. Assembly Bill 298 – Accountancy: California Board of Accountancy.
  5. Assembly Bill 646 – Department of Consumer Affairs: Boards: Expunged Convictions.
  6. Assembly Bill 1026 – Business Licenses: Veterans.
  7. Assembly Bill 1386 – License Fees: Military Partners and Spouses.
  8. Senate Bill 772 – Professions and Vocations: Citations: Minor Violations.
  9. Assembly Bill 339 – State and Local Government: Open Meetings.
- N. Review and Consideration of Possible Positions on Legislation the California Board of Accountancy is Monitoring (**Deanne Pearce, Assistant Executive Officer/Patrick Ibarra, Information and Planning Officer**).
1. Assembly Bill 2 – Regulations: Legislative Review: Regulatory Reform.
  2. Assembly Bill 54 – COVID-19 Emergency Order Violation: License Revocation.
  3. Assembly Bill 69 – State of Emergency: Termination After 60 Days: Extension by the Legislature.
  4. Assembly Bill 343 – California Public Records Act Ombudsperson.
  5. Assembly Bill 473: California Public Records Act.
  6. Assembly Bill 587: Consumers.
  7. Assembly Bill 703: Open Meetings: Local Agencies: Teleconferences.
  8. Assembly Bill 770 – Business.
  9. Assembly Bill 821 – Local Government: Open Meetings.

**Agenda Item.**

10. Assembly Bill 830 – Department of Consumer Affairs: Director: Powers and Duties.

11. Assembly Bill 884 – State Agencies: Audits.

12. Assembly Bill 1291 – State Bodies: Open Meetings.

13. Senate Bill 102 – COVID-19 Emergency Order Violation: License Revocation.

14. Senate Bill 209 – State of Emergency: Termination After 7 Days: Extension by the Legislature.

15. Senate Bill 534 – Department of Consumer Affairs.

16. Senate Bill 600 – Administrative Procedure Act.

O. Legislative Items for Future Meetings. The California Board of Accountancy may discuss other items of legislation in sufficient detail to determine whether such items should be on a future Legislative Committee agenda and/or whether to hold a special meeting of the Legislative Committee to discuss such items pursuant to Government Code section 11125.4 (**Patrick Ibarra, Information and Planning Officer**).

P. Department of Consumer Affairs Director's Report on Departmental Activities (**Department of Consumer Affairs Representative, Office of Board and Bureau Services**).

12:10 p.m. –  
12:20 p.m.

III. Report of the Vice-President (**Michael M. Savoy, CPA, Vice-President**).

A. Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee.

B. Recommendations for Appointment(s)/Reappointment(s) to the Qualifications Committee.

C. Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee.

D. Update on Activities for Committee Recruitment.

12:20 p.m. –  
12:30 p.m.

IV. Report of the Secretary/Treasurer (**Mark J. Silverman, Esq., Secretary/Treasurer**).

**Agenda Item.**

A. Discussion of the Fiscal Year 2020-21 Mid-Year Financial Statement.

12:30 p.m. –  
1:30 p.m.  
1:30 p.m. –  
4:30 p.m.

Lunch

V. Petition Hearings.

A. Wen Chen, CPA 137781 – Petition for Reinstatement of Surrendered Certificate.

B. Hamid Kabani, CPA 58074/Kabani & Company, Inc, COR 4710 – Petition for Reinstatement of Surrendered Certificates.

VI. Closed Session: Pursuant to Government Code Section 11126(c)(3), the California Board of Accountancy will Convene into Closed Session to Deliberate on the Above Petitions.

4:30 p.m. –  
4:50 p.m.

VII. Report of the Executive Officer (**Patti Bowers, Executive Officer**).

A. Discussion and Possible Action Regarding the California Board of Accountancy 2021 Communications and Outreach Plan (**Patrick Ibarra, Information and Planning Officer**).

B. Update on the California Board of Accountancy’s Communications and Outreach (**Patrick Ibarra, Information and Planning Officer**).

4:50 p.m. –  
5:00 p.m.

VIII. Report on the Enforcement Advisory Committee, Qualifications Committee, and Peer Review Oversight Committee.

A. Enforcement Advisory Committee (**Doug Aguilera, CPA, Chair**).

1. Report of the February 4, 2021, Enforcement Advisory Committee Meeting.

B. Qualifications Committee (**Nasi Raissian, CPA, Chair**).

There is no report on this agenda item.

C. Peer Review Oversight Committee (**Renee Graves, CPA, Chair**).

1. Report of the February 12, 2021, Peer Review Oversight Committee Meeting.

**Agenda Item.**

2. Presentation and Possible Adoption of the Peer Review Oversight Committee 2020 Annual Report.

Recess Until March 26, 2021.

Friday,  
March 26,  
2021

Call to Order, Roll Call, and Establishment of a Quorum  
**(Nancy J. Corrigan, CPA, President).**

**10:00 a.m. –  
10:15 a.m.**

- IX. Report of the Enforcement Chief (**Dominic Franzella, Chief, Enforcement Division**).

A. Enforcement Activity Report.

**10:15 a.m. –  
10:25 a.m.**

- X. Report of the Licensing Chief (**Michelle Center, Chief, Licensing Division**).

A. Licensing Activity Report.

**10:25 a.m. –  
10:30 a.m.**

- XI. Meeting Minutes (**Nancy J. Corrigan, CPA, President**).

A. Adoption of the Minutes of the January 14, 2021, California Board of Accountancy Meeting.

B. Adoption of the Minutes of the November 21, 2019, Mobility Stakeholder Group Meeting.

C. Acceptance of the Minutes of the December 3, 2020, Enforcement Advisory Committee Meeting.

D. Acceptance of the Minutes of the December 11, 2020, Peer Review Oversight Committee Meeting.

**10:30 a.m. –  
10:45 a.m.**

- XII. Other Business.

A. American Institute of Certified Public Accountants.

1. Report on Meetings of the American Institute of Certified Public Accountants Attended by a California Board of Accountancy Representative.

a. State Board Committee (**Katrina L. Salazar, CPA**).

B. National Association of State Boards of Accountancy.

**Agenda Item.**

1. Report of the National Association of State Boards of Accountancy Pacific Regional Director (**Katrina L. Salazar, CPA**).
2. Report on Activities of Meetings of the National Association of State Boards of Accountancy Attended by a California Board of Accountancy Member or Staff.
  - a. Continuing Professional Education Committee (**Nancy J. Corrigan, CPA, President**).
  - b. Relations With Member Boards Committee (**Katrina L. Salazar, CPA, Chair**).
  - c. Strategic Planning Task Force (**Patti Bowers, Executive Officer**).
3. Discussion and Approval of Staff Responses to the National Association of State Boards of Accountancy's Focus Questions (**Rebecca Reed, Board Relations Analyst**).

10:45 a.m. –  
10:50 a.m.

XIII. Closing Business (**Nancy J. Corrigan, CPA, President**).

A. Agenda Items for Future California Board of Accountancy Meetings.

10:50 a.m. –  
12:30 p.m.

XIV. Closed Session: Pursuant to Government Code Section 11126(e), the California Board of Accountancy Will Convene into Closed Session to Receive Advice From Legal Counsel on Litigation.

A. *Sam Walker and Sam Walker CPA, Inc. v. Department of Consumer Affairs, California Board of Accountancy, and the Office of Administrative Hearings*, Los Angeles County Superior Court, Case No. BS171533.

B. *Lanfeng Zhao and ELZ Accountancy Corporation v. California Board of Accountancy*, Los Angeles Superior Court, Case No. 18STCP02951.

C. *Michael D. Robinson v. California Board of Accountancy*, San Francisco County Superior Court, Case No. CPF-19-516602.

XV. Closed Session: Pursuant to Government Code Section 11126(c)(3), the California Board of Accountancy Will Convene into Closed Session to Deliberate on Enforcement Matters.



## **Agenda Item.**

### Adjournment.

In accordance with the Bagley-Keene Open Meeting Act, all meetings of the California Board of Accountancy are open to the public. While the California Board of Accountancy intends to webcast this meeting, it may not be possible to webcast the entire open meeting due to limitations on resources or technical difficulties.

\*Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the California Board of Accountancy prior to the California Board of Accountancy taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issue before the California Board of Accountancy, but the California Board of Accountancy President may, at his or her discretion, apportion available time among those who wish to speak. Individuals may appear before the California Board of Accountancy to discuss items not on the agenda; however, the California Board of Accountancy can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).

The meeting is accessible to individuals who are physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Rebecca Reed at (916) 561-1716, or email [rebecca.reed@cba.ca.gov](mailto:rebecca.reed@cba.ca.gov), or send a written request to the California Board of Accountancy Office at 2450 Venture Oaks Way, Suite 300, Sacramento, CA 95833. Providing your request at least five (5) business days before the meeting will help to ensure availability of the requested accommodation.



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**CBA Item II.B.**  
March 25-26, 2021

## **Report on the Department of Consumer Affairs' President's Training**

**Presented by: Nancy J. Corrigan, CPA, President**

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### **Purpose of the Item**

The purpose of this agenda item is to provide the California Board of Accountancy (CBA) with an overview of the President's Training conducted by the Department of Consumer Affairs (DCA) on February 2, 2021.

### **Consumer Protection Objectives**

Providing training to board leadership assists with effective oversight of professional licensure regulatory operations that are necessary to achieve consumer protection.

### **Action(s) Needed**

No specific action is required on this agenda item.

### **Background**

None.

### **Comments**

DCA developed a President's Training to assist board presidents in understanding:

- The scope of a President's role
- Board member management and administrative duties
- Managing relationships with the Executive Officer
- Understanding how to run an effective board meeting

The training provided a space for leaders of various DCA boards to gather and share information, and included testimonials from two Executive Officers, including the CBA Executive Officer, Patti Bowers.

The following provides a brief overview of the valuable information that was shared during the training, which I believe will not only benefit me in my role as CBA President, but each member and possible future leader.

## Report on the Department of Consumer Affairs' President's Training

Page 2 of 3

### The Scope of a President's Role

The scope of this role is vast and requires many skills and attributes, including a high level of professionalism. During the training, DCA identified both hard and soft skills that are necessary to the effectiveness of any board president.

#### *Hard Skills:*

- Understanding of the board, its mission, and functions
- Command of the Bagley-Keene Open Meeting Act
- Knowledge of enforcement codes and processes
- Writing and editing skills

#### *Soft Skills:*

- Communication and active listening
- Impartiality and respect
- Leadership and collaboration
- Organization and humility

The President serves as the public face and voice of the CBA. Further, before I, as President, can expect each member to demonstrate all that is necessary to make decisions that assist in meeting our consumer protection mission, I must also meet those expectations and lead by example.

The decisions rendered by the CBA set the foundation for achieving our mission; however, the President's role is to ensure those decisions are being carried out.

### Board Member Management and Administrative Duties

A portion of the President's role is board member management, which is ensuring that board members are in compliance with their training and performing their duties as a member of the board. Some of the key board member duties include:

- Timely voting on disciplinary matters
- Completing required training
- Attending scheduled board meetings
- Being prepared for meetings by reading all materials in advance

The President must also serve as a mentor and support other members.

### Managing the Relationship with the Executive Officer

Managing the relationship with the CBA Executive Officer is critical. As President, I have frequent interaction to ensure she is effective in her oversight of daily operations. It is these daily operations that effectuate the decisions made by the CBA, and implement our vision.

## Report on the Department of Consumer Affairs' President's Training

Page 3 of 3

Equally important is the review and approval of all timesheets and time off requests for the CBA's Executive Officer, and ensuring she is meeting the necessary training requirements as directed by the state.

### Understanding How to Run an Effective Board Meeting

The President is responsible for conducting an organized and effective board meeting. One way this is accomplished is through organization and meeting readiness. Although there are many components involved in achieving this, some of the steps I have found most important and, which were also highlighted by DCA during the training, include:

- Providing sufficient time for board member deliberation
- Ensuring public comment is requested and considered
- Dealing with difficult topics and varying opinions
- Deciding when to call the vote
- Keeping the meeting running

One goal for each meeting is to strike a balance between letting members make their comments while not moving on too quickly, yet simultaneously, not waiting too long to ask for a motion. It is important to ensure all members have uninterrupted time to share their comments, which during our WebEx meetings involves extreme organization and the reliance on members to use the "raise hand" feature so they can be fully heard.

I would like to extend my appreciation to Vice-President Michael M. Savoy, CPA for attending the training. Overall, I felt this training was extremely beneficial and I was honored to have participated in an interview back in December to assist DCA in gathering information that was relayed to other attendees during the training.

DCA has scheduled quarterly leadership meetings where it will provide news and updates and give board leaders an opportunity to ask questions and raise concerns they may have. Further, there will be "brown bag" sessions scheduled throughout the year.

**Attached** is an overview of the presentation that was shown during the training.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

### **Recommendation**

None.

### **Attachment**

Department of Consumer Affairs February 2021 President's Training

STATE OF CALIFORNIA



DEPARTMENT OF CONSUMER AFFAIRS

# February 2021 President's Training

# Welcome to the President's Training

We will begin promptly at 10:00 a.m.  
You have been muted upon entry.



STATE OF CALIFORNIA



DEPARTMENT OF CONSUMER AFFAIRS

## President's Training

February 2, 2021  
10 a.m. – 12 p.m.



## Road Map

- 10:00 a.m. – 10:50 a.m.: The Role of a Board President
- 10:50 a.m. – 11:00 a.m.: Break
- 11:00 a.m. – 11:45 a.m.: Panel Discussion with Former Board Presidents
- 11:45 a.m. – 12:00 p.m.: Open Forum



## Objectives

- Understanding the scope of your role including board member management and administrative duties
- Managing your relationship with your EO
- Understanding how to run an effective board meeting
- Providing a space for leaders to gather and share information



## Your Role

- Public face and voice
- Demonstrate professionalism
- Lead by example
- Implement the vision of the board



## Duties and Expectations

- Every four years
  - Sunset review
  - Strategic plan
- Every year
  - Executive Officer evaluation
- Every quarter
  - Approve the agenda
  - Facilitate the board meeting
  - Sign the approved meeting minutes
  - Approve travel expense claims





## Duties and Expectations

- Every month
  - Approve the Executive Officer timesheet
- Every week
  - Check in with your Executive Officer
- As needed
  - Committee selections
  - Testify
  - Sign specified full board enforcement approval orders



## Executive Officer Management

- Monitor effectiveness
- Maintain close communication
- Track due dates and compliance dates



# Board Member Management

- Performance management
  - Voting
  - Training
  - Attendance
  - Engagement
- Support and mentor
- Mediation
- New members



# Skills Needed

Hard Skills	Soft Skills
Understanding of the board, its mission, and functions	Communication and active listening
Command of the Open Meeting Act	Impartiality and respectful
Knowledge of enforcement codes and process	Leader and collaborator
Writing and editing skills	Organization and humility



## President Versus Vice President

- Number two
- Past president



## Executive Officer Testimonial



**Kristy Underwood**  
Executive Officer

Board of Barbering and Cosmetology



## Executive Officer Testimonial



Welcome

**Patti Bowers**  
Executive Officer  
Board of Accountancy



## Your Relationship with Your Executive Officer

- Symbiotic relationship
- Frequent communication
- Be involved and ask questions

DEPARTMENT OF CONSUMER AFFAIRS



## Executive Officer Versus President

Executive Officer	President
Oversees day to day operations	Oversight to ensure operations are on track
Manages board staff	Manages executive officer and board members
Drafts the agenda	Approves the agenda
Plays a supportive role at the board meeting and provides all necessary materials to prepare staff for the meeting	Runs the meeting



## Timeline for a Board Meeting

- Board preparation meetings
- Agenda approval
- Posting materials and the agenda
- Material delivery
- Scripts



## Structure of a Board Meeting

- Introduction of the agenda item
- Presentation of the agenda item
- Board member deliberation
- Motion and second *if applicable*
- Public comment
- Roll call vote



## Big Questions

- How to take public comment
- Dealing with difficult personalities
- Managing public comment
- When to call the vote
- Keeping the meeting running
- A divided board



## Setting the Tone

- Professionalism and decorum
- Consumer Protection
- Coming prepared
- Running a smooth meeting



## WebEx Versus In Person

- Executive order
- WebEx
- Cameras
- Introductions
- Microphone and camera use



# Recommendations

- Timeline and materials
- Scripts
- Scheduled breaks
- Elections



# Legal Guidance



**Ryan Marcroft**  
Deputy Director  
Legal Affairs Division





TAKE  
a ↑  
break

We will now take a brief break and return for the panel discussion.



## Panel Discussion

Hildy Aguinaldo, former President of the Board of Acupuncture

Steve Alexander, former President of the Medical Board of California

Cheryl Waterhouse, former President of the Veterinary Medical Board



# Thank You!

Any questions or comments can be sent  
to Board and Bureau Relations at  
[memberrelations@dca.ca.gov](mailto:memberrelations@dca.ca.gov)

DEPARTMENT OF CONSUMER AFFAIRS



# Department of Consumer Affairs California Board of Accountancy



## RESOLUTION

***WHEREAS,** Carola Ana Nicholson, CPA was appointed by Governor Edmond G. Brown, Jr. and she has faithfully served as a member of the California Board of Accountancy from July 24, 2017 through December 31, 2020; and*

***WHEREAS,** she served as Chair and a member of the Legislative Committee, member of the Committee on Professional Conduct, and member of the Enforcement Program Oversight Committee, and California Board of Accountancy member liaison to the Peer Review Oversight Committee and Qualifications Committee; and*

***WHEREAS,** throughout her term of service, at all times Carola Ana Nicholson, CPA gave fully of herself and her ideas and acted forthrightly and conscientiously, always with the public interest and welfare in mind; and*

***WHEREAS,** she is a member of the California Society of Certified Public Accountants, American Institute of Certified Public Accountants, the Santa Barbara Bowl Foundation Board of Directors, and a member of the Santa Barbara City College Foundation Audit Committee; and*

***WHEREAS,** Carola Ana Nicholson, CPA has been a founding partner at Nicholson & Schwartz since 2000. Prior to being a founding partner she was a tax manager at Ernst & Young LLP; and*

***WHEREAS,** her colleagues wish to express to her their high esteem and regard;*

***NOW, THEREFORE, BE IT RESOLVED,** that the members of the California Board of Accountancy express heartfelt appreciation to Carola Ana Nicholson, CPA for the outstanding contribution she made during her term of service on the California Board of Accountancy and to the consumers of California.*

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*Nancy J. Corrigan, CPA, President*

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*Mark J. Silverman, Esq., Secretary/Treasurer*

*Dated: March 25, 2021*

## Department of Consumer Affairs

# California Board of Accountancy



## RESOLUTION

*WHEREAS, Kristian George, CPA has faithfully served as a member of the California Board of Accountancy Qualifications Committee from March 20, 2015, to March 31, 2021; and*

*WHEREAS, throughout her term of service, at all times Kristian George, CPA gave fully of herself and her ideas and acted forthrightly and conscientiously, always with the public interest and welfare in mind; and*

*WHEREAS, she has discharged these important responsibilities in a manner reflecting great credit upon herself and the accounting profession; and*

*WHEREAS, her colleagues wish to express to her their high esteem and regard;*

*NOW, THEREFORE, BE IT RESOLVED, that the members of the California Board of Accountancy express heartfelt appreciation to Kristian George, CPA for the outstanding contribution she made during her term of service on the Qualifications Committee and to the consumers of California.*

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*Nancy J. Corrigan, CPA, President*

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*Mark J. Silverman, Esq., Secretary/Treasurer*

*Dated: March 25, 2021*

## Department of Consumer Affairs

# California Board of Accountancy



## RESOLUTION

*WHEREAS, Charles W. Hester, Sr., CPA has faithfully served as a member of the California Board of Accountancy Qualifications Committee from March 22, 2018, to February 3, 2021; and*

*WHEREAS, throughout his term of service, at all times Charles W. Hester, Sr., CPA gave fully of himself and his ideas and acted forthrightly and conscientiously, always with the public interest and welfare in mind; and*

*WHEREAS, he has discharged these important responsibilities in a manner reflecting great credit upon himself and the accounting profession; and*

*WHEREAS, his colleagues wish to express to him their high esteem and regard;*

*NOW, THEREFORE, BE IT RESOLVED, that the members of the California Board of Accountancy express heartfelt appreciation to Charles W. Hester, Sr., CPA for the outstanding contribution he made during his term of service on the Qualifications Committee and to the consumers of California.*

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*Nancy J. Corrigan, CPA, President*

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*Mark J. Silverman, Esq., Secretary/Treasurer*

*Dated: March 25, 2021*

## Department of Consumer Affairs

# California Board of Accountancy



## RESOLUTION

**WHEREAS**, *Cliff J. Leiker, Jr., CPA has faithfully served as a member of the California Board of Accountancy Qualifications Committee from March 23, 2017, to February 23, 2021; and*

**WHEREAS**, *throughout his term of service, at all times Cliff J. Leiker, Jr., CPA gave fully of himself and his ideas and acted forthrightly and conscientiously, always with the public interest and welfare in mind; and*

**WHEREAS**, *he has discharged these important responsibilities in a manner reflecting great credit upon himself and the accounting profession; and*

**WHEREAS**, *his colleagues wish to express to him their high esteem and regard;*

**NOW, THEREFORE, BE IT RESOLVED**, *that the members of the California Board of Accountancy express heartfelt appreciation to Cliff J. Leiker, Jr., CPA for the outstanding contribution he made during his term of service on the Qualifications Committee and to the consumers of California.*

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*Nancy J. Corrigan, CPA, President*

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*Mark J. Silverman, Esq., Secretary/Treasurer*

*Dated: March 25, 2021*

## Department of Consumer Affairs

# California Board of Accountancy



## RESOLUTION

*WHEREAS, Thomas Gilbert, CPA has faithfully served as a member of the California Board of Accountancy Enforcement Advisory Committee from March 20, 2015 to March 31, 2021; and*

*WHEREAS, he served as Vice-Chair of the California Board of Accountancy Enforcement Advisory Committee from January 1, 2020 to December 31, 2020; and*

*WHEREAS, throughout his term of service, at all times Thomas Gilbert, CPA gave fully of himself and his ideas and acted forthrightly and conscientiously, always with the public interest and welfare in mind; and*

*WHEREAS, he has discharged these important responsibilities in a manner reflecting great credit upon himself and the accounting profession; and*

*WHEREAS, his colleagues wish to express to him their high esteem and regard;*

*NOW, THEREFORE, BE IT RESOLVED, that the members of the California Board of Accountancy express heartfelt appreciation to Thomas Gilbert, CPA for the outstanding contribution he made during his term of service on the Enforcement Advisory Committee and to the consumers of California.*

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*Nancy J. Corrigan, CPA, President*

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*Mark J. Silverman, Esq., Secretary/Treasurer*

*Dated: March 25, 2021*

## Department of Consumer Affairs

# California Board of Accountancy



## RESOLUTION

*WHEREAS, Kenneth Jeffrey De Lyser, CPA, has faithfully served as a member of the California Board of Accountancy Peer Review Oversight Committee from March 21, 2013 to March 31, 2021; and*

*WHEREAS, he served as Chair and Vice-Chair of the California Board of Accountancy Peer Review Oversight Committee; and*

*WHEREAS, he previously served as the Chair and the Vice-Chair of the California Board of Accountancy Enforcement Advisory Committee; and*

*WHEREAS, throughout his term of service, at all times Kenneth Jeffrey De Lyser, CPA, gave fully of himself and his ideas and acted forthrightly and conscientiously, always with the public interest and welfare in mind; and*

*WHEREAS, he has discharged these important responsibilities in a manner reflecting great credit upon himself and the accounting profession; and*

*WHEREAS, his colleagues wish to express to him their high esteem and regard;*

*NOW, THEREFORE, BE IT RESOLVED, that the members of the California Board of Accountancy express heartfelt appreciation to Kenneth Jeffrey De Lyser, CPA, for the outstanding contribution he made during his term of service on the Peer Review Oversight Committee and to the consumers of California.*

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*Nancy J. Corrigan, CPA, President*

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*Mark J. Silverman, Esq., Secretary/Treasurer*

*Dated: March 25, 2021*



Department of Consumer Affairs

California Board of Accountancy



RESOLUTION

*WHEREAS, Iryna Oreshkova, CPA, has faithfully served as a member of the California Board of Accountancy Peer Review Oversight Committee from January 17, 2019 to January 31, 2021; and*

*WHEREAS, throughout her term of service, at all times Iryna Oreshkova, CPA, gave fully of herself and her ideas and acted forthrightly and conscientiously, always with the public interest and welfare in mind; and*

*WHEREAS, she has discharged these important responsibilities in a manner reflecting great credit upon herself and the accounting profession; and*

*WHEREAS, her colleagues wish to express to her their high esteem and regard;*

*NOW, THEREFORE, BE IT RESOLVED, that the members of the California Board of Accountancy express heartfelt appreciation to Iryna Oreshkova, CPA, for the outstanding contribution she made during her term of service on the Peer Review Oversight Committee and to the consumers of California.*

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*Nancy J. Corrigan, CPA, President*

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*Mark J. Silverman, Esq., Secretary/Treasurer*

*Dated: March 25, 2021*



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2450 Venture Oaks Way, Suite 300  
Sacramento, CA 95833

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**CBA Item II.J.**  
March 25-26, 2021

## **Discussion Regarding the Proposed California Board of Accountancy and Committee Meeting Format and Announcement of the New Committee and Liaison Assignments**

**Presented by: Nancy J. Corrigan, CPA, President**

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### **Purpose of the Item**

The purpose of this agenda item is to provide the California Board of Accountancy (CBA) the opportunity to review and discuss the proposed CBA and committee meeting format and announce the CBA's committee and liaison assignments for 2021.

### **Consumer Protection Objectives**

The CBA committees serve in an advisory capacity to assist the CBA with considering various issues relating to the regulation of the practice of public accountancy, which assists the CBA in meeting its consumer protection mission.

### **Action(s) Needed**

No action is required, but I welcome any member feedback regarding the proposed changes in the CBA and committee meeting format.

### **Background**

#### Overview of Committees

The CBA has the following standing committees, which have historically met regularly in conjunction with CBA meetings and requires CBA member participation in order to carry out its function:

- Committee on Professional Conduct
- Enforcement Program Oversight Committee
- Legislative Committee

The CBA has the following statutorily established committees, which require a CBA member to serve in a liaison capacity:

- Qualifications Committee
- Enforcement Advisory Committee
- Peer Review Oversight Committee

## Discussion Regarding the Proposed California Board of Accountancy and Committee Meeting Format and Announcement of the New Committee and Liaison Assignments

Page 2 of 4

The CBA has the following statutorily mandated committee, which requires CBA members, board enforcement staff, and representatives of the accounting profession and consumer representatives.

- Mobility Stakeholder Group (MSG)

The intent of both the standing and statutory committees is to serve in an advisory capacity to the CBA.

### Committee Meetings during COVID-19 Pandemic

Due to provisions of Governor Gavin Newsom's Executive Order N-29-20 because of the COVID-19 pandemic, travel restrictions and social distancing requirements necessitated CBA meetings being conducted by way of video conference. Because of the change, there have been no standing committee meetings since January 2020 and all committee business has been conducted under the CBA meeting agenda. With the exception of the MSG, the CBA resumed conducting advisory committee meetings in July 2020 by way of video conference.

### **Comments**

CBA members are provided with committee interest surveys annually at the November CBA meeting. Following the meeting, the CBA President makes both committee member and committee liaison appointments, which historically became effective the first day of January, the following year. The **Attached** identifies my appointments for 2021.

CBA members selected to serve as a committee Chairperson, Vice-Chairperson, or liaison to a statutory committee have critical roles to ensure meetings are conducted in a manner to effectively facilitate CBA business, provide effective communication amongst members and stakeholders, and enable public participation.

### Overview of Roles

CBA members serving as Chairperson of a standing committee are tasked with running the committee meeting and coordinating with staff on the creation of the minutes for approval by the committee and CBA.

CBA members serving as Vice-Chairperson of a standing committee assists the Chairperson, when necessary, and assumes the chairperson's functions in his or her absence. The Vice-Chairperson will be provided a copy of the Chairperson's talking points in the event they need to run the meeting due to technical difficulties.

CBA members acting as liaisons to the CBA statutory committees are responsible for keeping the CBA informed regarding emerging issues and recommendations made at the committee meetings. The CBA liaisons provide a report of the CBA meetings during

## **Discussion Regarding the Proposed California Board of Accountancy and Committee Meeting Format and Announcement of the New Committee and Liaison Assignments**

Page 3 of 4

each committee meeting. The CBA liaisons are also tasked with completing evaluations for committee members that are seeking appointment as Chairperson or Vice-Chairperson and members that are seeking reappointment to the committee.

Prior to the COVID-19 pandemic, the standing committees would meet on Thursday morning of the two-day meeting format typically beginning at 9:00 a.m. The subsequent committee meetings would begin just after the adjournment of the previous committee meeting. The CBA meeting would begin at the conclusion of the last committee meeting.

During the CBA meeting, committee Chairpersons for each standing committee provide a report of the committee meeting that occurred earlier in the day. Due to the quick turn-around time, this proved challenging due to the limited time staff had to prepare talking points for use by the committee Chairpersons.

Although the COVID-19 pandemic continues, I believe it is important to resume holding standing committee meetings. These committees have a great responsibility in being the first to discuss and deliberate various policy, legislative, and legal issues relating to the regulation of the accounting profession in California.

The standing committees will resume meetings in May 2021, in conjunction with the CBA meeting. The committee and CBA meetings will be conducted over a two-day format, with committee meetings held on Thursdays, followed by any scheduled petition hearings at 1:30 p.m., and closed session being conducted just after the hearings. The CBA public meeting portion would be conducted on Fridays starting in the morning.

This format would allow sufficient time for consumers, members, and staff to transition between committee meetings in the video conference format. This will also provide sufficient time for staff to prepare talking points for the committee Chairpersons to assist in their committee reports during the Friday CBA meeting.

With regards to the MSG, staff is proposing to disband the group. The MSG's purpose was to assist the CBA with the implementation of its mobility program. The MSG's work is concluded and additional work, if any, can be conducted within one of the standing committees or at a future CBA meeting. Staff will be providing a presentation on a proposed statutory change to disband the MSG at a future meeting.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

### **Recommendation**

Staff do not have a recommendation on this agenda item.

**Discussion Regarding the Proposed California Board of Accountancy and  
Committee Meeting Format and Announcement of the New Committee and Liaison  
Assignments**

Page 4 of 4

**Attachment**

CBA and Committee Member Roster



## CBA AND COMMITTEE MEMBER ROSTER

Revised February 23, 2021

### CBA MEMBERS

Nancy J. Corrigan, CPA, President  
Michael M. Savoy, CPA, Vice-President  
Mark J. Silverman, Esq., Secretary/Treasurer  
George Famalett, CPA  
Mary M. Geong, CPA  
Karriann Farrell Hinds, Esq.  
Dan Jacobson, Esq.  
Xochitl León  
Luz Molina Lopez  
Zuhdia "Dee Dee" Owens, CPA  
Ariel Pe  
Deidre Robinson  
Katrina L. Salazar, CPA  
Yen C. Tu  
Vacant

**Staff: Rebecca Reed**  
(916) 561-1716

### CBA Committees

*CPC – Committee on Professional Conduct*  
*EPOC – Enforcement Program Oversight Committee*  
*LC – Legislative Committee*

### Advisory Committees

*EAC – Enforcement Advisory Committee*  
*PROC – Peer Review Oversight Committee*  
*QC – Qualifications Committee*

### CBA COMMITTEES

#### CPC

Luz Molina Lopez, Chair  
Mark J. Silverman, Esq., Vice-Chair  
George Famalett, CPA  
Dan Jacobson, Esq.  
Xochitl León  
Zuhdia "Dee Dee" Owens, CPA  
Michael M. Savoy, CPA

**Staff: Wayne Wilson**  
(916) 561-4363

#### EPOC

Karriann Farrell Hinds, Esq, Chair  
Ariel Pe, Vice-Chair  
Dan Jacobson, Esq.  
Zuhdia "Dee Dee" Owens, CPA  
Deidre Robinson  
Katrina L. Salazar, CPA  
Michael M. Savoy, CPA

**Staff: Kari O'Connor**  
(916) 561-1723

#### LC

Xochitl León, Chair  
Mary M. Geong, CPA, Vice-Chair  
George Famalett, CPA  
Karriann Farrell Hinds, Esq.  
Ariel Pe  
Katrina L. Salazar, CPA  
Yen C. Tu

**Staff: Peter Renevitz**  
(916) 561-1742

### ADVISORY COMMITTEES

#### EAC

Doug Aguilera, CPA, Chair  
Kathy A. Johnson, CPA, Vice-Chair  
Thomas Gilbert, CPA  
Jackson G. Johnson, CPA  
Mike Johnson, CPA  
David L. Kral, CPA  
José Palma, CPA  
Nasi Raissian, CPA  
Jim Songey, CPA  
Chris V. Tegtmeier, CPA  
Vacant  
Vacant  
Vacant  
Vacant

CBA Member Liaisons:  
Deidre Robinson (Northern)  
Zuhdia "Dee Dee" Owens, CPA  
(Southern)

**Staff: Denise Murata**  
(916) 561-1730

#### PROC

Renee Graves, CPA, Chair  
Sharon Selleck, CPA, Vice-Chair  
Jeffrey De Lyser, CPA  
Kevin Harper, CPA  
Alan S. Lee, CPA  
Fiona Tam, CPA  
Vacant

CBA Member Liaisons:  
Mark J. Silverman, Esq. (Rotating)  
Ariel Pe (Rotating)

**Staff: Matthew Parsons**  
(916) 561-1741

#### QC

Nasi Raissian, CPA, Chair  
Michael L. Williams, CPA, Vice-Chair  
Pradeep Budhiraja, CPA  
Kristian George, CPA  
Brad Holsworth, CPA  
Angela Honzik, CPA  
Timothy T. Jones, CPA  
José Palma, CPA  
Kimberly Sugiyama, CPA  
Vacant  
Vacant  
Vacant  
Vacant

CBA Member Liaisons:  
Mary M. Geong, CPA (Northern)  
Luz Molina Lopez (Southern)

**Staff: Nooshin Movassaghi**  
(916) 561-1780



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**CBA Item II.K.**  
 March 25-26, 2021

## **National Association of State Boards of Accountancy Committee Interest Form**

**Presented by: Nancy J. Corrigan, CPA, President**

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### **Purpose of the Item**

The purpose of this agenda item is to provide the California Board of Accountancy (CBA) with information regarding opportunities to participate on national committees with the National Association of State Boards of Accountancy (NASBA).

### **Consumer Protection Objectives**

CBA member participation assists in ensuring that California maintains an active presence nationally in the decision-making process related to consumer protection and the accountancy profession.

### **Action(s) Needed**

No specific action is required on this agenda item.

### **Background**

CBA member participation on a national level assists in ensuring that California is represented during discussions on topics that impact the regulation of the accounting profession and consumer protection. In prior years, the following CBA members and staff were selected to participate on various national committees with NASBA:

Accountancy Licensee Database Task Force	Sally Anderson, CPA Patti Bowers
Board Relevance & Effectiveness Committee	Marshal Oldman, Esq.
Bylaws Committee	Katrina L. Salazar, CPA
Communications Committee	Larry Kaplan
Compliance Assurance Committee	Robert Petersen, CPA
Computer Based Testing Administration Committee	Mark J. Silverman, Esq.
Continuing Professional Education Committee	Kathleen Wright, CPA
Diversity Committee	Carola A. Nicholson, CPA
Education Committee	Leslie LaManna, CPA Don Driftmier, CPA
Enforcement Resources Committee	Katrina L. Salazar, CPA
Global Strategies Committee	Rudy Bermudez/Angela Chi, CPA

## National Association of State Boards of Accountancy Committee Interest Form

Page 2 of 3

Strategic Planning Task Force

Michael M. Savoy, CPA/

Katrina L. Salazar, CPA

UAA Mobility Implementation Committee

David Swartz, CPA

Uniform Accountancy Act Committee

Don Driftmier, CPA

Sally Anderson, CPA

At this time, the CBA has three members and staff participating on NASBA committees.

- Continuing Professional Education Committee – Nancy J. Corrigan, CPA
- Relations With Member Boards Committee Chair – Katrina L. Salazar, CPA
- Strategic Planning Task Force – Patti Bowers, Executive Officer

Additionally, Ms. Salazar, CPA, was selected to serve as the NASBA Pacific Regional Director in 2018. NASBA Regional Directors are responsible for communications with the boards of accountancy in the regions which they represent, presiding over regional meetings, and voting on matters presented during the NASBA Board of Director meetings.

### Comments

CBA member participation and input gives California a voice in critical areas relating to consumer protection and the accounting profession including the Uniform CPA Examination, changes to the Uniform Accountancy Act, NASBA's strategic plan, and updates to the Accountancy Licensee Database.

NASBA's committee recruitment process for the 2021-2022 committee cycle began in March 2021. A listing of committees and their respective charges is included as **Attachment 1**.

CBA members interested in serving on a committee should log onto their NASBA member portal <https://nasba.secure.force.com/> to complete the on-line NASBA Committee Interest Form by May 7, 2021. NASBA requests that any CBA member currently serving on a NASBA committee and would like to be reappointed, will need to re-apply for the 2020-2021 committee year. If you do not have access to the NASBA member portal, you may contact Rebecca Reed at (916) 561-1716 or [rebecca.reed@cba.ca.gov](mailto:rebecca.reed@cba.ca.gov).

In February, the Department of Consumer Affairs (DCA) issued a new department policy that board members, committee members, and instructors avoid serving as expert consultants in the licensure examination development process. The provision states that:

due to potential conflict of interest, undue influence, and/or security considerations, the DCA recommends that board members and instructors should not serve as expert consultants for, nor participate in, any aspect of licensure examination development or administration.



The policy, (**Attachment 2**), defines licensure examination development activities and instructors. The policy allows for case-by-case exemptions that may be applied upon review by CBA, in consultation with DCA's Office of Professional Examination Services (OPES). OPES reviewed the NASBA 2020-2021 Committee Charges and Time Requirements and does not believe any of the committees would create a conflict of interest for CBA members. If members have any questions regarding service on a particular committee, reach out to Ms. Bowers and she can schedule time with DCA OPES for a one-on-one discussion.

Additionally, members may wish to review information regarding conflict of interest, which can be found in the CBA's Conflict of Interest Tip Sheet (**Attachment 3**). DCA's Legal Counsel is available to answer any questions members may have regarding conflict of interest.

Attendance while participating on a national committee can occur via conference call, video conference, or in-person; however, at this time participation is through conference call or video conference as the Governor has issued an Executive Order suspending all non-essential travel because of current budget deficit issues as a result of the COVID-19 pandemic.

When the Executive Order prohibiting travel is rescinded, if members are requested to attend a committee meeting outside of California, staff can request the necessary authorization to travel on behalf of the CBA. This request must be reviewed and approved by DCA, the Business, Consumer Services, and Housing Agency, and the Governor. Requests for out-of-state travel should be submitted at least 60 days in advance of the intended travel dates.

Further, beginning January 1, 2017, an updated out-of-state travel policy restricts travel to certain states that have enacted laws that void or repeal protections against discrimination on the basis of sexual orientation, gender identity, or gender expression, which includes the states of Alabama, Idaho, Iowa, Kansas, Kentucky, Mississippi, North Carolina, Oklahoma, South Carolina, South Dakota, Tennessee, and Texas.

### **Fiscal/Economic Impact Considerations**

Once travel resumes, depending on the number of CBA members traveling and frequency of meetings, travel costs will be incurred.

### **Recommendation**

Staff do not have a recommendation on this agenda item.

### **Attachments**

1. NASBA 2020-2021 Committee Charges and Time Requirements
2. Participation in Examination Development Workshops Policy OPES 20-21
3. California Board of Accountancy Conflict of Interest Tip Sheet

## NASBA 2021-2022 Committee Charges and Time Requirements

COMMITTEE	Committee Charge	In-person Meetings	Conference Calls
Administration and Finance Committee	Oversee and monitor the fiscal and operations and of the Association.	3	1
Audit Committee	Oversee the Association's annual financial statement audit and the internal controls, and shall recommend to the Board of Directors the firm to perform the audit.	2	1
Awards Committee	Recommend to the Board of Directors recipients of the Distinguished Service Award, William H. Van Rensselaer Public Service Award, and Lorraine P. Sachs Standard of Excellence Award.	0	2-3
Bylaws Committee	Review and consider best practices from various sources and recommend amendments to the Board of Directors for approval and subsequent vote by Member Boards.	1	2
CBT Administration Committee	Promote effective and efficient administration and operation of the Uniform CPA Examination.	1-2	4-6
Communications Committee	Promote effective and efficient communication among Boards of Accountancy, NASBA, and their respective stakeholders.	1	Monthly
CPE Committee	Develop and promote uniform rules and requirements for continuing professional education among the jurisdictions. Also, oversee the Standards for CPE Programs and the related CPE Working Group.	1	3-4
Diversity Committee	Develop a diversity program that ensures the NASBA provides opportunities, encouragement and support to people of color (African-Americans and Hispanics/Latinos) and women to participate in NASBA service and leadership roles.	1	3-4
Education Committee	Support the Boards of Accountancy by representing NASBA in the academic community and serving as an advisory resource on education matters related to the accounting profession.	1	1-2
Enforcement Resources Committee	Promote effective, efficient and where appropriate uniform, enforcement of professional standards by Boards of Accountancy.	1	3-5

Ethics Committee	Promote the development and maintenance of high-quality standards of ethical practice to protect the public interest. Provide input related to changes or developments in ethics-related standards.	1	3-4
Executive Directors Committee <i>Note: Must be a current State Board Executive Director to be selected for committee.</i>	Support Executive Directors in their roles with Boards of Accountancy.	4 In conjunction with other NASBA Meetings	4
International Qualifications Appraisal Board	As directed by the Executive Committee, survey and assess professional practice standards and qualification in specified countries and recommend the feasibility of recognition of credentialed non-US professional to the Board of Directors.	0-2	2-6
Legislative Support Committee	Develop legislative support strategies and tactics to assist the Director of Legislative and Governmental Affairs in supporting Board of Accountancy on legislative matters.	1	4
Peer Review Compliance Committee	Promote effective oversight of practice quality of CPAs and their firms.	1	4-6
Regulatory Response Committee	Provide timely proposed responses on professional practice developments by either developing responses or reviewing the suggested responses from other NASBA committees.	1	12
Standard-Setting and Professional Trends Advisory Committee	Monitor and objectively evaluate processes of standard setters, as well as disruptive trends in the profession, on behalf of Boards of Accountancy. Recommend process improvements, when warranted, and advise Boards of potential disruptive trends impacting the regulation of the profession.	1	3
Uniform Accountancy Act Committee	Oversee the Uniform Accountancy Act and related Model Rules and recommend amendments to the Board of Directors.	2	4

**Note: These numbers are based upon previous years. Sometimes these numbers may change depending upon the current events within the profession.**



## DEPARTMENTAL POLICY



<b>TITLE</b>	<b>PARTICIPATION IN EXAMINATION DEVELOPMENT WORKSHOPS</b>		
<b>POLICY OWNER</b>	OFFICE OF PROFESSIONAL EXAMINATION SERVICES (OPES)		
<b>POLICY NUMBER</b>	OPES 20-01	<b>SUPERSEDES</b>	OPES 18-01
<b>ISSUE DATE</b>	October 2, 2020	<b>EFFECTIVE</b>	IMMEDIATELY
<b>DISTRIBUTE TO</b>	All Executive Officers, Bureau Chiefs, Division Chiefs, and Executive Staff		
<b>ORIGINAL APPROVED BY</b>	*Original Signature on File  Kimberly Kirchmeyer Department of Consumer Affairs		
<b>NUMBER OF PAGES</b>	1 of 3	<b>ATTACHMENTS</b>	A-B

**POLICY**

It is the policy of the Department of Consumer Affairs (DCA) that board members, committee members, and instructors avoid serving as expert consultants in the licensure examination development process.

**APPLICABILITY**

This policy applies to all employees, governmental officials, consultants, and temporary staff of DCA and any of its divisions, bureaus, boards, committees and other constituent agencies.

**PURPOSE**

The purpose of this policy is to set forth recommended principles and restrictions related to participation in the licensure examination development process.

A licensure examination serves a regulatory purpose by ensuring that each candidate who successfully passes an examination for a given profession is qualified to practice in that profession.

Expert consultants are essential to the development of licensure examinations. Their participation ensures that the examinations accurately assess whether candidates possess the minimally acceptable knowledge, skills, and abilities necessary to perform tasks on the job safely and competently. Therefore, the selection of expert consultants by boards, bureaus, and committees critically affects the quality and defensibility of their licensure examinations.

## **AUTHORITY**

Business and Professions (B&P) Code sections 101.6, 123, and 139.

## **DEFINITIONS**

For purposes of this policy, the following definitions apply:

**Board members** are defined as individuals who are appointed to a regulatory board, commission, exam committee, and/or other committees serving in an advisory capacity to a board or bureau within the DCA.

**Instructor** is defined as any teacher, trainer, mentor, or other person engaged in formal or informal instruction to candidates for licensure in a profession, and who has a personal and/or financial interest in increased pass rates for their student(s) and/or the training institution for which they are employed.

**Expert Consultant** is defined as an individual whose services are retained for, among other tasks, developing, but not proctoring, professional licensing examinations. An expert consultant is a person who actively works in the target profession, has a current license in good standing by the State of California, meets established selection requirements, and is able to articulate specialized technical knowledge related to their profession. In licensure examination development work, expert consultants are referred to as Subject Matter Experts.

**Conflict of Interest** is defined as a situation in which a person, such as a public official, an employee, or a professional, has a private or personal interest sufficient to appear to influence the objective exercise of their official duties.

## **PROVISIONS**

Due to potential conflict of interest, undue influence, and/or security considerations, the DCA recommends that board members and instructors should not serve as expert consultants for, nor participate in, any aspect of licensure examination development or administration.

In consultation with the relevant board/bureau, DCA recommends licensure examination developers determine any exceptions on a case-by-case basis. For instructor participation in examination development workshops, those exceptions will be based on, but not limited to, the following factors:

- Availability of licensees for attending workshops;
- Size of the pool of qualified licensees available to attend workshops;
- Number of hours spent as a licensee relative to the number of hours spent as an instructor; and,
- Existence of a licensing/accrediting relationship between the board, bureau, or committee and training schools.

## **VIOLATIONS**

Any person who presents any personal or financial interest that poses a potential conflict of interest, as defined in this policy, will not be allowed to participate in licensure examination workshops. DCA recommends that any person participating in a license examination workshop who is found to be in violation of this policy should be dismissed from the workshop and examination development staff will notify the relevant board/bureau.

## **REVISIONS**

For questions regarding revisions to this policy, contact OPES at (916) 575-7240. Specific questions regarding the status or maintenance of this policy should be directed to the Division of Programs and Policy Review at (916) 574-7402.

## **ATTACHMENTS A-B**

A: Subject Matter Expert (SME) Conflict of Interest Declaration

B: DCA Board and Committee Member Conflict of Interest Declaration



Subject Matter Expert (SME)  
Conflict of Interest Declaration

Due to potential conflict of interest, undue influence, or security considerations, members of DCA boards and committees, members of DCA bureau advisory committees, members of boards of professional associations, and instructors should not serve as SMEs for, nor participate in, any aspect of licensure examination development or scoring, pursuant to DCA Policy OPES 20-01.

**Conflict of interest** is defined as a situation in which a person, such as a public official, an employee, or a professional, has a private or personal interest sufficient to appear to influence the objective exercise of their official duties.

**Instructor** is defined as any teacher, trainer, mentor, or other person engaged in formal or informal instruction to candidates for licensure in a profession, and who has a personal and/or financial interest in increased pass rates for their student(s) and/or the training institution for which they are employed. This category includes any individual participating in examination-oriented review programs. Prohibited activities include, but are not limited to, developing review materials, coaching prospective examinees, or giving examination-oriented presentations or seminars.

By signing this form, I declare that I am not a member of any category listed above. Additionally, by signing this form I declare that I am not currently involved in any of the following activities and that I will refrain from involvement in any of the following activities **for five years from this date**:

- Serving as an instructor as defined in paragraph three above.
- Participating in the design of course and/or program curricula that will be used at a training institution to train prospective examinees of this licensing agency.
- Advertising my involvement with examination development workshops on social media or in any other manner.

---

I have read the above statements and understand DCA's policy regarding conflict of interest.

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name of License Held)

\_\_\_\_\_  
(License Number)

\_\_\_\_\_  
(Date)



DCA Board and Committee Member  
Conflict of Interest Declaration

Due to potential conflict of interest, members of DCA boards, committees, and bureau advisory committees should not serve as subject matter experts (SMEs) for, nor participate in, any aspect of licensure examination development or scoring, pursuant to DCA Policy OPES 20-01.

One reason for this policy is that DCA board, committee, or bureau advisory committee members frequently participate in the design, development, administration, scoring, or interpretation of a national examination used for licensure in California. This participation generates a conflict of interest. Prohibited activities include, but are not limited to, reviewing examination items, reviewing examination content outlines, helping set passing scores, or evaluating or examining candidates using rubrics, procedures, or other criteria.

A DCA board, committee, or bureau advisory committee member may apply to DCA's Office of Professional Examination Services (OPES) for an exception to this policy. The member must provide OPES with documentation to support that the conflict of interest is mitigated by procedures enforced by the national examination entity. For example, a DCA board member who is an examiner for a national examination could provide documentation that the national examination entity enforces a procedure for ensuring that the examiner will not evaluate a candidate from the same state as the examiner and no special advantage is gained by observing the examination administration.

**Conflict of interest** is defined as a situation in which a person, such as a public official, an employee, or a professional, has a private or personal interest sufficient to appear to influence the objective exercise of their official duties.

Please check one of the following boxes:

- I do NOT participate in any national examination program used for licensure in the State of California.
- I participate in a national examination program used for licensure in the State of California.
- I participate in a national examination program used for licensure in the State of California, but my participation has been approved by OPES.

---

I have read the above statements and understand DCA's policy regarding conflict of interest.

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name of License Held)

\_\_\_\_\_  
(License Number)

\_\_\_\_\_  
(Date)





**California Board of Accountancy**  
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### Attachment 3

## **CBA Tip Sheet on Conflict of Interest Reporting Requirements**

The Political Reform Act (Act) imposes limits on gifts, prohibits honoraria payments, and imposes limits and other restrictions on the receipt of travel payments and personal loans. Every year by April 1, the Fair Political Practices Commission (FPPC) requires certain government officials and employees who have been identified by their departments as required to report possible conflicts of interest to file a Statement of Economic Interests (Form 700) which allows the FPPC to monitor compliance with the Act. Failure to comply with the Act may, depending on the violation, result in anything from administrative fines to criminal prosecution. Members of the California Board of Accountancy (CBA) and its various Committees are required to annually file the Form 700 consistent with the Department of Consumer Affairs' (DCA) Conflict of Interest Code. The form 700 is a public document and a copy must be provided to anyone, upon their request.

The following is information that will generally apply to Members as they decide whether to accept gifts and the reporting responsibilities that accompany them. However, the Act is an extremely complex law, and it is recommended that members refer to the attached fact sheet provided by the FPPC or, for more specific questions, call DCA Legal's Ethics Officer, or the FPPC for informal guidance.

The FPPC contact information is on the cover of the attached Fact Sheet; however, the FPPC will only answer questions from you or your attorney. They will not answer questions posed on your behalf by CBA staff. In addition, a public official may submit questions in writing and request formal advice from the FPPC.

### **Gifts**

A gift is any payment or other benefit provided to you that confers a personal benefit for which you do not provide goods or services of equal or greater value. Members are subject to two gift limits:

1. Members may not accept gifts of more than \$10 in a calendar month from a registered state lobbyist or lobbying firm. "Lobbyist" would include individuals such as Jason Fox or Jonathan Ross, and "lobbying firm" would include firms such as KP Public Affairs.
2. Members may not accept gifts from certain sources that exceed \$520 in a calendar year or within 12 months prior to the time a decision involving the

source of the gift is made. This limit, which is adjusted every odd-numbered year, only applies if the source of the gift is one of the following:

- A business entity, professional association or individual where the business entity, professional association or individual's profession is regulated by or offers programs or courses qualifying for licensing or continuing education credit by the CBA.
- A business entity if, within the previous two years, the entity is of the type which has contracted with the CBA to provide goods or services.

As an example, the CBA has a contract with the National Association of State Boards of Accountancy (NASBA) for the Uniform CPA Examination. Members are limited to receiving gifts of \$520 (for the period of January 1, 2021 through December 31, 2022). A scholarship (for travel, conference, and lodging fees) to attend a NASBA conference would be considered a gift, unless the Member had a speaking engagement at the conference and then it would be considered income, both of which would be reportable on the Form 700. In either instance, because the CBA has a contract with NASBA, DCA Legal Counsel has recommended that Members do not accept any such scholarships from NASBA due to the possibility of being disqualified from participating/making decisions involving NASBA.

Other likely sources of gifts may include, but not be limited to, applicants, licensees (individuals and firms), the California Society of CPAs (CalCPA), NASBA, continuing education providers, colleges and universities, foreign credentials evaluation services, and any entity from which the CBA purchases goods and services, including the hotels where CBA and committee meetings are held.

### **Reporting Requirements**

A gift is reportable on the Form 700 if its fair market value is \$50 or more. In addition, multiple gifts totaling \$50 or more received from a single source during the reporting period must be reported.

There is a long list of exceptions to the gift limits provided in the FPPC Fact Sheet that Members should review prior to accepting or reporting a gift. Notable exceptions on this list include items that are returned or reimbursed within 30 days; gifts from close family members; informational materials; tickets or passes that are not used or provided to another person; and free admission and food and nominal items which were available to all attendees at an event **at which you make a speech**, provided the admission is provided by the person who organizes the event.

As an example, a Member is invited to speak at a CalCPA dinner event that costs \$50 per ticket for attendees. Following the Member's presentation, CalCPA presents the Member with a \$100 leather briefcase. The Member is allowed to attend the event for free and eat the meal and would not need to report this information on the Form 700, nor would it be subject to the \$520 gift limit, because the Member gave a speech and

the ticket was paid for by the organizer of the event and the food was available to all attendees.

However, the Member has four choices with the briefcase. Number one, return the briefcase within 30 days; number two, reimburse CalCPA within 30 days for the \$100 cost; number three, keep the gift and report its value on the Form 700; number four, the member could pay down an amount to be below the reporting threshold and still keep the gift. If the gift is kept and the full value not reimbursed to the source, it should be noted that the Member may only accept \$400 more from CalCPA during that same year.

As another example, a Member attends an AICPA meeting in their capacity as a member of the AICPA, not the CBA or a CBA committee. The registration fee is paid by the AICPA. If the member does not have a speaking role at the meeting, the registration fee is a reportable gift. Even if the event is unrelated to your position as a CBA member, it may still be a reportable gift.

### **Honoraria**

An honorarium is a payment received for making a speech, publishing an article, or attending any public or private conference, convention, meeting, social event, meal or similar gathering. Members are prohibited from receiving honoraria payments from any of the specified sources of gifts listed above. Some limited exceptions apply, however, these can be very complex. Therefore, it is suggested that you contact DCA Legal's Ethics Officer or the FPPC regarding these matters.

### **Travel**

Generally, travel expenses will be paid by the CBA when a Member is traveling on mission critical CBA business. However, when a Member receives a payment for his or her travel not paid for by the CBA (such as a scholarship), that payment is a reportable gift or income under the Act. This can include payments, advances, or reimbursements for travel, including actual transportation, parking and related lodging and subsistence.

Certain payments for travel are excluded from the gift limits and honoraria prohibition; however, these are not very common and can be very complex. Therefore, it is suggested that you contact DCA Legal's Ethics Officer or the FPPC regarding these matters.

### **Loan Restrictions**

While such an event is not likely to occur, the Act also prohibits Members from receiving any personal loan aggregating more than \$250 from an official, employee, or consultant of, or from anyone who contracts with, the CBA. Under certain circumstances, a personal loan that is not being repaid or is being repaid below certain amounts may become a gift to the official who received it. Again, this is not very common and can be very complex; therefore, it is suggested that you contact DCA Legal's Ethics Officer or the FPPC regarding such matters.

Additional information regarding the Form 700 and conflict of interest can be found on the FPPC's [website](#).



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**CBA Item II.L.**  
March 25-26, 2021

## **Discussion and Possible Action on the Acceptance of Scores from the Pilot Administration of the Uniform Certified Public Accountant Examination by Remote Proctor**

**Presented by: Michelle Center, Chief, Licensing Division**

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### **Purpose of the Item**

The purpose of this agenda item is to provide the California Board of Accountancy (CBA) with information regarding staff consultation with legal counsel regarding CBA's authority to not accept valid scores from candidates of other jurisdictions that participate in the pilot administration of the Uniform Certified Public Accountant Examination (CPA Exam) by remote proctor (RT pilot).

### **Consumer Protection Objectives**

The practice of public accountancy has been determined an essential function and the ability to securely test CPA Exam candidates during times of emergency when testing centers are closed would benefit the candidates and uphold the CBA's mission to protect consumers.

### **Action(s) Needed**

The CBA is being asked to discuss and approve the letter to the National Association of State Boards of Accountancy (NASBA) informing them that California will accept valid scores from candidates participating in the RT Pilot. (**Attachment 3**)

### **Background**

The COVID-19 pandemic (COVID-19) experience identified the need for an alternative approach to ensure testing continues in times of emergency. Due to COVID-19, Prometric testing centers shut down from March 18 through April 30, 2020. Prometric re-opened testing centers with additional safety measures in May. The shutdown and reduced testing center capacity resulted in delayed test administrations for candidates and the need to extend the period candidates are allowed to successfully pass all sections of the CPA Exam.

Since then, NASBA, the American Institute of Certified Public Accountants (AICPA) and Prometric (collectively referred to as NAP) have been working together to evaluate and

## **Discussion and Possible Action on the Acceptance of Scores from the Pilot Administration of the Uniform Certified Public Accountant Examination by Remote Proctor**

Page 2 of 3

plan for the possibility of ensuring the availability of potential future remote testing of the CPA Exam for emergency use.

At the January 2021 CBA meeting, NASBA presented on Prometric's ProProctor product and the phased pilot approach it is undertaking. The ProProctor web-based application would allow the CPA Exam to be taken outside of a testing center using both human proctors and artificial intelligence to monitor the administration.

Additionally, NAP issued the Proposed Pilot of Remote Proctoring of the CPA Examination: Update and FAQs for Boards of Accountancy (*White Paper*) (**Attachment 1**). The *White Paper* outlines additional details regarding the proposed RT Pilot, summarizes identified risks and proposed mitigations specific to remote testing, and answers many frequently asked questions.

### **Comments**

As discussed in the *White Paper*, the RT Pilot is being structured to test a true remote proctored production environment that will test software, systems, interfaces, and processes while also reducing risk by restricting the exam content, candidates, and testing window.

NASBA has indicated that the RT Pilot would only be conducted after extensive user acceptance and internal candidate experience testing by NAP, candidate experience testing by stakeholders, and testing of technical systems and security measures. At the conclusion of the RT Pilot, NAP will report results of the pilot to the accountancy boards for review and consideration, including the possibility of additional pilots or approval for use during times of emergency.

NAP is preparing for the live candidate pilots beginning in the second quarter of 2021. The piloting with live candidates is a vital aspect of the approach to test and analyze the feasibility of the implementation of ProProctor in support of remote proctoring and will not include California candidates.

Although there are no California candidates participating, it is possible that candidates from other jurisdictions participating in the RT Pilot may seek licensure in California. These candidates would be required to transfer their CPA Exam scores to California as a requirement of the CPA licensure application process. NASBA is requesting all boards determine if they have authority to not accept scores from the RT Pilot. (**Attachment 2**).

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

## **Discussion and Possible Action on the Acceptance of Scores from the Pilot Administration of the Uniform Certified Public Accountant Examination by Remote Proctor**

Page 3 of 3

### **Recommendation**

The Department of Consumer Affairs Legal Counsel conducted a review of California statutes and did not find any statute that would provide the board authority to not accept scores from the RT Pilot determined by AICPA to be valid; therefore, staff recommend that the CBA submit a letter to NASBA informing them that California will accept valid scores from candidates participating in the RT Pilot for licensure in California.

If the CBA adopts this recommendation, staff recommend the CBA approve the letter (**Attachment 3**) to Colleen K. Conrad, CPA, Executive Vice President and Chief Operating Officer of NASBA, notifying her that the CBA will accept CPA Exam scores from candidates participating in the RT pilot.

### **Attachments**

1. Proposed Pilot of Remote Proctoring of CPA Examination: Update and FAQs for Boards of Accountancy
2. Letter from the National Association of State Boards of Accountancy Regarding Acceptance of Scores from Proposed Remote Testing Pilot
3. Draft letter to Colleen K. Conrad, CPA, Executive Vice President and Chief Operating Officer of the National Association of State Boards of Accountancy

*The Uniform CPA Examination*

*Proposed Pilot of Remote Proctoring of CPA  
Examination: Update and FAQs for Boards of  
Accountancy*

*January 21, 2021*

*Prepared by NASBA, AICPA and Prometric for Board of  
Accountancy Informational Purposes*

# **1 Executive Summary**

## **1.1 Executive Summary**

The purpose of this paper is to provide board of accountancy members and staff with a document outlining additional details regarding a proposed remote testing pilot exercise for the CPA Exam (RT PILOT); summarize identified risks and proposed mitigations specific to remote testing; and answer many frequently asked questions posed by board of accountancy members and staff during recent meetings and webcasts.

This paper will be followed in January 2021 by a letter to the board of accountancy chairs and executive directors requesting direction regarding the acceptance of CPA Exam scores for the small number of candidates who would volunteer to test remotely as part of the RT PILOT in pre-selected jurisdictions.

### **Background**

In 20Q2, the world, including the administration of the Uniform CPA Examination (CPA Exam), was significantly impacted by the Covid-19 pandemic. Prometric closed its test centers in North America and beyond for an extended period and 26,000 CPA candidate appointments were cancelled. Many were rescheduled upon reopening of test centers, but over many months. Some candidates have not yet rescheduled their appointments. Are they taking advantage of the extended notice to schedule (NTS) periods and credit extensions, or have some of them dropped out of the CPA pipeline? It remains too early to tell. Since July 2020, Prometric has been open at nearly 100% available capacity; however, Prometric continues to operate with less than 70% test center occupancy.

All jurisdictions responded to the pandemic by providing scheduling and credit extensions to candidates; blanket extensions for all in early months of the crisis and generally now on a case-by-case basis. One jurisdiction even had an executive order requiring that all licensing boards grant provisional licenses without examination until tests once again became available. Some states tried to pass legislation that would make it legal to practice without credentials or a license, since candidates could not complete testing and secure that credential or license. The uncontrollable reaction of state legislatures and executive orders lend further urgency and necessity to have a remote solution at the ready for emergency use if test centers are closed.

In March 2020, when the test centers were closed, NASBA and AICPA executive leadership decided it was prudent to investigate the possibility of remote proctoring of the CPA Exam as a contingency and back-up solution if, and when, test centers must again close for any significant period. Since then, NASBA-AICPA-Prometric (NAP) have been working together to evaluate



and plan for the possibility of ensuring the availability of potential future remote testing of the CPA Exam for emergency use. Our joint teams of technology, operations, legal, data privacy, cybersecurity and other experts have been progressing in their efforts to prepare for the possibility of remote testing, while at the same time assessing risk and focusing on mitigation strategies.

NASBA and AICPA believe a RT PILOT, as proposed, allows NAP to test, learn from, and reassess remote testing before the AICPA, NASBA, or the boards of accountancy would ever consider deploying remote testing at a larger scale for emergency use. The hope is that NAP can complete a RT PILOT and work with the boards to then further assess the viability of remote testing before Prometric test centers must close in the future for any reason.

NASBA and AICPA leadership stand firm in their recommendation to proceed with the logical and necessary step of a RT PILOT due to recent record-breaking spikes in the virus and resulting deaths, plus the uncertainty of vaccine efficacy for new strains and a protracted roll out of vaccines.

A continual pipeline of newly licensed CPAs into the profession is vital to the continued protection of the public. The ability to continue testing candidates and allowing them to progress on their journey to CPA licensure benefits the candidates, their employers, and the public.

### **Status of Other Testing Programs**

It is important to note that many other professional credentials and licensing bodies are, like NASBA and AICPA, at minimum, exploring remote testing while others have already implemented remote testing. Examples of licensing bodies which have already begun remote testing include:

- National Council of Architectural Registration Boards (NCARB)
- Council of Landscape Architecture Registration Boards (CLARB)
- Financial Industry Regulatory Authority (FINRA)
- Pharmacy Technician Certification Board (PTCB)
- Medical Council of Canada (MCC)
- Board of Pharmacy Specialties (BPS)

In the accounting profession, the Global Accounting Alliance (GAA) is working with their constituents to share best practices as the following bodies are either exploring or have implemented remote testing:

- Institute of Chartered Accountants of England and Wales (ICAEW)
- Chartered Accountants of Ireland (CAI)
- South African Institute of Chartered Accountants (SAICA)

- Institute of Chartered Accountants of Scotland (ICAS)
- CPA Canada

The Association of Test Publishers (ATP), and its membership bodies in testing, which include the AICPA, Prometric, and other testing bodies and vendors, are also sharing information, offering webinars, workshops, and sharing best practices on policies, procedures, and psychometric considerations. NASBA and AICPA have also been in direct contact with other testing programs which have already implemented remote testing capability to learn from their efforts.

## **2 Remote Testing Pilot Program (RT PILOT)**

Prior to reading the rest of this document, please familiarize yourself with the following user guide: [https://www.prometric.com/sites/default/files/2020-04/PrometricProUserGuide\\_3.1\\_1.pdf](https://www.prometric.com/sites/default/files/2020-04/PrometricProUserGuide_3.1_1.pdf)

### **2.1 Why is a RT PILOT Recommended?**

NASBA and AICPA agree that it is prudent to perform a small-scale live test of CPA Exam remote proctoring before it may be needed for true emergency use. An emergency would not be the time to “try it out”.

The recommended RT PILOT allows NAP to administer the Exam in a very limited fashion via remote testing, in true production environments, delivering reliable applicable scores to a small set of specifically selected Candidates in a restricted time period, with restricted Exam content, all while testing the NAP software, systems, interfaces, processes, and communications at a much-reduced scale with acceptable levels of risk. This RT PILOT is vital to assessing the readiness and availability of the program for emergency use if Prometric Test Centers are closed, should the boards of accountancy decide to allow its use for its candidates.

This live RT PILOT would only be conducted after (1) extensive user acceptance and internal candidate experience testing by NAP. “Friends and Family” candidate experience testing by a small group including state board members and staff, ERB representatives and others will also occur. In addition, the RT PILOT would not be allowed to proceed until technical systems are complete and tested and system security measures are fully in place and tested. After this robust testing, the testing of actual candidates in a live environment becomes crucial because NAP needs to secure relevant and honest feedback from candidates with prior test-center experience, candidates trying to pass the Exam section, and ultimately, candidates that have a vested interest in a successful test administration.

At the conclusion of the RT PILOT, NAP will report results of the PILOT to the accountancy boards for review and consideration. Depending on such results, further recommendations might be made for additional pilot phase(s), as needed. NAP will not recommend consideration of using ProProctor for emergency use when Prometric Test Centers are closed without first satisfactorily concluding that any and all risks have been appropriately mitigated. NAP would never seek to administer the CPA Exam to candidates in any circumstances unless it was sufficiently secure, reliable, and psychometrically valid and fair.

## **2.2 Will Taking the CPA Exam via the RT Pilot be Equivalent to Taking It in a Test Center?**

The AICPA's Psychometric Oversight Committee (POC) discussed CPA Exam remote testing plans at its May and October 2020 meetings. At the October 2020 meeting the POC expressed unanimous support for the approach being taken to engage in a RT PILOT so that the NAP and the accountancy boards will be prepared, should future conditions require broader remote testing. The POC was also very supportive of the plan to have remote testing reserved for only emergency purposes at this time, rather than launching initially on a broader scale. POC members did identify testing accommodations as a challenge for remote testing environments; therefore, given the limited nature and restrictions of the RT Pilot, test accommodations will not be provided for the RT Pilot.

The POC affirms that the Uniform CPA Examination remains uniform whether it is administered in a Prometric Test Center or remotely via ProProctor. The same content and skills are tested utilizing the Uniform CPA Examination Blueprint. As such, scores from candidates testing as part of the RT PILOT should be considered uniform to those testing in test centers.

NASBA and the AICPA believe that scores from the small number of candidates who volunteer to take part in the RT PILOT should be accepted by accountancy boards as valid for licensure, as permitted by jurisdiction law and board rules. As noted earlier, a letter will be sent to all board chairs and executive directors confirming acceptance of such scores solely for RT PILOT candidates.

## **2.3 How will the RT PILOT work?**

In order to maintain security, minimize risk, and provide adequate data for NAP review, the RT PILOT is anticipated to be defined as follows:

- Candidates from several selected boards of accountancy (after board approval) may volunteer to take the CPA Exam as part of the RT PILOT
- No candidate will be required to participate in the RT PILOT. It will be on a voluntary basis.

- Candidates will consent in writing to their participation in the RT PILOT and all associated changes to their testing experience.
- Fees will be the same for testing remotely or in a test center.
- Only domestic candidates may participate (no candidates with international addresses).
- The RT PILOT will consist of 250-1,000 total sections tested.
- Candidates may not be first-time test takers and therefore will be familiar with the testing process.
- The RT PILOT is anticipated to occur in 21Q2.
- All sections (AUD, FAR, REG, and BEC) will be available for testing.
- Candidates may take multiple sections during the RT PILOT. As an example, they may take AUD and FAR remotely.
- Candidates will not be able to retest a failed section administered in the RT PILOT during the RT PILOT, though they will be able to retest by making an appointment in a Prometric Test Center.
- Should a Candidate not be able to complete their test administration of a section in the RT PILOT for any reason, they may not reschedule that section into the RT PILOT.
- Candidates requiring ADA test accommodations will not be tested in the RT PILOT.

In addition:

- The Exam sections delivered as part of the RT PILOT are production sections and are comparable (they all meet the same test specifications) to the sections delivered in a Prometric Test Center.
- At a general level, the AICPA will compare the RT PILOT Candidates performance (scores, timing, etc.) to the performance of Prometric Test Center candidates. A direct comparison between remote testing and test center testing may not be made as the volumes are quite different.
- The AICPA is proposing the specific timeline and RT PILOT requirements to minimize any negative impact on the CPA Exam item bank.
- Prometric has confirmed that they have more than adequate ProProctor and system capacity to support the RT PILOT.

NAP will remain diligent in its rigorous oversight of the remote testing systems and will report out to the accountancy boards the results of the RT PILOT. RT PILOT candidates are already familiar with testing protocols and potentially have more to lose should they be found cheating or stealing content. Should a Prometric Proctor see anything suspicious or in violation of any rules, the Prometric Proctor can interrupt, question, and terminate a Candidate testing remotely at any time. A candidate may be asked to scan the room at any time with their camera. Should a rare cheating or security incident occur, NAP is prepared, as it always is, to provide the state boards with the necessary background information.

Note that the AICPA produces approximately 12-18 statistically equivalent forms of each of the four sections (AUD, REG, BEC, FAR) for each quarter, and there are two versions of each form. For the RT PILOT, a small number of versions for each of the four sections will ONLY be administered to candidates in the RT PILOT. These versions are applicable for scoring and licensing. Using these versions for only RT PILOT allows AICPA to maximize security and minimize risk to the RT PILOT.

Numerous network and security practices are in place by the AICPA Exams Team, in the transmission of the software and the Exam to Prometric, and in the transmission by Prometric to the test centers. Similar system and network practices are in place between the AICPA, Prometric, and the Candidate's system to protect the Exam and its software and to ensure a secure administration.

The RT PILOT allows NAP to administer the Exam via remote testing, in true production environments, delivering reliable applicable scores to Candidates, all while testing the NAP software, systems, interfaces, processes, and communications all at a much-reduced scale with acceptable levels of risk. Note that NAP is hopeful that one pilot administration will be adequate; however, a second or third may be warranted.

## Attachment A

### RISKS AND MITIGATIONS HIGH-LEVEL SUMMARY

Category	Risk or Concern	Mitigation / Status
Testing Accommodations	Uniform testing availability for special accommodation candidates	<ul style="list-style-type: none"> <li>· ADA candidates will not be included in the RT PILOT.</li> <li>· ADA testing accommodations must be supported prior to approving remote testing for emergency use, or any other use.</li> <li>· NAP continues to develop their plans and solutions for supporting fully ADA compliant test accommodations.</li> </ul>
Board and Exam Uniformity	Will it still be a uniform Exam if some candidates test remotely and others in test centers?	<ul style="list-style-type: none"> <li>· Regardless of location, the Exam tests the same content and skills following the Blueprint.</li> <li>· Only slight differences exist in the software and the administration.</li> <li>· The Psychometric Oversight Committee has deemed the CPA Exam given via the RT PILOT to be comparable and fair.</li> <li>· The check-in and proctoring processes are substantially similar to that in test centers, though not exactly the same</li> </ul>

	<p>Transferability / reciprocity of scores obtained by remote testing between jurisdictions</p>	<ul style="list-style-type: none"> <li>· The request will be for all boards to accept scores of a small number of exam candidates in a few jurisdictions solely for RT PILOT purposes</li> <li>· A full report regarding the RT PILOT will be provided to the boards before seeking final approval to use remote proctoring for emergency use only on a go forward basis.</li> </ul>
	<p>Need for jurisdictions to change their statutes or rules to allow for remote testing</p>	<ul style="list-style-type: none"> <li>· No statute changes appears to be required.</li> <li>· A small number of jurisdictions have specific reference to Prometric Test Centers in their rules. This might possibly need to be addressed, pending board legal review.</li> </ul>
	<p>Definition of “emergency” or “other purpose”</p>	<ul style="list-style-type: none"> <li>· An “Emergency Purpose” definition is not required for the RT PILOT.</li> <li>· NAP continues to refine its “Emergency Purpose” definition. It will be reviewed with the NASBA CBT Administration Committee for approval, in consultation with the Executive Director Committee, and other constituents before remote testing would be more widely administered.</li> <li>· It is anticipated that the definition of Emergency will be predicated on extensive and lengthy test center shutdowns due to government mandates or force majeure situations.</li> </ul>

<p>Costs to Candidates</p>	<p>Increased Exam cost to candidate</p>	<ul style="list-style-type: none"> <li>· Candidates will be charged the same fee for remote testing as they are charged for testing in test centers.</li> <li>· Implementing the software changes to support remote testing are not projected to require increased costs to the candidates.</li> </ul>
<p>Testing Experience</p>	<p>Equipment, internet access and capacity</p>	<ul style="list-style-type: none"> <li>· System requirements (computer / laptop setup / webcam / keyboard / mouse / monitor / internet speed / internet connection type) will be clearly delineated and available to potential candidates.</li> <li>· All candidates must meet these requirements.</li> <li>· A system readiness check will be available for advance testing by the candidates. The ProProctor System Check ensures that a candidate's system meets the minimum standards for remote testing via ProProctor. CPA Exam-specific system requirements in excess of the ProProctor minimum standards will be communicated to prospective candidates.</li> </ul>
	<p>Reliant on internet connectivity – web-based driver</p>	<ul style="list-style-type: none"> <li>· Remote testing requires a stable internet connection for the candidate.</li> <li>· The candidate's connection is tested prior to starting the Exam and any lengthy disconnect will abort the Exam administration.</li> </ul>



	Testing environment	<ul style="list-style-type: none"> <li>· Prometric has clear and strict policies regarding acceptable testing environments that candidates must meet for the duration of the Exam’s administration.</li> <li>· Guidance will be provided on how to prepare one’s environment for testing.</li> <li>· Readiness agents will guide candidates to rectify environment issues, when feasible</li> </ul>
	Candidates without internet access	<ul style="list-style-type: none"> <li>· During the RT PILOT, candidates may always choose to test in a test center.</li> <li>· Candidates may select to test at their employer, college or university, friends or family homes, etc.</li> <li>· NAP will continue to monitor other programs and case law.</li> </ul>
Test Security	Access to other information on personal computer	<ul style="list-style-type: none"> <li>· The candidate’s computer is locked down by the ProProctor system during the initialization process and the Candidate may not access anything on their computer.</li> <li>· The NAP Cyber Team has a security risk assessment underway.</li> </ul>

	<p>Protection of content (item harvesting)</p>	<p>For the RT PILOT:</p> <ul style="list-style-type: none"> <li>· Candidates are repeat, experienced candidates.</li> <li>· Limited Exam content is exposed.</li> <li>· Short testing windows (approximately 3 weeks).</li> <li>· No remote repeat testing / continuous testing, though candidates can choose to retest in test centers.</li> <li>· Exam content does not reside on the candidate’s computer.</li> <li>· AICPA will deploy enhanced web monitoring to monitor for item sharing on social media and websites.</li> </ul>
	<p>Preventing proxy testing</p>	<ul style="list-style-type: none"> <li>· For the RT PILOT, candidates are repeat, experienced candidates.</li> <li>· Government-issued ID required and reviewed against the NTS, the same process as in test centers.</li> <li>· Candidate photos are captured and retained at test centers and for remote testing.</li> <li>· Fingerprints are not captured with remote testing. Note that fingerprints are not currently being captured in test centers due to Covid-19 restrictions.</li> </ul>

	<p>Cheating during test administration</p>	<ul style="list-style-type: none"> <li>· Candidates are always monitored by a Prometric Proctor from check-in to completion of the Exam.</li> <li>· A Proctor may interrupt the Exam administration and require a 360° camera scan at any time.</li> <li>· A Proctor may interrupt and potentially terminate any Exam administration if the irregularity cannot be addressed and a secure administration verified.</li> <li>· The entire Exam administration is video and audio recorded for real-time and post-Exam review, as needed. The same process as in a test center.</li> <li>· Prometric uses AI and other tools to watch for anomalies.</li> <li>· An extensive check-in process is required after each allowed break.</li> <li>· Unscheduled breaks (while a testlet is in process) could cause termination of a testing event.</li> </ul>
<p>Board Oversight</p>	<p>Availability of secret shopping by boards and Examination Review Board (ERB)</p>	<p>Board members, executive directors, and other constituents including the ERB can work with NASBA to schedule remote testing “secret shops”.</p>
	<p>Availability of videos of testing administrations for Board review</p>	<p>Video and audio can be reviewed by internal Prometric resources and the results made available to NASBA, on behalf of any accountancy board. As in test centers, video and audio recording of testing events will be available for NASBA and Board review, as necessary.</p>

	Consistent policies and procedures	NAP is currently reviewing all remote testing policies and procedures and NASBA's CBT Administration Committee, in consultation with the Executive Directors Committee, will review policies and procedures for fairness and workability before implementation.
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## Attachment B

### REMOTE TESTING FREQUENTLY ASKED QUESTIONS (FAQS)

Note: The following Frequently Asked Questions (FAQs) were gathered from accountancy board representatives during remote testing webcasts, NASBA Regional and Annual Meetings, state board meetings, and via correspondence from boards and board members.

#### Candidate Preparation

**Q: Will training videos or other materials be available for RT PILOT candidates?**

A: The Prometric ProProctor User Guide will be available at: [https://www.prometric.com/sites/default/files/2020-04/PrometricProUserGuide\\_3.1\\_1.pdf](https://www.prometric.com/sites/default/files/2020-04/PrometricProUserGuide_3.1_1.pdf) to explain the ProProctor process. Additional information for candidates can be found on the Prometric website (<https://www.prometric.com/proproctorcandidate>) and ehhelp (<https://ehelp.prometric.com/proproctor/s/>).

NAP will also develop CPA Exam program-specific information for RT PILOT candidates. Candidates will provide written consent that they have reviewed and understand these materials and instructions. If the decision is made to proceed with remote testing for emergency use, additional materials will be made available to have ready as needed.

**Q: What system requirements will be necessary?**

A: The ProProctor system minimum requirements are listed in the User Guide as follows:

- Laptop/PC Power source
- 20” to 28” HD monitor is required. 23” is ideal.
- Screen Resolution: 1920 x 1080 *in >32-bit color* Operating system (Windows 10 or higher / MacOS 10.13 or higher)
- Current version of Google Chrome web browser
- Internet connection speed of 0.5 mbps or greater
- Separate web cam with resolution of 640 x 480p or higher
- Wi-Fi connection with download speed of at least 0.5 mbps

It is important to note that the remote administration of the CPA Exam may require additional CPA Exam-specific requirements (i.e., different download or upload speeds, HD 20 – 28” monitor, external camera, etc.) All RT PILOT candidate requirements for sitting for the CPA Exam

remotely will be communicated to the RT PILOT candidates. NAP members are currently working together to define those specific requirements.

**Q: Can test takers test their systems prior to the Exam?**

A: RT PILOT candidates will be urged to verify that their hardware and systems meet the minimum system requirements before volunteering to participate in the RT PILOT. Candidates will be provided with all requirements, as well as a systems check tool, well in advance of the RT PILOT in order to ascertain their viability for remote testing. Candidates who do not meet the minimum hardware, system or environmental requirements as self-determined in advance or on the test day will not be permitted to participate in the RT PILOT.

**Q: Will there be a verification of “minimum system requirements” prior to the test session?**

A: Yes, on test day at the commencement of the RT PILOT candidate’s scheduled appointment, the candidate will run the Prometric System Readiness Check to ensure their system meets minimum requirements.

**Q: What happens if someone does not meet the minimum system requirements during the check-in process?**

A: The RT PILOT candidate will not be permitted to test remotely and will lose the appointment. Candidates’ appointments during the RT PILOT will not be rescheduled remotely for any reason. Candidates will be required to reschedule in a test center.

**Q: Is there a checklist available for how candidates’ environments should look? And can candidates perform an environment check days before the Exam so they can be fully prepared the day of the Exam?**

A: The environmental requirements are provided in the User Guide, including examples of acceptable and unacceptable environments. The Readiness Agent will require the candidate to provide a 360-degree view of their environment upon check in prior to testing to ascertain its acceptability. The Agent will work with the candidate to resolve issues to the extent possible.

**Q: If someone does not pass an environment scan and can't quickly take corrective actions, will it affect their appointment if they cannot complete the Exam that exact day?**

A: Should a RT PILOT candidate fail to meet the environmental requirements on test day, that candidate will not be permitted to test remotely and will lose the appointment. Candidates’

appointments during the RT PILOT will not be rescheduled remotely for any reason. Candidates will be required to reschedule in a test center.

**Q: What if a candidate does not have an external camera available?**

A: The candidate will not be able to participate in the RT PILOT unless they have adequate technology available.

**Q: What about candidates living in areas with limited internet access, specifically no broadband?**

A: There are minimum internet connection speeds required to use ProProctor. Such candidates could choose to volunteer for the RT PILOT by testing at their employer's office or another location with adequate internet service. Corporate computers can pose a challenge because of firewalls and added security included by the employer. Candidates are referred to Prometric's website for additional guidance regarding testing on a corporate computer.

<https://ehelp.prometric.com/proproctor/s/article/PPL-TECH003-General-Instructions-for-Corporate-Computers>).

**Q: Will testing times be based on proctor availability?**

A: The RT Pilot candidates will be provided with a direct link to ProScheduler to schedule their remote testing appointments. Prometric has sufficient online staff and proctors to support the RT PILOT.

**Q: Can Prometric detect a weak WIFI signal at the outset that could later impact the test environment?**

The ProProctor system check will test the internet strength at the time of the check but it has no way to ascertain if it will maintain adequate strength throughout the test event. It is the candidate's responsibility to ensure adequate internet service is available.

## **Candidate Testing**

**Q: What if a candidate must take an unscheduled break?**

A: Any irregularities such as an unscheduled break will result in a Prometric Security Agent being engaged, and an incident report written. Multiple or extended breaks may result in the Exam being terminated. NAP members and the CBT Administration Committee will work together to define operational policies and procedures.

**Q: How is the risk of harm to candidate computers mitigated?**

A: Prior to a remote testing event, the RT PILOT candidate will download the ProProctor application, an installed application. The RT PILOT candidate will access the CPA Exam via the AICPA Remote Testing Driver which is a web application. No Exam content will ever exist on the RT PILOT candidate's computer.

**Q: What happens if a candidate's laptop freezes or they lose connection during testing?**

A: Similar to what occurs in a test center, the assigned proctor will attempt to resolve the issue with the candidate and allow the candidate to resume testing.

**Q: Will it be possible for a test taker to use a 2nd computer (monitor)?**

A: No, just like in a Prometric Test Center, RT PILOT candidates must use one monitor. RT PILOT candidates may also not have multiple computers, split screens, docking stations, or any unknown wiring from their computer to unknown sources. ProProctor locks down the candidate's computer for the duration of the Exam, and the Exam will only display on the candidate's primary monitor. Any secondary monitors will be disabled and black. If the Prometric Readiness Agent cannot confirm the security and environment of the RT PILOT candidate, the RT PILOT candidate will not be permitted to test remotely. If the Readiness Check is unsuccessful, the RT PILOT candidate may not test.

**Q: Does the candidate lose what they have answered if they must go through security checks after losing WiFi?**

A: No, the candidate's answers are saved as they are entered into the AICPA CPA Exam test driver.

**Q: Is the candidate allowed to use hard copy scratch paper at their desk or must they use the digital scratch pad?**

A: Subject to NAP approval in the final CPA Candidate ProProctor User Guide, RT PILOT candidates are not permitted to use scratch paper, books, or other papers. Should a Prometric Proctor see these items, the RT PILOT candidate's testing will be halted, a Prometric Security Agent engaged, and either the item will be removed, and a new security check completed, a Center Problem Report (CPR) created, or the remote testing will be terminated. Candidates will be allowed to use digital tools provided with the ProProctor system.

**Q: Can candidates ask for restroom breaks or are they built in during testing?**

A: Similar to test center testing, candidates are permitted to take breaks in between testlets when live content is not accessible. Unscheduled breaks are not permitted. If unscheduled breaks occur, administration policies will be followed and termination of the testing event is possible.



**Q: Can the candidate wear earphones or a headset?**

A: Subject to NAP approval in the final CPA Candidate ProProctor User Guide, RT PILOT candidates are not permitted to use wireless headsets, earphones, or have access to another device (phone, tablet, etc.). Should a Prometric Proctor see these items, as will be described in the ProProctor Client Practice, the RT PILOT candidate's testing will be halted, a Prometric Security Agent engaged, and either the item will be removed, and a new security check completed, a Center Problem Report (CPR) created, or the remote testing will be terminated.

**Q: Could a candidate mute their microphone undetected?**

A: The ProProctor system will not allow the microphone to be muted once the Exam is launched.

**Q: Can remote screen sharing be detected?**

A: Remote screen sharing will not be possible as the candidate's computer will be locked down by the ProProctor system.

**Q: Are VGA splitters checked for mirrored monitors?**

A: RT PILOT candidates may not have multiple computers, multiple monitors, split screens, docking stations, or any unknown wiring from their computer to unknown source. ProProctor locks down the candidate's computer for the duration of the Exam and the Exam will only display on the candidate's primary monitor. Any secondary monitors will be disabled and black. If the Prometric Readiness Agent cannot confirm the security and environment of the RT PILOT candidate, the RT PILOT candidate will not be permitted to test remotely. If the Readiness Check is unsuccessful, the RT PILOT candidate may not test.

**Q: What happens if a candidate receives an emergency phone call during their Exam that doesn't require them to terminate but must make other phone calls to deal with the situation?**

A: RT PILOT candidates are expected to provide themselves with an uninterrupted and secure testing environment for the duration of the Exam. Interruptions by children, adults, pets, phones, etc. will invoke a real-time review by the Prometric Proctor and the Prometric Security Agent and if the interruption continues or if the security of the computer and the environment cannot be verified, a CPR will be created, or the RT PILOT candidate's testing will be terminated.

**Q: How will you address environmental challenges in candidates' home settings, such as a TV on the wall, a closet in the room, windows, etc.?**

A: Prometric Readiness Agents are trained to work with candidates to suggest solutions for environmental challenges, as feasible. An example would be asking a candidate to cover a TV or bookcase with a sheet. If the environmental challenge is insurmountable, the candidate will not

be allowed to proceed with testing. During the RT PILOT, the candidate would then be required to reschedule in a Prometric Test Center and not be allowed to reschedule in the RT PILOT.

**Q: May a candidate read questions out loud to themselves?**

A: As in a Prometric Test Center, candidates are prohibited from talking aloud during testing. Should a Prometric Proctor observe this behavior, a Prometric Security Agent will engage, and a new security check completed. If necessary, a Center Problem Report will be created and the remote testing will be terminated, if the issue persists.

**Q: Is “100% live proctoring” an option?**

A: Once a candidate commences the check in process, they will be under the observation of either a Readiness Agent, a Proctor or a Security Proctor for the entire Exam process. As such, 100% live proctoring will be a requirement of the RT PILOT.

**Q: How does the readiness agent and security agent know that the candidate is who they say they are?**

A: Similar to test center testing, RT PILOT candidates must present a government issued ID during the check-in process and before the Exam session commences. After review by the Readiness Agent, the ID is available to both the Proctor and the Security Proctor for on hand review. A RT PILOT candidate’s ID is rechecked after every interruption and break. All test center and remote test agents are trained to watch for altered IDs.

**Q: How can you ensure that others cannot see the screen of the candidate taking the test?**

A: The Readiness agent is trained to ensure the testing environment is clear and free of clutter during the readiness check-in process. The Proctor will continue to monitor the environment throughout the testing event both visually and audibly. If any concern or anomaly is noted, the Security Proctor is engaged to more closely review any concerns.

**Q: How can you ensure that some type of communication from a 3rd party does not happen during testing?**

A: RT PILOT candidates are expected to provide themselves with an uninterrupted, quiet and secure testing environment for the duration of the Exam. Interruptions by children, adults, pets, phones, other technology, etc. will invoke a real-time review by the Prometric Proctor and the Prometric Security Agent and if the interruption continues or if the security of the computer and the environment cannot be verified, a CPR will be created, or the RT PILOT candidate’s testing will be terminated.

**Q: Will the proctor monitor only CPA candidates, or will this person be monitoring various exams simultaneously?**

A: As in a Prometric Test Center, Proctors monitor candidates for different examinations simultaneously, as assigned.

**Q: If a proctor sees a shadow or other evidence of the possibility of someone else being in the room, can they require another camera scan?**

A: Yes, RT PILOT candidates are always monitored by a Prometric Proctor. Should a Prometric ProProctor notice any irregularity (ex. shadows, irregular RT PILOT candidate head or eye movement, irregular testing behavior, talking aloud, etc.) a Prometric Security Agent is also engaged. Video of the testing event can be reviewed while the testing event continues.

**Q: Will room checks occur during the Exam as is proposed to happen at the beginning?**

A: Yes, a RT PILOT candidate's environment may be checked after every interruption and break. A thorough re-check-in process occurs.

**Q: Just in case the room scan missed something that could be used for cheating, will the proctor or software be monitoring the candidate's eye movements during the test?**

A: Yes, RT PILOT candidates are always monitored by a Prometric Proctor. Should a Prometric Proctor notice any irregularity (ex. shadows, irregular RT PILOT candidate head or eye movement, irregular testing behavior, talking aloud, etc.) a Prometric Security Agent is also engaged. Artificial intelligence is also used to assist in monitoring the candidate's behavior for anomalies.

**Q: Does the software track keystrokes?**

A: The RT PILOT candidate's keystrokes are not logged; however, the RT PILOT candidate's workstation is locked down and only the Exam may be accessed.

**Q: Is the system automatically detecting anomalies? Or is that done manually by the proctor?**

A: Both the proctor and the system detect anomalies. The system will detect and log anomalies.

## **Testing Technology and Security**

**Q: Will facial recognition or other AI techniques be utilized through ProProctor?**

A: Not at this time. Prometric is planning to implement facial detection in the near future as a configurable setting. NAP can decide if they want to use facial detection as part of the CPA Exam testing or not.

**Q: Is Prometric operating on its own VPN while ProProctor is being used?**

A: No

## **Proctor Process**

**Q: What if a proctor's or security agent's internet connection is lost during a testing event?**

A: If a Readiness Agent, Proctor or Security Agent lost connection during a testing event, the session would roll to another available Readiness Agent, Proctor or Security Agent.

**Q: Is there a process in place to monitor the activity of the proctor? What if s/he walks away from the computer? Does the proctor have to perform some type of "check-in" sporadically throughout their shift(s)?**

A: Proctor performance is continuously monitored. All Proctors are in constant communication with their Team Leads (TLs) through Microsoft Teams, which includes alerting their TLs when taking and returning from breaks and any issues they are facing that may affect their work performance or candidate testing.

**Q: If the proctor needs to take a break does he/she pass the monitored test takers to another proctor?**

A: Yes

**Q: When a proctor is following up/responding to chats and alerts for a specific candidate, are the other candidate tiles still in view?**

A: Yes. The proctor can maximize the view of each candidate to more closely monitor their actions, but all other monitored candidates remain in view.

**Q: Is there any oral communication between the readiness agent and the test taker or is it a one-way conversation or chat?**

A: The Readiness Agent, Proctor and Security Proctor all have the ability to communicate orally back-and-forth with the candidate. The Readiness Agent definitely communicates directly with the candidate during the check-in process. The Proctor and Security Proctor only communicate to answer candidate questions or if deemed necessary otherwise.

**Q: How many candidates are assigned to each proctor?**

A: Candidates are proctored 1:1 when being checked in by a Readiness Agent and also if a Security Proctor is called in to perform a security review. During normal testing, the candidate to proctor ratio is 8:1, which is less than in a Prometric Test Center.

**Q: Are all Proctors employees of Prometric? How many agents of each type do you plan on engaging over the first 6 - 12 months? What training will the agents receive?**

A: All agents are trained and certified by Prometric, although they are employed by a third party. Prometric is constantly monitoring capacity and adding Proctors to meet demand.

## **ProProctor Usage and Capacity**

**Q: How many professions or clients of Prometric are currently using this technology?**

A: Approximately 100 Prometric clients currently use ProProctor, but many others are assessing it for use as a result of the Covid pandemic.

**Q: What is the capacity of Prometric to handle CPA profession candidates for the RT PILOT?**

A: Prometric has added significant numbers of Readiness Agents, Proctors and Security Proctors as clients have shifted to the ProProctor system, and has confirmed it has adequate staff and system capacity to support the RT PILOT.

## **Candidate Pricing / Cost**

**Q: Will candidates be charged a higher price for remote proctoring during the pilot than they are to test in a test center?**

A: The testing fee will be the same for candidates whether they test in a test center or take part in the RT PILOT.

**Q: If the pilot is successful, do you anticipate higher Exam prices due to the cost of developing and maintaining the remote proctoring solution for emergency use?**

A: It is expected that the RT PILOT candidate cost, as well as any future remote testing, will be the same price as a Prometric test center test administration. Rather than providing a brick-and-mortar test administration, NAP will be making significant software investments and Prometric will be providing live RT PILOT candidate oversight and proctoring during the Exam's administration.

The AICPA's driver software is already web-based and implementing the modifications to support remote testing were allocated in the current 2020 AICPA software budget. Implementing the remote testing feature set also further aligns the AICPA software to a potential shift by Prometric to a cloud-based test center deployment model and away from their current server workstation hub and spoke (client server) model.

## Legal Questions

**Q: Are there legal questions regarding nexus or local law caused by inability to determine candidates' physical location when they test, agree to non-disclosure agreement, etc.?**

A: The informed consent signed by each candidate, as well as the state board, NASBA, Prometric and AICPA contracts address all jurisdictional, venue and choice of law issues. The candidate's physical location will be established as is legally sufficient and industry standard for any online transaction.

**Q: Would accountancy boards have any liability and/or obligations in the event of a significant data breach?**

A: Consistent with Prometric Test Center test administration, the accountancy boards are not liable nor have any obligation regarding a data breach in the test center or in a remote testing administration.

**Q: How is the remote testing location identified?**

A: Once a RT PILOT candidate has been deemed eligible to test remotely, like a candidate traveling to any Prometric Test Center, the RT PILOT candidate may test in any location they desire (as long the physical location meets Prometric's remote testing requirements). The location of the RT PILOT candidate will not be verified, though the candidate will be required to attest to the location. For the RT PILOT, only domestic candidates will be deemed eligible to test. However, if a RT PILOT candidate attempts to test with an IP address of a location that is not approved (e.g., China), the Exam software will not launch.

## Uniform CPA Examination-Specific FAQs

### **Q: What impact will this have on the need for questions in the test bank?**

A: The use of test questions in panels for the RT PILOT will have no direct impact on the need for additional questions in the item bank.

### **Q: When the Exam is presented how will Excel and the Authoritative Literature also be made available to the test taker?**

A: In the RT PILOT, RT PILOT candidates will be provided with a web-based spreadsheet like Excel and the Authoritative Literature.

## Board of Accountancy-Specific FAQs

### **Q: Will the boards of accountancy need to change their statute or rules to allow for remote testing?**

A: Each jurisdiction should review its statute and rules, but preliminary review of many board's language indicates that most will require no law or rule change. Several boards have specific reference to Prometric Test Centers which might require minor adjustment if a decision is made to proceed with utilizing remote testing in emergency situations after the results of the RT PILOT are shared and considered.

### **Q: Will boards of accountancy know if their candidates are part of the RT PILOT program?**

A: NAP will seek consent from several accountancy boards to allow their candidates to participate in the RT PILOT. As such, accountancy boards will have approved their candidates to volunteer for the RT PILOT.

### **Q: Will you be able to provide evidence if needed before an accountancy board administrative hearing to prove cheating?**

A: As with cheating concerns in Prometric Test Centers, digital video recordings, Center Problem Reports (CPRs) and staff from NASBA, AICPA and Prometric will be available as needed for board of accountancy investigation purposes and hearings.

### **Q: How long does Prometric retain the video/process file?**

A: As in the test centers, Prometric retains digital video files for 30 days.

**Q: How can accountancy boards be assured of security and integrity of Exam processes and reliability of Exam results?**

A: The Examination Review Board (ERB) of NASBA will include the RT PILOT as part of its 2021 annual review. It is anticipated that the ERB will develop procedures, as deemed needed, to cover the RT PILOT program and will specifically review the RT PILOT efforts, incorporating it into its annual report regarding the reliability of the Exam for board of accountancy licensing purposes.

**Q: With different content for pilot and no continuous testing can the candidates who pass the pilot be considered equal to regular candidates?**

A: In the current testing schema, candidates do not all receive the same questions as there are multiple panels representing the CPA Exam in the field at any point in time. The panels used in the RT PILOT will be equivalent to those in the test centers and will therefore absolutely be considered equally part of the Exam. Scores resulting from the RT PILOT Exams should be accepted as such. Though candidates will only be allowed to test each section once in the RT PILOT program, they will be allowed to retest in a test center, again, not resulting in any substantial difference in testing for candidates.

**Q: If the planned "window" length for the RT PILOT is going to be a relatively short period, how does that impact the ability of a candidate to retest under the continuous testing model?**

A: Since the planned testing window for the RT PILOT is three weeks or less, there will be no opportunity for participating candidates to retest remotely upon receipt of failing scores. Such candidates could, however, choose to then schedule and retest in a test center.

**Q: Will data from the RT PILOT be captured for review and analysis related to remote vs in-center testing and to identify any aberrations in results?**

A: Metrics from the RT PILOT will be reviewed as part of the assessment of the effort. Reports summarizing findings and recommendations will be shared with the boards of accountancy to allow further deliberation regarding consideration of the use of remote testing for emergency situations on a go forward basis.



## Emergency Period

**Q: How is the “emergency period” going to be defined?**

A: The concept and definition of an “emergency period”, i.e. when, under what circumstances, and for how long remote testing would be available to affected Candidates is being drafted by NASBA and the AICPA, and will be reviewed and approved by the NASBA CBT Administration Committee and shared in advance with the accountancy boards before any future “emergency period” testing.

## Candidate Test Accommodations / ADA

**Q: What is the plan for providing remote testing ADA test accommodations in the RT PILOT?**

A: NAP acknowledges the requirement that ADA test accommodations must be provided in remote testing for emergency situations and it is currently working on a plan to address all legally required ADA test accommodations through remote testing should remote testing be approved for future emergency situations.

As candidates may choose to test in Prometric Test Centers, ADA test accommodations will not be part of the initial proposed RT PILOT; therefore, no candidate requesting ADA test accommodations will be included in the initial RT PILOT.

## Other

**Q: Test centers are open and operating. Why is remote testing capability necessary?**

A: Remote testing capability is not intended for when Prometric test centers are fully open. Note that while Prometric test centers are largely open as of January 2021, test centers in some regions are once again operating at reduced capacity due to Covid-19 hot spots and physical distancing requirements. Compounding numbers of people contracting the virus, hospital capacity challenges, and new strains of the virus entering the equation raise serious concerns that regional and state test center closures could still be on the horizon.

Remote testing is targeted for times when test centers are largely shut down. NAP would like to have the remote testing capability tested and ready to go should a future emergency warrant its implementation. Without a successful RT PILOT, NAP will never be positioned to deploy remote testing.

**Q: What if all 55 jurisdictions do not accept RT PILOT scores as valid?**

A: We hope that by providing a detailed description of the proposed RT PILOT and addressing the numerous excellent questions posed at recent webcasts and meetings, boards believe they have adequate information to agree to accept Exam scores from the small number of candidates who volunteer to test the system by testing remotely. For all of the reasons expressed in this paper, we feel it is crucial to conduct the RT PILOT to assess the viability of providing remote testing as a contingency solution in emergency closures of Prometric Test Centers. As noted, results of the RT PILOT will be brought back to the accountancy boards for further discussion before any other actions are taken.

If several states elect to not accept scores from the RT PILOT, we will assess the impact and decide next steps. It is possible that RT PILOT volunteer candidates may be asked to sign an informed consent explaining that certain jurisdictions may not accept their scores.



National Association of State Boards of Accountancy

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February 9, 2021

**Re: Acceptance of Scores from Proposed Remote Testing Pilot**

Dear Accountancy Board Chairs and Executive Directors:

This letter is in follow-up and reference to the white paper entitled *Proposed Pilot of Remote Proctoring of CPA Examination: Update and FAQs for Boards of Accountancy* (White Paper) distributed via email to all board of accountancy members and executive directors on January 21, 2021 by NASBA on behalf of NASBA, AICPA and Prometric (NAP).

In the White Paper, it was noted that NASBA and AICPA leadership stand firm in their recommendation to proceed with a small-scale, short timeframe and tightly defined pilot of remote proctoring of the Uniform CPA Examination using Prometric's ProProctor tool. The details and reasoning for the pilot are outlined extensively in the White Paper. We believe it is prudent to perform this small-scale live test of CPA Examination remote proctoring before it may be needed for true emergency use.

The NAP organizations will not allow the pilot to proceed nor ultimately recommend consideration of using ProProctor for emergency use without first satisfactorily concluding that any and all pertinent risks have been appropriately mitigated. As outlined in the White Paper, results of the pilot will be shared with the accountancy boards for review and consideration. Depending on such results, further recommendations might be made for additional pilot phase(s), as needed.

The AICPA and its Psychometric Oversight Committee (POC) affirm that advisory scores attributable to candidates who would participate in the pilot should be considered uniform to those of candidates testing in a test center. The same content and skills, as outlined in the Uniform CPA Exam Blueprint, will be tested whether the Exam is administered in a Prometric Test Center or via ProProctor. NASBA and the AICPA believe the scores from the small number of candidates who volunteer to take part in the pilot should be accepted by accountancy boards as valid for licensure, as permitted by jurisdiction law and board rules.

NASBA asks that your board please let us know as soon as possible if your jurisdiction has legal authority to not accept what the AICPA has determined to be valid Uniform CPA Exam advisory scores and plans to exercise that authority. Our desire is that all boards will accept such scores solely for the pilot, so that we may maintain consistency and uniformity among jurisdictions.

The proposed pilot is currently anticipated to be later in the second quarter of 2021. In order to appropriately plan and schedule, we would like to have your response by April 30, 2021 at the latest, but would appreciate if it could be provided sooner. Multiple jurisdictions have already proactively affirmed their willingness to accept scores of candidates from the pilot and have also agreed to allow their candidates to volunteer for the pilot, if invited.

We remain available to schedule individual meetings or attend board meetings to discuss and answer questions regarding the remote testing concept and specifically the pilot. Please contact me at [cconrad@nasba.org](mailto:cconrad@nasba.org) or (615) 880-4207, if you have any questions or would like to schedule a meeting.

\* \* \*

Thank you for your response to this letter, as warranted. NASBA, AICPA and Prometric remain committed to ongoing updates on the status of this project and ensuring your questions are addressed. We will be updating and supplementing the frequently asked questions that were included in the White Paper on a periodic basis.

Very truly yours,

A handwritten signature in black ink, appearing to read "Colleen K. Conrad". The signature is fluid and cursive, with the first name being the most prominent.

Colleen K. Conrad, CPA  
Executive Vice President and COO

cc: Michael A. Decker, AICPA, VP Examinations  
Samantha Sappington, Prometric, Director, Strategic Accounts



**California Board of Accountancy**  
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### Attachment 3

March 25, 2021

Colleen K. Conrad, CPA  
Executive Vice President and Chief Operating Officer  
National Association of State Boards of Accountancy  
150 Fourth Ave. North, Ste. 700  
Nashville, TN 37219-2417

Dear Ms. Conrad:

On behalf of the California Board of Accountancy (CBA), I am responding to the letter regarding the acceptance of scores from the proposed remote testing pilot of the Uniform Certified Public Accountant Examination (CPA Exam).

The Department of Consumer Affairs Legal Counsel conducted a review of California statutes and did not find any statute that would provide the board authority to not accept scores from the pilot administration of the CPA Exam by remote proctor (RT Pilot) if scores from the RT Pilot are determined by the AICPA to be valid; therefore, California will accept scores from candidates participating in the RT Pilot for CPA licensure in California.

If you have any questions, you may contact Patti Bowers, Executive Officer at (916) 956-8743, or by e-mail at [Patti.Bowers@cba.ca.gov](mailto:Patti.Bowers@cba.ca.gov).

Sincerely,

Nancy J. Corrigan, CPA  
President

c: Members, California Board of Accountancy  
Patti Bowers, Executive Officer



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**CBA Item II.L.**  
 March 25-26, 2021

## MEMORANDUM

<b>DATE</b>	March 15, 2021
<b>TO</b>	CBA Members
<b>FROM</b>	Michelle Center, Chief Licensing Division
<b>SUBJECT</b>	<b>Supplemental Information, Item II.L. – Discussion and Possible Action on the Acceptance of Scores from the Pilot Administration of the Uniform Certified Public Accountant Examination by Remote Proctor</b>

Subsequent to the mailing of the materials regarding the above-titled agenda item, staff were made aware of an article in *Professional Licensing Report* published by ProForum (**Attachment**). The article describes concerns expressed by the American Civil Liberties Union (ACLU) of Northern California related to the use of remote proctoring.

Specifically, the ACLU states there are inequities with the use of facial recognition software because it disproportionately misidentifies minority groups. The pilot administration of the Uniform Certified Public Accountant Examination (CPA Exam) by remote proctor (RT pilot) will not utilize facial recognition software for any automated decision making. All decisions are made by human reviewers.

The ACLU also asserts there are inequities for those who live in small dwellings given the requirement to move all items from view during the test administration. While there is a requirement in the RT Pilot to move items from view, it should be noted that applicants are not required to participate in the RT Pilot and in all instances of the RT Pilot there are test centers open for in-person administrations.

Lastly, the ACLU brought up concerns related to the security and privacy of personal information. As part of the RT Pilot, a security risk assessment is being conducted.

The above concerns expressed by the ACLU should be considered when making future decisions regarding the potential administration of the CPA Exam by remote proctor during times of emergency.

Attachment

## Remote exam proctoring violates civil rights, California ACLU maintains

Remote proctoring of licensing examinations, for which some fields during the COVID-19 pandemic require facial recognition software to verify the examinee's identity, has inherent inequities and raises significant privacy and security concerns, said the American Civil Liberties Union of Northern California in an October 1 letter to the California Supreme Court regarding the state's online bar examination.

To take the October 2020 bar exam, candidates were required to download and install software from the company ExamSoft. The ACLU is opposed to use of ExamSoft for proctoring the exam because its facial recognition technology is inherently biased, and it will "be disruptive and have a disparate impact on marginalized test takers." The civil rights organization asked the court to develop a pathway to licensure that is "both equitable and consistent with state privacy laws."

The use of digital facial recognition is of central concern to the ACLU because process disproportionately misidentifies racial minorities. "If facial recognition is necessary to ensure the integrity and security of a Bar Exam without human proctors, we ask that the court and State Bar consider alternative pathways to licensure that do not involve its use," the organization said.

The ACLU cited recent reports from examinees of color to illustrate the risks. In a practice exam, one candidate who is Arab-American reported he had attempted to verify his identity using ExamSoft's facial recognition system at least 75 times in several different rooms and with various lighting arrays but had been unsuccessful.

Even if the facial recognition eventually works, and even though the State Bar says problems with facial recognition would not preclude a candidate from subject to human review afterward, the inherent racial bias against people of color "creates a substantial likelihood of "racialized surveillance" because reviewers will be watching exam-takers of color with a closer eye, the ACLU says.

Other aspects of remote proctoring are also problematic. Several law school deans in the state have pointed out that "the prohibition on food or books being visible during the exam creates unnecessary hardships for test takers who live in small apartments."

Worse is the risk of data breach, the ACLU added, pointing to the August 2020 hack of remote proctoring software ProctorU, which exposed personal information of about 400,000 people.

The "backstops and human process of human review" that the State Bar has identified as a solution do not meaningfully address the discrimination, privacy, and security concerns raised by a remotely administered exam, the ACLU contends.

There may, however, be some answers to the remote proctoring dilemma that do not involve information technology. While use of artificial intelligence driven remote testing software has increased during the pandemic, some state bar associations have tried or proposed more physical methods of monitoring that avoid exposing candidates to potential contagion with COVID-19.

In Texas, for example, bar exam candidates were housed in hotel rooms during an exam, with proctors roaming from room to room to check on them. Washington state chose to cancel its 2020 bar exams and waive the licensing exam requirement for new law school graduates, while open-book exams have been promoted in other jurisdictions.

### Reference:

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**CALIFORNIA BOARD OF ACCOUNTANCY  
LEGISLATIVE ANALYSIS  
AB 29**

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<b>Subject:</b>	State Bodies: Meetings.	<b>Author:</b>	Cooper
<b>Version:</b>	December 7, 2020		
<b>Status:</b>	Assembly Governmental Organization Committee	<b>Sponsor:</b>	Author

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## Summary

Assembly Bill (AB) 29 (**Attachment 1**) would require that any public meeting notice issued pursuant to the Bagley-Keene Open Meeting Act (Open Meeting Act) must also include all writings or materials in connection with a matter subject to discussion or consideration at that meeting. The bill prohibits a state body from distributing or discussing materials that do not comply with this requirement.

## Background

### Bagley-Keene Open Meeting Act

The Open Meeting Act was created on the premise that public agencies exist to aid in the conduct of the people's business and that the proceedings of public agencies should be conducted openly so that the public may remain informed. Therefore, the concepts of transparency in decision making and public access to information are given priority.

Whenever a state body meets, the Open Meeting Act requires those bodies to take certain actions prior to, during, and after a meeting, including:

- Issue a public notice at least 10 days in advance
- Prepare formal agendas
- Conduct meetings in public
- Accept public testimony
- Record the meeting
- Publish meeting minutes

### Existing Notice Requirements

Presently, the Open Meeting Act requires a state body to publish a public meeting notice on its website, and to any person who requests it in writing, at least 10 days prior to that meeting. The notice shall include, among other items, a specific agenda for the meeting and a brief description of the items of business to be transacted or discussed in either open or closed session.

## Analysis

According to the fact sheet (**Attachment 2**), the author's office states that:

The bill will ensure the public has access to all information associated with an agenda item prior to a meeting of a state agency, board or commission. Additionally, the measure ensures the public has sufficient time to review all documents and materials prior to the meeting in order to provide substantive, efficient, and informed comments.



### Provisions of the Bill

AB 29 would provide that the notice for a meeting of a state body issued pursuant to the Open Meeting Act must include all writings or materials provided for the noticed meeting to a member of the state body by the staff of a state agency, board, or commission, or another member of the state body that are in connection with a matter subject to discussion or consideration at the meeting.

These writings or materials are to be made available on the state body's internet website, and to any person who requests the writings or materials in writing, on the same day as the dissemination of the writings and materials to members of the state body or at least 72 hours in advance of the meeting, whichever is earlier.

A state body may not distribute or discuss writings or materials, or take action on an item to which those writings or materials pertain, at a meeting of the state body unless the state body has complied with this requirement.

### Impacts to California Board of Accountancy (CBA) and Consumers

Under this bill, the CBA loses the ability to include new materials or complete or edit materials already distributed following the 72-hour deadline. This could result in the CBA not receiving timely written information, staff may have to verbally detail and read any updated information during the presentation, or items may have to be deferred to a future meeting. This could hinder the CBA's ability to make decisions on key issues that impact its consumer protection mission.

Particularly for complex and detailed items, the lack of having written materials at a meeting could inhibit the CBA's ability to make an informed decision, impacting the public's understanding of that item.

For example, CBA analyses of legislation are often subject to last minute changes to accommodate amendments or new information unavailable prior to the 72-hour public agenda notice deadline. This bill could prevent staff from effectively analyzing and informing the CBA and the public of the late amendments or other relevant information.

Although the provisions could impact CBA discussions, the ultimate goal is transparency, which is the focus of the Open Meeting Act.

### **Recommendation**

Staff recommend the CBA adopt a **Watch** position on this bill.

### **Fiscal Estimate**

The costs to CBA are unknown.

### **Support/Opposition**

Support: None.

Opposition: None.

**Effective/Operative Date**

January 1, 2022.

**Related Bills**

- AB 2028 (Aguiar-Curry), 2019-2020 Legislative Session. Would have required that the meeting notice must also include all writings or materials in connection with a matter subject to discussion or consideration at that meeting. The bill prohibits a state body from distributing or discussing materials that do not comply with this requirement.

**Attachments**

1. AB 29
2. AB 29 Fact sheet

**ASSEMBLY BILL****No. 29**

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**Introduced by Assembly Member Cooper  
(Coauthor: Assembly Member Blanca Rubio)**

December 7, 2020

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An act to amend Section 11125 of the Government Code, relating to public meetings.

## LEGISLATIVE COUNSEL'S DIGEST

AB 29, as introduced, Cooper. State bodies: meetings.

Existing law, the Bagley-Keene Open Meeting Act, requires that all meetings of a state body, as defined, be open and public, and that all persons be permitted to attend any meeting of a state body, except as otherwise provided in that act. Existing law requires the state body to provide notice of its meeting, including specified information and a specific agenda of the meeting, as provided, to any person who requests that notice in writing and to make that notice available on the internet at least 10 days in advance of the meeting.

This bill would require that notice to include all writings or materials provided for the noticed meeting to a member of the state body by the staff of a state agency, board, or commission, or another member of the state body that are in connection with a matter subject to discussion or consideration at the meeting. The bill would require those writings or materials to be made available on the state body's internet website, and to any person who requests the writings or materials in writing, on the same day as the dissemination of the writings and materials to members of the state body or at least 72 hours in advance of the meeting, whichever is earlier. The bill would prohibit a state body from discussing those writings or materials, or from taking action on an item to which

those writings or materials pertain, at a meeting of the state body unless the state body has complied with these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 11125 of the Government Code is  
2 amended to read:

3 11125. (a) The state body shall provide notice of its meeting  
4 to any person who requests that notice in writing. Notice shall be  
5 given and also made available on the ~~Internet~~ *state body's internet*  
6 *website* at least 10 days in advance of the ~~meeting~~, *meeting* and  
7 shall include the name, address, and telephone number of any  
8 person who can provide further information ~~prior to~~ *before* the  
9 ~~meeting~~, *meeting* but need not include a list of witnesses expected  
10 to appear at the meeting. The written notice shall additionally  
11 include the address of the ~~Internet site~~ *internet website* where  
12 notices required by this article are made available.

13 (b) The notice of a meeting of a body that is a state body shall  
14 include a specific agenda for the meeting, containing a brief  
15 description of the items of business to be transacted or discussed  
16 in either open or closed session. A brief general description of an  
17 item generally need not exceed 20 words. A description of an item  
18 to be transacted or discussed in closed session shall include a  
19 citation of the specific statutory authority under which a closed  
20 session is being held. No item shall be added to the agenda  
21 subsequent to the provision of this notice, unless otherwise  
22 permitted by this article.

23 (c) (1) *A notice provided pursuant to subdivision (a) shall*  
24 *include all writings or materials provided for the noticed meeting*  
25 *to a member of the state body by the staff of a state agency, board,*  
26 *or commission, or another member of the state body that are in*  
27 *connection with a matter subject to discussion or consideration*  
28 *at the meeting.*

29 (2) *The writings or materials described in paragraph (1) shall*  
30 *be made available on the state body's internet website, and to any*  
31 *person who requests the writings or materials in writing, on the*  
32 *same day as the dissemination of the writings and materials to*

1 *members of the state body or at least 72 hours in advance of the*  
2 *meeting, whichever is earlier.*

3 *(3) A state body may not distribute or discuss writings or*  
4 *materials described in paragraph (1), or take action on an item*  
5 *to which those writings or materials pertain, at a meeting of the*  
6 *state body unless the state body has complied with this subdivision.*

7 ~~(e)~~

8 *(d) Notice of a meeting of a state body that complies with this*  
9 *section shall also constitute notice of a meeting of an advisory*  
10 *body of that state body, provided that the business to be discussed*  
11 *by the advisory body is covered by the notice of the meeting of*  
12 *the state body, provided that the specific time and place of the*  
13 *advisory body's meeting is announced during the open and public*  
14 *state body's meeting, and provided that the advisory body's*  
15 *meeting is conducted within a reasonable time of, and nearby, the*  
16 *meeting of the state body.*

17 ~~(d)~~

18 *(e) A person may request, and shall be provided, notice pursuant*  
19 *to subdivision (a) for all meetings of a state body or for a specific*  
20 *meeting or meetings. In addition, at the state body's discretion, a*  
21 *person may request, and may be provided, notice of only those*  
22 *meetings of a state body at which a particular subject or subjects*  
23 *specified in the request will be discussed.*

24 ~~(e)~~

25 *(f) A request for notice of more than one meeting of a state body*  
26 *shall be subject to the provisions of Section 14911.*

27 ~~(f)~~

28 *(g) The notice shall be made available in appropriate alternative*  
29 *formats, as required by Section 202 of the Americans with*  
30 *Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal*  
31 *rules and regulations adopted in implementation thereof, upon*  
32 *request by any person with a disability. The notice shall include*  
33 *information regarding how, to whom, and by when a request for*  
34 *any disability-related modification or accommodation, including*  
35 *auxiliary aids or services may be made by a person with a disability*  
36 *who requires these aids or services in order to participate in the*  
37 *public meeting.*

# Assembly Bill 29

## State Bodies: Increasing Public Access

### Assemblymember Jim Cooper

#### SUMMARY

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AB 29 will ensure the public has adequate access and sufficient time to review all documents, information and agendas prior to the meeting of a state agency, board or commission. Specifically, the bill requires all *materials* and *writings* associated with an agenda item to be publicly available at least 72 hours prior to any meeting.

large amounts of information which are not always available in advance of a meeting. As a result, public participation can suffer and lead to important decisions being made lacking sufficient public input and transparency.

AB 29 expands Bagley-Keene open meeting requirements to apply to agenda *writings* and *materials* and provides state entities the same timeframe provided to the Legislature by Proposition 54 - 72 hours.

#### BACKGROUND

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In 2016 California voters overwhelmingly passed Proposition 54, the California Legislature Transparency Act, which established the 72-hour in print rule; requiring all bills in the California Legislature to be in print 72-hours before final passage by the body.

The bill will ensure the public has access to all information associated with an agenda item prior to a meeting of a state agency, board or commission. Additionally, the measure ensures the public has sufficient time to review all documents and materials prior to the meeting in order to provide substantive, efficient, and informed comments.

The impetus behind Proposition 54 was to increase government transparency and provide the public with adequate time to review, analyze and voice their opinions on legislative proposals prior to receiving a final vote.

Increasing the public's access to information in a timely manner will result in both greater public participation and transparency of all state decision making bodies.

Currently, under the Bagley-Keene Open Meeting Act (Bagley-Keene), a state body must disclose their agenda ten days prior to holding a meeting. Additionally the state body must make the agenda available on the internet ten days prior to the meeting.

#### STATUS

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Assembly Governmental Organization  
Committee

#### CONTACT

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Roy Siañez  
Legislative Director  
[roy.sianez@asm.ca.gov](mailto:roy.sianez@asm.ca.gov)  
Phone: (916) 319-2009

While agendas are required to be produced and posted on the internet ten days in advance, the disclosure requirement does not extend to *writings* and *materials* associated with agenda items. Agenda items can range simple to complex and sometimes contain

**CALIFORNIA BOARD OF ACCOUNTANCY  
LEGISLATIVE ANALYSIS  
AB 107**

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<b>Subject:</b>	Licensure: Veterans and Military Spouses.	<b>Author:</b>	Salas
<b>Version:</b>	February 25, 2021		
<b>Status:</b>	Assembly Business and Professions Committee	<b>Sponsor:</b>	Author

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### **Summary**

Assembly Bill (AB) 107 (**Attachment 1**) would expand the existing provisions for the granting of temporary licenses to include the California Board of Accountancy (CBA), as well as the Dental Board, Dental Hygiene Board, Board of Pharmacy, Board of Barbering and Cosmetology, Board of Psychology, Board of Occupational Therapy, and the Physical Therapy Board.

For boards which currently do not offer temporary licensure, this bill would require them to issue a regular license after appropriate investigation if the applicant meets specified requirements.

AB 107 would require a board to submit to the Department of Consumer Affairs (DCA) for approval draft regulations necessary to administer these provisions by June 15, 2022.

The provisions requiring the issuance of a temporary license would not apply to a board that has a process in place by which an out-of-state licensed applicant in good standing who is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States (U.S.) is able to receive expedited, temporary authorization to practice while meeting state-specific requirements for a period of at least one year.

The bill makes provisions for DCA and the Department of Veterans Affairs to make certain information available on their websites. It also would provide that DCA provide an annual report related to license applications for active duty service members, separating service members, veterans, or military spouses.

### **Background**

Business and Professions Code (BPC) section 5087 authorizes the CBA, as specified, to issue a certified public accountant (CPA) license to applicants who hold a current, active, and unrestricted CPA license issued by another jurisdiction.

Pursuant to CBA Regulations section 36.1, which implements BPC section 5087, applicants licensed in another U.S. jurisdiction will be considered to have met the

education, examination, and experience requirements to be issued a California CPA license if they have practiced as a licensed CPA in another state for four of the 10 years preceding the application date. Those applicants may be considered to have met the attest experience requirement if they show satisfactory evidence they have been authorized to provide attest services and were practicing in another state during the same timeframe.

Under BPC sections 5096 to 5096.22, the CBA's mobility program allows qualified out-of-state CPAs to practice public accountancy in California without obtaining a California CPA license. Pursuant to BPC section 5088, if CPAs otherwise qualify to practice in this state pursuant to that program, but their principal place of business is in California, the CBA allows them to continue to practice if they submit an application for a CBA license.

#### Expedited Licensure for Military Spouses

Currently, under BPC section 115.5, all DCA boards shall expedite the licensure process for an applicant who:

- Supplies evidence satisfactory that the applicant is married to, or in a legal union with, an active duty member of the U.S. Armed Forces who is assigned to a duty station under orders; and
- Holds a current license in another state or jurisdiction in the profession or vocation for which he or she seeks a license from the board.

BPC section 115.6 currently requires nine DCA boards to issue temporary licenses to qualified applicants and permits boards to adopt regulations to implement this requirement.

### **Analysis**

#### Temporary Licensure Expansion

AB 107 would expand the existing provisions for the granting of temporary licenses to include the CBA, as well as the Dental Board, Dental Hygiene Board, Board of Pharmacy, Board of Barbering and Cosmetology, Board of Psychology, Board of Occupational Therapy, and the Physical Therapy Board.

The provisions requiring the issuance of a temporary license would not apply to a board that has a process in place by which an out-of-state licensed applicant in good standing who is married to, or in a domestic partnership or other legal union with, an active duty member of the U.S. Armed Forces is able to receive expedited, temporary authorization to practice while meeting state-specific requirements for a period of at least one year.

#### Issuance of Regular License for Other Boards

AB 107 would require boards which do not currently offer temporary licenses to issue a regular license after appropriate investigation if the applicant meets all of the following requirements:



- They supply satisfactory evidence that they are an honorably discharged veteran of the Armed Forces or are in a legal union with, an active duty member of the Armed Forces currently assigned to a duty station in California.
- They hold a current, active, and unrestricted licensed with the authority to practice in another U.S. jurisdiction, the profession or vocation for which they are seeking licensure.
- The individual submits an application including:
  - A signed affidavit that they meet all the requirements for licensure, in the same area and scope of practice as issued in another jurisdiction. A written verification from the original licensing jurisdiction that their license is in good standing.
  - The applicant shall not have committed an act in any jurisdiction that would constitute grounds for denial, suspension, or revocation of the license at the time the act was committed.
  - The applicant shall not have been disciplined by any licensing entity in another jurisdiction and not subject of an unresolved complaint, review, procedure, or disciplinary proceeding conducted by a licensing entity in another jurisdiction.
- The applicant must provide the board a full set of fingerprints for the purpose of conducting a criminal background check.

AB 107 would require a board to submit to the department for approval draft regulations necessary to administer the temporary license provisions by June 15, 2022.

#### Website Gateways and Reporting

The bill would require the Department of Veterans Affairs to place a prominently displayed military licensure icon or hyperlink on its website, pertaining to licensure and employment opportunities for veterans, service members, and spouses that links to the internet websites identified in this section.

In addition, DCA would be required to establish a specific gateway aligned with the existing “Board and Bureau Military Contact Information,” “Expedited Licensure,” and “Renewal Fee Waivers” gateways on their Military Member Resources page, including a list of all boards that provide temporary or provisional licensure, with hyperlinks linking to each board’s military licensure data. DCA would be required to establish a “Licensure by Endorsement” section on its internet website listing all boards that offer that option for licensure.

DCA, along with three other state agencies, would be required to compile information on military, veteran, and spouse licensure into an annual report for the Legislature, including the following information:

- number of applications
- licenses issued and denied
  - reason for any denials

- licenses suspended or revoked
- applications for waived renewal fees received
- fee waivers issued
- average length of time between application and license issuance

The term “Licensure by Endorsement” is not defined within the context of the bill. However, the term does appear in certain “healing arts” statutes.

The CBA would be excluded from the provisions of the bill as there is a process in place by which an individual who meets the specified qualifications can receive expedited, temporary authorization to practice while meeting state-specific requirements for a period of at least one year.

### **Recommendation**

Staff recommend the CBA adopt a **Support** position.

### **Fiscal Estimate**

There are no known costs at this time.

### **Support/Opposition**

Support: None.

Opposition: None.

### **Effective/Operative Date**

January 1, 2022.

### **Related Bills**

- AB 225 (Muratsuchi). Would require the CBA, and other DCA boards to issue a license to an applicant who: 1) is an honorably discharged veteran of the armed forces or is in legal union with, an active duty member of the armed forces assigned to a duty station in California, and 2) has a current, active, and unrestricted license to practice their profession in another jurisdiction.
- AB 2045 (Salas) of 2020. Would have added the CBA and three other boards within DCA to a list of boards required to issue a 12-month, temporary license to qualified applicants within 30 days. The bill would have exempted boards with a process for out-of-state licensed applicants in good standing, who are married to or in a legal union with an active duty member of the U.S. Armed Forces to receive expedited, temporary authorization to practice while meeting state-specific standards for a least one year.

### **Attachments**

1. AB 107
2. AB 107 Fact Sheet

AMENDED IN ASSEMBLY FEBRUARY 25, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

**ASSEMBLY BILL**

**No. 107**

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**Introduced by Assembly Member Salas**

December 16, 2020

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*An act to amend Sections 115.6 and 5132 of, and to add Section 115.7 to, the Business and Professions Code, and to add Section 95 to the Military and Veterans Code, relating to ~~professions and vocations~~: licensure, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 107, as amended, Salas. ~~Department of Consumer Affairs: boards: temporary licenses:~~ *Licensure: veterans and military spouses.*

*(1) Under existing law, the Department of Consumer Affairs (department), under the control of the Director of Consumer Affairs, is comprised of various boards that license and regulate various professions and vocations. Existing law requires an applicant seeking a license from a board within the department to meet specified requirements and to pay certain licensing fees. Existing law requires a board within the department to issue, after appropriate investigation, certain types of temporary licenses to an applicant if the applicant meets specified requirements, including that the applicant supplies evidence satisfactory to the board that the applicant is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty station in this state under official active duty military orders and the applicant submits an application to the board that includes a signed affidavit attesting to the fact that the applicant meets all of the requirements for a temporary license and that the information submitted*

*in the application is accurate, to the best of the applicant's knowledge. Under existing law, some of the funds within the jurisdiction of a board consist of revenue from fees that are continuously appropriated. Existing law authorizes a board to adopt regulations necessary to administer these provisions.*

*This bill would require boards not subject to the temporary licensing provisions described above to issue licenses to an applicant if the applicant meets specified requirements, including that the applicant supplies evidence satisfactory to the board that the applicant is an honorably discharged veteran of the Armed Forces of the United States or is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States, as provided. The bill would require an application for a license to include a signed affidavit attesting to the fact that the applicant meets all requirements for a license, in the same area and scope of practice as a license issued by another state, district, or territory of the United States. By expanding the scope of the crime of perjury, the bill would impose a state-mandated local program. The bill's expansion of the requirement to issue licenses would result in revenues from fees for certain licenses being deposited into continuously appropriated funds. By establishing a new source of revenue for those continuously appropriated funds, the bill would make an appropriation.*

*This bill would expand the requirement to issue temporary licenses to include licenses issued by the Veterinary Medical Board, the Dental Board of California, the Dental Hygiene Board of California, the California State Board of Pharmacy, the State Board of Barbering and Cosmetology, the Board of Psychology, the California Board of Occupational Therapy, the Physical Therapy Board of California, and the California Board of Accountancy. The bill would require a board to issue a temporary license within 30 days of receiving the required documentation. The bill would further specify that an applicant seeking a temporary license submit a signed affidavit attesting to the fact that the applicant meets all of the requirements for a temporary license in the same area and scope of practice for which the applicant holds a license in another state, district, or territory of the United States. The bill would specifically direct revenues from fees for temporary licenses issued by the California Board of Accountancy to be credited to the Accountancy Fund, a continuously appropriated fund. By establishing a new source of revenue for a continuously appropriated fund, the bill would make an appropriation. The bill would require a board to submit*

*to the department for approval draft regulations necessary to administer these provisions by June 15, 2022. The bill would exempt from these provisions a board that has a process in place by which an out-of-state licensed applicant in good standing who is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States is able to receive expedited, temporary authorization to practice while meeting state-specific requirements for a period of at least one year. The bill would make conforming changes.*

*(2) Existing law requires the Department of Veterans Affairs to develop a transition assistance program for veterans who have been discharged from the Armed Forces of the United States designed to assist them in successfully transitioning from military to civilian life in California. Existing law requires the program to include, among other topics, higher education benefits, vocational training assistance, small business resources and information, and housing information. Existing law establishes the Department of Consumer Affairs in the Business, Consumer Services, and Housing Agency to, among other things, ensure that certain businesses and professions that have potential impact upon the public health, safety, and welfare are adequately regulated. Existing law establishes the Commission on Teacher Credentialing to establish professional standards, assessments, and examinations for entry and advancement in the education profession. Existing law makes it unlawful for a person to engage in the business of, act in the capacity of, advertise as, or assume to act as a real estate broker or real estate salesperson without first obtaining a real estate license from the Department of Real Estate. Under existing law, the State Department of Public Health is responsible for issuing licenses for the operation of health facilities, clinics, and other facilities, as specified.*

*This bill would require the Department of Consumer Affairs, the Commission on Teacher Credentialing, the Department of Real Estate, and the State Department of Public Health to each place a prominently displayed military licensure icon or hyperlink on the home page of its internet website that is linked to information about each occupational board or program for licensure or certification that it administers along with additional information relating to the professional licensure of veterans, service members, and their spouses, as specified. The bill requires the Department of Veterans Affairs to have a prominently displayed military licensure icon or hyperlink at an appropriate location on its internet website that links to those websites. The bill would require*

*an annual report to the Legislature containing specified information relating to the professional licensure of veterans, service members, and their spouses.*

*(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

~~Under existing law, the Department of Consumer Affairs, which is under the control of the Director of Consumer Affairs, is comprised of various boards that license and regulate various professions and vocations. Existing law requires a board within the department to issue, after appropriate investigation, certain types of temporary licenses to an applicant if the applicant meets specified requirements, including that the applicant supplies evidence satisfactory to the board that the applicant is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty station in this state under official active duty military orders and the applicant holds a current, active, and unrestricted license that confers upon the applicant the authority to practice, in another state, district, or territory of the United States, the profession or vocation for which the applicant seeks a temporary license from the board.~~

~~This bill would express the intent of the Legislature to enact future legislation relating to temporary licenses within the Department of Consumer Affairs for military spouses.~~

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

- 1     **SECTION 1.** *The Legislature finds and declares the following:*
- 2     *(a) If active duty military personnel, veterans, service members*
- 3     *separating from military service, and their spouses are able to*
- 4     *maintain careers through frequent moves and key transitions, they*
- 5     *are able to help support their families while providing critical*
- 6     *services to their communities. Yet, if a military spouse is*
- 7     *transferred to California, or a service member leaves the Armed*
- 8     *Forces of the United States and returns to or remains in California,*

1 *these professionals may face difficulty transporting their*  
2 *professional licenses obtained in another state.*

3 *(b) The process for transferring licenses for professional careers*  
4 *can be long, burdensome, redundant, and expensive and can*  
5 *prevent some military spouses, veterans, and separating service*  
6 *members from obtaining employment in their field.*

7 *(c) Removing barriers to license transfers for spouses of active*  
8 *duty service members, separating service members, and veterans*  
9 *would ease the burden of relocation and transition and provide*  
10 *vital stability to military families and the communities they serve.*

11 *(d) Prioritizing military spouses as part of state economic*  
12 *recovery efforts must be viewed proactively in a way that*  
13 *recognizes their preexisting challenge of substantially higher*  
14 *unemployment and underemployment than their civilian*  
15 *counterparts and with broader goals, such as bridging gender*  
16 *gaps in wage earning, reducing military and veteran financial*  
17 *insecurity, ensuring successful transitions into veteran life, and*  
18 *fostering successful community participation and sense of*  
19 *belonging.*

20 *SEC. 2. Section 115.6 of the Business and Professions Code*  
21 *is amended to read:*

22 115.6. (a) ~~Except as provided in subdivision (h), a board~~  
23 ~~within the department shall, after appropriate investigation, issue~~  
24 ~~the following eligible temporary licenses to an applicant if the~~  
25 ~~applicant meets within 30 days of receiving the required~~  
26 ~~documentation pursuant to meeting the requirements set forth in~~  
27 ~~subdivision (c):~~

28 (1) Registered nurse license by the Board of Registered Nursing.

29 (2) Vocational nurse license issued by the Board of Vocational  
30 Nursing and Psychiatric Technicians of the State of California.

31 (3) Psychiatric technician license issued by the Board of  
32 Vocational Nursing and Psychiatric Technicians of the State of  
33 California.

34 (4) Speech-language pathologist license issued by the  
35 Speech-Language Pathology and Audiology and Hearing Aid  
36 Dispensers Board.

37 (5) Audiologist license issued by the Speech-Language  
38 Pathology and Audiology and Hearing Aid Dispensers Board.

39 (6) ~~Veterinarian license~~ *All licenses* issued by the Veterinary  
40 Medical Board.

1 (7) All licenses issued by the Board for Professional Engineers,  
2 Land Surveyors, and Geologists.

3 (8) All licenses issued by the Medical Board of California.

4 (9) All licenses issued by the Podiatric Medical Board of  
5 California.

6 *(10) All licenses issued by the Dental Board of California.*

7 *(11) All licenses issued by the Dental Hygiene Board of*  
8 *California.*

9 *(12) All licenses issued by the California State Board of*  
10 *Pharmacy.*

11 *(13) All licenses issued by the State Board of Barbering and*  
12 *Cosmetology.*

13 *(14) All licenses issued by the Board of Psychology.*

14 *(15) All licenses issued by the California Board of Occupational*  
15 *Therapy.*

16 *(16) All licenses issued by the Physical Therapy Board of*  
17 *California.*

18 *(17) All licenses issued by the California Board of Accountancy.*  
19 *Revenues from fees for temporary licenses issued under this*  
20 *paragraph shall be credited to the Accountancy Fund in*  
21 *accordance with Section 5132.*

22 (b) The board may conduct an investigation of an applicant for  
23 purposes of denying or revoking a temporary license issued  
24 pursuant to this section. This investigation may include a criminal  
25 background check.

26 (c) An applicant seeking a temporary license pursuant to this  
27 section shall meet the following requirements:

28 (1) The applicant shall supply evidence satisfactory to the board  
29 that the applicant is married to, or in a domestic partnership or  
30 other legal union with, an active duty member of the Armed Forces  
31 of the United States who is assigned to a duty station in this state  
32 under official active duty military orders.

33 (2) The applicant shall hold a current, active, and unrestricted  
34 license that confers upon the applicant the authority to practice,  
35 in another state, district, or territory of the United States, the  
36 profession or vocation for which the applicant seeks a temporary  
37 license from the board.

38 (3) The applicant shall submit an application to the board that  
39 shall include a signed affidavit attesting to the fact that the  
40 applicant meets all of the requirements for the temporary license



1 *license, in the same area and scope of practice issued in the other*  
2 *state, district, or territory of the United States, as described in*  
3 *paragraph (2), and that the information submitted in the application*  
4 *is accurate, to the best of the applicant's knowledge. The*  
5 *application shall also include written verification from the*  
6 *applicant's original licensing jurisdiction stating that the applicant's*  
7 *license is in good standing in that jurisdiction.*

8 (4) The applicant shall not have committed an act in any  
9 jurisdiction that would have constituted grounds for denial,  
10 suspension, or revocation of the license under this code at the time  
11 the act was committed. A violation of this paragraph may be  
12 grounds for the denial or revocation of a temporary license issued  
13 by the board.

14 (5) The applicant shall not have been disciplined by a licensing  
15 entity in another jurisdiction and shall not be the subject of an  
16 unresolved complaint, review procedure, or disciplinary proceeding  
17 conducted by a licensing entity in another jurisdiction.

18 (6) The applicant shall, upon request by a board, furnish a full  
19 set of fingerprints for purposes of conducting a criminal  
20 background check.

21 ~~(d) A board may adopt regulations necessary to administer this~~  
22 ~~section.~~

23 ~~(e)~~

24 (d) A temporary license issued pursuant to this section may be  
25 immediately terminated upon a finding that the temporary  
26 licenseholder failed to meet any of the requirements described in  
27 subdivision (c) or provided substantively inaccurate information  
28 that would affect the person's eligibility for temporary licensure.  
29 Upon termination of the temporary license, the board shall issue  
30 a notice of termination that shall require the temporary  
31 licenseholder to immediately cease the practice of the licensed  
32 profession upon receipt.

33 ~~(f)~~

34 (e) An applicant seeking a temporary license as a civil engineer,  
35 geotechnical engineer, structural engineer, land surveyor,  
36 professional geologist, professional geophysicist, certified  
37 engineering geologist, or certified hydrogeologist pursuant to this  
38 section shall successfully pass the appropriate California-specific  
39 examination or examinations required for licensure in those

1 respective professions by the Board for Professional Engineers,  
2 Land Surveyors, and Geologists.

3 ~~(g)~~

4 (f) A temporary license issued pursuant to this section shall  
5 expire 12 months after issuance, upon issuance of an expedited  
6 license pursuant to Section 115.5, a license by endorsement, or  
7 upon denial of the application for expedited licensure by the board,  
8 whichever occurs first.

9 (g) A board shall submit to the department for approval draft  
10 regulations necessary to administer this section by June 15, 2022.  
11 These regulations shall be adopted pursuant to the Administrative  
12 Procedure Act (Chapter 3.5 (commencing with Section 11340) of  
13 Part 1 of Division 3 of Title 2 of the Government Code).

14 (h) This section shall not apply to a board that has a process  
15 in place by which an out-of-state licensed applicant in good  
16 standing who is married to, or in a domestic partnership or other  
17 legal union with, an active duty member of the Armed Forces of  
18 the United States is able to receive expedited, temporary  
19 authorization to practice while meeting state-specific requirements  
20 for a period of at least one year.

21 SEC. 3. Section 115.7 is added to the Business and Professions  
22 Code, to read:

23 115.7. (a) A board not specified in subdivision (a) of Section  
24 115.6 shall, after appropriate investigation, issue a license to an  
25 applicant if the applicant meets all of the following requirements:

26 (1) The applicant shall supply evidence satisfactory to the board  
27 that the applicant is an honorably discharged veteran of the Armed  
28 Forces of the United States or is married to, or in a domestic  
29 partnership or other legal union with, an active duty member of  
30 the Armed Forces of the United States who is assigned to a duty  
31 station in this state under official active duty military orders.

32 (2) The applicant shall hold a current, active, and unrestricted  
33 license that confers upon the applicant the authority to practice,  
34 in another state, district, or territory of the United States, the  
35 profession or vocation for which the applicant seeks a license from  
36 the board.

37 (3) The applicant shall submit an application to the board that  
38 shall include a signed affidavit attesting to the fact that the  
39 applicant meets all of the requirements for the license, in the same  
40 area and scope of practice as issued in the other state, district, or

1 *territory of the United States described in paragraph (2), and that*  
2 *the information submitted in the application is accurate, to the*  
3 *best of the applicant's knowledge. The application shall also*  
4 *include written verification from the applicant's original licensing*  
5 *jurisdiction stating that the applicant's license is in good standing*  
6 *in that jurisdiction.*

7 *(4) The applicant shall not have committed an act in any*  
8 *jurisdiction that would have constituted grounds for denial,*  
9 *suspension, or revocation of the license under this code at the time*  
10 *the act was committed. A violation of this paragraph may be*  
11 *grounds for the denial or revocation of a license issued by the*  
12 *board.*

13 *(5) The applicant shall not have been disciplined by a licensing*  
14 *entity in another jurisdiction and shall not be the subject of an*  
15 *unresolved complaint, review procedure, or disciplinary*  
16 *proceeding conducted by a licensing entity in another jurisdiction.*

17 *(6) The applicant shall, upon request by a board, furnish a full*  
18 *set of fingerprints for purposes of conducting a criminal*  
19 *background check.*

20 *(b) A board may adopt regulations necessary to administer this*  
21 *section.*

22 *SEC. 4. Section 5132 of the Business and Professions Code is*  
23 *amended to read:*

24 *5132. (a) All moneys received by the board under this chapter*  
25 *from any source and for any purpose and from a temporary license*  
26 *issued under Section 115.6 shall be accounted for and reported*  
27 *monthly by the board to the Controller and at the same time the*  
28 *moneys shall be remitted to the State Treasury to the credit of the*  
29 *Accountancy Fund.*

30 ~~The~~

31 *(b) The secretary-treasurer of the board shall, from time to time,*  
32 *but not less than once each fiscal year, prepare or have prepared*  
33 *on ~~his or her~~ their behalf, a financial report of the Accountancy*  
34 *Fund that contains information that the board determines is*  
35 *necessary for the purposes for which the board was established.*

36 ~~The~~

37 *(c) The report of the Accountancy Fund, which shall be*  
38 *published pursuant to Section 5008, shall include the revenues and*  
39 *the related costs from examination, initial licensing, license*

1 renewal, citation and fine authority, and cost recovery from  
2 enforcement actions and case settlements.

3 *SEC. 5. Section 95 is added to the Military and Veterans Code,*  
4 *to read:*

5 *95. (a) The Department of Veterans Affairs shall place a*  
6 *prominently displayed military licensure icon or hyperlink on its*  
7 *internet website, in an appropriate location pertaining to licensure*  
8 *and employment opportunities for veterans, service members, and*  
9 *spouses, that links to the internet websites identified in this section.*

10 *(b) The Department of Consumer Affairs, the Commission on*  
11 *Teacher Credentialing, the Department of Real Estate, and the*  
12 *State Department of Public Health shall place a prominently*  
13 *displayed military licensure icon or hyperlink on the home page*  
14 *of their internet websites, linked to information for each*  
15 *occupational board or program for licensure or certification that*  
16 *it administers. In addition to general licensure or certificate*  
17 *information, the following information shall be displayed:*

18 *(1) Each licensing agency's process for expediting applications*  
19 *for service members, veterans, and spouses, including the average*  
20 *processing times for expedited applications and the number of*  
21 *expedited applications requested in the calendar year.*

22 *(2) The availability of temporary or provisional licensure,*  
23 *specific requirements needed to obtain a temporary or provisional*  
24 *license, and how long the provisional or temporary license is valid.*

25 *(c) (1) The Department of Consumer Affairs shall establish a*  
26 *specific gateway aligned with the existing "Board and Bureau*  
27 *Military Contact Information," "Expedited Licensure," and*  
28 *"Renewal Fee Waivers" gateways on their Military Member*  
29 *Resources page, including a list of all boards that provide*  
30 *temporary or provisional licensure, with hyperlinks linking to each*  
31 *board's military licensure data.*

32 *(2) The Department of Consumer Affairs shall establish a*  
33 *"Licensure by Endorsement" section on its internet website listing*  
34 *all boards that offer an option for licensure by endorsement,*  
35 *accompanied by a hyperlink to each board's military licensure*  
36 *data.*

37 *(d) The Department of Consumer Affairs, the Commission on*  
38 *Teacher Credentialing, the Department of Real Estate, and the*  
39 *State Department of Public Health shall compile information on*  
40 *military, veteran, and spouse licensure into an annual report for*

1 *the Legislature, which shall be submitted in conformance with*  
2 *Section 9795 of the Government Code. The report shall include*  
3 *all of the following:*

4 *(1) The number of applications for a license submitted by active*  
5 *duty service members, separating service members, veterans, or*  
6 *military spouses per calendar year.*

7 *(2) The number of licenses issued and denied, including reason*  
8 *for denial, to active duty service members, separating service*  
9 *members, veterans, and military spouses per calendar year.*

10 *(3) The number of licenses of active duty service members,*  
11 *separating service members, veterans, or military spouses that*  
12 *were suspended or revoked per calendar year.*

13 *(4) The number of applications for waived renewal fees received*  
14 *from active duty service members and military spouses per*  
15 *calendar year.*

16 *(5) The number of fee waivers issued to active duty service*  
17 *members and military spouses per calendar year.*

18 *(6) The average length of time between application and issuance*  
19 *of licenses for active duty service members, separating service*  
20 *members, veterans, or military spouses per board and occupation.*

21 *SEC. 6. No reimbursement is required by this act pursuant to*  
22 *Section 6 of Article XIII B of the California Constitution because*  
23 *the only costs that may be incurred by a local agency or school*  
24 *district will be incurred because this act creates a new crime or*  
25 *infraction, eliminates a crime or infraction, or changes the penalty*  
26 *for a crime or infraction, within the meaning of Section 17556 of*  
27 *the Government Code, or changes the definition of a crime within*  
28 *the meaning of Section 6 of Article XIII B of the California*  
29 *Constitution.*

30 ~~SECTION 1. It is the intent of the Legislature to enact future~~  
31 ~~legislation relating to temporary licenses within the Department~~  
32 ~~of Consumer Affairs for military spouses.~~



# Assemblymember Rudy Salas, 32<sup>nd</sup> District

## ASSEMBLY BILL 107 – MILITARY SPOUSAL LICENSING

### FACT SHEET

## BACKGROUND

Military families face many challenges as they navigate through deployments, relocations, and the costs associated with frequent, unexpected lifestyle changes. The financial burden of moving can be a huge setback for a military family. There may be a need for new child care services in short order, they must pay for the delivery of all their possessions, or they may have to rent vehicles. All of these costs add up quickly, and could even occur multiple times in a single year.

In 2019, the Blue Star Families' annual military family survey found that service members and their spouses ranked financial stress as their greatest concern, even over deployment. A separate 2019 report from the National Foundation for Credit Counseling found that almost 90 percent of service members and 84 percent of spouses or partners have worries about their personal finances.

The gender wage gap between women and men also has a significant impact on the income of military families. Women make up 93 percent of active duty military spouses, and 74 percent have children at home. The Blue Star Families' survey found that 49 percent of male military spouses worked full time, compared to only 27 percent of female military spouses. On top of this, 44 percent of male military spouses earned more than \$50,000 in 2016, while only 19 percent of female military spouses earned the same or more.

## ISSUE

Every financial obstacle that a military family faces is compounded when a spouse struggles to find employment. A 2017 Department of Defense survey showed that 24 percent of military spouses were unemployed, compared with 9 percent unemployment nationally. These unemployed spouses on average search for work for 4 months. Employment itself is not always the issue, many military spouses suffer from underemployment as they transition into a new state.

Importantly, almost 35 percent of military spouses work in a profession that requires a license in order to be employed. The process of transferring a license or applying for a new California license can be time consuming and take months for approval, time that many military families don't have. In light of this, AB 186 (Maienschein, 2014) created a temporary license program for military spouses that allows a military spouse to quickly receive a California license that expires after 12 months or after an expedited license is issued. This program currently covers registered nursing licenses, medical licenses, veterinarian licenses, and others.

There are, however, some professions that are left out of this program that stand to benefit many military spouses. A 2012 Department of Defense report found that jobs such as accountants, auditors, and dental assistants rank among the top occupations for military spouses, yet these licenses are not covered by the program that AB 186 created. AB 107 expands the amount of licenses that

military spouses are likely to benefit from in order to increase the efficacy of this program and ease the burdens placed on military spouses and military families.

## EXISTING LAW

AB 186 (Maienschein, 2014) added Section 115.6 to the Business and Professions Code, which established a temporary licensure process for specified licensed professions for military spouses. Section 115.6 also prescribes requirements for applicants to be issued a temporary license, including holding a current, active, and unrestricted license in another jurisdiction.

## SUPPORT

United States Department of Defense

## THIS BILL

AB 107 amends Sections 115.6 of the Business and Professions Code to add all licenses issued by the Dental Board, the Dental Hygiene Board, the Board of Pharmacy, the Board of Accountancy, the Veterinary Medical Board, the Board of Barbering and Cosmetology, the Board of Psychology, the Board of Occupational Therapy, and the Physical Therapy Board. AB 107 also requires that these boards issue temporary licenses to qualified applicants within 30 days of receiving the required documentation. Boards who already have a process in place to provide expedited, temporary licenses for military spouses are exempt from this bill. AB 107 also requires boards not listed Section 115.6 to issue a license to a military spouse applicant if they satisfy certain requirements, such as holding a current license in another state and have not been previously disciplined. Finally, AB 107 requires various state departments to prominently display links for military spouses licensure on their websites and report data on military spouse licensure applicants to the Legislature. This bill will help ensure that military spouses can seamlessly become employed in some of the most commonly held jobs and continue to support their families.

## FOR MORE INFORMATION

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**CALIFORNIA BOARD OF ACCOUNTANCY  
LEGISLATIVE ANALYSIS  
AB 225**

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<b>Subject:</b>	Department of Consumer Affairs: Boards: Veterans: Military Spouses: Licenses.	<b>Author:</b>	Gray
<b>Version:</b>	January 11, 2021	<b>Sponsor:</b>	Author
<b>Status:</b>	Assembly Business and Professions Committee		

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### **Summary**

Assembly Bill (AB) 225 (**Attachment 1**) would require the California Board of Accountancy (CBA), and several other boards within the Department of Consumer Affairs (DCA), to issue licenses to an applicant who:

1. Is an honorably discharged veteran of the Armed Forces of the United States (U.S.) or is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces assigned to a duty station in California
2. Has a current, active, and unrestricted license to practice their profession in another state or U.S. jurisdiction
3. Submits a signed affidavit attesting to the fact that they meet all requirements for a license and include a written verification from the applicant's original licensing jurisdiction stating that the applicant's license is in good standing
4. Has not committed an act, in any jurisdiction, that would have constituted grounds for denial, suspension, or revocation of the license issued by the board
5. Have not been disciplined by a licensing entity in another jurisdiction and shall not be the subject of an unresolved complaint, review procedure, or disciplinary proceeding conducted by a licensing entity in another jurisdiction

### **Background**

Business and Professions Code (BPC) section 5087 authorizes the CBA, as specified, to issue a certified public accountant (CPA) license to applicants who hold a current, active, and unrestricted CPA license issued by another jurisdiction.

Pursuant to CBA Regulations section 36.1, which implements BPC section 5087, applicants licensed in another U.S. jurisdiction will be considered to have met the education, examination, and experience requirements to be issued a California CPA license if they have practiced as a licensed CPA in another state for four of the 10 years preceding the application date. Those applicants may be considered to have met the attest experience requirement if they show satisfactory evidence they have been authorized to provide attest services and was practicing in another state during the same timeframe.

Under BPC sections 5096 to 5096.22, the CBA's mobility program allows qualified out-of-state CPAs to practice public accountancy in California without obtaining a California CPA license. If CPAs otherwise qualify to practice in this state pursuant to that program, but their principal place of business is in California, pursuant to BPC section 5088, the CBA allows them to continue to practice if they submit an application for a CPA license.

#### Expedited Licensure for Military Spouses

Currently, under BPC section 115.5, all DCA boards shall expedite the licensure process for an applicant who:

- Supplies evidence satisfactory that the applicant is married to, or in a legal union with, an active duty member of the U.S. Armed Forces who is assigned to a duty station under orders; and
- Holds a current license in another state or jurisdiction in the profession or vocation for which he or she seeks a license from the board.

BPC section 115.6 currently requires nine DCA boards to issue temporary licenses to qualified applicants and permits boards to adopt regulations to implement this requirement.

### **Analysis**

According to the fact sheet (**Attachment 2**), the author's office states that:

Military families are disproportionately affected by occupational licensing barriers especially as it relates to licensing portability. Challenges to finding a job are exacerbated by licensing regulations, contributes to the 70% of veterans who report difficulty making the transition back to civilian life and the 22% of military spouses who report their greatest challenge for employment is the inability to transfer professional licenses to another location.

#### License Applications under the Bill

AB 225 would provide that all DCA boards, including the CBA, which do not presently offer temporary licenses, pursuant to BPC section 115.6, shall after appropriate investigation issue a license to an applicant if the individual meets all of the following requirements:

- Is an honorably discharged veteran of the U.S. Armed Forces or is married to, or in a domestic partnership or other legal union with, an active duty member of the armed forces assigned to a duty station in California
- Has a current, active, and unrestricted license to practice their profession in another state or jurisdiction
- Submits a signed affidavit attesting to the fact that they meet all requirements for a license and include a written verification from the applicant's original licensing jurisdiction stating that the applicant's license is in good standing
- Has not committed an act, in any jurisdiction, that would have constituted grounds for denial, suspension, or revocation of the license issued by the board



- Has not been disciplined by a licensing entity in another jurisdiction and shall not be the subject of an unresolved complaint, review procedure, or disciplinary proceeding conducted by a licensing entity in another jurisdiction

The board may require the applicant to submit a set of fingerprints for the purpose of conducting a criminal background check.

Licenses issued under this bill may be immediately terminated pursuant to the board's procedural due process requirements, upon finding the license holder failed to meet any of the application requirements or if they provided substantively inaccurate information that would affect the person's eligibility for licensure.

The bill also contains a provision specific to the healing arts boards and bureaus of DCA, who already have provisions for a temporary license, to increase the length of their temporary license duration from 12 months to 30 months.

#### Items for CBA Consideration

AB 225 proposes a change that, per the author, would greatly benefit honorably discharged veterans of the armed forces or individuals who are married to, or in a domestic partnership or other legal union with, an active duty member of the armed forces assigned to a duty station in California.

The CBA has provisions that enable immediate practice rights (mobility provisions in BPC 5096-5096.22) and provisions that require expedited licensure for military-related individuals who seek a CPA license. Under these provisions, individuals could engage in practice in California without the need for a temporary license.

Staff are working with the author's office to suggest amendments regarding the following:

To exclude boards and bureaus who have provisions in place that facilitate immediate practice rights.

Clarification regarding proposed section 115.7(c), which creates an undefined process of "license termination" consistent with a board's due process requirements. The proposed amendment would be to eliminate this language and instead include language consistent with the Administrative Procedures Act for license revocation, denial, suspension and other processes.

#### **Recommendation**

Staff recommend the CBA adopt a **Support, if amended** position on this measure.

#### **Fiscal Estimate**

CBA costs would be minor and absorbable.

## **AB 225**

Page 4 of 4

### **Support/Opposition**

Support: None.

Opposition: None.

### **Effective/Operative Date**

January 1, 2022.

### **Related Bills**

- AB 107 (Salas) of 2021. Would expand the existing provisions granting temporary licenses to honorably discharged veterans, their spouses, and domestic partners, to include the CBA, as well as seven other boards. Would require boards which do not currently offer temporary licenses to issue a regular license after appropriate investigation if the applicant is an honorably discharged veteran, or in a legal union with an active duty member of the Armed Forces currently assigned to a duty station in California, who hold an unrestricted license in good standing in another jurisdiction. Establishes requirements for website postings and reports to the Legislature.
- AB 3045 (Gray), 2020 Legislative Session. AB 225 is a reintroduction of AB 3045 from last session.

### **Attachments**

1. AB 225
2. AB 225 Fact Sheet

**ASSEMBLY BILL****No. 225**

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**Introduced by Assembly Members Gray, Gallagher, and Patterson**January 11, 2021

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An act to amend Section 115.6 of, and to add Section 115.7 to, the Business and Professions Code, relating to professions and vocations, and making an appropriation therefor.

## LEGISLATIVE COUNSEL'S DIGEST

AB 225, as introduced, Gray. Department of Consumer Affairs: boards: veterans: military spouses: licenses.

Under existing law, the Department of Consumer Affairs, under the control of the Director of Consumer Affairs, is comprised of various boards that license and regulate various professions and vocations, including healing arts licensees. Existing law requires an applicant seeking a license from a board within the department to meet specified requirements and to pay certain licensing fees. Existing law requires specified boards within the department to issue, after appropriate investigation, certain types of temporary licenses to an applicant if the applicant meets specified requirements, including that the applicant supplies evidence satisfactory to the board that the applicant is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty station in this state under official active duty military orders and the applicant holds a current, active, and unrestricted license that confers upon the applicant the authority to practice, in another state, district, or territory of the United States, the profession or vocation for which the applicant seeks a temporary license from the board. Existing law requires these temporary licenses to expire 12 months after issuance. Under

existing law, some of the funds within the jurisdiction of a board consist of revenue from fees that are continuously appropriated.

This bill would require the temporary licenses described above to expire 30 months after issuance. The bill would require boards not responsible for the licensure and regulation of healing arts licensees and not subject to the temporary licensing provisions described above to issue licenses to an applicant if the applicant meets specified requirements, including that the applicant supplies evidence satisfactory to the board that the applicant is an honorably discharged veteran of the Armed Forces of the United States or is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States, as provided. The bill would require an application for a license to include a signed affidavit attesting to the fact that the applicant meets all requirements for a license. The bill would authorize the immediate termination of a license issued pursuant to these provisions upon a finding that the licenseholder failed to meet specified requirements or provided substantively inaccurate information that would affect the person's eligibility for licensure, as provided. By expanding the scope of the crime of perjury, the bill would impose a state-mandated local program. The bill's expansion of the requirement to issue licenses would result in revenues from fees for certain licenses being deposited into continuously appropriated funds. By establishing a new source of revenue for those continuously appropriated funds, the bill would make an appropriation.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 115.6 of the Business and Professions
- 2 Code is amended to read:
- 3 115.6. (a) A board within the department shall, after
- 4 appropriate investigation, issue the following eligible temporary
- 5 licenses to an applicant if the applicant meets the requirements set
- 6 forth in subdivision (c):

1 (1) Registered nurse license by the Board of Registered Nursing.

2 (2) Vocational nurse license issued by the Board of Vocational  
3 Nursing and Psychiatric Technicians of the State of California.

4 (3) Psychiatric technician license issued by the Board of  
5 Vocational Nursing and Psychiatric Technicians of the State of  
6 California.

7 (4) Speech-language pathologist license issued by the  
8 Speech-Language Pathology and Audiology and Hearing Aid  
9 Dispensers Board.

10 (5) Audiologist license issued by the Speech-Language  
11 Pathology and Audiology and Hearing Aid Dispensers Board.

12 (6) Veterinarian license issued by the Veterinary Medical Board.

13 (7) All licenses issued by the Board for Professional Engineers,  
14 Land Surveyors, and Geologists.

15 (8) All licenses issued by the Medical Board of California.

16 (9) All licenses issued by the Podiatric Medical Board of  
17 California.

18 (b) The board may conduct an investigation of an applicant for  
19 purposes of denying or revoking a temporary license issued  
20 pursuant to this section. This investigation may include a criminal  
21 background check.

22 (c) An applicant seeking a temporary license pursuant to this  
23 section shall meet the following requirements:

24 (1) The applicant shall supply evidence satisfactory to the board  
25 that the applicant is married to, or in a domestic partnership or  
26 other legal union with, an active duty member of the Armed Forces  
27 of the United States who is assigned to a duty station in this state  
28 under official active duty military orders.

29 (2) The applicant shall hold a current, active, and unrestricted  
30 license that confers upon the applicant the authority to practice,  
31 in another state, district, or territory of the United States, the  
32 profession or vocation for which the applicant seeks a temporary  
33 license from the board.

34 (3) The applicant shall submit an application to the board that  
35 shall include a signed affidavit attesting to the fact that the  
36 applicant meets all of the requirements for the temporary license  
37 and that the information submitted in the application is accurate,  
38 to the best of the applicant's knowledge. The application shall also  
39 include written verification from the applicant's original licensing

1 jurisdiction stating that the applicant's license is in good standing  
2 in that jurisdiction.

3 (4) The applicant shall not have committed an act in any  
4 jurisdiction that would have constituted grounds for denial,  
5 suspension, or revocation of the license under this code at the time  
6 the act was committed. A violation of this paragraph may be  
7 grounds for the denial or revocation of a temporary license issued  
8 by the board.

9 (5) The applicant shall not have been disciplined by a licensing  
10 entity in another jurisdiction and shall not be the subject of an  
11 unresolved complaint, review procedure, or disciplinary proceeding  
12 conducted by a licensing entity in another jurisdiction.

13 (6) The applicant shall, upon request by a board, furnish a full  
14 set of fingerprints for purposes of conducting a criminal  
15 background check.

16 (d) A board may adopt regulations necessary to administer this  
17 section.

18 (e) A temporary license issued pursuant to this section may be  
19 immediately terminated upon a finding that the temporary  
20 licenseholder failed to meet any of the requirements described in  
21 subdivision (c) or provided substantively inaccurate information  
22 that would affect the person's eligibility for temporary licensure.  
23 Upon termination of the temporary license, the board shall issue  
24 a notice of termination that shall require the temporary  
25 licenseholder to immediately cease the practice of the licensed  
26 profession upon receipt.

27 (f) An applicant seeking a temporary license as a civil engineer,  
28 geotechnical engineer, structural engineer, land surveyor,  
29 professional geologist, professional geophysicist, certified  
30 engineering geologist, or certified hydrogeologist pursuant to this  
31 section shall successfully pass the appropriate California-specific  
32 examination or examinations required for licensure in those  
33 respective professions by the Board for Professional Engineers,  
34 Land Surveyors, and Geologists.

35 (g) A temporary license issued pursuant to this section shall  
36 expire ~~12~~ 30 months after issuance, upon issuance of an expedited  
37 license pursuant to Section 115.5, or upon denial of the application  
38 for expedited licensure by the board, whichever occurs first.

39 SEC. 2. Section 115.7 is added to the Business and Professions  
40 Code, to read:

1 115.7. (a) A board not specified in Division 2 (commencing  
2 with Section 500) or subdivision (a) of Section 115.6 shall, after  
3 appropriate investigation, issue a license to an applicant if the  
4 applicant meets all of the following requirements:

5 (1) The applicant shall supply evidence satisfactory to the board  
6 that the applicant is an honorably discharged veteran of the Armed  
7 Forces of the United States or is married to, or in a domestic  
8 partnership or other legal union with, an active duty member of  
9 the Armed Forces of the United States who is assigned to a duty  
10 station in this state under official active duty military orders.

11 (2) The applicant shall hold a current, active, and unrestricted  
12 license that confers upon the applicant the authority to practice,  
13 in another state, district, or territory of the United States, the  
14 profession or vocation for which the applicant seeks a license from  
15 the board.

16 (3) The applicant shall submit an application to the board that  
17 shall include a signed affidavit attesting to the fact that the  
18 applicant meets all of the requirements for the license and that the  
19 information submitted in the application is accurate, to the best of  
20 the applicant's knowledge. The application shall also include  
21 written verification from the applicant's original licensing  
22 jurisdiction stating that the applicant's license is in good standing  
23 in that jurisdiction.

24 (4) The applicant shall not have committed an act in any  
25 jurisdiction that would have constituted grounds for denial,  
26 suspension, or revocation of the license under this code at the time  
27 the act was committed. A violation of this paragraph may be  
28 grounds for the denial or revocation of a license issued by the  
29 board.

30 (5) The applicant shall not have been disciplined by a licensing  
31 entity in another jurisdiction and shall not be the subject of an  
32 unresolved complaint, review procedure, or disciplinary proceeding  
33 conducted by a licensing entity in another jurisdiction.

34 (6) The applicant shall, upon request by a board, furnish a full  
35 set of fingerprints for purposes of conducting a criminal  
36 background check.

37 (b) A board may adopt regulations necessary to administer this  
38 section.

39 (c) A license issued pursuant to this section may be immediately  
40 terminated pursuant to the board's procedural due process

1 requirements, upon a finding that the licenseholder failed to meet  
2 any of the requirements described in subdivision (a) or provided  
3 substantively inaccurate information that would affect the person's  
4 eligibility for licensure. Upon termination of the license, the board  
5 shall issue a notice of termination that shall require the  
6 licenseholder to immediately cease the practice of the licensed  
7 profession or vocation upon receipt.

8 SEC. 3. No reimbursement is required by this act pursuant to  
9 Section 6 of Article XIII B of the California Constitution because  
10 the only costs that may be incurred by a local agency or school  
11 district will be incurred because this act creates a new crime or  
12 infraction, eliminates a crime or infraction, or changes the penalty  
13 for a crime or infraction, within the meaning of Section 17556 of  
14 the Government Code, or changes the definition of a crime within  
15 the meaning of Section 6 of Article XIII B of the California  
16 Constitution.





## FACT SHEET

AB 225 (Gray, Gallagher, and Patterson)  
Veterans and Military Spouse Licensure

### SUMMARY

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With some exemptions, AB 225 requires licensing boards at the Department of Consumer Affairs, to issue professional licenses to veterans and military spouses of active duty service members if they possess a valid and unrestricted license in that profession from another state. The bill also extends from 12 months to 30 months the validity of temporary licenses for military spouses already required under current law.

### PROBLEM

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Over the last 60 years, the number of jobs requiring an occupational license, or government approval to practice a profession, has grown from about 1-in-20 to almost 1-in-4. Licensing laws are implemented to protect the health and safety of consumers, but excessively onerous requirements can create barriers to employment for many individuals without any demonstrated public benefit.

Military families are disproportionately affected by occupational licensing barriers especially as it relates to licensing portability. The military trains veterans in skills applicable to 962 civilian licensed occupations and more than a third of military spouses are employed in a field that requires licensure. Challenges to finding a job exacerbated by licensing regulations contributes to the 70% of veterans who report difficulty making the transition back to civilian life and the 22% of military spouses who report their greatest challenge for employment is the inability to transfer

professional licenses to another location. Military families move 2.4 times as often as civilian families, and this fact is at odds with the trend among licensed professionals to move between states nearly 40% less often than average, in part because of the difficult licensing process. Failure to recognize our veterans' unique experiences can discourage them from entering or remaining in the labor market and has led to unemployment rates among military spouses nearly four times that of the general population.

California routinely lags behind other states in our treatment and accommodation of veterans and their families despite being home to more veterans than any other state. The US Department of Labor ranks California's military spouse licensure recognition in the bottom third of states, while California is one of the least veteran-friendly states as measured by veterans' economic conditions (46<sup>th</sup>), veteran homelessness (48<sup>th</sup>), and affordable housing (50<sup>th</sup>).

### SOLUTION

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AB 225 requires licensing boards under the Department of Consumer Affairs to honor the out-of-state professional license of a veteran or activity duty military spouse. The bill exempts the healing arts, most of which are already required to grant temporary licenses to military spouses under current law. AB 225 requires these temporary licenses to be valid for a minimum of 30 months, up from 12 months, to conform with the average length of military deployment.



## FACT SHEET

AB 225 (Gray, Gallagher, and Patterson)  
Veterans and Military Spouse Licensure

Thirty-seven other states have license recognition laws more veteran-friendly than California and fifteen other states, including Oregon, Utah, and Michigan have laws requiring even greater license portability than AB 225 proposes. The reforms created by this bill will make California a more desirable place for military families to live during and after their service to this country.

The National Defense Authorization Act (NDAA) now requires the Department of Defense to consider a state's military family readiness policies, including interstate licensure portability for military families, in determining whether to proceed with any basing decisions or establishing major headquarters in the US. If California does not improve our policies around veteran and military spouse licensure, the state may be vulnerable to additional base closures and be ineligible for future base expansions.

California is home to 1.8 million veterans, 162,000 active duty military personnel, 57,000 reserve service members, and more than 500,000 full-time jobs created as a result of military investments in the state. National security activities contribute \$181.2 billion annually, producing \$23.2 billion in tax revenue for the state and local governments. There is no other state in the nation that has as much to lose as California under the military readiness provisions of the NDAA.

AB 225 is a major step in the right direction to ensure California becomes a leading family readiness state.

## STAFF CONTACT

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**CALIFORNIA BOARD OF ACCOUNTANCY  
LEGISLATIVE ANALYSIS  
AB 298**

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<b>Subject:</b>	Accountancy: Licensure: Examination.	<b>CBA Position:</b>	<b>Sponsor</b>
<b>Version:</b>	January 25, 2021	<b>Author:</b>	Irwin
<b>Status:</b>	Assembly Business and Professions Committee	<b>Sponsor:</b>	California Board of Accountancy

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### **Summary**

Assembly Bill (AB) 298 (**Attachment 1**) permits the California Board of Accountancy (CBA) to authorize an applicant to take the Uniform Certified Public Accountant Examination (CPA Exam) prior to completing the necessary educational requirements.

The bill requires the CBA to adopt regulations that specify:

- 1) the timeframe in which an applicant must complete their education following submission of the application for admission to the CPA Exam, and
- 2) the manner in which the applicant shall provide satisfactory evidence of completion of the educational requirements.

AB 298 provides specific authority for the secretary-treasurer to preside at meetings of the CBA. It authorizes the CBA President to designate a non-officer board member to preside if all officers of the board are absent or unable to act at that meeting.

Further, it clarifies that electronic mail (email) addresses provided by applicants and licensees are not to be considered a public record and not disclosed under the Public Records Act, unless required pursuant to court order.

### **Background**

In 2020, the CBA sponsored AB 2267 (Irwin) that included the following provisions as approved by the CBA during its November 2019 meeting:

- Allow applicants to sit for the CPA Exam prior to degree conferral
- Authorize the CBA Secretary/Treasurer or another CBA member, as specified, to preside over CBA meetings
- Clarify existing provisions of the Accountancy Act related to the privacy of applicant and licensee email addresses

Because of the abbreviated legislative year due to the COVID-19 pandemic, AB 2267 did not move forward in the legislative process.

## **Analysis**

Assemblymember Jacqui Irwin reintroduced the provisions included in AB 2267 in 2020 in AB 298 and, again, making the CBA the sponsor.

According to the author's office (**Attachment 2**):

“This bill will streamline the process for applicants to complete the Uniform CPA Exam, support the CBA's authority to conduct its board meetings, and clarify the privacy of CBA licensee and applicant email addresses.”

As introduced, AB 298 contains the follows:

- Allows applicants to sit for the CPA Exam prior to degree conferral
- Authorizes the CBA Secretary/Treasurer or another CBA member, as specified, to preside over CBA meetings
- Clarifies existing provisions of the Accountancy Act related to the privacy of applicant and licensee email addresses

In recent weeks, the CBA has re-evaluated the construction of the proposed language, specific to the provisions that enable applicants to take the CPA Exam in a specified period prior to completing their educational requirements.

Staff have worked with stakeholders to develop language that would allow the provisions of the legislation, if passed and signed into law, to take effect immediately (**Attachment 3**).

Under the proposed amendments, applicants can apply for the CPA Exam 180 days before they will complete the educational requirements typically required for the CPA Exam, which includes:

- A baccalaureate degree or higher conferred by a degree-granting college or university accredited by a United States regional institutional accrediting agency or national accrediting agency, (or foreign equivalent evaluated by a CBA-approved foreign academic credentials evaluation service).
- 24 semester units of accounting subjects
- 24 semester units of business-related subjects

The proposed language also requires that within 240 days from the submission of the application for the CPA Exam, they must submit documents (transcripts) reflecting completion of the requirements.

For an applicant who applies 180 days prior to their anticipated completion date, they essentially have 60 days after they have completed their education to submit the required documents (transcripts) to the CBA.

These timeframes would provide flexibility to applicants and staff believe this is a strong starting point for discussions as the bill moves through the legislature.

Although staff believe that the new language can be implemented should the bill be signed into law, there is nothing that would prohibit the CBA from proposing regulations following initial implementation.

Additionally, in recent discussions with stakeholders, it was brought to the attention of staff that the ethics education requirement for CPA licensure, specifically the provision that requires a minimum of three semester units or four quarter units in courses at an upper division level or higher devoted to accounting ethics or accountants' professional responsibilities, may be creating a barrier for out-of-state applicants to complete their education.

To qualify for a CPA license, applicants must meet the following education requirements, in addition to successfully passing the CPA Exam and completing the required general accounting experience requirement:

- A baccalaureate degree or higher conferred by a degree-granting college or university accredited by a United States regional institutional accrediting agency or national accrediting agency, (or foreign equivalent evaluated by a CBA-approved foreign academic credentials evaluation service).
- 150 total semester units which includes the following:
  - 24 semester units of accounting subjects
  - 24 semester units of business-related subjects
  - 20 semester units accounting study (accounting and business subjects)
  - 10 semester units ethics study
    - With a minimum of three semester units or four quarter units in courses at an upper division level or higher devoted to accounting ethics or accountants' professional responsibilities

To address the concerns identified by stakeholders, prevent any unintended barriers, and continue to uphold strong ethics education requirements for California CPA licensure, staff are proposing the ethics language in BPC section 5094.3(c) (**Attachment 4**), specific to the three semester or four quarter units, be amended to also include "auditing" and "fraud."

Additionally, when the ethics education requirement was being implemented, transitional language was included with date-specific requirements. This language is no longer relevant and staff are further recommending deleting the outdated provisions that reference "January 1, 2014 and December 31, 2016."

Staff have consulted with Assemblymember Irwin's office regarding the proposed amendments to AB 298 and the proposed additional language regarding ethics and their office is agreeable to both changes.

## **Recommendation**

Staff recommend the following:

- Maintain its **Sponsor** position on AB 298
- Approve the proposed new language for BPC 5093.5 regarding taking the CPA Exam prior to completion of the education requirements
- Approve the proposed language in BPC section 5094.3 regarding the ethics education requirement
- Direct staff to work with the author's office to have both proposals amended into AB 298

## **Fiscal Estimate**

CBA costs are minor and absorbable.

## **Support/Opposition**

Support: California Board of Accountancy (Sponsor)

Opposition: None.

## **Effective/Operative Date**

January 1, 2022.

## **Related Bills**

- **AB 2267** (Irwin, 2020). Proposed the following: permit the CBA to authorize an applicant to take the CPA Exam prior to completing the necessary educational requirements, provided specific authority for the secretary-treasurer to preside at meetings of the CBA, authorize the CBA President to designate a non-officer board member to preside if all officers of the board are absent or unable to act at that meeting, and clarify that electronic mail (email) addresses provided by applicants and licensees are not to be considered a public record and not disclosed under the Public Records Act, unless required pursuant to court order.
- **SB 773** (Negrete-McLeod) Chap. 344 of 2011. Required, after December 31, 2013, the total educational program required for licensure as a CPA to include a minimum of 10 units of ethics study as specified by this bill and 20 units of accounting study consistent with regulations to be adopted by the CBA by January 1, 2012.

## **Attachments**

1. AB 298
2. AB 298 Fact Sheet
3. Proposed Amendment to Business and Professions Code Section 5093.5
4. Proposed Amendment to Business and Professions Code Section 5094.3

**ASSEMBLY BILL****No. 298**

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**Introduced by Assembly Member Irwin**January 25, 2021

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An act to amend Sections 5007, 5070, and 5070.5 of, and to add Sections 5009.5 and 5093.5 to, the Business and Professions Code, relating to professions and vocations.

## LEGISLATIVE COUNSEL'S DIGEST

AB 298, as introduced, Irwin. Accountancy: California Board of Accountancy.

Existing law establishes the California Board of Accountancy in the Department of Consumer Affairs for the purpose of licensing and regulating the practice of accountancy and provides that the officers of the board are a president, vice president, and a secretary-treasurer. Existing law requires the president to preside at all meetings of the board, and in the event of the president's absence or inability to act, requires the vice president to preside.

This bill would require the secretary-treasurer to preside at meetings of the board if both the president and vice president are absent or unable to act. The bill would authorize the president to designate a board member who is not an officer to preside at a meeting of the board if all officers of the board are absent or unable to act at that meeting.

Existing law prohibits a person from engaging in the practice of public accountancy in this state unless the person holds a valid permit issued by the board or a practice privilege, as specified. Existing law requires an applicant to report to the board a valid email address if the applicant has one, at the time of application for, or renewal of, a public accountant license. Existing law provides that these email addresses are not

considered public records and prohibits these email addresses from being disclosed pursuant to specified provisions of law, unless required pursuant to a court order.

This bill would recast these provisions to, in the interest of protecting the privacy of applicants and licensees, prohibit from disclosure all email addresses provided by applicants or licensees, and would make conforming changes.

Existing law sets forth the requirements for an applicant to qualify for the certified public accountant license and requires an applicant for admission to the examination to present evidence to the board that the applicant has completed specified education requirements.

This bill would, instead, authorize the board to admit an applicant to the certified public accountant examination before the applicant completes those education requirements if the applicant satisfies the conditions specified by the board. The bill would authorize the board to withhold the release of an applicant’s examination scores if an applicant fails to timely complete the education requirements or comply with the board’s regulations.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 5007 of the Business and Professions
- 2 Code is amended to read:
- 3 5007. The president shall preside at all meetings of the board,
- 4 and in the event of ~~his~~ *the president’s* absence or inability to act,
- 5 the vice president shall preside. *If both the president and vice*
- 6 *president are absent or unable to act, the secretary-treasurer shall*
- 7 *preside at meetings of the board. The president may designate a*
- 8 *board member who is not an officer to preside at a meeting of the*
- 9 *board if all officers of the board are absent or unable to act at*
- 10 *that meeting.* Other duties of the president, vice president, and the
- 11 duties of the secretary-treasurer, shall be such as the board may
- 12 prescribe.
- 13 SEC. 2. Section 5009.5 is added to the Business and Professions
- 14 Code, to read:
- 15 5009.5. In the interest of protecting the privacy of applicants
- 16 and licensees, an email address provided by applicants or licensees
- 17 to the board pursuant to this chapter shall not be considered a



1 public record and shall not be disclosed pursuant to Section 27 or  
2 pursuant to a request under the California Public Records Act  
3 (Chapter 3.5 (commencing with Section 6250) of Division 7 of  
4 Title 1 of the Government Code), unless required pursuant to a  
5 court order by a court of competent jurisdiction.

6 SEC. 3. Section 5070 of the Business and Professions Code is  
7 amended to read:

8 5070. (a) Permits to engage in the practice of public  
9 accountancy in this state shall be issued by the board only to  
10 holders of the certificate of certified public accountant issued under  
11 this chapter and to those partnerships, corporations, and other  
12 persons who, upon application approved by the board, are  
13 registered with the board under this chapter. Notwithstanding any  
14 other law, the board may register an entity organized and authorized  
15 to practice public accountancy under the laws of another state for  
16 the purpose of allowing that entity to satisfy the registration  
17 requirement set forth in Section 5096.12, if (1) the certified public  
18 accountants providing services in California qualify for the practice  
19 privilege, and (2) the entity satisfies all other requirements to  
20 register in this state, other than its form of legal organization.

21 (b) All applicants for registration shall furnish satisfactory  
22 evidence that the applicant is entitled to registration and shall pay  
23 the fee as provided in Article 8 (commencing with Section 5130).  
24 Every partnership, corporation, and other person to whom a permit  
25 is issued shall, in addition to any other fee that may be payable,  
26 pay the initial permit fee provided in Article 8 (commencing with  
27 Section 5130).

28 (c) Each applicant who has a valid email address shall report to  
29 the board that email address at the time of application or  
30 registration. ~~In the interest of protecting an applicant's privacy,~~  
31 ~~the email address shall not be considered a public record and shall~~  
32 ~~not be disclosed pursuant to Section 27 or pursuant to a request~~  
33 ~~under the California Public Records Act (Chapter 3.5 (commencing~~  
34 ~~with Section 6250) of Division 7 of Title 1 of the Government~~  
35 ~~Code), unless required pursuant to a court order by a court of~~  
36 ~~competent jurisdiction.~~

37 (d) Each partnership, corporation, and other person issued a  
38 permit by the board to practice as a certified public accountant or  
39 as a public accountant shall be furnished with a suitable certificate  
40 evidencing that registration.

1 SEC. 4. Section 5070.5 of the Business and Professions Code  
2 is amended to read:

3 5070.5. (a) (1) A permit issued under this chapter to a certified  
4 public accountant or a public accountant expires at 12 midnight  
5 on the last day of the month of the legal birthday of the licensee  
6 during the second year of a two-year term if not renewed.

7 (2) To renew an unexpired permit, a permitholder shall, before  
8 the time at which the permit would otherwise expire, apply for  
9 renewal on a form prescribed by the board, pay the renewal fee  
10 prescribed by this chapter, and give evidence satisfactory to the  
11 board that the permitholder has complied with the continuing  
12 education provisions of this chapter.

13 (3) Each applicant for renewal who has a valid email address  
14 shall report that email address to the board on the renewal form  
15 described in paragraph (1). ~~In the interest of protecting an~~  
16 ~~applicant's privacy, the electronic mail address shall not be~~  
17 ~~considered a public record and shall not be disclosed pursuant to~~  
18 ~~Section 27 or pursuant to a request under the California Public~~  
19 ~~Records Act (Chapter 3.5 (commencing with Section 6250) of~~  
20 ~~Division 7 of Title 1 of the Government Code), unless required~~  
21 ~~pursuant to a court order by a court of competent jurisdiction.~~

22 (b) A permit to practice as an accountancy partnership or an  
23 accountancy corporation expires at 12 midnight on the last day of  
24 the month in which the permit was initially issued during the  
25 second year of a two-year term if not renewed. To renew an  
26 unexpired permit, the permitholder shall, before the time at which  
27 the permit would otherwise expire, apply for renewal on a form  
28 prescribed by the board, pay the renewal fee prescribed by this  
29 chapter, and provide evidence satisfactory to the board that the  
30 accountancy partnership or accountancy corporation is in  
31 compliance with this chapter.

32 (c) On or before July 1, 2020, each permitholder who has a valid  
33 email address shall provide that email address to the board.

34 (d) A permitholder shall notify the board within 30 days of any  
35 change to their email address on file with the board. The board  
36 may periodically, as it determines necessary, require permitholders  
37 to confirm that their email address on file with the board is current.

38 SEC. 5. Section 5093.5 is added to the Business and Professions  
39 Code, to read:

1 5093.5. (a) Notwithstanding subdivision (b) of Section 5093,  
2 the board may admit an applicant to the certified public accountant  
3 examination before the applicant completes the education  
4 requirements set forth in Section 5093.

5 (b) The board shall adopt regulations pursuant to this section  
6 that shall specify, at a minimum, both of the following:

7 (1) The timeframe in which an applicant must complete their  
8 education following submission of the application for admission  
9 to the examination.

10 (2) The manner in which an applicant shall provide satisfactory  
11 evidence of their education requirements.

12 (c) The board may withhold the release of an applicant's  
13 examination scores if an applicant fails to timely complete the  
14 education requirements or comply with the regulations adopted  
15 by the board pursuant to this section.



## AB 298 (Irwin) California Board of Accountancy

### **SUMMARY**

AB 298 makes various, non-controversial changes to the California Board of Accountancy (CBA or Board) and their regulation of licensees.

### **BACKGROUND**

Established in 1901, the CBA is charged with regulating the accounting profession for the public interest. The Board establishes licensure for entry into the profession and oversees the professional conduct of over 107,000 licensees in the state.

Existing law requires accountant licensee applicants to meet certain educational requirements, such as a conferral of a Bachelor's degree, prior to being authorized by the CBA to sit for the official Certified Public Accountant (CPA) Exam. The CBA has found that some applicants must wait several weeks for their college or university to produce an official transcript that reflects degree conferral. Upon submission of the licensee's application, the CBA then requires up to 30 days to review and authorize qualified applicants to sit for the CPA Exam. Due to these timeframes, applicants must often wait three months or longer, thereby delaying their passage of the CPA Exam and entry into the CPA profession.

The Business and Professions Code also provides for the election of the CBA officers and provides authority for the President, or the Vice-President in his/her absence, to preside at CBA meetings. However, as currently written, there is no provision in statute to permit an individual other than the President or Vice-President including the Secretary/Treasurer, to preside over meetings. An occurrence could arise when all three of the board officers are unable to act as chair, while the other members have gathered for a noticed meeting.

Lastly, pursuant to AB 1521 (2019), beginning January 1, 2020, the CBA began collecting email addresses from all applicants and licensees. This requirement also extends to out-of-state CPAs required to receive written permission from the CBA prior to practicing in California under the mobility program. The new requirement did not include the pre-existing language exempting that information from public disclosure, leaving all the private email addresses collected by the Board visible to the public and jeopardizing privacy.

### **THIS BILL**

AB 298 makes the following three changes:

- Permits the CBA to authorize an applicant to take the CPA Exam prior to the completion of the educational requirements necessary for licensure.
- Clarifies the authority for the CBA to conduct its business, in the unlikely event that the officers are unable to attend, unable to act, or have to recuse themselves from a particular agenda item.
- Safeguards the confidentiality of a CBA's applicant and licensee email addresses by ensuring that the information will not be considered a public record subject to disclosure pursuant to a California Public Records Act (PRA) request or posted on the internet pursuant to BPC section 27, unless required by a court order.

This bill will streamline the process for applicants to apply and complete the CPA Exam, allow for the Board to continue to conduct its consumer protection mission in the event of a special circumstance, and protect the privacy of CBA licensees and applicants.

### **SUPPORT**

California Board of Accountancy (Sponsor)

### **OPPOSITION**

None registered.

### **CONTACT**

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## Attachment 3

### Proposed Amendment to Business and Professions Code Section 5093.5 (Excerpt from Assembly Bill 298)

*(New language in underline, old language in strikethrough)*

#### **SEC. 5.**

Section 5093.5 is added to the Business and Professions Code, to read:

#### **5093.5.**

(a) Notwithstanding subdivision (b) of Section 5093, the board may admit an applicant to the certified public accountant examination before the applicant completes the education requirements set forth in Section 5093, provided that the applicant certifies they are enrolled in a degree-granting university, college, or other institution of learning as defined in Section 5094 and is within 180 days of completing the educational requirements as set forth in Section 5093(b)(1).

(b) Within 240 days of submitting an application as outlined in (a), the applicant shall provide the Board satisfactory evidence that they have completed the educational requirements set forth in Section 5093(b)(1).

(c) Failure to submit satisfactory evidence of completing the educational requirements as set forth in Section 5093(b)(1) may result in the loss of any credit received for any part of the certified public accountant examination passed prior to providing said satisfactory evidence.

~~(b) The board shall adopt regulations pursuant to this section that shall specify, at a minimum, both of the following:~~

~~(1) The timeframe in which an applicant must complete their education following submission of the application for admission to the examination.~~

~~(2) The manner in which an applicant shall provide satisfactory evidence of their education requirements.~~

~~(c) The board may withhold the release of an applicant's examination scores if an applicant fails to timely complete the education requirements or comply with the regulations adopted by the board pursuant to this section.~~



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## Attachment 4

### Proposed Amendment to Business and Professions Code Section 5094.3 (new language in underline, deleted language in strikethrough)

#### 5094.3.

(a) An applicant for licensure as a certified public accountant shall, to the satisfaction of the board, provide documentation of the completion of 10 semester units or 15 quarter units of ethics study, as set forth in paragraph (2) of subdivision (b) of Section 5093, in the manner prescribed in this section.

~~(b) (1) Between January 1, 2014, and December 31, 2016, inclusive, an applicant shall complete 10 semester units or 15 quarter units in courses described in subdivisions (d), (e), and (f).~~

~~(2)~~ Beginning January 1, 2017, an applicant shall complete 10 semester units or 15 quarter units in courses described in subdivisions (c), (d), (e), and (f).

(c) A minimum of three semester units or four quarter units in courses at an upper division level or higher devoted to accounting ethics, or accountants' professional responsibilities, auditing, or fraud unless the course was completed at a community college, in which case it need not be completed at the upper division level or higher.

~~(d) Between January 1, 2014, and December 31, 2016, inclusive, a maximum of 10 semester units or 15 quarter units, and on and after January 1, 2017, a~~ A maximum of 7 semester units or 11 quarter units, in the following subjects relating to ethics:

- (1) Business, government, and society.
- (2) Business law.
- (3) Corporate governance.
- (4) Corporate social responsibility.
- (5) Ethics.
- (6) Fraud.
- (7) Human resources management.
- (8) Business leadership.
- (9) Legal environment of business.
- (10) Management of organizations.
- (11) Morals.
- (12) Organizational behavior.
- (13) Professional responsibilities.
- (14) Auditing.

(e) (1) A maximum of three semester units or four quarter units in courses taken in the following disciplines:

- (A) Philosophy.
- (B) Religion.
- (C) Theology.

(2) To qualify under this subdivision, the course title shall contain one or more of the terms "introduction," "introductory," "general," "fundamentals of," "principles," "foundation of," or "survey of," or have the name of the discipline as the sole name of the course title.

(f) A maximum of one semester unit of ethics study for completion of a course specific to financial statement audits.

(g) An applicant who has successfully passed the examination requirement specified under Section 5082 on or before December 31, 2013, is exempt from this section unless the applicant fails to obtain the qualifying experience as specified in Section 5092 or 5093 on or before December 31, 2015.

(Amended by Stats. 2016, Ch. 634, Sec. 2. (SB 1479) Effective January 1, 2017.)

**CALIFORNIA BOARD OF ACCOUNTANCY  
LEGISLATIVE ANALYSIS  
AB 646**

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<b>Subject:</b>	Department of Consumer Affairs: Boards: Expunged Convictions.	<b>Author:</b>	Low
<b>Version:</b>	February 12, 2021	<b>Sponsor:</b>	Author
<b>Status:</b>	Assembly Business and Professions Committee		

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## Summary

Assembly Bill (AB) 646 (**Attachment 1**) would require a licensing board under the Department of Consumer Affairs (DCA), including the California Board of Accountancy (CBA), to update information on its website regarding licensees who have had their licenses revoked due to criminal convictions that are subsequently expunged, pursuant to Penal Code (PC) section 1203.4.

## Background

### Criminal Record Relief

Various provisions of the PC allow or require eligible individuals convicted of certain crimes to have their records dismissed or expunged following completion of their sentences, subject to specified conditions.

PC section 1203.4 (which is the expungement statute referenced in AB 646) states an individual sentenced to probation may petition the Superior Court to change their plea or have a guilty verdict set aside if the individual meets all of the following conditions:

- Not serving a sentence for any offense
- No longer on probation for any offense
- Currently not charged with committing any offense
- Fulfilled the conditions for probation for the entire period of probation, or was discharged prior to the termination of probation, or the court agrees that relief should be granted in the interest of justice

Under PC section 17(b), individuals previously sentenced to a felony may be eligible to have their sentence later classified as a misdemeanor, subject to certain conditions.

### Requirement to Post Enforcement Documents Online

Business and Professions Code (BPC) section 27 requires the CBA, and other DCA boards and bureaus, to publish certain information about its licensees, including accusations and disciplinary decisions, on its website.



BPC section 2027 requires the California Medical Board (CMB) to post certain licensee information on its website, including felony convictions, and misdemeanor convictions that result in a disciplinary action or accusation not subsequently withdrawn or dismissed. If the CMB receives an expungement order pursuant to PC section 1203.4 for the felony or misdemeanor conviction of one of its licensees, BPC section 2027 requires CMB to post notification of the order, and the date of the order, to its website within six months of receipt.

## **Analysis**

According to the author's fact sheet (**Attachment 2**):

For rehabilitated individuals that were convicted of a crime, the permanent nature of a criminal record can create challenges in finding employment and stability after incarceration. While an expungement does not eliminate the person's record, it provides a potential opportunity for a rehabilitated individual to secure employment through state licensure.

If the individual agrees to not seek to practice in the profession for which the license was revoked, it is fair, provided expungement, to give the individual a chance for a new start.

AB 646 requires DCA boards and bureaus to take certain actions related to licensees who were revoked due to a criminal conviction.

Under the bill, if the CBA is provided a certified copy of an expungement order pursuant to PC section 1203.4 pertaining to a criminal offense that led to revocation of a license, the CBA shall do either of the following:

1. Post notification of the expungement order on its website, if the person reapplies for licensure or is relicensed
2. Remove the initial posting on its website that the person's license was revoked, if the person is not currently licensed and does not reapply for licensure

AB 646 requires a board/bureau to take action within 90 days of receiving the expungement order, unless otherwise prohibited by law or other terms or conditions. The licensee in question would be required to pay a fee of \$50, unless another fee is necessary and that does not exceed the reasonable administrative costs. Further, the bill states that if it conflicts with the similar CMB statute, that the CMB's statute will prevail.

### Implementation Questions and Concerns

The bill proposes to enable an individual with a prior criminal conviction to provide the individual a new start. While the goal is laudable, AB 646 raises various implementation questions and concerns, as discussed below.

Certain Terms Do Not Reflect CBA Licensure Practice

The actions required in AB 646 hinge upon whether the licensee “reapplies” or has been “relicensed,” following their revocation. Under the Accountancy Act, if a revoked licensee wishes to resume the practice of public accounting, that person must “petition” to have their license “reinstated.” The CBA may wish to consider requesting the author amend the bill to clarify that the terms “reapplies” and “relicensed” have the same meaning as “petition” and “reinstated,” respectively.

Revoked License due to a Criminal Conviction

The bill addresses circumstances when a licensee has been revoked due to a criminal conviction that is later expunged. AB 646, however, does not address the following situations (involving an expunged conviction) that may occur:

- Revocations involving multiple convictions, but not all are expunged pursuant to PC section 1203.4
- Revocations involving a criminal conviction and violations of the Accountancy Act or CBA Regulations related to the underlying criminal conviction (e.g. failure to conform to professional standards)
- Revocations involving a criminal conviction, including violations of the Accountancy Act or CBA Regulations unrelated to the underlying criminal conviction (e.g. unprofessional conduct)

The CBA may wish to request the author amend the bill to clarify that:

1. The actions required of a DCA board/bureau only apply in situations where all criminal convictions associated with the revocation are expunged pursuant to PC section 1203.4
2. A revocation that includes both criminal and non-criminal violations of the law is excluded from the requirements of AB 646

License Status on CBA Website

Pursuant to BPC section 27, the CBA must post the status of every license on its website, including accusations filed, citations, and final disciplinary orders.

Presently, when the CBA revokes a license, the status of the license displayed on License Lookup is “Revoked.” If an individual with a revoked license qualifies under AB 646 and has not petitioned for reinstatement, the CBA would be required to “remove the initial posting” that the person’s license was revoked. To comply with AB 646, the CBA would remove the licensee’s disciplinary order and no longer display a revoked licensure status.

By removing reference to the licensee’s revocation, but otherwise allowing other information about the licensee to remain online, the bill does not indicate how a board/bureau should reference the status of a license displayed through the online License Lookup search tool under these circumstances.

The bill does not indicate whether the CBA would have to use a different license status or remove the revoked licensee from License Lookup.

### **Recommendation**

Staff are in communication with the author regarding the concerns identified in the analysis. At this time, staff recommend that the CBA do not take a position until additional information is received.

### **Fiscal Estimate**

Unknown at this time, but likely offset by fee revenue.

### **Support/Opposition**

Support: None.

Opposition: None.

### **Effective/Operative Date**

January 1, 2022.

### **Related Bills**

- AB 1616 (Low) of 2020. Would have required a licensing board under DCA to update information on its website related to licensees who are revoked due to criminal convictions that are subsequently expunged, pursuant to a specified PC section. (Died in Senate Business, Professions and Economic Development Committee.)
- AB 2138 (Chiu/Low, Chapter 995, Statutes of 2018) limits the grounds for a DCA board/bureau to deny an applicant for licensure who has a history of criminal or unprofessional conduct.

### **Attachments**

1. AB 646
2. AB 646 Fact Sheet

**ASSEMBLY BILL****No. 646**

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**Introduced by Assembly Member Low**  
(Coauthor: Senator Roth)

February 12, 2021

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An act to add Section 493.5 to the Business and Professions Code, relating to professions and vocations.

## LEGISLATIVE COUNSEL'S DIGEST

AB 646, as introduced, Low. Department of Consumer Affairs: boards: expunged convictions.

Existing law establishes the Department of Consumer Affairs, which is composed of various boards, and authorizes a board to suspend or revoke a license on the ground that the licensee has been convicted of a crime substantially related to the qualifications, functions, or duties of the business or profession for which the license was issued. Existing law, the Medical Practice Act, provides for the licensure and regulation of the practice of medicine by the Medical Board of California and requires the board to post certain historical information on current and former licensees, including felony and certain misdemeanor convictions. Existing law also requires the Medical Board of California, upon receipt of a certified copy of an expungement order from a current or former licensee, to post notification of the expungement order and the date thereof on its internet website.

This bill would require a board within the department that has posted on its internet website that a person's license was revoked because the person was convicted of a crime, within 90 days of receiving an expungement order for the underlying offense from the person, if the person reapplies for licensure or is relicensed, to post notification of

the expungement order and the date thereof on the board’s internet website. The bill would require the board, on receiving an expungement order, if the person is not currently licensed and does not reapply for licensure, to remove within the same period the initial posting on its internet website that the person’s license was revoked and information previously posted regarding arrests, charges, and convictions. The bill would require a person in either case to pay a \$50 fee to the board, unless another amount is determined by the board to be necessary to cover the cost of administering the bill’s provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 493.5 is added to the Business and  
 2 Professions Code, to read:  
 3 493.5. (a) A board within the department that has posted on  
 4 its internet website that a person’s license was revoked because  
 5 the person was convicted of a crime, upon receiving from the  
 6 person a certified copy of an expungement order granted pursuant  
 7 to Section 1203.4 of the Penal Code for the underlying offense,  
 8 shall, within 90 days of receiving the expungement order, unless  
 9 it is otherwise prohibited by law, or by other terms or conditions,  
 10 do either of the following:  
 11 (1) If the person reapplies for licensure or has been relicensed,  
 12 post notification of the expungement order and the date thereof on  
 13 its internet website.  
 14 (2) If the person is not currently licensed and does not reapply  
 15 for licensure, remove the initial posting on its internet website that  
 16 the person’s license was revoked and information previously posted  
 17 regarding arrests, charges, and convictions.  
 18 (b) A person described in subdivision (a) shall pay to the board  
 19 a fee in the amount of fifty dollars (\$50), unless another amount  
 20 is determined by the board to be necessary to cover the  
 21 administrative cost, ensuring that the amount does not exceed the  
 22 reasonable cost of administering this section. The fee shall be  
 23 deposited by the board into the appropriate fund and shall be  
 24 available only upon appropriation by the Legislature.  
 25 (c) For purposes of this section, “board” means an entity listed  
 26 in Section 101.

- 1 (d) If any provision in this section conflicts with Section 2027,
- 2 Section 2027 shall prevail.

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## OFFICE OF ASSEMBLYMEMBER

**Evan Low**

TWENTY-EIGHTH ASSEMBLY DISTRICT  
 CHAIR, BUSINESS & PROFESSIONS COMMITTEE

# ASSEMBLY BILL 646: Department of Consumer Affairs: Boards: Expunged Convictions

## SUMMARY

AB 646 requires professional licensing boards under the Department of Consumer Affairs (DCA) that post information on their internet website about a revoked license due to a criminal conviction to update or remove information about the revoked license should the board receive an expungement order related to the conviction.

releases a person convicted of a crime from the negative consequences of a conviction by setting aside a guilty verdict or permit withdrawal of the guilty or nolo contendere plea and dismissing the accusation or complaint.

## BACKGROUND

Boards under the jurisdiction of DCA exercise the authority to take disciplinary action against a current licensee. Under California Business and Profession Code section 490, boards may suspend or revoke a license if the licensee has been convicted of a crime that is substantially related to the qualifications, functions, or duties of the professions.

In order to be eligible for an expungement, a person must have completed the term of their probation in its entirety. In addition, they must not be serving a sentence nor be charged with another criminal offence. Expungement cannot be granted if a person is convicted for specified sex crimes or Vehicle Code violations.

For rehabilitated individuals that were convicted of a crime, the permanent nature of a criminal record can create challenge in finding employment and stability after incarceration.

In 2018, the Legislature enacted AB 2138, which, among other provisions, reduces barriers to licensure, enumerates what criteria the boards must consider to determine whether a crime is substantially related to the profession. Effective July 1, 2020, boards will need to examine factors such as the nature and gravity of the offense, the number of years elapsed since the offense, and evidence of rehabilitation.

## SOLUTION

AB 646 requires DCA boards to update its required website posting for a person whose license was revoked because they were convicted of a crime, upon receiving a certified copy of an expungement order for that offense.

While an expungement does not eliminate the person's record, it provides a potential opportunity for a rehabilitated individual to secure employment through state licensure.

If the individual agrees to not seek to practice in the profession for which the license was revoked, it is fair, provided expungement, to give the individual a chance for a new start.

## PROBLEM

To allow for consumer transparency, certain boards under the DCA are required to post on their internet website disciplinary information on a licensee. Members of the public can access information online and check the validity of a license, its issuance and expiration date, and if it has faced disciplinary action from the board.

The California Penal Code grants judicial courts discretionary authority to issue expungements – a process also known as a dismissal. An expungement generally

## SUPPORT

None on file.

CALIFORNIA BOARD OF ACCOUNTANCY  
LEGISLATIVE ANALYSIS  
AB 1026

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<b>Subject:</b>	Business Licenses: Veterans.	<b>Author:</b>	Smith
<b>Version:</b>	February 18, 2021		
<b>Status:</b>	Assembly Business and Professions Committee	<b>Sponsor:</b>	Author

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### Summary

Assembly Bill (AB) 1026 (**Attachment 1**) would require the Department of Consumer Affairs (DCA) and any board within DCA to grant a 50 percent fee reduction for an initial license to an applicant who provides satisfactory evidence that they have served as an active duty member of the United States (U.S.) Armed Forces or the California National Guard and was honorably discharged.

### Background

Under Business and Professions Code section 115.4, any board within DCA is required to expedite, and may also assist with, the initial licensure process for an applicant who supplies satisfactory evidence to the board that the applicant has served as an active duty member of the U.S. Armed Forces and was honorably discharged.

### Analysis

According to the fact sheet (**Attachment 2**), the author's office states that:

Reducing initial licensing fees for boards within DCA by 50 percent would help remove the financial barrier for veterans looking to enter licensed professions. ... Veterans often gain valuable job skills during military service which can be used upon entering the civilian workforce. Easing this financial barrier will bring skilled labor into California and help chip away at the growing issue of veteran homelessness in the state.

### Provisions of the Bill

AB 1026 would require the DCA and any board within DCA to grant a 50 percent fee reduction for an initial license to an applicant who provides satisfactory evidence that they have served as an active duty member of the U.S. Armed Forces or the California National Guard and was honorably discharged.

The bill defines "satisfactory evidence" as a copy of a current and valid driver's license or identification card with the word "Veteran" printed on its face.

### Recommendation

Staff recommend the CBA adopt a **Support** position on this bill.



### **Fiscal Estimate**

The initial fee for a certified public accountant license is \$250, or \$125 if the timeframe between the issuance of the license and the first expiration date is 12 months or less. In 2020, there were 27 applicants who applied with military credentials and staff estimate the fiscal impact would be minimal.

### **Support/Opposition**

Support: None.

Opposition: None.

### **Effective/Operative Date**

January 1, 2022.

### **Related Bills**

- AB 2631 (Cunningham) of the 2020 Legislative Session. Would have prohibited a board within the DCA from charging an initial or original license fee to an applicant who meets the existing expedited licensing requirements for spouses of members of the armed forces with an assigned duty station in California.
- SB 1226 (Correa), Ch. 657 of 2014. Requires the DCA boards and bureaus to expedite applications from honorably discharged veterans, and permits a person registered and hired as a proprietary private security officer to submit a verification of military training in lieu of completing a course in security officer skills, as specified.

### **Attachments**

1. Assembly Bill 1026
2. Assembly Bill 1026 Fact Sheet

**ASSEMBLY BILL****No. 1026**

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**Introduced by Assembly Member Smith**February 18, 2021

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An act to amend Section 115.4 of the Business and Professions Code, relating to business licenses.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1026, as introduced, Smith. Business licenses: veterans.

Existing law establishes the Department of Consumer Affairs under the direction of the Director of Consumer Affairs and sets forth its powers and duties relating to the administration of the various boards under its jurisdiction that license and regulate various professions and vocations.

Existing law requires an applicant seeking a license from a board to meet specified requirements and to pay certain licensing fees. Existing law requires a board to expedite, and authorizes a board to assist, in the initial licensure process for an applicant who supplies satisfactory evidence to the board that the applicant has served as an active duty member of the Armed Forces of the United States and was honorably discharged. Existing law authorizes a board to adopt regulations necessary to administer those provisions.

This bill would require the department and any board within the department to grant a 50% fee reduction for an initial license to an applicant who provides satisfactory evidence, as defined, the applicant has served as an active duty member of the United States Armed Forces or the California National Guard and was honorably discharged. This bill would authorize a board to adopt regulations necessary to administer these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 115.4 of the Business and Professions  
2 Code is amended to read:  
3 115.4. (a) Notwithstanding any other law, on and after July 1,  
4 2016, a board within the department shall expedite, and may assist,  
5 the initial licensure process for an applicant who supplies  
6 satisfactory evidence to the board that the applicant has served as  
7 an active duty member of the Armed Forces of the United States  
8 and was honorably discharged.  
9 (b) *The department and any board within the department shall*  
10 *grant a 50-percent fee reduction for an initial license to an*  
11 *applicant who provides satisfactory evidence the applicant has*  
12 *served as an active duty member of the United States Armed Forces*  
13 *or the California National Guard and was honorably discharged.*  
14 (c) *Satisfactory evidence, as referenced in this section, shall be*  
15 *a copy of a current and valid driver’s license or identification card*  
16 *with the word “Veteran” printed on its face.*  
17 ~~(b)~~  
18 (d) A board may adopt regulations necessary to administer this  
19 section.

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## **Assembly Bill 1026 – Reduced Licensing Fees for Veterans**

### **SUMMARY**

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AB 1026 would require every board within the Department of Consumer Affairs to grant a 50 percent fee reduction for an initial license to an applicant who has served as an active duty member of the California National Guard or the United States Armed Forces and was honorably discharged.

### **PROBLEM**

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Veterans face numerous challenges when transitioning from active duty to the civilian workforce. Initial licensing fees for boards within the Department of Consumer Affairs (DCA) can prove burdensome, especially for lower income veterans. In 2017, the National Conference of State Legislatures published “The State of Occupational Licensing: Research, State Policies, and Trends” which asserted that strict licensing negatively impacts those seeking economic mobility through licensed professions, including veterans. These financial barriers to licensing may ultimately result in veterans choosing to move out of state to enter licensed professions.

### **SOLUTION**

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Reducing initial licensing fees for boards within DCA by 50 percent would help remove the financial barrier for veterans looking to enter licensed professions. A reduction in initial licensing fees would ease the burden for veterans currently residing in California to apply for licenses. Veterans often gain valuable job skills during military service which can be used upon entering the civilian workforce. Easing this financial barrier will bring skilled labor into California and help chip away at the growing issue of veteran homelessness in the state.

### **STAFF CONTACT INFORMATION**

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**CALIFORNIA BOARD OF ACCOUNTANCY  
LEGISLATIVE ANALYSIS  
AB 1386**

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<b>Subject:</b>	License Fees: Military Partners and Spouses.	<b>Author:</b>	Cunningham
<b>Version:</b>	February 19, 2021	<b>Sponsor:</b>	Author
<b>Status:</b>	Assembly Rules Committee		

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### **Summary**

Assembly Bill (AB) 1386 (**Attachment 1**) would prohibit a board within the Department of Consumer Affairs (DCA) from charging an initial or original license fee to an applicant who meets the existing expedited licensing requirements for spouses, domestic partners, or other legal partners of members of the armed forces with an assigned duty station in California.

### **Background**

Existing law provides, under Business and Professions Code section 115.5, for an expedited licensure process for applicants who:

- Supply evidence satisfactory to the board that the applicant is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces assigned to a duty station under orders.
- Hold a current license in another state or jurisdiction in the profession or vocation for which he or she seeks a license from the board.

### **Analysis**

According to the fact sheet (**Attachment 2**), the author indicates that:

[A] recent study found that spouses of active military members earned 14% less than their counterparts during the year of a move due to transitional job costs (Burke & Miller, 2016). [This bill] seeks to ease some of the burden placed on military families who move so frequently to serve our country.

### **Provisions of the Bill**

AB 1386 would prohibit a board from charging an initial or original license fee to an applicant who meets these expedited licensing requirements.

Since the implementation of the expedited licensing of military spouses, the number of actual applicants applying under those provisions have been minimal. As a result, the California Board of Accountancy (CBA) does not anticipate that this measure will have a significant impact on CBA revenues. In addition, this measure is consistent with the CBA's desire to aid the families of those who serve.

## **Recommendation**

Staff recommend the CBA adopt a **Support** position on this bill.

## **Fiscal Estimate**

The initial fee for a certified public accountant license is \$250, or \$125 if the timeframe between the issuance of the license and the first expiration date is 12 months or less. In 2020, there were 27 applicants who applied with military credentials and staff estimate the fiscal impact of AB 1386 would be minimal.

## **Support/Opposition**

Support: None.

Opposition: None.

## **Effective/Operative Date**

January 1, 2022.

## **Related Bills**

- AB 1026 (Smith) of 2021, would require DCA and any board within DCA to grant a 50 percent fee reduction for an initial license to an applicant who provides satisfactory evidence that they have served as an active duty member of the United States Armed Forces or the California National Guard and was honorably discharged.
- AB 2631 (Cunningham) of the 2020 Legislative Session. Would have prohibited a board within the DCA from charging an initial or original license fee to an applicant who meets the existing expedited licensing requirements for spouses of members of the armed forces with an assigned duty station in California.
- AB 1904 (Block, Chapter 399, Statutes of 2012). Requires a board under DCA to issue an expedited license to the spouse or domestic partner of a military member on active duty.

## **Attachments**

1. Assembly Bill 1386
2. Assembly Bill 1386 Fact Sheet

**ASSEMBLY BILL****No. 1386****Introduced by Assembly Member Cunningham**

February 19, 2021

An act to amend Section 115.5 of the Business and Professions Code, relating to professions and vocations.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1386, as introduced, Cunningham. License fees: military partners and spouses.

Existing law provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs. Existing law requires a board to expedite the licensure process for an applicant who holds a current license in another jurisdiction in the same profession or vocation and provides evidence that they are married to or in a domestic partnership or other legal union with an active duty member of the Armed Forces of the United States who is assigned to a duty station in this state under official active duty military orders.

This bill would prohibit a board from charging an initial or original license fee to an applicant who meets these expedited licensing requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 115.5 of the Business and Professions
- 2 Code is amended to read:

1 115.5. (a) A board within the department shall expedite the  
2 licensure process for an applicant who meets both of the following  
3 requirements:

4 (1) Supplies evidence satisfactory to the board that the applicant  
5 is married to, or in a domestic partnership or other legal union  
6 with, an active duty member of the Armed Forces of the United  
7 States who is assigned to a duty station in this state under official  
8 active duty military orders.

9 (2) Holds a current license in another state, district, or territory  
10 of the United States in the profession or vocation for which the  
11 applicant seeks a license from the board.

12 *(b) A board shall not charge an applicant who meets the*  
13 *requirements in subdivision (a) an initial or original license fee.*

14 ~~(b)~~

15 (c) A board may adopt regulations necessary to administer this  
16 section.





# JORDAN CUNNINGHAM

REPRESENTING THE 35TH ASSEMBLY DISTRICT



## AB 1386: Military Spouse Licensing Fees

### BACKGROUND

Military families move significantly more often than their civilian counterparts; on average they relocate every 2 to 3 years. Having to constantly relocate can have lasting effects on the earnings of military spouses. In fact, a recent study found that spouses of active military members earned 14% less than their counterparts during the year of a move due to transitional job costs (Burke & Miller, 2016). Assembly Bill 1386 seeks to ease some of the burden placed on military families who move so frequently to serve our country.

### SUMMARY

AB 1386 will waive licensure fees from the Department of Consumer Affairs (DCA) for spouses of active military members if they (1) already hold a license in another state and (2) have been relocated due to their spouse's military duties.

### CURRENT LAW

Currently, the Department of Consumer Affairs expedites licenses for spouses of active military members that have been relocated (Chap. 640, Stats 2014). This bill simply adds on to existing law and prohibits the Department from charging an original licensing fee during that process.

### SUPPORT

None on file

### OPPOSITION

None on file

### STAFF CONTACT

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**CALIFORNIA BOARD OF ACCOUNTANCY  
LEGISLATIVE ANALYSIS  
SB 772**

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<b>Subject:</b>	Professions and Vocations: Citations: Minor violations.	<b>Author:</b>	Ochoa Bogh
<b>Version:</b>	February 19, 2021	<b>Sponsor:</b>	Author
<b>Status:</b>	Senate Business, Professions and Economic Development Committee		

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### **Summary**

Senate Bill (SB) 772 (**Attachment 1**) would prohibit any board, bureau, or commission within the Department of Consumer Affairs (DCA), including the California Board of Accountancy (CBA), from assessing an administrative fine for a violation of the applicable licensing act or any adopted regulation if the violation is a minor violation, as specified.

The bill defines a minor violation as one in which all of the following conditions are met:

1. The violation did not pose a serious health or safety threat.
2. There is no evidence that the violation was willful.
3. The licensee was not on probation at the time of the violation.
4. The licensee does not have a history of committing the violation.
5. The licensee corrects the violation within 30 days from the date notice of the violation is sent to the licensee.

### **Background**

#### Citation Authority for Boards and Bureaus

Business and Professions Code (BPC) section 125.9 provides that any board, bureau, or commission within DCA may by regulation establish citations including the orders of abatement, or the assessment of an administrative fine for violation of the applicable licensing act or regulation.

Citations are required to be in writing and which shall describe, in detail, the nature of the violation, including specific reference to the provision of law determined to have been violated. When appropriate, the citation shall contain an order of abatement fixing a reasonable time for abatement of the violation.

#### Flexibility of Citation Authority

Existing law provides for flexibility in fixing citations:

- A citation may be issued without the assessment of an administrative fine.
- Assessment of administrative fines may be limited to only particular violations of the applicable licensing act.

- Notwithstanding any other provision of law, if a fine is paid to satisfy an assessment based on the finding of a violation, payment of the fine and compliance with the order of abatement, if applicable, shall be represented as satisfactory resolution of the matter for purposes of public disclosure.
- Administrative fines collected pursuant to this section shall be deposited in the special fund of the particular board, bureau, or commission.

Statute also provides that no assessed administrative fine shall exceed \$5,000 for each inspection or each investigation made with respect to the violation. In assessing a fine, the board, bureau, or commission shall give due consideration to the appropriateness of the amount of the fine with respect to factors such as the gravity of the violation, the good faith of the licensee, and the history of previous violations.

#### Availability of Hearing

A board or bureau will inform licensees that they may seek a hearing to contest the finding of the underlying violation. Such a hearing shall be requested by the licensee in writing to the board, bureau or commission within 30 days of the date of issuance of the citation or assessment. If a hearing is not requested, payment of any fine will not constitute an admission of the violation.

#### Failure to Pay a Fine

Licensees who fail to pay a fine or comply with an order of abatement, or both, within 30 days of the date of assessment or order, unless the citation is being appealed, may be subject to a disciplinary action being taken by the board, bureau, or commission. Where a citation is not contested and a fine is not paid, the full amount of the assessed fine will be added to the fee for renewal of the license. A license shall not be renewed without payment of the renewal fee and fine.

### **Analysis**

According to the fact sheet (**Attachment 2**), the author's stated intent for this bill is that:

[Many business] owners [are left] in the precarious position of making minor mistakes due to misinterpretation or lack of awareness, rather than outright disregard for the law, simply because they do not possess a law degree or legal team. These mistakes, although minor, result in costly penalties. Creating a business environment in the state that is conducive to growth, especially after the damaging effects the COVID-19 shutdowns have had on small businesses, will be integral to economic recovery. Providing financial relief, at a time when many business owners and licensed professionals are facing the decision of closing their doors permanently, is inherent to restoring confidence for current and prospective businesses in California.

#### Provisions of the Bill

SB 772 would prohibit any board, bureau, or commission within the DCA, including the CBA, from assessing an administrative fine for a violation of the applicable licensing act or any adopted regulation if the violation is a minor violation.

The bill defines a minor violation as one in which all of the following conditions are met:

1. The violation did not pose a serious health or safety threat.
2. There is no evidence that the violation was willful.
3. The licensee was not on probation at the time of the violation.
4. The licensee does not have a history of committing the violation.
5. The licensee corrects the violation within 30 days from the date notice of the violation is sent to the licensee.

### Willful Violations

According to the bill (condition 2) a violation is minor if there is no evidence that the violation was willful. The language does not define what willful would entail.

Historically, for administrative matters, the courts do not view willful as intentional; rather, typical standard for willful is an act where a violator knew or should have known of the violation and have chosen to ignore the rule of law. Thus, by committing the violation, the act is willful. This would appear to run contrary to the author's intentions.

### Violation Correction

According to the bill (condition 5) a violation is minor if the licensee corrects the violation within 30 days from the date the notice of the violation is sent to the licensee. The bill does not define what constitutes "notice." Is the notice the initial letter informing the licensee that there is a potential violation or is the notice the citation itself? If it is the former (that is the initial notice of a potential violation), for the CBA, there is, generally, an opportunity to correct a violation (for example, complete outstanding continuing education or respond to a written request by the CBA) prior to a citation and fine being issued.

If, however, it is the latter (the notice being the citation itself), the administrative fine accompanies the citation. Under current law, there appears to be no ability to separately issue the citation and the accompanying fine. Further, for the CBA, there are certain violations that are not correctable and, thus, would not qualify for the proposed definition of a minor violation.

The citation most issued by the CBA is for failing to complete the minimum yearly Continuing Education requirement of 20 hours per licensure year, with 12 hours in technical subject matter (commonly referred to as 20/12). Looking to the present fiscal year (FY) 2020-21, of the 204 citations issued, 61 percent were issued to licensees for failing to complete the 20/12 requirement. Looking back to FY 2019-20, of the 174 citations issued, 82 percent were issued to licensees for failing to complete the 20/12 requirement.

### **Recommendation**

Staff recommend the CBA take a **Watch** position on this bill. Further, staff recommend that a letter be sent to the author identifying concerns regarding the lack of a definition for the terms "notice" and "willful," which could result in issues during implementation, should the bill pass.

### **Fiscal Estimate**

The costs to the CBA are unknown at this time. However, it should be noted that the CBA issued 174 citations in FY 2019-2020 in the amount of \$49,275.

### **Support/Opposition**

Support: None.

Opposition: None.

### **Effective/Operative Date**

January 1, 2022.

### **Related Bills**

- **SB 960 (Morrell)** Chap. 247 of 2014. Authorized the Board of Pharmacy (BOP) to issue a letter of admonishment to applicants for licensures who have committed violations of law that BOP deems does not merit license denial or probationary status.
- **AB 1005 (Calderon)** of 2017. Would have provided for non-healing arts boards under DCA to issue a citation for a violation of any provision of the BPC also include the authority to issue an abatement order, in lieu of a fine. It would have provided that a person who is issued such an order 30 days in which to correct the violation before being issued a fine.

### **Attachments**

1. Senate Bill 772
2. Senate Bill 772 Fact Sheet

**SENATE BILL**

**No. 772**

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**Introduced by Senator Ochoa Bogh  
(Coauthor: Senator Borgeas)**

February 19, 2021

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An act to amend Section 125.9 of the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 772, as introduced, Ochoa Bogh. Professions and vocations: citations: minor violations.

Existing law authorizes the State Board of Chiropractic Examiners, the Osteopathic Medical Board of California, and any board within the Department of Consumer Affairs to issue a citation to a licensee, which may contain an order of abatement or an order to pay an administrative fine assessed by the board.

This bill would prohibit the assessment of an administrative fine for a minor violation, and would specify that a violation shall be considered minor if it meets specified conditions, including that the violation did not pose a serious health or safety threat and there is no evidence that the violation was willful.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 125.9 of the Business and Professions  
2 Code is amended to read:  
3 125.9. (a) Except with respect to persons regulated under  
4 Chapter 11 (commencing with Section 7500), any board, bureau,  
5 or commission within the department, the State Board of

1 Chiropractic Examiners, and the Osteopathic Medical Board of  
2 California, may establish, by regulation, a system for the issuance  
3 to a licensee of a citation which may contain an order of abatement  
4 or an order to pay an administrative fine assessed by the board,  
5 bureau, or commission where the licensee is in violation of the  
6 applicable licensing act or any regulation adopted pursuant thereto.

7 (b) The system shall contain the following provisions:

8 (1) Citations shall be in writing and shall describe with  
9 particularity the nature of the violation, including specific reference  
10 to the provision of law determined to have been violated.

11 (2) Whenever appropriate, the citation shall contain an order of  
12 abatement fixing a reasonable time for abatement of the violation.

13 (3) In no event shall the administrative fine assessed by the  
14 board, bureau, or commission exceed five thousand dollars (\$5,000)  
15 for each inspection or each investigation made with respect to the  
16 violation, or five thousand dollars (\$5,000) for each violation or  
17 count if the violation involves fraudulent billing submitted to an  
18 insurance company, the Medi-Cal program, or Medicare. In  
19 assessing a fine, the board, bureau, or commission shall give due  
20 consideration to the appropriateness of the amount of the fine with  
21 respect to factors such as the gravity of the violation, the good  
22 faith of the licensee, and the history of previous violations.

23 (4) A citation or fine assessment issued pursuant to a citation  
24 shall inform the licensee that if the licensee desires a hearing to  
25 contest the finding of a violation, that hearing shall be requested  
26 by written notice to the board, bureau, or commission within 30  
27 days of the date of issuance of the citation or assessment. If a  
28 hearing is not requested pursuant to this section, payment of any  
29 fine shall not constitute an admission of the violation charged.  
30 Hearings shall be held pursuant to Chapter 5 (commencing with  
31 Section 11500) of Part 1 of Division 3 of Title 2 of the Government  
32 Code.

33 (5) Failure of a licensee to pay a fine or comply with an order  
34 of abatement, or both, within 30 days of the date of assessment or  
35 order, unless the citation is being appealed, may result in  
36 disciplinary action being taken by the board, bureau, or  
37 commission. Where a citation is not contested and a fine is not  
38 paid, the full amount of the assessed fine shall be added to the fee  
39 for renewal of the license. A license shall not be renewed without  
40 payment of the renewal fee and fine.

1 (c) The system may contain the following provisions:

2 (1) A citation may be issued without the assessment of an  
3 administrative fine.

4 (2) Assessment of administrative fines may be limited to only  
5 particular violations of the applicable licensing act.

6 (d) Notwithstanding any other provision of law, if a fine is paid  
7 to satisfy an assessment based on the finding of a violation,  
8 payment of the fine and compliance with the order of abatement,  
9 if applicable, shall be represented as satisfactory resolution of the  
10 matter for purposes of public disclosure.

11 (e) Administrative fines collected pursuant to this section shall  
12 be deposited in the special fund of the particular board, bureau, or  
13 commission.

14 (f) *A licensee shall not be assessed an administrative fine for a*  
15 *violation of the applicable licensing act or any regulation adopted*  
16 *pursuant to the act if the violation is a minor violation. A violation*  
17 *shall be considered minor if all of the following conditions are*  
18 *satisfied:*

19 (1) *The violation did not pose a serious health or safety threat.*

20 (2) *There is no evidence that the violation was willful.*

21 (3) *The licensee was not on probation at the time of the*  
22 *violation.*

23 (4) *The licensee does not have a history of committing the*  
24 *violation.*

25 (5) *The licensee corrects the violation within 30 days from the*  
26 *date notice of the violation is sent to the licensee.*



# SB 772: Abatement of Minor Business Violation Fees

## Senator Rosilic Ochoa Bogh

### IN BRIEF

SB 772 will provide financial relief to businesses and licensed professionals by allowing them to correct minor violations without being subject to a monetary penalty.

### THE ISSUE

Small businesses make up over 99%<sup>1</sup> of all businesses in California and they employ over 7 million employees. That is why they are the cornerstone of our economy. These businesses, however, are facing an increasingly difficult business environment in the state.

Without the legal resources of their corporate counterparts, many small business owners are left to navigate and interpret the extremely nuanced Business and Professions Code on their own. This leaves many owners in the precarious position of making minor mistakes due to misinterpretation or lack of awareness, rather than outright disregard for the law, simply because they do not possess a law degree or legal team. These mistakes, although minor, result in costly penalties.

Overregulation has become a barrier to entry, especially among lower-income households.<sup>2</sup> It deters entrepreneurship through the fear of costly lawsuits accompanied by state penalty fees. This can be detrimental, particularly among women and communities of color who are already less likely to become entrepreneurs<sup>3</sup> compared to their white, male counterparts. Overregulation not only drives current business owners out of business, but it also disincentivizes new businesses from entering the market.

Additionally, as small businesses leave the market due to infeasible regulatory conditions, larger corporations, who are able to maneuver the complex regulatory environment, will be able to gain a monopolistic-like share of the market. This ultimately results in higher prices, lower quality, and less choice<sup>4</sup> for the consumer.

Creating a business environment in the state that is conducive to growth, especially after the damaging effects the COVID-19 shutdowns have had on small businesses,<sup>5</sup> will be integral to economic recovery. Providing financial relief, at a time when many business owners and licensed professionals are facing the decision of closing their doors permanently, is inherent to restoring confidence for current and prospective businesses in California.

### EXISTING LAW

Currently, Business and Professions Code Section 125.9 authorizes boards and bureaus that fall under the Department of Consumer Affairs (DCA) to issue citations without assessing an accompanying administrative fine. This, however, is at the discretion of the licensing entity.

In Fiscal Year 2014-2015, the Bureau of Household Goods and Services implemented the \$0 citation abatement program to take initial action against a business without imposing a monetary penalty. This allowed the bureau to provide outreach and education to the business to achieve long-term compliance. Any subsequent violations by the business would warrant the assessment of a monetary fine.<sup>6</sup>

### THE SOLUTION

SB 772 would require all boards and bureaus within the DCA to adopt a program that allows licensees and business owners to correct minor violations before being subject to a monetary penalty.

This bill would also direct boards and bureaus to adopt regulations to identify what types of violations are considered to be minor and would qualify for the \$0 citation program.

### FOR MORE INFORMATION

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Bill text and status can be found at:  
<http://leginfo.legislature.ca.gov/>

<sup>1</sup><https://cdn.advocacy.sba.gov/wp-content/uploads/2019/04/23142641/2019-Small-Business-Profiles-CA.pdf>

<sup>2</sup>[https://www.pacificresearch.org/wp-content/uploads/2019/10/Barriers\\_Pathways\\_finalWeb.pdf](https://www.pacificresearch.org/wp-content/uploads/2019/10/Barriers_Pathways_finalWeb.pdf)

<sup>3</sup><https://www.entrepreneur.com/article/312943>

<sup>4</sup><https://www.bbc.com/news/business-34666150>

<sup>5</sup><https://www.ppic.org/blog/the-economic-toll-of-covid-19-on-small-business/>  
<sup>6</sup>[https://bhgs.dca.ca.gov/forms\\_pubs/sunset\\_2017.pdf](https://bhgs.dca.ca.gov/forms_pubs/sunset_2017.pdf)

**CALIFORNIA BOARD OF ACCOUNTANCY  
LEGISLATIVE ANALYSIS  
AB 339**

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<b>Subject:</b>	State and Local Government: Open Meetings.	<b>Author:</b>	Lee
<b>Version:</b>	January 28, 2021	<b>Sponsor:</b>	Leadership Council for Justice and Accountability
<b>Status:</b>	Assembly Rules Committee		

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## Summary

Assembly Bill (AB) 339 (**Attachment 1**) establishes additional requirements for meetings of the state Legislature, legislative bodies of local agencies, and state bodies.

The bill would require all meetings of the Legislature or its committees to include an opportunity for persons to attend by a call-in option or an internet-based option that provides closed captioning services, provided to the public by the legislative body. The bill would require that all instructions to access these meetings be posted in the 10 most-spoken languages, other than English, in California, and include a hotline that members of the public can call for assistance, with assistance in these languages.

The bill would, in addition to existing provisions of the Ralph M. Brown Act (Brown Act), provide that notices and meetings of local agencies must also adhere to many of the same provisions which the bill requires (as indicated below) for state agencies under the Bagley-Keene Act.

In addition to the existing provisions of the Bagley-Keene Open Meeting Act (Bagley-Keene Act), this bill would make changes to the definition of a meeting, provide expanded methods for public comment, ensures a member is present at a noticed location to facilitate public participation, and requires instructions on participation to be posted in a specified timeframe and in additional languages, as specified.

## Background

California has three types of open meetings laws that apply to local and state governmental entities. Adopted over the years, these laws apply to the Legislature, local entities (including city councils and boards of supervisors), and state entities. These open meeting acts are generally referred to as the Grunsky-Burton Open Meeting Act (Grunsky-Burton Act) (applying to the Legislature), the Brown Act (applying to local entities), and the Bagley-Keene Act (applying to state entities).

While this bill affects provisions of both the Grunsky-Burton Act and the Brown Act, this analysis focuses on the Bagley-Keene Act and its potential to directly impact the CBA.

### Open Meetings of State Bodies

The Bagley-Keene Act was created on the premise that public agencies exist to aid in the conduct of the people's business and that the proceedings of public agencies should be conducted openly so that the public may remain informed. Therefore, the concepts of transparency in decision-making and public access to information are given priority.

Whenever a state body meets, the Bagley-Keene Act requires those bodies to take certain actions prior to, during, and after a meeting, including:

- Issue a public notice at least 10 days in advance;
- Prepare formal agendas;
- Conduct meetings in public;
- Accept public testimony;
- Record the meeting; and
- Publish meeting minutes.

Presently, the Bagley-Keene Act requires a state body to publish a public meeting notice on its website, and to any person who requests it in writing, at least 10 days prior to that meeting. The notice shall include, among other items, a specific agenda for the meeting and a brief description of the items of business to be transacted or discussed in either open or closed session.

### Bilingual Services

The Dymally-Alatorre Bilingual Services Act, contained in Government Code section 7291, requires state and local public agencies to provide interpreter and written document translation services in a manner that will ensure that limited English proficient individuals have access to important government services.

Agencies are permitted to employ bilingual staff, and translate documents into additional languages representing the clientele served by the agency. Public agencies also must conduct a language needs assessment survey every two years documenting among other things the other-than-English languages spoken in the local population, and the number and percentage of non-English-speaking people served broken down by native language.

### Top Non-English Languages Spoken in California

This bill will require meeting notices to be translated into the languages spoken by five percent or more of the people in the jurisdiction of the public agency. The top non-English languages spoken in California during 2020<sup>1</sup> were Spanish, Chinese (including Cantonese and Mandarin), Vietnamese, Tagalog (including Filipino), and Korean.

## **Analysis**

AB 339 would require changes to how meetings of the Legislature and local agencies are conducted. However, as those provisions do not impact the California Board of Accountancy (CBA), they will not be the focus of this analysis.

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<sup>1</sup> Source: <https://census.ca.gov/wp-content/uploads/sites/4/2019/06/LACAP.pdf>

According to the fact sheet (**Attachment 2**), the author states this bill is intended to address issues which have become exposed due to the current emergency, stating:

COVID-19 has exacerbated existing barriers that prevent people from participating in one of our democracy's greatest features - public discourse designed to inform the rules and policies that govern us. In addition, linguistic, physical, and geographic isolation prevents constituents from exercising their civic duties, which limits our governing bodies from achieving their full potential.

AB 339 proposes changes to the Bagley-Keene Act. The proposed changes and possible impact to the CBA include:

- Revises the definition of a “meeting” of a state body under the Bagley-Keene Act to include a virtual congregation of a majority of members of a state body using teleconference technology.
- Requires that all meetings include an opportunity for all persons to attend via a call-in option or an internet-based service option that provides closed captioning services. Both a call-in and an internet-based service option shall be provided to the public.

While the CBA is currently employing these techniques for teleconferenced meetings held during COVID-19, this measure would mandate these options be available to the public for all meetings going forward regardless of meeting format.

- Requires that at least one member of the state body shall be physically present at the location specified in the notice of the meeting to ensure that members of the public are able to give public comment in person. This location must be publicly accessible and able to accommodate a reasonable amount of people, given the circumstances.
- The CBA presently and historically has had a minimum of one member at a physical meeting location of the CBA and as such the proposal does not impact the CBA. Terminology used in AB 339 may present some concerns regarding how to implement these provisions going forward as terms such as “accommodate a reasonable amount of people” and “given the circumstances” are not defined.
- Requires that instructions on how to attend the meeting of the state body via call-in or internet-based service will be posted online along with the meeting agenda at least 72-hours before all regular meetings and at least 24-hours before all special meetings.
- This provision would likely not impact the CBA, as presently the instructions on how to participate in meetings are posted with the notice and agenda, 10 days prior to the meeting.

- Requires that, consistent with the Dymally-Alatorre Bilingual Services Act, the posted meeting instructions shall be translated into all languages of which five percent of the population of the state body's jurisdiction speaks.
- This provision may require the CBA to establish a contract for translation services or work with the Department of Consumer Affairs (DCA) regarding services they presently use to have materials produced in various languages.

### **Recommendation**

Staff recommend that the CBA monitor the bill and not take a formal position at this time. The author's office has informed DCA that this bill may undergo amendments, which may remove impacts to state agencies.

### **Fiscal Estimate**

There may be costs to the CBA. If the bill moves forward in its present form a fiscal analysis will be conducted and presented at the May CBA Meeting.

### **Support/Opposition**

Support: Leadership Council for Justice and Accountability (Sponsor)  
American Civil Liberties Union (ACLU) (Co-sponsor)  
Californians for Justice  
Californians for Pesticide Reform  
Central California Asthma Collaborative  
Central California Environmental Justice Network  
Central Valley Air Quality Coalition  
Clean Water Action  
Coalition for Humane Immigrant Rights (CHIRLA)  
Courage Campaign  
Cultiva La Salud  
Dolores Huerta Foundation  
Faith in the Valley  
Fairmead Community & Friends  
Fresno Barrios Unidos  
Greenbelt Alliance  
Jakara Movement  
Los Angeles Sunshine Coalition  
Mi Familia Vota  
Pesticide Action Network  
PolicyLink  
Pueblo Unido CDC  
Root & Rebound  
Time for Change Foundation.

Opposition: None.

**Effective/Operative Date**

January 1, 2022.

**Related Bills**

- AB 19 (Santiago) of the 2021 Legislative Session. Would require the Employment Development Department to ensure that non-English-speaking residents have adequate access to department employees qualified to provide information regarding applying for, and receiving, unemployment insurance benefits in the language of the non-English-speaking person.

**Attachments**

1. AB 339
2. AB 339 Fact sheet

**ASSEMBLY BILL****No. 339****Introduced by Assembly Members Lee and Cristina Garcia**

January 28, 2021

An act to amend Sections 9027, 54953, 54954.2, 54954.3, 11122.5, 11123, 11125.7 of, and to add Sections 9027.1 and 9028.1 to, the Government Code, relating to state and local government.

## LEGISLATIVE COUNSEL'S DIGEST

AB 339, as introduced, Lee. State and local government: open meetings.

Existing law requires all meetings, as defined, of a house of the Legislature or a committee thereof to be open and public, and requires all persons to be permitted to attend the meetings, except as specified.

This bill would require all meetings, including gatherings using teleconference technology, to include an opportunity for all persons to attend via a call-in option or an internet-based service option that provides closed captioning services and requires both a call-in and an internet-based service option to be provided to the public. The bill would require all meetings to provide the public with an opportunity to comment on proposed legislation, as provided, and requires translation services to be provided for the 10 most-spoken languages, other than English, in California, and would require those persons commenting in a language other than English to have double the amount of time as those giving a comment in English, if time restrictions on public comment are utilized, except as specified. The bill would require instructions on how to attend the meeting to be posted at the time notice of the meeting is publicized, as specified.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate.

This bill would require all meetings to include an opportunity for all persons to attend via a call-in option or an internet-based service option that provides closed captioning services and requires both a call-in and an internet-based service option to be provided to the public. The bill would require, even in the case of a declared state or local emergency, teleconferenced meetings to include an in-person public comment opportunity. The bill would require all meetings to provide the public with an opportunity to address the legislative body remotely via call-in or internet-based service, as provided, and would require instructions on how to attend the meeting to be posted at the time notice of the meeting is publicized, as specified. The bill would also require the legislative bodies of the local agency to employ a sufficient amount of qualified bilingual persons to provide translation during the meeting in the language of a non-English-speaking person, in jurisdictions which govern a substantial number of non-English-speaking people, as defined.

Existing law, the Bagley-Keene Open Meeting Act, requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body. The Act requires at least one member of the state body to be physically present at the location specified in the notice of the meeting.

This bill would require all meetings, as defined, to include an opportunity for all persons to attend via a call-in option or an internet-based service option that provides closed captioning services and requires both a call-in and an internet-based service option to be provided to the public. The bill would require instructions on how to attend the meeting via call-in or internet-based service to be posted online along with the meeting agenda in an easily accessible location at least 72 hours before all regular meetings and at least 24 hours before all special meetings. The bill would require all meetings to provide the public with an opportunity to address the legislative body remotely via call-in or internet-based service, as provided, and would require those persons commenting in a language other than English to have double the amount of time as those giving a comment in English, if time restrictions on public comment are utilized, except as specified.

Existing law, the Dymally-Alatorre Bilingual Services Act, requires any materials explaining services available to the public to be translated



into any non-English language spoken by a substantial number of the public, as defined, served by the agency, and requires every state and local agency serving a substantial number of non-English-speaking people, as defined, to employ a sufficient number of qualified bilingual persons in public contact positions or as interpreters to ensure provision of information and services in the language of the non-English-speaking person.

This bill would require legislative bodies of local agencies, and state bodies, as defined, to translate agendas and instructions for accessing the meeting to be translated into all languages for which 5% of the population in the area governed by the local agency, or state body’s jurisdiction, are speakers.

By imposing new duties on local governments with respect to meetings, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 9027 of the Government Code is amended
- 2 to read:
- 3 9027. Except as otherwise provided in this article, all meetings
- 4 of a house of the Legislature or a committee thereof shall be open
- 5 and public, and all persons shall be permitted to attend the
- 6 meetings. *Additionally, all meetings shall include an opportunity*
- 7 *for all persons to attend via a call-in option or an internet-based*
- 8 *service option that provides closed captioning services. Both a*
- 9 *call-in and an internet-based service option shall be provided to*

1 *the public*. As used in this article, “meeting” means a gathering of  
2 a quorum of the members of a house or committee in one place  
3 *place, including a gathering using teleconference technology*, for  
4 the purpose of discussing legislative or other official matters within  
5 the jurisdiction of the house or committee. As used in this article,  
6 “committee” includes a standing committee, joint committee,  
7 conference committee, subcommittee, select committee, special  
8 committee, research committee, or any similar body.

9 SEC. 2. Section 9027.1 is added to the Government Code, to  
10 read:

11 9027.1. All meetings shall provide the public with an  
12 opportunity to comment on proposed legislation, either in person  
13 or remotely via call-in or internet-based service, consistent with  
14 requirements in Section 9027. Persons commenting in person shall  
15 not have more time or in any other way be prioritized over persons  
16 commenting remotely via call-in or internet-based service.  
17 Translation services shall be provided for the 10 most-spoken  
18 languages, other than English, in California. If there are time  
19 restrictions on public comment, persons giving a public comment  
20 in a language other than English shall have double the amount of  
21 time as those giving a comment in English to allow for translation,  
22 unless simultaneous translation equipment is available.

23 SEC. 3. Section 9028.1 is added to the Government Code, to  
24 read:

25 9028.1. Instructions on how to attend the meeting via call-in  
26 or internet-based service shall be posted online in an easily  
27 accessible location at the time the meeting is scheduled and notice  
28 of the meeting is published. The posted instructions shall include  
29 translations into the 10 most-spoken languages, other than English,  
30 in California, and shall list a hotline that members of the public  
31 can call for assistance, with assistance in the 10 most-spoken  
32 languages provided.

33 SEC. 4. Section 54953 of the Government Code is amended  
34 to read:

35 54953. (a) All meetings of the legislative body of a local  
36 agency shall be open and public, and all persons shall be permitted  
37 to attend any meeting of the legislative body of a local agency,  
38 except as otherwise provided in this chapter. *Additionally, all*  
39 *meetings shall include an opportunity for all persons to attend via*  
40 *a call-in option or an internet-based service option that provides*

1 *closed-captioning services. Both a call-in and an internet-based*  
2 *service option shall be provided to the public.*

3 (b) (1) Notwithstanding any other provision of law, the  
4 legislative body of a local agency may use teleconferencing for  
5 the benefit of the public and the legislative body of a local agency  
6 in connection with any meeting or proceeding authorized by law.  
7 The teleconferenced meeting or proceeding shall comply with all  
8 requirements of this chapter and all otherwise applicable provisions  
9 of law relating to a specific type of meeting or proceeding.

10 (2) Teleconferencing, as authorized by this section, may be used  
11 *by members of the legislative body* for all purposes in connection  
12 with any meeting within the subject matter jurisdiction of the  
13 legislative body. All votes taken during a teleconferenced meeting  
14 shall be by rollcall.

15 (3) If the legislative body of a local agency elects to use  
16 teleconferencing, *other than what is required by subdivision (a)*,  
17 it shall post agendas at all teleconference locations and conduct  
18 teleconference meetings in a manner that protects the statutory  
19 and constitutional rights of the parties or the public appearing  
20 before the legislative body of a local agency. Each teleconference  
21 location shall be identified in the notice and agenda of the meeting  
22 or proceeding, and each teleconference location shall be accessible  
23 to the public. During the teleconference, at least a quorum of the  
24 members of the legislative body shall participate from locations  
25 within the boundaries of the territory over which the local agency  
26 exercises jurisdiction, except as provided in subdivision (d). The  
27 agenda shall provide an opportunity for members of the public to  
28 address the legislative body directly pursuant to Section 54954.3  
29 at each teleconference location.

30 (4) For the purposes of this section, “teleconference” means a  
31 meeting of a legislative body, the members of which are in different  
32 locations, connected by electronic means, through either audio or  
33 video, or both. Nothing in this section shall prohibit a local agency  
34 from providing the public with additional teleconference locations.

35 (5) *Notwithstanding any laws that prohibit in-person government*  
36 *meetings in the case of a declared state of emergency, including*  
37 *a public health emergency, teleconferenced meetings shall include*  
38 *an in-person public comment opportunity, wherein members of*  
39 *the public can report to a designated site to give public comment*  
40 *in person.*

1 (c) (1) No legislative body shall take action by secret ballot,  
2 whether preliminary or final.

3 (2) The legislative body of a local agency shall publicly report  
4 any action taken and the vote or abstention on that action of each  
5 member present for the action.

6 (3) Prior to taking final action, the legislative body shall orally  
7 report a summary of a recommendation for a final action on the  
8 salaries, salary schedules, or compensation paid in the form of  
9 fringe benefits of a local agency executive, as defined in  
10 subdivision (d) of Section 3511.1, during the open meeting in  
11 which the final action is to be taken. This paragraph shall not affect  
12 the public's right under the California Public Records Act (Chapter  
13 3.5 (commencing with Section 6250) of Division 7 of Title 1) to  
14 inspect or copy records created or received in the process of  
15 developing the recommendation.

16 (d) (1) Notwithstanding the provisions relating to a quorum in  
17 paragraph (3) of subdivision (b), if a health authority conducts a  
18 teleconference meeting, members who are outside the jurisdiction  
19 of the authority may be counted toward the establishment of a  
20 quorum when participating in the teleconference if at least 50  
21 percent of the number of members that would establish a quorum  
22 are present within the boundaries of the territory over which the  
23 authority exercises jurisdiction, and the health authority provides  
24 a teleconference number, and associated access codes, if any, that  
25 allows any person to call in to participate in the meeting and the  
26 number and access codes are identified in the notice and agenda  
27 of the meeting.

28 (2) Nothing in this subdivision shall be construed as  
29 discouraging health authority members from regularly meeting at  
30 a common physical site within the jurisdiction of the authority or  
31 from using teleconference locations within or near the jurisdiction  
32 of the authority. A teleconference meeting for which a quorum is  
33 established pursuant to this subdivision shall be subject to all other  
34 requirements of this section.

35 (3) For purposes of this subdivision, a health authority means  
36 any entity created pursuant to Sections 14018.7, 14087.31,  
37 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare  
38 and Institutions Code, any joint powers authority created pursuant  
39 to Article 1 (commencing with Section 6500) of Chapter 5 of  
40 Division 7 for the purpose of contracting pursuant to Section

1 14087.3 of the Welfare and Institutions Code, and any advisory  
2 committee to a county sponsored health plan licensed pursuant to  
3 Chapter 2.2 (commencing with Section 1340) of Division 2 of the  
4 Health and Safety Code if the advisory committee has 12 or more  
5 members.

6 SEC. 5. Section 54954.2 of the Government Code is amended  
7 to read:

8 54954.2. (a) (1) At least 72 hours before a regular meeting,  
9 the legislative body of the local agency, or its designee, shall post  
10 an agenda containing a brief general description of each item of  
11 business to be transacted or discussed at the meeting, including  
12 items to be discussed in closed session. A brief general description  
13 of an item generally need not exceed 20 words. The agenda shall  
14 specify the time and location of the regular meeting and shall be  
15 posted in a location that is freely accessible to members of the  
16 public and on the local agency's ~~Internet Web site~~, *internet website*,  
17 if the local agency has one. If requested, the agenda shall be made  
18 available in appropriate alternative formats to persons with a  
19 disability, as required by Section 202 of the Americans with  
20 Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal  
21 rules and regulations adopted in implementation thereof. The  
22 agenda shall include information regarding how, to whom, and  
23 when a request for disability-related modification or  
24 accommodation, including auxiliary aids or services, may be made  
25 by a person with a disability who requires a modification or  
26 accommodation in order to participate in the public meeting. *In*  
27 *compliance with the Dymally-Alatorre Bilingual Services Act*  
28 *(Chapter 17.5 (commencing with Section 7290) of Division 7 of*  
29 *Title 1), agendas and instructions for accessing the meeting,*  
30 *whether teleconferenced or in person, shall be translated into all*  
31 *languages for which 5 percent of the population in the area*  
32 *governed by the local agency is a speaker.*

33 (2) For a meeting occurring on and after January 1, 2019, of a  
34 legislative body of a city, county, city and county, special district,  
35 school district, or political subdivision established by the state that  
36 has an ~~Internet Web site~~, *internet website*, the following provisions  
37 shall apply:

38 (A) An online posting of an agenda shall be posted on the  
39 primary ~~Internet Web site~~ *internet website* homepage of a city,  
40 county, city and county, special district, school district, or political

1 subdivision established by the state that is accessible through a  
2 prominent, direct link to the current agenda. The direct link to the  
3 agenda shall not be in a contextual menu; however, a link in  
4 addition to the direct link to the agenda may be accessible through  
5 a contextual menu.

6 (B) An online posting of an agenda including, but not limited  
7 to, an agenda posted in an integrated agenda management platform,  
8 shall be posted in an open format that meets all of the following  
9 requirements:

10 (i) Retrievable, downloadable, indexable, and electronically  
11 searchable by commonly used Internet search applications.

12 (ii) Platform independent and machine readable.

13 (iii) Available to the public free of charge and without any  
14 restriction that would impede the reuse or redistribution of the  
15 agenda.

16 (C) A legislative body of a city, county, city and county, special  
17 district, school district, or political subdivision established by the  
18 state that has an ~~Internet Web site~~ *internet website* and an integrated  
19 agenda management platform shall not be required to comply with  
20 subparagraph (A) if all of the following are met:

21 (i) A direct link to the integrated agenda management platform  
22 shall be posted on the primary ~~Internet Web site~~ *internet website*  
23 homepage of a city, county, city and county, special district, school  
24 district, or political subdivision established by the state. The direct  
25 link to the integrated agenda management platform shall not be in  
26 a contextual menu. When a person clicks on the direct link to the  
27 integrated agenda management platform, the direct link shall take  
28 the person directly to an ~~Internet Web site~~ *internet website* with  
29 the agendas of the legislative body of a city, county, city and  
30 county, special district, school district, or political subdivision  
31 established by the state.

32 (ii) The integrated agenda management platform may contain  
33 the prior agendas of a legislative body of a city, county, city and  
34 county, special district, school district, or political subdivision  
35 established by the state for all meetings occurring on or after  
36 January 1, 2019.

37 (iii) The current agenda of the legislative body of a city, county,  
38 city and county, special district, school district, or political  
39 subdivision established by the state shall be the first agenda  
40 available at the top of the integrated agenda management platform.

1 (iv) All agendas posted in the integrated agenda management  
2 platform shall comply with the requirements in clauses (i), (ii),  
3 and (iii) of subparagraph (B).

4 (D) For the purposes of this paragraph, both of the following  
5 definitions shall apply:

6 (i) “Integrated agenda management platform” means an ~~Internet~~  
7 ~~Web site~~ *internet website* of a city, county, city and county, special  
8 district, school district, or political subdivision established by the  
9 state dedicated to providing the entirety of the agenda information  
10 for the legislative body of the city, county, city and county, special  
11 district, school district, or political subdivision established by the  
12 state to the public.

13 (ii) “Legislative body” has the same meaning as that term is  
14 used in subdivision (a) of Section 54952.

15 (E) The provisions of this paragraph shall not apply to a political  
16 subdivision of a local agency that was established by the legislative  
17 body of the city, county, city and county, special district, school  
18 district, or political subdivision established by the state.

19 (3) No action or discussion shall be undertaken on any item not  
20 appearing on the posted agenda, except that members of a  
21 legislative body or its staff may briefly respond to statements made  
22 or questions posed by persons exercising their public testimony  
23 rights under Section 54954.3. In addition, on their own initiative  
24 or in response to questions posed by the public, a member of a  
25 legislative body or its staff may ask a question for clarification,  
26 make a brief announcement, or make a brief report ~~on his or her~~  
27 *the member’s* own activities. Furthermore, a member of a  
28 legislative body, or the body itself, subject to rules or procedures  
29 of the legislative body, may provide a reference to staff or other  
30 resources for factual information, request staff to report back to  
31 the body at a subsequent meeting concerning any matter, or take  
32 action to direct staff to place a matter of business on a future  
33 agenda.

34 (b) Notwithstanding subdivision (a), the legislative body may  
35 take action on items of business not appearing on the posted agenda  
36 under any of the conditions stated below. Prior to discussing any  
37 item pursuant to this subdivision, the legislative body shall publicly  
38 identify the item.

1 (1) Upon a determination by a majority vote of the legislative  
 2 body that an emergency situation exists, as defined in Section  
 3 54956.5.

4 (2) Upon a determination by a two-thirds vote of the members  
 5 of the legislative body present at the meeting, or, if less than  
 6 two-thirds of the members are present, a unanimous vote of those  
 7 members present, that there is a need to take immediate action and  
 8 that the need for action came to the attention of the local agency  
 9 subsequent to the agenda being posted as specified in subdivision  
 10 (a).

11 (3) The item was posted pursuant to subdivision (a) for a prior  
 12 meeting of the legislative body occurring not more than five  
 13 calendar days prior to the date action is taken on the item, and at  
 14 the prior meeting the item was continued to the meeting at which  
 15 action is being taken.

16 (c) This section is necessary to implement and reasonably within  
 17 the scope of paragraph (1) of subdivision (b) of Section 3 of Article  
 18 I of the California Constitution.

19 (d) For purposes of subdivision (a), the requirement that the  
 20 agenda be posted on the local agency's ~~Internet Web site~~, *internet*  
 21 *website*, if the local agency has one, shall only apply to a legislative  
 22 body that meets either of the following standards:

23 (1) A legislative body as that term is defined by subdivision (a)  
 24 of Section 54952.

25 (2) A legislative body as that term is defined by subdivision (b)  
 26 of Section 54952, if the members of the legislative body are  
 27 compensated for their appearance, and if one or more of the  
 28 members of the legislative body are also members of a legislative  
 29 body as that term is defined by subdivision (a) of Section 54952.

30 SEC. 6. Section 54954.3 of the Government Code is amended  
 31 to read:

32 54954.3. (a) Every agenda for regular meetings shall provide  
 33 an opportunity for members of the public to directly address the  
 34 legislative body on any item of interest to the public, before or  
 35 during the legislative body's consideration of the item, that is  
 36 within the subject matter jurisdiction of the legislative body,  
 37 provided that no action shall be taken on any item not appearing  
 38 on the agenda unless the action is otherwise authorized by  
 39 subdivision (b) of Section 54954.2. *All meetings must also provide*  
 40 *the public with an opportunity to address the legislative body*



1 *remotely via call-in and internet-based service, consistent with*  
2 *requirements in Section 54953. Persons commenting in person*  
3 *shall not have more time or in any other way be prioritized over*  
4 *persons commenting remotely via call-in or internet-based service.*  
5 *Instructions on how to attend the meeting via call-in or*  
6 *internet-based service shall be posted online along with the meeting*  
7 *agenda in an easily accessible location.* However, the agenda need  
8 not provide an opportunity for members of the public to address  
9 the legislative body on any item that has already been considered  
10 by a committee, composed exclusively of members of the  
11 legislative body, at a public meeting wherein all interested members  
12 of the public were afforded the opportunity to address the  
13 committee on the item, before or during the committee's  
14 consideration of the item, unless the item has been substantially  
15 changed since the committee heard the item, as determined by the  
16 legislative body. Every notice for a special meeting shall provide  
17 an opportunity for members of the public to directly address the  
18 legislative body concerning any item that has been described in  
19 the notice for the meeting before or during consideration of that  
20 item.

21 (b) (1) The legislative body of a local agency may adopt  
22 reasonable regulations to ensure that the intent of subdivision (a)  
23 is carried out, including, but not limited to, regulations limiting  
24 the total amount of time allocated for public testimony on particular  
25 issues and for each individual speaker.

26 (2) Notwithstanding paragraph (1), when the legislative body  
27 of a local agency limits time for public comment, the legislative  
28 body of a local agency shall provide at least twice the allotted time  
29 to a member of the public who utilizes a translator to ensure that  
30 non-English speakers receive the same opportunity to directly  
31 address the legislative body of a local agency.

32 (3) Paragraph (2) shall not apply if the legislative body of a  
33 local agency utilizes simultaneous translation equipment in a  
34 manner that allows the legislative body of a local agency to hear  
35 the translated public testimony simultaneously.

36 (c) The legislative body of a local agency shall not prohibit  
37 public criticism of the policies, procedures, programs, or services  
38 of the agency, or of the acts or omissions of the legislative body.  
39 Nothing in this subdivision shall confer any privilege or protection  
40 for expression beyond that otherwise provided by law.

1     (d) *Legislative bodies of local agencies shall employ a sufficient*  
2 *amount of qualified bilingual persons to provide translation during*  
3 *the meeting in the language of the non-English-speaking person,*  
4 *in jurisdictions which govern a substantial number of*  
5 *non-English-speaking people. “Non-English-speaking people” is*  
6 *defined as members of a group who either do not speak English,*  
7 *or who are unable to effectively communicate in English because*  
8 *it is not their native language, and who comprise 5 percent or*  
9 *more of the people served by the statewide or any local office or*  
10 *facility of a state agency.*

11     SEC. 7. Section 11122.5 of the Government Code is amended  
12 to read:

13     11122.5. (a) As used in this article, “meeting” includes any  
14 congregation of a majority of the members of a state ~~body~~ *body,*  
15 *including a virtual congregation using teleconference technology,*  
16 *at the same time and place to hear, discuss, or deliberate upon any*  
17 *item that is within the subject matter jurisdiction of the state body*  
18 *to which it pertains.*

19     (b) (1) A majority of the members of a state body shall not,  
20 outside of a meeting authorized by this chapter, use a series of  
21 communications of any kind, directly or through intermediaries,  
22 to discuss, deliberate, or take action on any item of business that  
23 is within the subject matter of the state body.

24     (2) Paragraph (1) shall not be construed to prevent an employee  
25 or official of a state agency from engaging in separate  
26 conversations or communications outside of a meeting authorized  
27 by this chapter with members of a legislative body in order to  
28 answer questions or provide information regarding a matter that  
29 is within the subject matter jurisdiction of the state agency, if that  
30 person does not communicate to members of the legislative body  
31 the comments or position of any other member or members of the  
32 legislative body.

33     (c) The prohibitions of this article do not apply to any of the  
34 following:

35     (1) Individual contacts or conversations between a member of  
36 a state body and any other person that do not violate subdivision  
37 (b).

38     (2) (A) The attendance of a majority of the members of a state  
39 body at a conference or similar gathering open to the public that  
40 involves a discussion of issues of general interest to the public or

1 to public agencies of the type represented by the state body, if a  
2 majority of the members do not discuss among themselves, other  
3 than as part of the scheduled program, business of a specified  
4 nature that is within the subject matter jurisdiction of the state  
5 body.

6 (B) Subparagraph (A) does not allow members of the public  
7 free admission to a conference or similar gathering at which the  
8 organizers have required other participants or registrants to pay  
9 fees or charges as a condition of attendance.

10 (3) The attendance of a majority of the members of a state body  
11 at an open and publicized meeting organized to address a topic of  
12 state concern by a person or organization other than the state body,  
13 if a majority of the members do not discuss among themselves,  
14 other than as part of the scheduled program, business of a specific  
15 nature that is within the subject matter jurisdiction of the state  
16 body.

17 (4) The attendance of a majority of the members of a state body  
18 at an open and noticed meeting of another state body or of a  
19 legislative body of a local agency as defined by Section 54951, if  
20 a majority of the members do not discuss among themselves, other  
21 than as part of the scheduled meeting, business of a specific nature  
22 that is within the subject matter jurisdiction of the other state body.

23 (5) The attendance of a majority of the members of a state body  
24 at a purely social or ceremonial occasion, if a majority of the  
25 members do not discuss among themselves business of a specific  
26 nature that is within the subject matter jurisdiction of the state  
27 body.

28 (6) The attendance of a majority of the members of a state body  
29 at an open and noticed meeting of a standing committee of that  
30 body, if the members of the state body who are not members of  
31 the standing committee attend only as observers.

32 SEC. 8. Section 11123 of the Government Code is amended  
33 to read:

34 11123. (a) All meetings of a state body shall be open and  
35 public and all persons shall be permitted to attend any meeting of  
36 a state body except as otherwise provided in this article.  
37 *Additionally, all meetings shall include an opportunity for all*  
38 *persons to attend via a call-in option or an internet-based service*  
39 *option that provides closed captioning services. Both a call-in and*  
40 *an internet-based service option shall be provided to the public.*

1 (b) (1) This article does not prohibit a state body from holding  
2 an open or closed meeting by teleconference for the benefit of the  
3 public and state body. The meeting or proceeding held by  
4 teleconference shall otherwise comply with all applicable  
5 requirements or laws relating to a specific type of meeting or  
6 proceeding, including the following:

7 (A) The teleconferencing meeting shall comply with all  
8 requirements of this article applicable to other meetings.

9 (B) The portion of the teleconferenced meeting that is required  
10 to be open to the public shall be audible to the public at the location  
11 specified in the notice of the meeting.

12 (C) If the state body elects to conduct a meeting or proceeding  
13 by teleconference, *other than what is required by subdivision (a)*  
14 *and such that all members of the body that are present at the*  
15 *meeting are teleconferencing into the meeting*, it shall post agendas  
16 at all teleconference locations and conduct teleconference meetings  
17 in a manner that protects the rights of any party or member of the  
18 public appearing before the state body. Each teleconference  
19 location shall be identified in the notice and agenda of the meeting  
20 or proceeding, and each teleconference location shall be accessible  
21 to the public. The agenda shall provide an opportunity for members  
22 of the public to address the state body directly pursuant to Section  
23 11125.7 at each teleconference location.

24 (D) All votes taken during a teleconferenced meeting shall be  
25 by rollcall.

26 (E) The portion of the teleconferenced meeting that is closed  
27 to the public may not include the consideration of any agenda item  
28 being heard pursuant to Section 11125.5.

29 (F) At least one member of the state body shall be physically  
30 present at the location specified in the notice of the ~~meeting~~.  
31 *meeting to ensure that members of the public are able to give*  
32 *public comment in person. This location must be publicly accessible*  
33 *and able to accommodate a reasonable amount of people, given*  
34 *the circumstances.*

35 (2) For the purposes of this subdivision, “teleconference” means  
36 a meeting of a state body, the members of which are at different  
37 locations, connected by electronic means, through either audio or  
38 both audio and video. ~~This~~ *While this section requires that both*  
39 *an call-in and internet-based service are available to the public*  
40 *to join all open meetings that are held in-person, this section does*

1 not prohibit a state body from providing members of the public  
2 with additional locations in *or opportunities* by which the public  
3 may observe or address the state body by electronic means, through  
4 either audio or both audio and video.

5 (c) *Instructions on how to attend the meeting via call-in or*  
6 *internet-based service shall be posted online along with the meeting*  
7 *agenda in an easily accessible location at least 72 hours before*  
8 *all regular meetings and at least 24 hours before all special*  
9 *meetings. In compliance with the Dymally-Alatorre Bilingual*  
10 *Services Act(Chapter 17.5 (commencing with Section 7290) of*  
11 *Division 7 of Title 1), the posted instructions shall also be*  
12 *translated into all languages of which 5 percent of the population*  
13 *of the state body's jurisdiction speaks.*

14 (e)

15 (d) The state body shall publicly report any action taken and  
16 the vote or abstention on that action of each member present for  
17 the action.

18 SEC. 9. Section 11125.7 of the Government Code is amended  
19 to read:

20 11125.7. (a) Except as otherwise provided in this section, the  
21 state body shall provide an opportunity for members of the public  
22 to directly address the state body on each agenda item before or  
23 during the state body's discussion or consideration of the item.  
24 This section is not applicable if the agenda item has already been  
25 considered by a committee composed exclusively of members of  
26 the state body at a public meeting where interested members of  
27 the public were afforded the opportunity to address the committee  
28 on the item, before or during the committee's consideration of the  
29 item, unless the item has been substantially changed since the  
30 committee heard the item, as determined by the state body. Every  
31 notice for a special meeting at which action is proposed to be taken  
32 on an item shall provide an opportunity for members of the public  
33 to directly address the state body concerning that item prior to  
34 action on the item. In addition, the notice requirement of Section  
35 11125 shall not preclude the acceptance of testimony at meetings,  
36 other than emergency meetings, from members of the public if no  
37 action is taken by the state body at the same meeting on matters  
38 brought before the body by members of the public.

39 (b) *In compliance with subdivision (a) of Section 11123, public*  
40 *comment shall be made available for those attending any meeting*

1 *via call-in or internet-based service option. Persons commenting*  
2 *in person shall not have more time or in any other way be*  
3 *prioritized over persons commenting remotely via call-in or*  
4 *internet-based service.*

5 (b)

6 (c) The state body may adopt reasonable regulations to ensure  
7 that the intent of subdivision (a) is carried out, including, but not  
8 limited to, regulations limiting the total amount of time allocated  
9 for public comment on particular issues and for each individual  
10 speaker.

11 (e)

12 (d) (1) Notwithstanding subdivision (b), when a state body  
13 limits time for public comment the state body shall provide at least  
14 twice the allotted time to a member of the public who utilizes a  
15 translator to ensure that non-English speakers receive the same  
16 opportunity to directly address the state body. *In compliance with*  
17 *the Dymally-Alatorre Bilingual Services Act (Chapter 17.5*  
18 *(commencing with Section 7290) of Division 7 of Title 1),*  
19 *translation services shall be provided for all languages of which*  
20 *5 percent of the population of the state body's jurisdiction speaks.*  
21 *Should there be a limit on speaking time, persons commenting in*  
22 *another language shall be given twice as much time as those*  
23 *commenting in English in order to accommodate time for*  
24 *translation services. This is not required when simultaneous*  
25 *translation services are available.*

26 (2) Paragraph (1) shall not apply if the state body utilizes  
27 simultaneous translation equipment in a manner that allows the  
28 state body to hear the translated public testimony simultaneously.

29 (d)

30 (e) The state body shall not prohibit public criticism of the  
31 policies, programs, or services of the state body, or of the acts or  
32 omissions of the state body. Nothing in this subdivision shall confer  
33 any privilege or protection for expression beyond that otherwise  
34 provided by law.

35 (e)

36 (f) This section is not applicable to closed sessions held pursuant  
37 to Section 11126.

38 (f)

39 (g) This section is not applicable to decisions regarding  
40 proceedings held pursuant to Chapter 5 (commencing with Section

1 11500), relating to administrative adjudication, or to the conduct  
2 of those proceedings.

3 ~~(g)~~

4 (h) This section is not applicable to hearings conducted by the  
5 California Victim Compensation Board pursuant to Sections 13963  
6 and 13963.1.

7 ~~(h)~~

8 (i) This section is not applicable to agenda items that involve  
9 decisions of the Public Utilities Commission regarding adjudicatory  
10 hearings held pursuant to Chapter 9 (commencing with Section  
11 1701) of Part 1 of Division 1 of the Public Utilities Code. For all  
12 other agenda items, the commission shall provide members of the  
13 public, other than those who have already participated in the  
14 proceedings underlying the agenda item, an opportunity to directly  
15 address the commission before or during the commission's  
16 consideration of the item.

17 SEC. 10. No reimbursement is required by this act pursuant to  
18 Section 6 of Article XIII B of the California Constitution because  
19 the only costs that may be incurred by a local agency or school  
20 district under this act would result from a legislative mandate that  
21 is within the scope of paragraph (7) of subdivision (b) of Section  
22 3 of Article I of the California Constitution.

23 SEC. 11. The Legislature finds and declares that Sections 4,  
24 5, and 6 of this act, which amend Section 54953, 54954.2, and  
25 54954.3 of the Government Code, further, within the meaning of  
26 paragraph (7) of subdivision (b) of Section 3 of Article I of the  
27 California Constitution, the purposes of that constitutional section  
28 as it relates to the right of public access to the meetings of local  
29 public bodies or the writings of local public officials and local  
30 agencies. Pursuant to paragraph (7) of subdivision (b) of Section  
31 3 of Article I of the California Constitution, the Legislature makes  
32 the following findings:

33 The provisions of the act allow for greater public access through  
34 requiring specified entities to provide a call-in and internet-based  
35 service and instructions on how to access these options to the public  
36 for specified meetings and allow for greater accommodations for  
37 non-English speakers attending the meetings.

O

# ALEX LEE

ASSEMBLYMEMBER, TWENTY-FIFTH DISTRICT

## ASSEMBLY BILL 339

### PUBLIC PARTICIPATION



#### SUMMARY

This bill would allow for continued remote participation in local and state hearings/meetings and expand language access, allowing for more people to participate in government meetings and decisions.

#### BACKGROUND

Laws governing public participation for the state legislature, local agencies, and state boards and commissions all require certain processes for members of the public to participate at open meetings. However, participation is often limited to those who are able to travel to meetings to speak in-person, and to those who speak and read English. These requirements, along with inconsistent language access standards, often preclude immigrants and low-income people from participating.

While COVID-19 precautions have increased usage of remote participation options, not all agencies allow for effective remote participation. Additionally, there is frequently confusion over how to access meetings through remote technology options. The lack of timely notification and clear instructions reinforces obstacles.

#### THE PROBLEM

COVID-19 has exacerbated existing barriers that prevent people from participating in one of our democracy's greatest features - public discourse designed to inform the rules and policies that govern us. In addition, linguistic, physical, and geographic isolation prevents constituents from exercising their civic duties, which limits our governing bodies from achieving their full potential.

#### SOLUTION

AB 339 would protect the public's access to government, both during and following the COVID-19 pandemic.

This bill would ensure that:

- Local agencies, state agencies, and the State Legislature provide both call-in and internet service-based options for all public meetings so constituents can participate either remotely or in-person.
- Language access services are provided for immigrant communities.
- Meeting agendas and instructions for accessing meetings remotely are posted in a timely and accessible manner.

#### SUPPORT

Leadership Counsel for Justice and Accountability (Sponsor)  
 American Civil Liberties Union (Co-sponsor)  
 Californians for Justice  
 Californians for Pesticide Reform  
 Central California Asthma Collaborative  
 Central California Environmental Justice Network  
 Central Valley Air Quality Coalition  
 Clean Water Action  
 Coalition for Humane Immigrant Rights (CHIRLA)  
 Courage Campaign  
 Cultiva La Salud  
 Dolores Huerta Foundation  
 Faith in the Valley  
 Fairmead Community & Friends  
 Fresno Barrios Unidos  
 Greenbelt Alliance  
 Jakara Movement  
 Los Angeles Sunshine Coalition  
 Mi Familia Vota  
 Pesticide Action Network  
 PolicyLink  
 Pueblo Unido CDC  
 Root & Rebound  
 Time for Change Foundation

#### CONTACT



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**CBA Item II.N.1-17.**  
March 25-26, 2021

## **Review and Possible Consideration of Positions on Legislation the California Board of Accountancy is Monitoring**

**Presented by: Patrick Ibarra, Information and Planning Officer**

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### **Purpose of the Item**

The purpose of this agenda item is to provide the California Board of Accountancy (CBA) with a list of bills being monitored by staff that may eventually impact the CBA, including spot bills and certain bills regarding the regulation of public meetings and public records.

### **Consumer Protection Objectives**

This agenda item informs the CBA of potential bills that may impact the CBA and its consumer protection mandate.

### **Action(s) Needed**

No specific action is required on this agenda item.

### **Background**

A spot bill is a bill that amends a code section in a non-substantive way. A spot bill may be introduced to ensure it meets the legislative bill introduction deadline and is available for the author to amend with substantive provisions at a later date.

### **Comments**

The following bills are being monitored by staff as they are either spot bills or legislation that pertains to the regulation of public meetings and public records or may otherwise impact the CBA. If a bill is amended in a manner that makes it relevant to the CBA, an analysis will be conducted by staff and presented to the CBA at a future meeting, along with the text of the proposed legislation.

Administrative Procedures Act:

- AB 2 (Fong) – Regulations: Legislative Review: Regulatory Reform.
- SB 600 (Borgeas) – Administrative Procedure Act.

## **Review and Possible Consideration of Positions on Legislation the California Board of Accountancy is Monitoring**

Page 2 of 2

### Public Meetings/Records:

- AB 339 (Lee) – State and Local Government: Open Meetings.
- AB 343 (Fong) – California Public Records Act Ombudsperson.
- AB 473 (Chau) – California Public Records Act.
- AB 703 (Rubio, Blanca D) – Open Meetings: Local Agencies: Teleconferences.
- AB 821 (Cooper) – Local Government: Open Meetings.
- AB 1291 (Frazier) – State Bodies: Open Meetings.

### State Agencies:

- AB 830 (Flora) – Department of Consumer Affairs: Director: Powers and Duties.
- AB 884 (Patterson) – State Agencies: Audits.
- SB 534 (Jones) – Department of Consumer Affairs.

### State of Emergency:

- AB 54 (Kiley) – COVID-19 Emergency Order Violation: License Revocation.
- AB 69 (Kiley) – State of Emergency: Termination After 60 Days: Extension by the Legislature.
- SB 102 (Melendez) – COVID-19 Emergency Order Violation: License Revocation.
- SB 209 (Dahle) – State of Emergency: Termination After 7 Days: Extension by the Legislature.

### Other bills:

- AB 587 (Gabriel) – Consumers.
- AB 770 (Nguyen) – Business.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations at this time.

### **Recommendation**

Staff have no recommendations on this item.

### **Attachment**

None



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**CBA Item III.A.1.**  
March 25-26, 2021

## **Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee**

**Presented by: Michael M. Savoy, CPA, Vice-President**

---

### **Purpose of the Item**

The purpose of this agenda item is to recommend that Douglas Aguilera, CPA, (**Attachment 1**) be reappointed as a member to the California Board of Accountancy (CBA) Enforcement Advisory Committee (EAC).

### **Consumer Protection Objectives**

This agenda item ensures that the CBA continues its mission of consumer protection by reappointing members that have the skills and knowledge to serve on the EAC.

### **Action(s) Needed**

It is requested that the CBA adopt the recommendation.

### **Background**

The EAC assists the CBA in an advisory capacity with enforcement activities. The committee reviews closed investigation files, offers technical guidance on open investigations, and participates in investigative hearings. The committee also considers, formulates, and proposes policies and procedures related to the CBA Enforcement Program.

### **Comments**

For all appointments to a committee, I work with the current chair to discuss knowledge and skills to ensure that the appointment will contribute to the committee's function and enable it to carry out its mandated activities. A matrix identifying the present members and areas of expertise is included as **Attachment 2**.

I also confer with the CBA Executive Officer to verify that the potential appointee has met the appropriate requirements for license renewal, including continuing education requirements and peer review (if subject). A check is also made to ensure there are no pending enforcement actions.

## **Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee**

Page 2 of 2

For current members who are being reappointed, I review prior attendance records, verify completion of mandatory trainings, and review the evaluations that may have been completed by the current Chairperson, Vice-Chairperson, CBA Liaisons, and the Enforcement Chief. The evaluation requests feedback in the areas of interpersonal skills, communication, leadership, preparedness, and participation. Should a member have attendance or performance issues, they may be subject to review and removal from the committee, at any time, by action of the CBA.

Prior to making a decision to recommend Mr. Aguilera for reappointment to the EAC, I performed all the steps previously mentioned. Mr. Aguilera has exhibited a high level of professionalism during the performance of his duties, and was selected to serve as Chairperson of the EAC. I believe Mr. Aguilera has demonstrated the skills and knowledge to continue to serve on the EAC, which will allow the EAC to assist the CBA with its Enforcement Program.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

### **Recommendation**

Based on the information above, I recommend that Douglas Aguilera, CPA be reappointed for two years to the EAC, until March 31, 2023.

### **Attachments**

1. Curriculum Vitae of Douglas Aguilera, CPA
2. California Board of Accountancy Enforcement Advisory Committee Skill Matrix



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**CBA Item III.A.2.**  
March 25-26, 2021

## **Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee**

**Presented by: Michael M. Savoy, CPA, Vice-President**

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### **Purpose of the Item**

The purpose of this agenda item is to recommend that David L. Kral, CPA, (**Attachment 1**) be reappointed as a member to the California Board of Accountancy (CBA) Enforcement Advisory Committee (EAC).

### **Consumer Protection Objectives**

This agenda item ensures that the CBA continues its mission of consumer protection by reappointing members that have the skills and knowledge to serve on the EAC.

### **Action(s) Needed**

It is requested that the CBA adopt the recommendation.

### **Background**

The EAC assists the CBA in an advisory capacity with enforcement activities. The committee reviews closed investigation files, offers technical guidance on open investigations, and participates in investigative hearings. The committee also considers, formulates, and proposes policies and procedures related to the CBA Enforcement Program.

### **Comments**

For all appointments to a committee, I work with the current chair to discuss knowledge and skills to ensure that the appointment will contribute to the committee's function and enable it to carry out its mandated activities. A matrix identifying the present members and areas of expertise is included as **Attachment 2**.

I also confer with the CBA Executive Officer to verify that the potential appointee has met the appropriate requirements for license renewal, including continuing education requirements and peer review (if subject). A check is also made to ensure there are no pending enforcement actions.

## **Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee**

Page 2 of 2

For current members who are being reappointed, I review prior attendance records, verify completion of mandatory trainings, and review the evaluations that may have been completed by the current Chairperson, Vice-Chairperson, CBA Liaisons, and the Enforcement Chief. The evaluation requests feedback in the areas of interpersonal skills, communication, leadership, preparedness, and participation. Should a member have attendance or performance issues, they may be subject to review and removal from the committee, at any time, by action of the CBA.

Prior to making a decision to recommend Mr. Kral for reappointment to the EAC, I performed all the steps previously mentioned. I believe Mr. Kral has exhibited a high level of professionalism during the performance of his duties and has demonstrated the skills and knowledge to serve on the EAC, which will allow the EAC to assist the CBA with its Enforcement Program.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

### **Recommendation**

Based on the information above, and in consultation with Douglas Aguilera, CPA, Chairperson of the EAC, I recommend that David L. Kral, CPA be reappointed for two years to the EAC, until March 31, 2023.

### **Attachments**

1. Curriculum Vitae of David L. Kral, CPA
2. California Board of Accountancy Enforcement Advisory Committee Skill Matrix



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**CBA Item III.A.3.**  
March 25-26, 2021

## **Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee**

**Presented by: Michael M. Savoy, CPA, Vice-President**

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### **Purpose of the Item**

The purpose of this agenda item is to recommend that Chris V. Tegtmeier, CPA, (**Attachment 1**) be reappointed as a member to the California Board of Accountancy (CBA) Enforcement Advisory Committee (EAC).

### **Consumer Protection Objectives**

This agenda item ensures that the CBA continues its mission of consumer protection by reappointing members that have the skills and knowledge to serve on the EAC.

### **Action(s) Needed**

It is requested that the CBA adopt the recommendation.

### **Background**

The EAC assists the CBA in an advisory capacity with enforcement activities. The committee reviews closed investigation files, offers technical guidance on open investigations, and participates in investigative hearings. The committee also considers, formulates, and proposes policies and procedures related to the CBA Enforcement Program.

### **Comments**

For all appointments to a committee, I work with the current chair to discuss knowledge and skills to ensure that the appointment will contribute to the committee's function and enable it to carry out its mandated activities. A matrix identifying the present members and areas of expertise is included as **Attachment 2**.

I also confer with the CBA Executive Officer to verify that the potential appointee has met the appropriate requirements for license renewal, including continuing education requirements and peer review (if subject). A check is also made to ensure there are no pending enforcement actions.



## **Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee**

Page 2 of 2

For current members who are being reappointed, I review prior attendance records, verify completion of mandatory trainings, and review the evaluations that may have been completed by the current Chairperson, Vice-Chairperson, CBA Liaisons, and the Enforcement Chief. The evaluation requests feedback in the areas of interpersonal skills, communication, leadership, preparedness, and participation. Should a member have attendance or performance issues, they may be subject to review and removal from the committee, at any time, by action of the CBA.

Prior to making a decision to recommend Mr. Tegtmeyer for reappointment to the EAC, I performed all the steps previously mentioned. I believe Mr. Tegtmeyer has exhibited a high level of professionalism during the performance of his duties and has demonstrated the skills and knowledge to serve on the EAC, which will allow the EAC to assist the CBA with its Enforcement Program.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

### **Recommendation**

Based on the information above, and in consultation with Douglas Aguilera, CPA, Chairperson of the EAC, I recommend that Chris V. Tegtmeyer, CPA be reappointed for two years to the EAC, until March 31, 2023.

### **Attachments**

1. Curriculum Vitae of Chris V. Tegtmeyer, CPA
2. California Board of Accountancy Enforcement Advisory Committee Skill Matrix



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**CBA Item III.A.4.**  
March 25-26, 2021

## **Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee**

**Presented by: Michael M. Savoy, CPA, Vice-President**

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### **Purpose of the Item**

The purpose of this agenda item is to recommend that Nathan Cowley, CPA, (**Attachment 1**) be appointed as a member to the California Board of Accountancy (CBA) Enforcement Advisory Committee (EAC).

### **Consumer Protection Objectives**

This agenda item ensures that the CBA continues its mission of consumer protection by appointing members that have the skills and knowledge to serve on the EAC.

### **Action(s) Needed**

It is requested that the CBA adopt the recommendation.

### **Background**

The EAC assists the CBA in an advisory capacity with enforcement activities. The committee reviews closed investigation files, offers technical guidance on open investigations, and participates in investigative hearings. The committee also considers, formulates, and proposes policies and procedures related to the CBA Enforcement Program.

### **Comments**

For all appointments to a committee, I work with the current chair to discuss knowledge and skills to ensure that the appointment will contribute to the committee's function and enable it to carry out its mandated activities. A matrix identifying the present members and areas of expertise is included as **Attachment 2**.

I also confer with the CBA Executive Officer to verify that the potential appointee has met the appropriate requirements for license renewal, including continuing education requirements and peer review (if subject). A check is also made to ensure there are no pending enforcement actions.

## **Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee**

Page 2 of 2

Prior to making a decision to recommend Mr. Cowley for appointment to the EAC, I performed all the steps previously mentioned. I believe Mr. Cowley has the skills and knowledge to serve on the EAC, which will allow the EAC to assist the CBA with its Enforcement Program.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

### **Recommendation**

Based on the information above, and in consultation with Douglas Aguilera, CPA, Chairperson of the EAC, I recommend that Nathan Cowley, CPA, be appointed for two years to the EAC, effective March 25, 2021 until March 31, 2023.

### **Attachments**

1. Curriculum Vitae of Nathan Cowley, CPA
2. California Board of Accountancy Enforcement Advisory Committee Skill Matrix



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**CBA Item III.A.5.**  
March 25-26, 2021

## **Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee**

**Presented by: Michael M. Savoy, CPA, Vice-President**

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### **Purpose of the Item**

The purpose of this agenda item is to recommend that Jennifer E. Ziegler, CPA, (**Attachment 1**) be appointed as a member to the California Board of Accountancy (CBA) Enforcement Advisory Committee (EAC).

### **Consumer Protection Objectives**

This agenda item ensures that the CBA continues its mission of consumer protection by appointing members that have the skills and knowledge to serve on the EAC.

### **Action(s) Needed**

It is requested that the CBA adopt the recommendation.

### **Background**

The EAC assists the CBA in an advisory capacity with enforcement activities. The committee reviews closed investigation files, offers technical guidance on open investigations, and participates in investigative hearings. The committee also considers, formulates, and proposes policies and procedures related to the CBA Enforcement Program.

### **Comments**

For all appointments to a committee, I work with the current chair to discuss knowledge and skills to ensure that the appointment will contribute to the committee's function and enable it to carry out its mandated activities. A matrix identifying the present members and areas of expertise is included as **Attachment 2**.

I also confer with the CBA Executive Officer to verify that the potential appointee has met the appropriate requirements for license renewal, including continuing education requirements and peer review (if subject). A check is also made to ensure there are no pending enforcement actions.

## **Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee**

Page 2 of 2

Prior to making a decision to recommend Ms. Ziegler for appointment to the EAC, I performed all the steps previously mentioned. I believe Ms. Ziegler has the skills and knowledge to serve on the EAC, which will allow the EAC to assist the CBA with its Enforcement Program.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

### **Recommendation**

Based on the information above, and in consultation with Douglas Aguilera, CPA, Chairperson of the EAC, I recommend that Jennifer E. Ziegler, CPA, be appointed for two years to the EAC, effective March 25, 2021 until March 31, 2023.

### **Attachments**

1. Curriculum Vitae of Jennifer E. Ziegler, CPA
2. California Board of Accountancy Enforcement Advisory Committee Skill Matrix



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**CBA Item III.B.1.**  
March 25-26, 2021

## **Recommendations for Appointment(s)/Reappointment(s) to the Qualifications Committee**

**Presented by: Michael M. Savoy, CPA, Vice-President**

---

### **Purpose of the Item**

The purpose of this agenda item is to recommend that Angela Honzik, CPA, (**Attachment 1**) be reappointed as a member to the California Board of Accountancy (CBA) Qualifications Committee (QC).

### **Consumer Protection Objectives**

This agenda item ensures that the CBA continues its mission of consumer protection by appointing members that have the skills and knowledge to serve on the QC.

### **Action(s) Needed**

It is requested that the CBA adopt the recommendation.

### **Background**

The QC assists the CBA in its licensure activities by reviewing the experience of applicants for licensure and making recommendations to the CBA. This responsibility includes conducting work paper reviews, with the applicant or employer present, to verify that the responses provided are reflective of the requisite experience for licensure.

### **Comments**

For all appointments to a committee, I work with the current chair to ensure that the appointment will contribute to the committee's function and enable it to carry out its mandated activities. A matrix identifying the present members' areas of expertise is included as **Attachment 2**.

I also confer with the CBA Executive Officer to verify that the potential appointee has met the appropriate requirements for license renewal, including continuing education requirements and peer review (if subject). A check is also made to ensure there are no pending enforcement actions.

## **Recommendations for Appointment(s)/Reappointment(s) to the Qualifications Committee**

Page 2 of 2

For current members who are being reappointed, I review prior attendance records, verify completion of mandatory trainings, and review the evaluations that may have been completed by the current Chairperson, Vice-Chairperson, and CBA Liaisons. The evaluation requests feedback in the areas of interpersonal skills, communication, leadership, preparedness, and participation. Should a member have attendance or performance issues, they may be subject to review and removal from the committee, at any time, by action of the CBA.

Prior to making a decision to recommend Ms. Honzik for reappointment to the QC, I performed all the steps previously mentioned. Ms. Honzik has exhibited a high level of professionalism during the performance of her duties, including serving as a prior Vice-Chairperson of the QC. I believe Ms. Honzik has demonstrated the skills and knowledge to serve on the QC, which will allow the QC to assist the CBA with its Licensing Program.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

### **Recommendation**

Based on the information above, and in consultation with Nasi Raissian, CPA, Chairperson of the QC, I recommend that Angela Honzik, CPA be reappointed for two years to the QC, until March 31, 2023.

### **Attachments**

1. Curriculum Vitae of Angela Honzik, CPA
2. California Board of Accountancy Qualifications Committee Skill Matrix



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**CBA Item III.B.2.**  
March 25-26, 2021

## **Recommendations for Appointment(s)/Reappointment(s) to the Qualifications Committee**

**Presented by: Michael M. Savoy, CPA, Vice-President**

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### **Purpose of the Item**

The purpose of this agenda item is to recommend that José Palma, CPA, (**Attachment 1**) be reappointed as a member to the California Board of Accountancy (CBA) Qualifications Committee (QC).

### **Consumer Protection Objectives**

This agenda item ensures that the CBA continues its mission of consumer protection by appointing members that have the skills and knowledge to serve on the QC.

### **Action(s) Needed**

It is requested that the CBA adopt the recommendation.

### **Background**

The QC assists the CBA in its licensure activities by reviewing the experience of applicants for licensure and making recommendations to the CBA. This responsibility includes conducting work paper reviews, with the applicant or employer present, to verify that the responses provided are reflective of the requisite experience for licensure.

### **Comments**

For all appointments to a committee, I work with the current chair to ensure that the appointment will contribute to the committee's function and enable it to carry out its mandated activities. A matrix identifying the present members' areas of expertise is included as **Attachment 2**.

I also confer with the CBA Executive Officer to verify that the potential appointee has met the appropriate requirements for license renewal, including continuing education requirements and peer review (if subject). A check is also made to ensure there are no pending enforcement actions.



## **Recommendations for Appointment(s)/Reappointment(s) to the Qualifications Committee**

Page 2 of 2

For current members who are being reappointed, I review prior attendance records, verify completion of mandatory trainings, and review the evaluations that may have been completed by the current Chairperson, Vice-Chairperson, and CBA Liaisons. The evaluation requests feedback in the areas of interpersonal skills, communication, leadership, preparedness, and participation. Should a member have attendance or performance issues, they may be subject to review and removal from the committee, at any time, by action of the CBA.

Prior to making a decision to recommend Mr. Palma for reappointment to the QC, I performed all the steps previously mentioned. I believe Mr. Palma has demonstrated the skills and knowledge to serve on the QC, which will allow the QC to assist the CBA with its Licensing Program.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

### **Recommendation**

Based on the information above, and in consultation with Nasi Raissian, CPA, Chairperson of the QC, I recommend that José Palma, CPA be reappointed for two years to the QC, until March 31, 2023.

### **Attachments**

1. Curriculum Vitae of José Palma, CPA
2. California Board of Accountancy Qualifications Committee Skill Matrix



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**CBA Item III.C.1.**  
March 25-26, 2021

## **Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee**

**Presented by: Michael M. Savoy, CPA, Vice-President**

---

### **Purpose of the Item**

The purpose of this agenda item is to recommend that Sharon Selleck, CPA, (**Attachment**) be reappointed as a member to the California Board of Accountancy (CBA) Peer Review Oversight Committee (PROC).

### **Consumer Protection Objectives**

This agenda item ensures that the CBA continues its mission of consumer protection by reappointing members that have the skills and knowledge to serve on the PROC.

### **Action(s) Needed**

It is requested that the CBA adopt the recommendation.

### **Background**

The PROC assists the CBA in an advisory capacity in its oversight of the Peer Review Program. The PROC ensures that Board-recognized peer review program providers administer peer reviews in accordance with standards, evaluates applications to become a Board-Recognized Peer Review Program Provider, collects and analyzes statistical monitoring and reporting data from each Peer Review Provider on an annual basis, and prepares an Annual Report to the CBA regarding the results of its oversight.

### **Comments**

For all appointments to a committee, I work with the current chair to ensure that the appointment will contribute to the committee's function and enable it to carry out its mandated activities.

I also confer with the CBA Executive Officer to verify that the potential appointee has met the appropriate requirements for license renewal, including continuing education requirements and peer review (if subject). A check is also made to ensure there are no pending enforcement actions.

## **Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee**

Page 2 of 2

For current members who are being reappointed, I review prior attendance records, verify completion of mandatory trainings, and review the evaluations that may have been completed by the current Chairperson, Vice-Chairperson, CBA Liaisons, and the Enforcement Chief. The evaluation requests feedback in the areas of interpersonal skills, communication, leadership, preparedness, and participation. Should a member have attendance or performance issues, they may be subject to review and removal from the committee, at any time, by action of the CBA.

Prior to making a decision to recommend Ms. Selleck for reappointment to the PROC, I performed all the steps previously mentioned. Ms. Selleck has demonstrated a high level of professionalism during the performance of her duties and was selected to serve as the Vice-Chairperson of the PROC. I believe Ms. Selleck has the skills and knowledge to serve on the PROC, which will allow the PROC to assist the CBA with its Peer Review Program.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

### **Recommendation**

Based on the information above, and in consultation with Renee Graves, CPA, Chairperson of the PROC, I recommend that Sharon Selleck, CPA be reappointed for two years to the PROC, until March 31, 2023.

### **Attachment**

Curriculum Vitae of Sharon Selleck, CPA



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**CBA Item III.C.2.**  
March 25-26, 2021

## **Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee**

**Presented by: Michael M. Savoy, CPA, Vice-President**

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### **Purpose of the Item**

The purpose of this agenda item is to recommend that Kevin Harper, CPA, (**Attachment**) be reappointed as a member to the California Board of Accountancy (CBA) Peer Review Oversight Committee (PROC).

### **Consumer Protection Objectives**

This agenda item ensures that the CBA continues its mission of consumer protection by reappointing members that have the skills and knowledge to serve on the PROC.

### **Action(s) Needed**

It is requested that the CBA adopt the recommendation.

### **Background**

The PROC assists the CBA in an advisory capacity in its oversight of the Peer Review Program. The PROC ensures that Board-recognized peer review program providers administer peer reviews in accordance with standards, evaluates applications to become a Board-Recognized Peer Review Program Provider, collects and analyzes statistical monitoring and reporting data from each Peer Review Provider on an annual basis, and prepares an Annual Report to the CBA regarding the results of its oversight.

### **Comments**

For all appointments to a committee, I work with the current chair to ensure that the appointment will contribute to the committee's function and enable it to carry out its mandated activities.

I also confer with the CBA Executive Officer to verify that the potential appointee has met the appropriate requirements for license renewal, including continuing education requirements and peer review (if subject). A check is also made to ensure there are no pending enforcement actions.

## **Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee**

Page 2 of 2

For current members who are being reappointed, I review prior attendance records, verify completion of mandatory trainings, and review the evaluations that may have been completed by the current Chairperson, Vice-Chairperson, CBA Liaisons, and the Enforcement Chief. The evaluation requests feedback in the areas of interpersonal skills, communication, leadership, preparedness, and participation. Should a member have attendance or performance issues, they may be subject to review and removal from the committee, at any time, by action of the CBA.

Prior to making a decision to recommend Mr. Harper for reappointment to the PROC, I performed all the steps previously mentioned. Mr. Harper has exhibited a high level of professionalism during the performance of his duties, and was a former past Vice-Chairperson of the PROC. I believe Mr. Harper has demonstrated the skills and knowledge to continue to serve on the PROC, which will allow the PROC to assist the CBA with its Peer Review Program.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

### **Recommendation**

Based on the information above, and in consultation with Renee Graves, CPA, Chairperson of the PROC, I recommend that Kevin Harper, CPA be reappointed for two years to the PROC, until March 31, 2023.

### **Attachment**

Curriculum Vitae of Kevin Harper, CPA



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**CBA Item III.D.**  
March 25-26, 2021

## **Update on Activities for Committee Recruitment**

**Presented by: Michael M. Savoy, CPA, Vice-President**

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### **Purpose of the Item**

The purpose of this agenda item is to provide members with an update regarding recruitment activities for the Enforcement Advisory Committee (EAC), Peer Review Oversight Committee (PROC), and Qualifications Committee (QC).

### **Consumer Protection Objectives**

This agenda item assists the California Board of Accountancy (CBA) in meeting its mission of consumer protection by identifying activities to recruit individuals to serve on a CBA advisory committee.

### **Action(s) Needed**

No specific action is required on this agenda item; however, CBA members are encouraged to reach out to colleagues regarding committee vacancies.

### **Background**

The Legislature created the EAC, PROC, and QC to serve in an advisory capacity to the CBA. Committee members are responsible for carrying out the statutory requirements prescribed by the Legislature and any additional activities and expectations as communicated and prescribed by the CBA. Committee members must adhere to all statutory and regulatory requirements.

The EAC and QC are each comprised of 13 members and the PROC is comprised of seven members. Recommendations for appointment to each committee are made by the CBA Vice-President and approved by the CBA. Each committee has a Chairperson and Vice-Chairperson.

The Chairperson is tasked with running the committee meetings, open and closing the meetings, counting the votes, and coordinating with staff on the creation of meeting minutes for approval by the committee and CBA. The Vice-Chairperson assists the Chairperson, when necessary, and assumes the Chairperson's functions in his or her absence.

## Update on Activities for Committee Recruitment

Page 2 of 3

Committee members are appointed for two-year terms and can serve up to four consecutive terms. In accepting appointment to a committee, committee members make a commitment to dedicate the time necessary to attend meetings and participate fully in the committee's business.

To qualify for possible appointment to a CBA advisory committee the licensee must maintain an active license to practice public accounting for a minimum of two years prior to the appointment and, if appointed, must maintain an active license status during tenure on the committee. Additionally, the licensee must have no pending enforcement actions against the license.

A full description of each committee role, frequency of meetings, time commitment, and the application process can be found in **Attachment 1**.

### Comments

Staff have been actively recruiting to fill several vacancies on the advisory committees; however, the CBA has received limited interest. Currently the EAC, PROC, and QC have one or more vacancies within each committee (**Attachment 2**). Information regarding two possible appointments to the EAC were provided to CBA members within **CBA Item III.A**.

Current recruitment efforts include:

- Maintaining a permanent page on the CBA's website that focuses on volunteering and serving on a CBA advisory committee
- Providing committee interest information in the *UPDATE* publication
- Providing committee interest information in various Monthly Reports of the Executive Officer
- Enhancing the visibility of committee information on the CBA website's homepage
- Periodic articles in the CalCPA magazine *California CPA*
- Direct emails to current and recently retired committee members seeking assistance with committee recruitment

Additionally, present committee members encourage qualified colleagues to consider service on the CBA's advisory committees.

For future recruitment efforts, staff are working on the following:

- Creating a video regarding serving on an advisory committee
- A brochure for distribution at meetings and events
- An email campaign
- Social Media
- Including information on the insert with the CPA renewal applications

## **Update on Activities for Committee Recruitment**

Page 3 of 3

Although staff are increasing recruitment efforts, any assistance that CBA members can provide by sharing information with colleagues on this opportunity would be welcomed. Any individual that applies will go through the established evaluation process prior to recommendation for appointment.

Staff will be providing updates on committee recruitment activities at future meetings to keep the CBA apprised of recruitment efforts.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

### **Recommendation**

Staff do not have a recommendation on this agenda item.

### **Attachments**

1. Committee Resource Guide
2. CBA and Committee Roster



# California Board of Accountancy

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## COMMITTEE MEMBER

## RESOURCE GUIDE

CALIFORNIA BOARD OF  
ACCOUNTANCY

January 2021



**Purpose:** The purpose of the Committee Member Resource Guide is to provide new and existing committee members with important information regarding: each committee's scope of work, general committee business procedures, expectations of committee members, and various statutes and regulations governing the conduct of committee business.

This guide does not cover all areas of each committee's work. Each committee may also maintain a separate handbook or manual that provides greater detail on the specifics of each committee.

# TABLE OF CONTENTS

<b>SECTION I. THE CALIFORNIA BOARD OF ACCOUNTANCY</b>	<b>1</b>
A. MISSION AND VISION OF THE CBA.....	2
B. COMPOSITION (REF. BUSINESS & PROFESSIONS CODE §§ 5000 & 5001).....	2
<b>SECTION II. CBA COMMITTEES</b>	<b>3</b>
A. ENFORCEMENT ADVISORY COMMITTEE (REF. BUSINESS & PROFESSIONS CODE § 5020).....	3
1. <i>Purpose</i> .....	3
2. <i>Membership</i> .....	3
B. PEER REVIEW OVERSIGHT COMMITTEE (REF. BUSINESS & PROFESSIONS CODE § 5076.1).....	3
1. <i>Purpose</i> .....	3
2. <i>Membership</i> .....	4
C. QUALIFICATIONS COMMITTEE (REF. BUSINESS & PROFESSIONS CODE § 5023).....	4
1. <i>Purpose</i> .....	4
2. <i>Membership</i> .....	4
<b>SECTION III. MEETINGS</b>	<b>5</b>
A. BAGLEY-KEENE OPEN MEETING ACT (REF. GOVERNMENT CODE § 11120-11132).....	5
B. FREQUENCY OF MEETINGS AND EXPECTED TIME COMMITMENT.....	5
1. <i>Enforcement Advisory Committee</i> .....	5
2. <i>Peer Review Oversight Committee</i> .....	5
3. <i>Qualifications Committee</i> .....	5
C. LOCATIONS.....	5
D. AGENDA.....	6
E. MINUTES.....	6
F. ROLL CALL AND QUORUM.....	6
G. VOTING.....	6
1. <i>Recording</i> .....	6
2. <i>Abstentions</i> .....	7
H. CLOSED SESSION.....	7
1. <i>EAC</i> .....	7
2. <i>QC</i> .....	7
I. ADJOURNMENT.....	7
<b>SECTION IV. MEMBERS RESPONSIBILITIES &amp; DUTIES</b>	<b>9</b>
A. RESPONSIBILITIES.....	9
1. <i>Attendance</i> .....	9
2. <i>Mentoring</i> .....	9
B. TENURE.....	9
C. COMMITTEE LEADERSHIP.....	9
1. <i>Chairperson</i> .....	9
2. <i>Vice-Chairperson</i> .....	10
<b>SECTION V. LIAISONS</b>	<b>11</b>
A. STAFF LIAISONS.....	11
B. CBA-APPOINTED LIAISONS.....	11
<b>SECTION VI. APPOINTMENT/REAPPOINTMENT PROCESS</b>	<b>13</b>
A. QUALIFICATIONS.....	13
B. RECRUITMENT.....	13
C. APPLICATION.....	13
D. INITIAL APPOINTMENT EVALUATION PROCESS.....	14
1. <i>Prospective Committee Member Compliance Evaluation</i> .....	14
2. <i>Professional Affiliations Statement</i> .....	14
3. <i>Interview Process</i> .....	14
4. <i>Recommendations for Appointment</i> .....	14
E. REAPPOINTMENT PROCESS.....	14

1.	<i>Annual Evaluations.</i>	14
2.	<i>Committee Member Reappointment Interest.</i>	15
3.	<i>Recommendations for Reappointment.</i>	15
F.	LEADERSHIP APPOINTMENT/REAPPOINTMENT PROCESS.	15
1.	<i>Committee Member Leadership Interest.</i>	15
2.	<i>Committee Chairperson/Vice-Chairperson Evaluations.</i>	15
3.	<i>Consideration.</i>	15
4.	<i>Recommendations.</i>	15
<b>SECTION VII. COMMITTEE MEMBER REQUIRED FORMS &amp; TRAINING</b>		<b>17</b>
A.	PAPERWORK TO COMPLETE UPON APPOINTMENT.	17
B.	CONFLICT OF INTEREST – GENERAL GUIDELINES.	18
1.	<i>Disqualification.</i>	18
2.	<i>Financial Disclosure.</i>	18
3.	<i>DCA’s Policy: Incompatible Activities (Ref. Government Code § 19990).</i>	19
C.	ETHICS TRAINING REQUIREMENT	20
D.	SEXUAL HARASSMENT PREVENTION TRAINING REQUIREMENT	20
E.	DEFENSIVE DRIVERS TRAINING	20
<b>SECTION VIII. EXPENSE REIMBURSEMENT</b>		<b>21</b>
A.	PER DIEM AND TRAVEL.	21
1.	<i>Committee Member Travel.</i>	21
2.	<i>Lodging for Committee Meeting.</i>	21
3.	<i>Reimbursement for Travel and Per Diem expenses.</i>	21
<b>SECTION IX. LIST OF APPENDICES</b>		<b>23</b>

## SECTION I.

### THE CALIFORNIA BOARD OF ACCOUNTANCY

---

For over 100 years, the California Legislature has entrusted the California Board of Accountancy (CBA) with protecting the public related to the practice of public accountancy in California. The CBA's mission evokes this charge: "To protect consumers by ensuring only qualified licensees practice public accountancy in accordance with applicable professional standards."

The breadth of the CBA's influence in the regulatory environment stretches beyond California's borders. The CBA regulates over 108,000 licensees, including individuals (certified public accountants [CPA] and public accountants [PA]) and accounting firms (partnerships, corporations, and out-of-state registered firms). Many of the accounting firms that the CBA regulates have national footprints and some with footprints worldwide. CPAs work in a wide range of areas including, accounting firms, private industry, government, and academia, and provide services to clients of all sizes and needs.

The CBA recognizes the scope of its regulatory influence. With stakeholders ranging from consumers needing accounting services; lenders, shareholders, and investors that rely on services rendered by CPAs; and businesses – large and small – that use CPAs to establish internal accounting controls (to name a few), the protection of the public shapes the policies, regulations, and enforcement decisions reached by the CBA.

By authority of the California Accountancy Act, the CBA:

- Ensures that only candidates who meet certain qualifications are allowed to take the national Uniform CPA Examination.
- Certifies, licenses and renews licenses of individual CPAs and PAs.
- Registers accountancy partnerships, accountancy corporations, and out-of-state accountancy firms.
- Takes disciplinary action against licensees for violation of CBA statutes and regulations.
- Monitors compliance with continuing education and peer review requirements.
- Reviews work products of CPAs, PAs and accountancy firms to ensure adherence to professional standards.
- Oversees out-of-state licensees who exercise a practice privilege in California.

The CBA establishes and maintains entry-level standards of qualification and conduct within the accounting profession, primarily through its authority to license.

Through its Examination and Initial Licensure programs, the CBA qualifies California candidates for the national Uniform CPA Examination, certifies and licenses individual CPAs, and registers accountancy firms. The CBA's License Renewal and Continuing Competency Program focuses on license renewal, ensuring that licensees maintain a currency of professional knowledge to competently practice public accountancy.

Through its Practice Privilege program (commonly referred to as mobility), qualified out-of-state CPAs may practice public accountancy in California without providing notice or paying a fee. All CPAs practicing in California under the mobility program are subject to the disciplinary authority of the CBA. Further, CPAs must report certain disqualifying events prior to exercising a practice privilege or cease practicing in this state until authorized by the CBA.

To ensure that the consumers of California are protected, the CBA maintains a website with public information about individuals and firms exercising a practice privilege in California. In addition, it contains a search mechanism by which consumers can find current license status information on out-of-state licensees.

The objective of the CBA Enforcement Program is to protect consumers, minimize substandard practice, and rehabilitate and discipline licensees, as warranted. The CBA has the authority to discipline not only licenses held by individuals, but those of firms as well. Enforcement activities include investigating complaints against persons practicing public accountancy without a license and taking disciplinary action against licensees for violations of applicable statutes and regulations. The CBA's Enforcement Program receives complaints from consumers, licensees, professional societies, law enforcement agencies, other government agencies, and internal referrals.

A. MISSION AND VISION OF THE CBA.

The Mission of the California Board of Accountancy is to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards.

The Vision of the California Board of Accountancy is that all consumers are well informed and receive quality accounting services from licensees they can trust.

B. COMPOSITION (Ref. Business & Professions Code §§ 5000 & 5001).

The CBA consists of 15 members, seven of whom must be certified public accountants, and eight of whom must be public members who are not licensees of the CBA.

The Governor appoints four of the public members and all of the licensee members with individuals representing a cross section of the accounting profession. The Senate Rules Committee and the Speaker of the Assembly each appoints two public members.

## SECTION II.

### CBA COMMITTEES

---

The California Legislature has created, by writing into the Accountancy Act, three standing CBA committees – Enforcement Advisory Committee, Peer Review Oversight Committee, and Qualifications Committee. Each committee serves in an advisory capacity to the CBA.

#### A. ENFORCEMENT ADVISORY COMMITTEE (Ref. Business & Professions Code § 5020).

##### 1. Purpose.

To assist the CBA in an advisory nature with its enforcement activities by:

- Serving in a technical advisory capacity to the Executive Officer and the Enforcement Program. The Enforcement Advisory Committee members may participate in investigative hearings along with staff investigators; counsel from the Attorney General's Office and where appropriate, outside counsel.
- In an appropriate manner, consistent with the Administrative Procedure Act, reporting its findings from any investigation or hearing to the CBA, or upon direction of the CBA, to the Executive Officer.
- Reviewing open investigations upon request by Enforcement staff and providing technical assistance.
- Reviewing closed investigations and reporting its findings and recommendations to the CBA or upon direction of the CBA, to the Executive Officer.
- Making recommendations and forwarding reports to the CBA for action on any matter on which it is authorized by the CBA to consider.

##### 2. Membership.

The Enforcement Advisory Committee is comprised of up to 13 licensees with a license in an active status.

#### B. PEER REVIEW OVERSIGHT COMMITTEE (Ref. Business & Professions Code § 5076.1).

##### 1. Purpose.

To act as an advisory committee and assist the CBA in its oversight of the Peer Review Program by:

- Holding meetings as necessary in order to conduct business and report to the CBA regarding the effectiveness of mandatory peer review.
- Ensuring that Board-recognized peer review program providers (Provider) administer peer reviews in accordance with the standards set forth in CBA Regulations Section 48:

- Conduct an annual administrative site visit.
  - Attend peer review board meetings, as necessary but sufficient to evaluate and assess the effectiveness of the program.
  - Attend peer review committee meetings, as necessary but sufficient to evaluate and assess the effectiveness of the program.
  - Attend meetings conducted for the purposes of accepting peer review reports, as necessary but sufficient to evaluate and assess the effectiveness of the program.
  - Conduct reviews of peer review reports on a sample basis.
  - Attend, on a regular basis, peer reviewer training courses.
- Evaluating any *Application to Become A Board-recognized Peer Review Provider* and recommending approval or denial to the CBA.
  - Referring to the CBA any Provider that fails to respond to any request.
  - Collecting and analyzing statistical monitoring and reporting data from each Provider on an annual basis.
  - Preparing an Annual Report to the CBA regarding the results of its oversight.
  - Evaluating the Peer Reviewer Population.

## 2. Membership.

The Peer Review Oversight Committee is comprised of seven licensees with a license in an active status.

## C. QUALIFICATIONS COMMITTEE (Ref. Business & Professions Code § 5023).

### 1. Purpose.

To act as an advisory committee and assist the CBA in its licensure activities by:

- Conducting work paper reviews of experience of applicants appearing before the committee.
- Interviewing employers that appear before the committee under the provision of CBA Regulations section 69 (Section 69 review).
- Making recommendations and forwarding reports to the CBA for action on any matter on which it is authorized to act.

### 2. Membership.

The Qualifications Committee is comprised of 13 licensees with a license in an active status.



## SECTION III.

### MEETINGS

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A. BAGLEY-KEENE OPEN MEETING ACT (Ref. Government Code § 11120-11132).

All meetings of the three standing advisory committees are subject to the Bagley-Keene Open Meeting Act. The Bagley-Keene Open Meeting Act is summarized in a document developed by the Department of Consumer Affairs (**Appendix 1**). All meetings are to occur in an open setting, with limited exceptions available to both the Enforcement Advisory Committee and Qualifications Committee, which may conduct specific portions of their business in closed session. Pursuant to the provisions of Governor Gavin Newsom's Executive Order N-29-20 in response to the COVID-19 pandemic, travel restrictions and social distancing requirements may necessitate committee meetings being conducted by way of video conference

B. FREQUENCY OF MEETINGS AND EXPECTED TIME COMMITMENT.

1. Enforcement Advisory Committee.

The Enforcement Advisory Committee meets approximately five times annually, generally for one day each meeting.

In addition to the scheduled EAC meetings, members spend an additional 2-3 hours per meeting reviewing meeting materials.

2. Peer Review Oversight Committee.

The Peer Review Oversight Committee meets approximately four times annually, generally for one day each meeting.

In addition to the scheduled PROC meetings, members spend an additional 2-3 hours per meeting reviewing meeting materials. Additionally, as part of its administrative functions, PROC members will need to spend time attending various California Society of CPAs Peer Review Administrative Committee and Report Acceptance Body meetings, which occur regularly throughout the year.

3. Qualifications Committee.

The Qualifications Committee meets approximately four times annually, generally for one day each meeting.

In addition to the scheduled QC meetings, members spend an additional 2-3 hours per meeting reviewing meeting materials. Additionally, QC members may conduct additional personal appearance reviews under the provision of CBA Regulations section 69 (Section 69 review).

C. LOCATIONS.

All meeting locations are ADA compliant, easily accessible to the public, and generally the Enforcement Advisory Committee and Qualifications Committee alternate between northern and southern California locales and the Peer Review Oversight Committee meetings take place in northern California.

D. AGENDA.

For each meeting, in consultation with the committee Chairperson, staff prepares an agenda and public meeting notice. The agenda and public meeting notice for each meeting must be posted to the CBA website no less than 10 days prior to the meeting date.

E. MINUTES.

Draft minutes are prepared and distributed to the Chairperson, DCA Legal Counsel, and committee members and are available for public viewing via the CBA website prior to the subsequent meeting. During the committee meeting, any necessary corrections are incorporated into the minutes and are then moved for adoption.

After adoption of the committee minutes, they are forwarded to the next CBA meeting for consideration and acceptance. Upon CBA acceptance, the committee Chairperson signs the minutes, which staff retains in the CBA office as a public record of the committee activities.

F. ROLL CALL AND QUORUM.

At the beginning of each meeting, the committee staff liaison shall take a roll call, the purpose of which is to establish a quorum of the committee. Before any action the committee may take on agenda items, a quorum must be established.

For purposes of the committees, a quorum is based on the majority of members appointed to the committee; vacant positions do not count toward the establishment of a quorum.

G. VOTING.

Upon establishment of a quorum, on any matter for which the committee will act, the Chairperson shall call for a vote. This may only occur after the Chairperson first inquires if any members of the public wish to comment on the proposed motion.

A motion passes based on the majority votes of the established quorum.

1. Recording.

In accordance with California Government Code section 11123, after each motion, a roll call will be taken by the staff liaison. Member's names will be called and each member will state their vote for the motion as yes, no, or abstain. Each member's vote for the action, or the abstention or recusal of each member attending the meeting, will be recorded in the minutes. Those absent are recorded after every motion unless the member is shown as absent from the entire meeting.

Excerpts from minutes must be accompanied by the first two pages of the same minutes that list those in attendance.

Subsequent modification to these procedures may be needed, as deemed appropriate and in accordance with the provisions of the Bagley-Keene Open Meeting Act.

## 2. Abstentions.

A committee member will abstain from voting on an issue if for any reason a conflict of interest is or may be perceived to be present.

Abstentions do not prevent a motion from carrying. For example, if five members vote in favor of a motion, four members vote against a motion, and three abstain, the motion would carry.

## H. CLOSED SESSION.

### 1. EAC.

The EAC is authorized to conduct portions of its business in closed session for the following reasons:

- To review and deliberate on enforcement files (Ref. Government Code § 11126(c)(2) and Business and Professions Code § 5020).
- To interview and consider disciplinary action against an individual licensee or applicant prior to the filing of an accusation or statement of issues (Ref. Government Code § 11126(c)(2) and (f)(3) and Business and Professions Code § 5020).

### 2. QC.

The QC is authorized to conduct portions of its business in closed session to conduct closed hearings to interview individual applicants and employers for the purpose of CPA licensure (Ref. Government Code § 11126(c)(2) and (f)(3) and Business and Professions Code § 5023).

## I. ADJOURNMENT.

The CBA has delegated the adjournment of the meeting to the respective committee chairs. The committee chairs will adjourn the meeting in accordance with the Bagley-Keene Open Meeting Act. If adjournment of the meeting is immediately after closed session, the meeting will be reconvened into open session prior to adjournment.

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## SECTION IV.

### MEMBERS RESPONSIBILITIES & DUTIES

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Committee members are responsible for carrying out the statutory requirements prescribed by the Legislature and any additional activities and expectations as communicated and prescribed by the CBA. Additionally, members must adhere to any and all statutory and regulatory requirements, as well as all policies and procedures contained in this California Board of Accountancy Committee Member Resource Guide.

#### A. RESPONSIBILITIES.

##### 1. Attendance.

In accepting appointment to one or more of the committees, committee members made a commitment to dedicate the time necessary to attend the meeting and participate fully in the committee's business. Therefore, committee members are expected to attend all regularly scheduled meetings, in addition to actively volunteering for other committee business. Staff takes attendance at each meeting and provides an ongoing summary of members' attendance to the committee Chairperson, Vice-Chairperson, and CBA Executive Officer. Members that are absent for two meetings will be subject to review by the Chairperson and Vice-Chairperson. Upon recommendation by the Chairperson or CBA Executive Officer, members may be removed from the committee by action of the CBA.

##### 2. Mentoring.

Committee Leadership and more experienced members are encouraged to act as mentors to new committee members, making themselves available to answer procedural and historical questions that may arise.

#### B. TENURE.

Committee members are appointed to a two-year term and may serve up to four consecutive terms. Committee members not maintaining satisfactory attendance or found not to be actively participating in committee business may be removed from the committee by action of the CBA.

#### C. COMMITTEE LEADERSHIP.

Annually, the CBA appoints a Chairperson and Vice-Chairperson to each committee. The appointments are made at the November CBA meeting, with the individuals assuming the appointments effective January 1 of the following year. The Chairperson and Vice-Chairperson are entrusted with leadership of the committee and are responsible for ensuring the committee meets the charges as directed by statute and the expectations as communicated by the CBA.

##### 1. Chairperson.

The appointment tenure for Chairperson is a one-year term. The Chairperson can serve multiple one-year terms; however, in general, a committee member will not be appointed to serve as Chairperson during his/her final year on the committee. This will allow for the

Chairperson to serve in the capacity of immediate-past Chairperson and assist the new Chairperson in the role.

Duties.

- Preside over the committee meetings
- Approve agenda
- Perform evaluations of committee members
- Attend CBA meetings to provide a report on committee activities to the CBA
- Review candidate interest letters, performs candidate interviews, and makes recommendations to the CBA Vice-President and Executive Officer regarding initial appointments to the committee
- Make recommendations to the CBA Vice-President and Executive Officer regarding reappointments to the committee
- Monitor attendance, proactively addressing any attendance issues with members and reports any attendance issues to the CBA Vice-President and Executive Officer
- Mentor Vice-President

## 2. Vice-Chairperson.

The appointment tenure for Vice-Chairperson is a one-year term. In general, a committee member will not serve more than one year as a committee Vice-Chairperson. This allows for multiple committee members to cycle through the Vice-Chairperson position and allows the CBA a pool of candidates to select from when considering a new committee Chairperson.

Duties.

- Act in the absence of the Chairperson
- Attend CBA meeting to provide a report of committee activities when Chairperson is unable to attend
- Actively participates in the recommendation process for committee appointments and reappointments
- Assist the Chairperson in ensuring satisfactory attendance of committee members

## SECTION V.

### LIAISONS

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In an effort to ensure the committees meet their respective charges, the committees are assigned liaisons. All committees are assigned a staff liaison and two CBA member liaisons.

#### A. STAFF LIAISONS.

The staff liaison provides numerous support activities for the committee. From an administrative aspect, the staff liaison will assist members with travel arrangements and expense reimbursement. The staff liaison, working in conjunction with the Chairperson, prepares the meeting agenda, meeting materials, and minutes.

The staff liaisons for each committee are as follows:

##### EAC

Denise Murata

(916) 561-1730

[Denise.Murata@cba.ca.gov](mailto:Denise.Murata@cba.ca.gov)

##### PROC

Matthew Parsons

(916) 561-1741

[Matthew.Parsons@cba.ca.gov](mailto:Matthew.Parsons@cba.ca.gov)

##### QC

Nooshin Movassaghi

(916) 561-1789

[Nooshin.Movassaghi@cba.ca.gov](mailto:Nooshin.Movassaghi@cba.ca.gov)

#### B. CBA-APPOINTED LIAISONS.

For the EAC and QC, the CBA President appoints two CBA member liaisons, one northern and one southern. For the PROC the CBA President appoints two northern CBA member liaisons. The CBA-appointed liaisons are responsible for keeping the CBA informed regarding emerging issues and recommendations made at the committee meetings, including assisting the Chairperson with providing the committee report at the CBA meetings. In addition, the CBA-appointed liaisons are to keep the committee informed of the CBA policies and assignments, and to make recommendations to the CBA regarding Chairperson and Vice-Chairperson appointments. Additionally, the northern and southern California liaisons are to communicate between meetings to ensure they are kept abreast of any committee issues. This process is facilitated by the staff liaison to the committee.

The CBA-appointed liaisons are responsible for evaluating committee Chairpersons, Vice-Chairpersons, and committee members for whom they have specific knowledge of their performance, and report those evaluations to the CBA Vice-President and Executive Officer, as required. The CBA-appointed liaisons perform these evaluations by completing the Committee Member Evaluation (**Appendix 2**).

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## SECTION VI.

### APPOINTMENT/REAPPOINTMENT PROCESS

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In order to ensure appropriate staffing of its committees, the CBA continually recruits new committee members and evaluates those presently serving on the committees. The CBA works to ensure that a broad cross-section of knowledge, skills, and abilities, covering public practice, private industry, and government are represented to ensure the committees can perform their respective charges. Additionally, the CBA works to ensure proper succession planning for its committees, thus, when necessary committee members may be cycled off to ensure that committee members have varying term expiration dates.

#### A. QUALIFICATIONS.

To qualify for appointment to a CBA advisory committee, an individual interested in serving must be actively licensed to practice public accounting for a minimum of two years prior to the appointment and, if appointed, must maintain an active license status during tenure on the committee. Additionally, there must be no pending enforcement actions against their license.

#### B. RECRUITMENT.

The CBA maintains a permanent page on its website focused to volunteering and serving on a CBA advisory committee. Further, as necessary, staff will coordinate recruitment efforts to ensure committees are properly staffed. Staff will use all avenues necessary to facilitate recruitment to include running articles in the CBA publication UPDATE, use of social media outlets (*i.e.* Facebook, Twitter, LinkedIn), and various professional associations (*i.e.* the California Society of CPAs).

Additionally, the CBA encourages present committee members to encourage qualified colleagues to consider service on one of the CBA's standing advisory committees.

#### C. APPLICATION.

An individual interested in serving on one or more of the CBA's standing advisory committees should submit a letter of interest, along with a resume, curriculum vitae (CV), or both to the CBA Executive Officer at the contact information below. Please include your CPA license number with any letter of interest.

Patti Bowers  
Executive Officer  
California Board of Accountancy  
2450 Venture Oaks Way, Suite 300  
Sacramento, CA 95833  
[Patti.bowers@cba.ca.gov](mailto:Patti.bowers@cba.ca.gov)

#### D. INITIAL APPOINTMENT EVALUATION PROCESS.

##### 1. Prospective Committee Member Compliance Evaluation.

Upon receipt of a letter of interest, staff will perform a prospective committee member compliance evaluation to ensure that potential appointees adhere to California's various statutory and regulatory requirements.

##### 2. Professional Affiliations Statement.

Concurrent with the compliance evaluation, a potential appointee will receive the Professional Affiliations Statement (**Appendix 3**). The completed form must be returned to the CBA office prior to further consideration.

##### 3. Interview Process.

The Chairperson will evaluate the qualifications of a potential appointee, paying attention to the Committee Skills Matrix (**Appendix 4**) that identifies the areas of need for the committee and the various expertise of the present members.

After review by the committee Chairperson, a potential appointee may be scheduled for an interview with the committee Chairperson, Vice-Chairperson, and appropriate CBA Program Chief (Enforcement Advisory Committee – Enforcement Chief, Qualifications Committee and Peer Review Oversight Committee – Licensing Chief). The interviews generally are done via telephone, but can be conducted in person, if preferred, and possibly in conjunction with one of the committee's regularly scheduled meetings.

##### 4. Recommendations for Appointment.

After the interview process, the Chairperson shall evaluate the potential appointee with the Vice-Chairperson and CBA Program Chief to determine if a recommendation to the committee should be made. If a recommendation is warranted, the Chairperson will provide the recommendation to the CBA Vice-President and Executive Officer.

If the CBA Vice-President concurs with the recommended appointment, s/he will bring the appointment before the full CBA for consideration and possible adoption.

#### E. REAPPOINTMENT PROCESS.

##### 1. Annual Evaluations.

The Chairperson is responsible for completing bi-annual evaluations of the committee members. The Chairperson shall complete the Committee Member Evaluation (**Appendix 2**). The Chairperson shall assess the committee members' interpersonal skills, communication, leadership, preparedness, and participation.

The Chairperson shall complete the evaluation approximately three months prior to the term expiration for a particular committee member. The evaluation will be due within two weeks of receipt, at which time the Chair, CBA Vice-President and Executive Officer will review the completed evaluation.

2. Committee Member Reappointment Interest.

Approximately three months prior to the expiration of a committee member's term, the committee member will receive correspondence inquiring about their interest in reappointment to the committee. If the committee member is seeking reappointment, s/he must submit a Professional Affiliations Statement and updated resume, CV, or both.

3. Recommendations for Reappointment.

Upon receipt of a completed Professional Affiliations Statement and updated resume, CV, or both, in which the committee member affirmatively states s/he is seeking reappointment, the committee Chairperson, Vice-Chairperson, and appropriate CBA Program Chief will evaluate the committee member for reappointment, which includes reviewing the member's compliance evaluation and ensuring the member has completed all mandatory trainings and forms. The Chairperson shall provide his/her recommendation, whether for reappointment or non-reappointment, to the CBA Vice-President and Executive Officer.

On those appointments with which the CBA Vice-President concurs, the CBA Vice-President will bring the appointments before the full CBA for consideration and possible adoption.

F. LEADERSHIP APPOINTMENT/REAPPOINTMENT PROCESS.

1. Committee Member Leadership Interest.

Staff will send correspondence to present committee members requesting that those interested in serving in a Leadership capacity on the committee should indicate such an intent by submitting a Statement of Qualifications and current resume, CV, or both, no later than September 15.

For those already serving in a Leadership role, they must submit a Statement of Qualifications and current resume, CV, or both annually to identify whether they wish to continue to serve in a Leadership capacity.

2. Committee Chairperson/Vice-Chairperson Evaluations.

For those individuals that have expressed interest in a committee Leadership position, the Committee Member Evaluation (**Appendix 2**) will be circulated to the current Chairperson, Vice-Chairperson, and Program Chief.

3. Consideration.

Annually, the CBA Vice-President and Executive Officer will discuss appointments for committee Leadership. For Vice-Chairperson appointments, the Chairperson will participate in the evaluation process. Additionally, for a Chairperson cycling off Chairperson appointment, s/he will participate in the evaluation process.

4. Recommendations.

The CBA Vice-President will bring the committee Leadership appointments before the full CBA for consideration and possible adoption at the November CBA meeting.

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## SECTION VII.

### COMMITTEE MEMBER REQUIRED FORMS & TRAINING

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After initial appointment and during their tenure on the committee, members must complete certain training and forms to ensure members are aware of, and adhere to, the applicable laws surrounding conflict of interest and ethics. Member appointments and reappointments are contingent on the completion of the mandatory training and forms.

#### A. PAPERWORK TO COMPLETE UPON APPOINTMENT.

Upon CBA appointment, committee members will receive a package of materials, including a congratulatory letter and several documents that must be completed and returned to the CBA. These documents are included in **Appendix 5** and are referenced below. New committee members must submit all documents to the CBA prior to participating in committee business.

- Oath of Office (must be notarized)
- Designation of Person Authorized to Receive Warrants
- Employee Action Request
- State Employee Race/Ethnicity Questionnaire
- Establishment of Headquarters
- Board and Committee Member Information
- Payee Data Record
- Authorization to use Privately Owned Vehicle on State Business
- Employment Eligibility Verification (I-9) (include copies of supporting documents)
- Incompatible Work Activity Security Agreement (Acknowledgment Form on the last page must be signed and returned)
- Sexual Harassment Prevention Policy (Acknowledgement Form in Attachment A must be signed and returned)
- Non-Discrimination Policy and Complaint Procedures (Acknowledgement Form in Attachment A must be signed and returned)
- Workplace Violence Prevention Policy (Acknowledgement Form on page 14 must be signed and returned)
- DCA Emergency Information Form

## B. CONFLICT OF INTEREST – GENERAL GUIDELINES.

The Political Reform Act of 1974 (Proposition 9), as it governs conflicts of interest, was primarily designed to prevent persons from financially benefiting by virtue of their official position. There are two major aspects of the Political Reform Act: one refers to disqualification, the other to financial disclosure. CBA members have responsibilities under each of these aspects which are separately discussed.

This act requires each state agency to adopt a Conflict of Interest Code that identifies all officials and employees within the agency who make governmental decisions based on the positions they hold. The identified individuals are required to annually report their financial interests on a Statement of Economic Interests form (Form 700).

The Fair Political Practices Commission has primary responsibility for administration of the Political Reform Act. Questions about obligations under the Political Reform Act can be directed to the Fair Political Practice Commission at: <https://www.fppc.ca.gov/advice.html> 1-866-ASK-FPPC (1-866-275-3772).

### 1. Disqualification.

Government Code section 87100 sets forth the general prohibition: "No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest."

Any committee member who has a financial interest must disqualify himself/herself from making or attempting to use his/her official position to influence the decision. The question of whether a committee member has a financial interest that would present a legal conflict of interest is a complex one and must be decided on a case-by-case review of the particular facts involved. For more information on disqualification due to a possible conflict of interest, please refer to the Fair Political Practice Commission's Conflicts of Interest Rules at: <https://www.fppc.ca.gov/learn/conflicts-of-interest-rules.html>.

Additionally, committee members should be disassociated from any involvement with an applicant and/or licensee file with whom the committee member may have a conflict of interest.

### 2. Financial Disclosure.

The Conflict of Interest Code also requires all committee members to file annual financial disclosure statements. This is accomplished by submitting a Form 700 – Statement of Economic Interest. Members may submit the Form 700 online or by mailing a hard copy. Members will receive an email from Netfile which will provide instructions on completing the Form 700 electronically. A hard copy can be found on the FPPC's website at <https://www.fppc.ca.gov/> and should be mailed to the attention of the Board Relations Analyst at the CBA office.

New committee members are required to file a disclosure statement within 30 days after assuming office. Annual financial statements must be filed not later than April 1 of each year. A "leaving office statement" must also be filed within 30 days after an affected committee member or other official leaves office.

Committee members are not required to disclose all their financial interests. Government Code section 87302(b) indicates when an item is reportable:

An investment, interest in real property, or income shall be made reportable by the Conflict of Interest Code if the business entity in which the investment is held, the interest in real property, or the income or source of income may foreseeably be affected materially by any decision made or participated in by the designated employee by virtue of his or her position.

To determine what investments, interests in property or income must be reported by a committee member, reference should be made to the DCA's Conflict of Interest Code (**Appendix 6**). Questions concerning particular financial situations and related requirements should be directed to the DCA's Legal Office.

### 3. DCA's Policy: Incompatible Activities (Ref. Government Code § 19990).

The following is a summary of the employment, activities, or enterprises, which might result in, or create the appearance of being inconsistent, incompatible, or in conflict with the duties of state officers:

- Using the prestige or influence of a state office or employment for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
- Using state time, facilities, equipment, or supplies for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
- Using confidential information acquired by virtue of state employment for the officer's or employee's private gain or advantage, or the private gain or advantage of another.
- Receiving or accepting money, or any other consideration, from anyone other than the state for the performance of an act which the officer or employee would be required or expected to render in the regular course or hours of his or her state employment or as a part of his or her duties as a state officer or employee.
- Performance of an act in other than his or her capacity as a state officer or employee knowing that such an act may later be subject, directly or indirectly, to the control, inspection, review, audit, or enforcement by such officer or employee or the agency by which he or she is employed.
- Receiving or accepting, directly or indirectly, any gift, including money, any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value from anyone who is doing or is seeking to do business of any kind with the state or whose activities are regulated or controlled in any way by the state, under circumstances from which it reasonably could be inferred that the gift was intended to influence him or her in his or her official duties or was intended as a reward for any official action on his or her part.

- The aforementioned limitations do not attempt to specify every possible limitation on employee activity that might be determined and prescribed under the authority of section 19990 of the Government Code. DCA's Incompatible Work Activities Policy and Procedure OHR 14-01 is included in **Appendix 5**. This policy acknowledgement is required when a member is initially appointed.

#### C. ETHICS TRAINING REQUIREMENT

With the passage of Assembly Bill 2179 (Statutes of 1998, Chapter 364), state appointees and employees in exempt positions are required to receive an ethics orientation within the first six months of their appointment and every two years thereafter. To comply with that directive you may either complete the interactive training on the website of the Office of the Attorney General or view an interactive video available upon request. Ethics training information may be found at:

[http://www.dcaboardmembers.ca.gov/training/ethics\\_orientation.shtml](http://www.dcaboardmembers.ca.gov/training/ethics_orientation.shtml).

#### D. SEXUAL HARASSMENT PREVENTION TRAINING REQUIREMENT

In accordance with the DCA Sexual Harassment Prevention (SHP) Policy (EEO 12-01), (**Appendix 7**) and to ensure compliance with Assembly Bill (AB) 1825 (Reyes, Chapter 933, Statutes of 2004), all DCA employees are required to receive biennial Sexual Harassment Prevention training. Sexual Harassment Prevention Training is required every two (2) years. Members may fulfill the training requirement by completing DCA's Sexual Harassment Prevention tutorial, which can be accessed at <https://solid.dca.ca.gov/>.

#### E. DEFENSIVE DRIVERS TRAINING

Pursuant to the State Administrative Manual, all State employees, which includes Board and Committee Members, who drive a vehicle on official state business must complete the Department of General Services approved Defensive Driver Training (DDT) within the first six months of their appointment and every four years thereafter. Defensive Driver Training information may be found at:

<https://ddt.dgs.ca.gov/>.



## SECTION VIII.

### EXPENSE REIMBURSEMENT

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#### A. PER DIEM AND TRAVEL.

##### 1. Committee Member Travel

CBA staff is always available to assist members with any CBA-related travel arrangements including air or train transportation, car rental, and any lodging that is not associated with a board/committee meeting room block. If a member chooses to coordinate their own travel arrangements, they should use CalTravelStore's online portal [www.concur.com](http://www.concur.com) to book their travel. Member's Concur accounts will be setup by CBA staff using the member's personal email address and a temporary password, which will be sent to you via email by the Staff Liaison. Prior to travel, members will need to update the temporary password and add any applicable information, including rewards/frequent flyer traveler information and TSA Pre ✓Known Traveler Number.

More information regarding CalTravelStore can be found at:  
<http://www.caltravelstore.com>.

Committee members are also encouraged to use the most economic source of transportation available. For example, if there is a shuttle from the airport to the hotel available, it is not fiscally responsible to rent a car or take a taxi. To ensure full reimbursement of travel costs, requests for using a less economical mode of transportation should be submitted prior to travel to the Staff Liaison.

##### 2. Lodging for Committee Meeting.

Approximately four weeks before a committee meeting, the designated staff liaison will send out a memorandum detailing the name and address of the chosen hotel. Whenever possible, members are encouraged to secure same-day travel for the committee meetings. When same-day travel is not feasible, each member must contact the hotel directly to secure a room reservation. Staff are available to assist committee members in making travel reservations, or members are free to coordinate them on their own.

##### 3. Reimbursement for Travel and Per Diem expenses.

All new committee members are provided with an electronic copy of the Per Diem and Travel Expense Worksheet when they are appointed (**Appendix 8**). A paper copy is also available at all in-person meetings. Committee members must complete the worksheet, and return it to the CBA office as soon as possible following the committee meeting. Staff cannot process your Per Diem and travel expense claim without it. A few key notes regarding the completion of the form:

- The form is actually two forms in one. The top section authorizes the payment of Per Diem of \$100 per day; the bottom section is where members claim expenses for reimbursement.
- Please make sure to complete the time section of the Travel Expense Claim. Breakfast, lunch, dinner, and incidental payments all correspond to the time the traveler left and arrived at travel headquarters.

- In order to complete your travel expense claim, you must submit the original copy of all receipts, with the exception of meals. This includes a copy of your airline itinerary and hotel receipt. Please make sure that the hotel receipt you submit has a zero balance. DCA will NOT pay any receipts that show a balance due.
- When requesting reimbursement for personal vehicle mileage, you must include where the trip originated from, where it ended, and the license plate number of the vehicle. For example, enter From: Home, 123 Green Street, Sacramento, CA 95815 To: CBA Office, 2450 Venture Oaks Way, Sacramento, CA 95833.
- Committee members shall have CBA President pre-approval for all travel and per diem reimbursement, except for regularly scheduled board and committee meetings to which committee member is assigned. CBA members will be reimbursed for per diem and travel expenses incurred while performing approved board business in accordance with State-mandated requirements and reimbursement criteria.

Travel expenses are reimbursed in accordance with the policies found within the California Code of Regulations, Title 2 (Personnel Administration), Division 1 (Administrative Personnel), Chapter 3 (Department of Personnel Administration), Subchapter 1 (General Civil Service Rules), Article 2 (Travel Expenses), and employee Memoranda of Understanding (MOU).

The DCA has compiled a guide to assist in interpreting the various policies, which is what staff use when processing travel expense claims. The DCA Travel Guide is provided as **Appendix 9**.

## **SECTION IX.**

### **LIST OF APPENDICES**

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APPENDIX 1	DCA Guide to the Bagley-Keene Open Meeting Act
APPENDIX 2	Committee Member Evaluation
APPENDIX 3	Professional Affiliations Statement
APPENDIX 4	Committee Skills Matrix (EAC and QC version provided for example purposes)
APPENDIX 5	Paperwork to Complete Upon Appointment (multiple documents)
APPENDIX 6	Conflict of Interest Regulations
APPENDIX 7	Sexual Harassment Prevention Policy EEO 12-01
APPENDIX 8	Per Diem and Travel Expense Worksheet with Travel Reimbursement Guidelines (Attachment)
APPENDIX 9	DCA Travel Guide (Attachment)

### **APPENDICES AVAILABLE UPON REQUEST**



**CBA AND COMMITTEE MEMBER ROSTER**

Revised February 23, 2021

**CBA MEMBERS**

Nancy J. Corrigan, CPA, President  
Michael M. Savoy, CPA, Vice-President  
Mark J. Silverman, Esq., Secretary/Treasurer  
George Famalett, CPA  
Mary M. Geong, CPA  
Karriann Farrell Hinds, Esq.  
Dan Jacobson, Esq.  
Xochitl León  
Luz Molina Lopez  
Zuhdia “Dee Dee” Owens, CPA  
Ariel Pe  
Deidre Robinson  
Katrina L. Salazar, CPA  
Yen C. Tu  
Vacant

**Staff: Rebecca Reed**  
(916) 561-1716

**CBA Committees**

*CPC – Committee on Professional Conduct*  
*EPOC – Enforcement Program Oversight Committee*  
*LC – Legislative Committee*

**Advisory Committees**

*EAC – Enforcement Advisory Committee*  
*PROC – Peer Review Oversight Committee*  
*QC – Qualifications Committee*

**CBA COMMITTEES**

**CPC**

Luz Molina Lopez, Chair  
Mark J. Silverman, Esq., Vice-Chair  
George Famalett, CPA  
Dan Jacobson, Esq.  
Xochitl León  
Zuhdia “Dee Dee” Owens, CPA  
Michael M. Savoy, CPA

**Staff: Wayne Wilson**  
(916) 561-4363

**EPOC**

Karriann Farrell Hinds, Esq, Chair  
Ariel Pe, Vice-Chair  
Dan Jacobson, Esq.  
Zuhdia “Dee Dee” Owens, CPA  
Deidre Robinson  
Katrina L. Salazar, CPA  
Michael M. Savoy, CPA

**Staff: Kari O’Connor**  
(916) 561-1723

**LC**

Xochitl León, Chair  
Mary M. Geong, CPA, Vice-Chair  
George Famalett, CPA  
Karriann Farrell Hinds, Esq.  
Ariel Pe  
Katrina L. Salazar, CPA  
Yen C. Tu

**Staff: Peter Renevitz**  
(916) 561-1742

**ADVISORY COMMITTEES**

**EAC**

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Kathy A. Johnson, CPA, Vice-Chair  
Thomas Gilbert, CPA  
Jackson G. Johnson, CPA  
Mike Johnson, CPA  
David L. Kral, CPA  
José Palma, CPA  
Nasi Raissian, CPA  
Jim Songey, CPA  
Chris V. Tegtmeier, CPA  
Vacant  
Vacant  
Vacant  
Vacant

CBA Member Liaisons:  
Deidre Robinson (Northern)  
Zuhdia “Dee Dee” Owens, CPA (Southern)

**Staff: Denise Murata**  
(916) 561-1730

**PROC**

Renee Graves, CPA, Chair  
Sharon Selleck, CPA, Vice-Chair  
Jeffrey De Lyser, CPA  
Kevin Harper, CPA  
Alan S. Lee, CPA  
Fiona Tam, CPA  
Vacant

CBA Member Liaisons:  
Mark J. Silverman, Esq. (Rotating)  
Ariel Pe (Rotating)

**Staff: Matthew Parsons**  
(916) 561-1741

**QC**

Nasi Raissian, CPA, Chair  
Michael L. Williams, CPA, Vice-Chair  
Pradeep Budhiraja, CPA  
Kristian George, CPA  
Brad Holsworth, CPA  
Angela Honzik, CPA  
Timothy T. Jones, CPA  
José Palma, CPA  
Kimberly Sugiyama, CPA  
Vacant  
Vacant  
Vacant  
Vacant

CBA Member Liaisons:  
Mary M. Geong, CPA (Northern)  
Luz Molina Lopez (Southern)

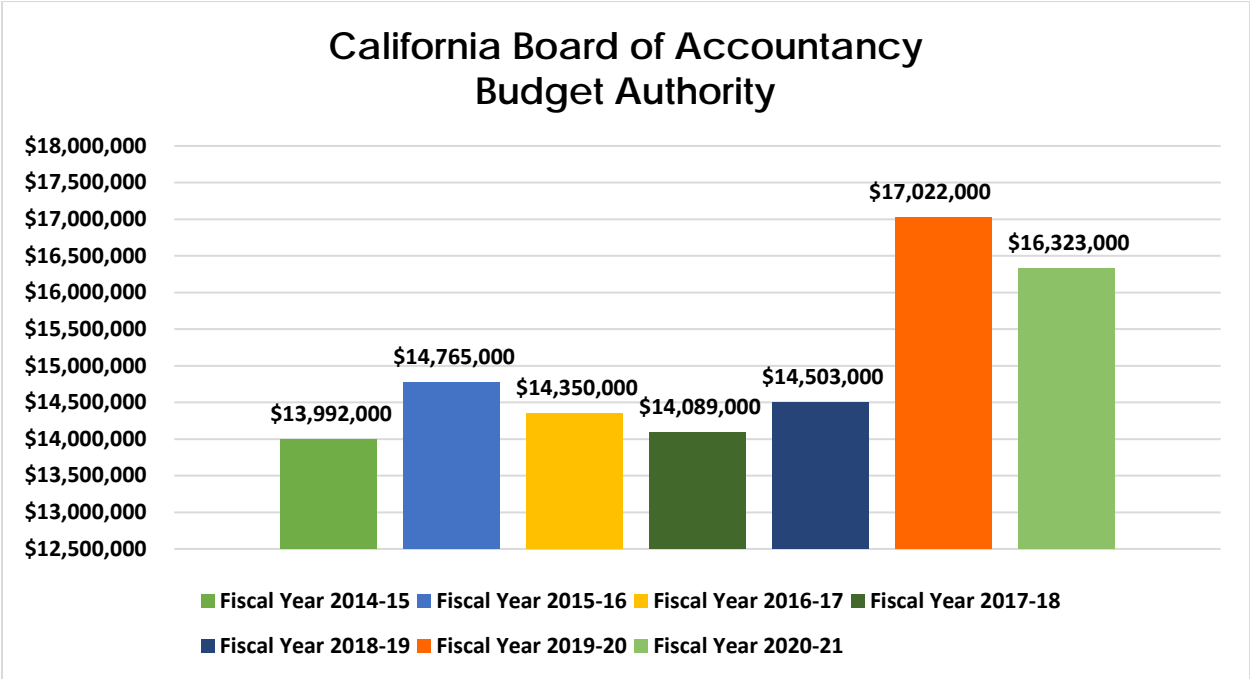
**Staff: Nooshin Movassaghi**  
(916) 561-1780

**CALIFORNIA BOARD OF ACCOUNTANCY  
REPORT OF THE  
SECRETARY/TREASURER  
MARK J. SILVERMAN, ESQ.**

**Fiscal Year 2020-21  
Mid-Year Financial Report**

**Budget Authority**

The California Board of Accountancy (CBA)'s budget for fiscal year (FY) 2020-21 is now set at \$16,323,000. This budget amount reflects the adjustment for the 9.23 percent reduction in staff compensation and accompanies the commensurate reduction in Department of Consumer Affairs (DCA) departmental pro rata expenses.



## New Budget Reports

The CBA has updated its budget reports in line with the transition to Fi\$Cal, the current state-wide software database used to track expenditures and record revenue.

Fi\$Cal reports provide a different format for the information. Many of the “line items” that we detailed in prior fiscal year reports have been regrouped based on newly established account codes, as such, the current fiscal year reports continue to be modified to ensure the most current and relevant information is being provided.

## Overview of Financial Statement Changes

The fiscal month (FM) 6 financial statement has been modified further since the presentation of the First Quarter Financial Report issued at the January 2021 CBA meeting. Below are a few items to note regarding the revisions to the FM 6 financial statement provided on page 3:

- Governor’s Budget – Figures in this column were adjusted per revisions to the CBA budget authority for FY 2020-21, which included a 9.23 percent reduction in staff compensation and DCA pro rata expenses.
- Year-to-Date column reflects expenditures through December 31, 2020.
- Percent Spent – The ratio of the amount expended through FM 6 to the total anticipated expenses through the end of the fiscal year.
- Projections to Year-End – The expenditure amount that is anticipated for each line item through the end of the fiscal year.

**Dept of Consumer Affairs**  
**California Board of Accountancy**  
**Fiscal Year 2020-21: Fiscal Month 6**

#	Object Description	FY 2019-20 FM 6	Governor's Budget	Year to Date: December 31	Percent Spent	Projections To Year End
	<b>PERSONNEL SERVICES</b>					
1	PERMANENT POSITIONS	\$2,773,157	\$6,260,000	\$3,118,378	50%	\$6,058,359
2	TEMPORARY POSITIONS	\$23,758	\$0	\$9,689	N/A	\$23,253
3	PER DIEM, OVERTIME, & LUMP SUM	\$42,019	\$63,000	\$56,297	89%	\$89,622
4	STAFF BENEFITS	\$1,581,083	\$3,688,000	\$1,772,704	48%	\$3,587,359
5	<b>TOTAL PERSONNEL SERVICES</b>	<b>\$4,420,017</b>	<b>\$10,011,000</b>	<b>\$4,957,068</b>	<b>50%</b>	<b>\$9,758,593</b>
	<b>OPERATING EXPENSES &amp; EQUIPMENT</b>					
7	GENERAL EXPENSE	\$181,622	\$58,000	\$63,827	110%	\$153,185
8	PRINTING	\$152,084	\$96,000	\$23,272	24%	\$55,853
9	COMMUNICATIONS	\$28,993	\$61,000	\$18,665	31%	\$44,795
10	POSTAGE	\$26,966	\$26,000	\$2,110	8%	\$30,000
11	INSURANCE	\$226	\$0	\$0	N/A	\$500
12	IN STATE TRAVEL	\$27,811	\$136,000	\$309	0%	\$3,000
13	OUT OF STATE TRAVEL	\$1,853	\$0	\$0	N/A	\$0
14	TRAINING	\$21,340	\$29,000	\$17,120	59%	\$17,120
15	FACILITIES	\$280,917	\$628,000	\$298,456	48%	\$572,020
16	C/P SERVICES (INTERNAL)	\$744,587	\$1,899,000	\$383,307	20%	\$1,145,572
17	C/P SERVICES (EXTERNAL)	\$253,292	\$719,000	\$151,773	21%	\$368,285
18	DEPARTMENT PRORATA	\$1,296,496	\$2,510,000	\$2,001,000	80%	\$2,510,000
19	Division of Investigation	\$73,091	\$367,000	\$312,000	85%	\$367,000
20	Consumer and Client Servs Division	\$1,223,405	\$2,143,000	\$1,689,000	79%	\$2,143,000
21	DEPARTMENTAL SERVICES	\$5,478	\$1,000	\$804	80%	\$11,630
22	CONSOLIDATED DATA CENTERS	\$94,184	\$41,000	\$31,513	77%	\$75,630
23	INFORMATION TECHNOLOGY	\$41,565	\$50,000	\$37,371	75%	\$45,945
24	EQUIPMENT	\$102,835	\$58,000	\$83,123	143%	\$107,353
25	OTHER ITEMS OF EXPENSE	\$10	\$0	\$0	0%	\$0
26	SPECIAL ITEMS OF EXPENSE	\$0	\$0	\$0	0%	\$0
27	<b>OPERATING EXPENSES &amp; EQUIPMENT</b>	<b>\$3,260,259</b>	<b>\$6,312,000</b>	<b>\$3,112,648</b>	<b>49%</b>	<b>\$5,140,888</b>
28	<b>OVERALL TOTALS</b>	<b>\$7,680,276</b>	<b>\$16,323,000</b>	<b>\$8,069,716</b>	<b>49%</b>	<b>\$14,899,481</b>
				<b>SURPLUS/(DEFICIT):</b>		<b>7.88%</b>

Note: Line items where the CBA has exceeded its allocated budget are permissible as long as total expenditures do not surpass the total budget authority.

## Expenditures

The FY 2020-21 Mid-Year Financial Statement is based on actual expenditures and encumbered amounts through December 31, 2020. Expenditures are at \$8,069,716 or 49.4 percent of the FY 2020-21 budget. Based on these figures the CBA is currently projected to end FY 2020-21 with a budget surplus of 7.88 percent.

Below is information regarding key budget items.

### General Expense (Line 7)

Expenditures in the category of general expense include items such as office supplies, furniture, delivery services, and subscriptions. Enforcement subscriptions are annual subscriptions to online databases for accounting and tax research information, standards, and also includes Investigative CPA continuing education. General Expenses for FY 2020-21 have declined by 65 percent over the same reporting period in FY 2019-20.

### Printing (Line 8)

With the electronic distribution of the CBA's UPDATE publication, printing expenditures decreased almost 85 percent over the same reporting period in FY 2019-20.

### Postage (Line 10)

Expenditures for postage have decreased slightly more than 92 percent over the same reporting period in FY 2019-20. The decrease is also attributed to the electronic distribution of the CBA's UPDATE publication.

### In-State Travel (Line 12)

Attending virtual meetings, conferences and trainings, resulted in a decrease of over 99 percent in travel within the State for the same reporting period in FY 2019-20.

### Out-of-State Travel (Line 13)

There have been no expenditures for travel out of state for FY 2020-21. With the ability to attend virtual meetings, conferences and trainings, the CBA does not anticipate any expenditures from this budget item through the end of the fiscal year. The previous FY 2019-20 showed \$1,853 expended in the same period.

### C/P Services Internal (Line 16)

Items on this line include contracts and procurements with other state agencies, including services provided by the Office of the Attorney General (OAG) and the Office of Administrative Hearings (OAH).

### C/P Services External (Line 17)

Items in this line include external contracts and procurements outside of state agencies. This includes expenses for court reporters, witness and evidence fees, credit card fees and any other external contracts.



Included in the expenditure projections, but not reflected in the Year-To-Date amounts is the anticipated costs for the Fee Analysis contract in the amount of \$21,200 and for the National Association of State Boards of Accountancy Uniform CPA Examination accommodations contract in the amount of \$93,078.40. These contracts and costs should be encumbered in the Third-Quarter Financial Report.

Department Pro Rata (Line 18)

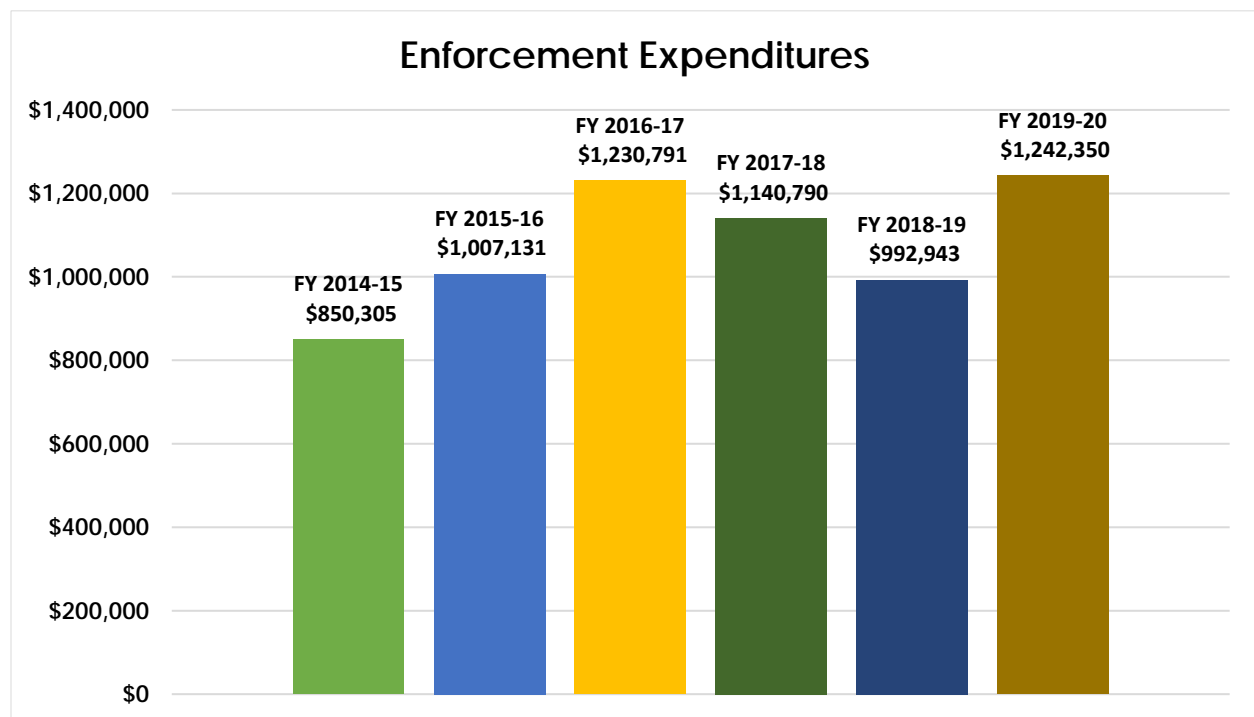
Expenses for the Division of Investigation are now grouped under this line item and consist of both internal and external investigative services.

## Enforcement Expenditures

The CBA's enforcement expenditures through December 31, 2020 total \$390,134.

- OAG - \$344,783
- OAH - \$38,524
- Evidence and Witness Fees - \$6,827
- Court Reporters - \$0

The following provides an overview of the CBA's Enforcement Expenditures for the prior six fiscal years.



## Revenue

Revenues through December 31, 2020 were at \$9,097,789. This is an increase of nearly 64 percent over revenues for FY 2019-20 for the same period due to the license renewal and initial licensing fee increases that became effective January 1, 2020. The CBA is projected to have revenues of \$17,716,010 through the end of FY 2020-21.

Revenue Projection FM 6		
Category	Year to Date	Projection To Year End
Delinquent Fees	\$129,115	\$258,230
Other Regulatory Fees	\$1,688,068	\$1,850,000
Other Regulatory License and Permits	\$1,551,747	\$4,000,000
Other Revenue	\$46,079	\$225,000
Renewal Fees	\$5,682,780	\$11,382,780
<b>Revenue</b>	<b>\$9,097,789</b>	<b>\$17,716,010</b>

### Scheduled and Unscheduled Reimbursements

The revenue projection shown above does not take into account reimbursements. Scheduled Reimbursements consist of Fingerprint Reports and unscheduled reimbursements consist of Enforcement Cost Recovery. Reimbursements are considered revenue and are deposited into the CBA Accountancy Fund. As of December 31, 2020, reimbursements totaled \$80,671.

- Fingerprint Reports - \$10,468.
- Enforcement Cost Recovery - \$70,203.

## California Board of Accountancy Fund Condition

The CBA's Fund Condition statement shown below projects that the CBA will end the current fiscal year with 8.2 months in reserve. The projected figures for FY 2021-22 and beyond reflect increased revenue due to the license renewal and initial licensure fee increase to \$250 that began on January 1, 2020.

The General Fund loan for \$10 million dollars is shown under transfer to other funds, and its impact is reflected in the months in reserve at the end of FY 2020-21 and beyond.

<b>0704 - California Board of Accountancy</b>						Prepared 2.24.2021
<b>Analysis of Fund Condition</b>						
(Dollars in Thousands)						
<b>2021-22 Governor's Budget</b>						<b>Governor's</b>
w/ FM 6 Projections						<b>Budget</b>
		<b>PY</b>	<b>CY</b>	<b>BY</b>	<b>BY+1</b>	
		<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	
<b>BEGINNING BALANCE</b>		\$ 24,201	\$ 20,816	\$ 12,839	\$ 10,947	
Prior Year Adjustment		\$ -218	\$ -	\$ -	\$ -	
Adjusted Beginning Balance		\$ 23,983	\$ 20,816	\$ 12,839	\$ 10,947	
<b>REVENUES AND TRANSFERS</b>						
Revenues:						
4129200	Other regulatory fees	\$ 540	\$ 1,850	\$ 266	\$ 266	
4129400	Other regulatory licenses and permits	\$ 3,848	\$ 4,000	\$ 4,589	\$ 4,589	
4127400	Renewal fees	\$ 7,690	\$ 11,383	\$ 11,601	\$ 11,601	
4121200	Delinquent fees	\$ 157	\$ 258	\$ 444	\$ 444	
4163000	Income from surplus money investments	\$ 431	\$ 206	\$ 56	\$ 25	
4171400	Escheat of unclaimed checks and warrants	\$ 10	\$ 5	\$ -	\$ -	
4172500	Miscellaneous revenues	\$ 4	\$ 2	\$ -	\$ -	
4173500	Settlements and Judgments - Other	\$ -	\$ 12	\$ -	\$ -	
Totals, Revenues		\$ 12,680	\$ 17,716	\$ 16,956	\$ 16,925	
Transfers to Other Funds						
Loan from the Accountancy Fund (0704) to the General Fund (0001) per Item 1111-011-0704, Budget Act of 2020		\$ -	\$ -10,000	\$ -	\$ -	
Totals, Revenues and Transfers		\$ 12,680	\$ 7,716	\$ 16,956	\$ 16,925	
Totals, Resources		\$ 36,663	\$ 28,532	\$ 29,795	\$ 27,872	
<b>EXPENDITURES</b>						
Disbursements:						
1111	Department of Consumer Affairs Regulatory Boards, Bureaus, Divisions (State Operations)	\$ 14,707	\$ 14,588	\$ 17,315	\$ 17,834	
8880	Financial Information System for California (State Operations)	\$ -2	\$ -	\$ -	\$ -	
9892	Supplemental Pension Payments (State Operations)	\$ 390	\$ 390	\$ 390	\$ 390	
9900	Statewide General Administrative Expenditures (Pro Rata) (State Operations)	\$ 752	\$ 715	\$ 1,143	\$ 1,143	
Total Disbursements		\$ 15,847	\$ 15,693	\$ 18,848	\$ 19,367	
<b>FUND BALANCE</b>						
Reserve for economic uncertainties		\$ 20,816	\$ 12,839	\$ 10,947	\$ 8,505	
<b>Months in Reserve</b>		15.9	8.2	6.8	5.1	
NOTES:						
A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED FOR BY+1 AND ON-GOING.						
B. ASSUMES APPROPRIATION GROWTH OF 3% PER YEAR IN BY+1 AND ON-GOING..						
C. ASSUMES INTEREST RATE OF 1.5%						

## Five Percent Reduction Plan for Fiscal Year 2021-22

As reported at the January 2021 CBA meeting, the CBA will assume a permanent five percent reduction to its operating budget, which was included as part of the 2020 Budget Act for Fiscal Year 2021-22. Following the January 2021 CBA meeting, DCA provided additional information which revised CBA's five percent reduction target from \$190,000 to \$53,000.

The CBA focused its reduction plan on a line item that has historically been underspent or will likely be underspent in future years. The CBA's revised reduction plan only consisted of reducing the following budget category:

\$53,000      Evidence and Witness Fees

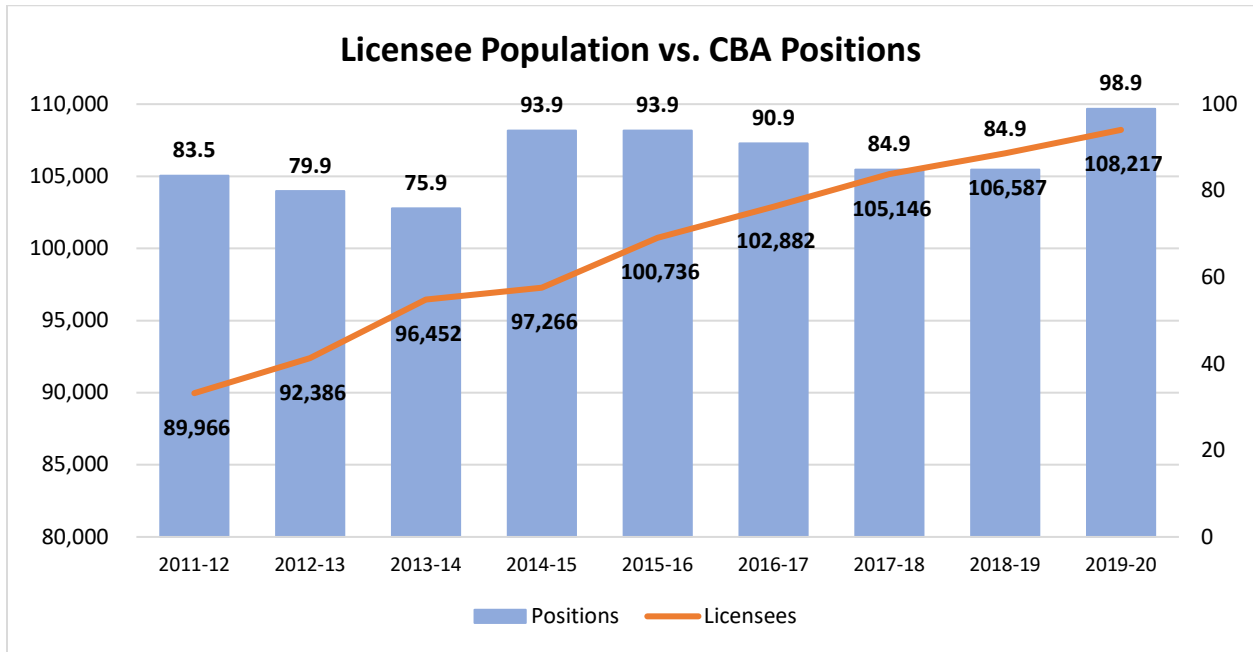
The revised reduction plan was resubmitted to DCA and is presently under review by the Department of Finance. Staff will provide additional information to the CBA as it becomes available.

## Fee Analysis

The CBA is resuming work with CROWE, LLP, a public accounting, consulting, and technology firm, to complete an analysis of its business processes in order to determine if its fees are appropriately structured. An initial meeting to discuss the project work schedule is scheduled to take place in March 2021. Findings of the fee analysis are anticipated to be presented at the November 2021 CBA Meeting. Updates on the progress of the fee analysis will be provided as they become available.

## License Population vs. Staff Level

The CBA presently has 98.9 authorized positions.





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**CBA Item VII.A.**  
March 25-26, 2021

## **Discussion and Possible Action Regarding the California Board of Accountancy 2021 Communications and Outreach Plan**

**Presented by: Patrick Ibarra, Information and Planning Officer**

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### **Purpose of the Item**

The purpose of this agenda item is to provide the California Board of Accountancy (CBA) an opportunity to discuss and provide feedback on the draft CBA 2021 Communications and Outreach Plan (2021 Plan) (**Attachment 1**).

### **Consumer Protection Objectives**

Strategically aligned communication and outreach efforts support the CBA's consumer protection mission.

### **Action(s) Needed**

The CBA will be asked to approve the 2021 Plan.

### **Background**

The CBA's 2019-2021 Strategic Plan discusses, among other topics, the role and value of outreach in relation to the CBA's consumer protection mission. Specifically, under *Goal 4: Outreach*, the CBA states its desire to provide and maintain effective and timely outreach to all CBA stakeholders.

### **Comments**

Many aspects of the 2021 Plan are consistent with the CBA-approved 2020 Plan including the target audiences, messaging goals, and priorities.

The 2021 Plan generally focuses on activities that support the following communication and outreach goals:

- Foster knowledge of, and support for, the role and mission of the CBA among target audiences
- Help consumers choose a licensed and qualified CPA/firm
- Increase understanding among applicants and licensees of the requirements and process to obtain and maintain a license with the CBA

## Discussion and Possible Action Regarding the California Board of Accountancy 2021 Communications and Outreach Plan

Page 2 of 3

Despite the unique circumstances of the prior year, the CBA's approval of the 2020 Plan provided valuable direction in assisting staff with accomplishing many of the communications and outreach priorities it contained. An overview of the status of the 2020 priorities is provided on **Attachment 2**.

Below is an overview of information contained in the 2021 Plan.

### Target Audiences and Messaging Goals

The 2021 Plan discusses the following target audiences and related messaging goals (see pages 2-4):

- Consumers
- Current and future applicants
- Licensees
- State government stakeholders
- Media

The 2021 Plan also discusses the role of partnerships and the communication assets employed by the CBA to reach target audiences, including the *UPDATE* newsletter, website, social media, and outreach events, both online and in-person (in the future) (see pages 4-6).

### 2021 Communications Priorities

The 2021 Plan has been updated to include proposed priorities for the coming year. The following highlights some of the priorities and actions completed for 2021 (see pages 6-9). The timelines of priorities will be updated based on any feedback from the CBA.

#### First Quarter 2021

- *Release UPDATE Issue No. 92*
- *Update the CBA website to include a new Military tab and resources*
- *Distribute Investigative CPA (ICPA) and CBA Committee Member recruitment communications*
- *Golden Gate University virtual outreach event (complete)*
- *San Francisco State University virtual outreach event (complete)*
- *Pathways to Success in Accounting virtual outreach event (complete)*
- *Create recruitment flyer for ICPA positions (complete)*
- *Refresh outreach PowerPoint presentation design (complete)*
- *Create recruitment flyer for CBA Committees*

#### Second Quarter 2021

- *Launch licensee renewal email campaign*
- *San Jose State University virtual outreach event*
- *California Polytechnic State University, Pomona virtual outreach event*

## **Discussion and Possible Action Regarding the California Board of Accountancy 2021 Communications and Outreach Plan**

Page 3 of 3

- *California State University, San Bernardino virtual outreach event*
- *Online CPA Application and Payment Option*
- *Online status of pending CPA application*

### Third Quarter 2021

- *Release UPDATE Issue No. 93*
- *Initiate work on licensing requirements video series*
- *Website update: Consumer Assistance Booklet update*
- *LinkedIn engagement with UPDATE articles*

### Fourth Quarter 2021

- *Release UPDATE Issue No. 94*
- *Launch podcast*
- *CBA-hosted virtual outreach event*

### **Fiscal/Economic Impact Considerations**

Cost savings continue with virtual-only format for outreach events and digital-only format for newsletter distribution. The CBA may have minor and absorbable travel costs to shoot videos in a studio.

### **Recommendation**

Staff recommend that the CBA approves the 2021 Plan.

### **Attachments**

1. Draft CBA 2021 Communications and Outreach Plan
2. Update on 2020 Priorities from the CBA 2020 Communications and Outreach Plan



Nancy J. Corrigan, CPA  
President

Patti Bowers  
Executive Officer

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# CALIFORNIA BOARD OF ACCOUNTANCY

## 2021 COMMUNICATIONS AND OUTREACH PLAN

## Strategic Goals and Purpose

The California Board of Accountancy (CBA) is dedicated to achieving its mission of consumer protection, and its related vision, through strategically aligned communication and outreach activities.

This Communications and Outreach Plan (Plan) provides a framework that discusses the CBA's strategic communications goals and how it intends to increase the volume and effectiveness of its activities in pursuit of those goals.

This Plan generally focuses on activities that support the following communication and outreach goals:

- Foster knowledge of, and support for, the role and mission of the CBA among target audiences
- Help consumers choose a licensed and qualified CPA/firm
- Assist consumers with reporting concerns regarding services received from licensed and unlicensed individuals
- Increase understanding among applicants and licensees of the requirements and process to obtain and maintain a license with the CBA

## Target Audiences and Messaging Goals

The CBA focuses its communication and outreach activities toward several distinct audiences. To communicate effectively, and achieve the messaging goals particular to each audience, the CBA should be thoughtful of each audience's interests and how their interests align with our strategic goals.

### Consumers

As the direct beneficiary of the CBA's mission and vision, consumers are a primary audience for the CBA's communication and outreach activities. The term refers generally to individuals and businesses that directly or indirectly use or rely on the services of a CPA or accounting firm. This audience is extremely broad and diverse and may be segmented into various sub-groups (e.g. general public, small businesses) depending upon the goals of a certain campaign.

Developing relationships with organizations that represent different consumer sub-groups (e.g. local chambers of commerce or organizations that represent specific industries) can help to amplify the CBA's communications and add credibility to our efforts.

Messaging goals for this audience:

- Awareness of the CBA and its role
  - Knowledge of the complaint and enforcement process
  - See the CBA as a trusted, supportive, and competent organization
- Understanding of the services provided by CPAs and accounting firms
  - Guidance to choose a CPA suitable for their needs
    - License lookup and public enforcement document searches

- How to identify and report unlicensed activity
- Identify and cultivate positive, strategically valuable relationships with individuals and organizations who support the CBA's mission, vision, and/or policy goals

### Current and Future Applicants

Whether applying to sit for the Uniform CPA Examination (CPA Exam), pursuing initial licensure, or still considering a career as a CPA, each year many seek to understand the CBA's examination, education, and experience requirements. This audience experiences significant turnover as thousands of individuals move annually from applicant to licensee or obtain their first interest in the CPA profession.

Oftentimes, the members of this audience are students or recent college/university graduates.

Messaging goals for this audience:

- Awareness of the CBA and its role
  - See the CBA as a trusted, supportive, and competent organization
- Understanding of the requirements and process to obtain and maintain a license
- Knowledge of CPA career opportunities
  - When appropriate, share career experiences with applicants

### Licensees

This audience is comprised of the following individuals and firms:

- Active and non-active CPAs and PAs licensed by the CBA
- Accountancy firms licensed by the CBA and Out-of-State accounting firms registered with the CBA
- CPAs licensed by another jurisdiction practicing in California through the mobility program

Along with applicants, the CBA has significant contact with this audience on matters related to renewal requirements and enforcement matters.

Messaging goals for this audience:

- Awareness of the CBA and its role
  - See the CBA as a trusted, supportive, and competent organization
- Understanding of the following:
  - Responsibilities/duties to clients
  - Renewal and continuing education (CE) requirements, including peer review
  - Enforcement process and their due process rights
    - Probation terms, if applicable
  - The mobility program

### State Government Stakeholders (e.g. Governor's Administration and Legislature)

These stakeholders have significant program oversight and budgetary control over the CBA. For example, they approve the CBA's annual budget and have authority to approve or deny statutory and regulatory changes proposed by the CBA. In addition, by statute, the CBA must be reauthorized every four years, through the sunset review process.

This audience includes the various elements of the Governor's Administration (Governor's Office; the Department of Finance; the Office of Administrative Law; the Business, Consumer Services, and Housing Agency; and the Department of Consumer Affairs (DCA)) and the members and committees of the California State Legislature.

Messaging goals for this audience:

- Understanding of the CBA and its role
  - See the CBA as a trusted, supportive, and competent organization
  - See the CBA as appropriately sensitive/balancing needs of consumers, applicants, and licensees
  - See the CBA as a resource to their constituents/public
- Identify and cultivate positive, strategically valuable relationships with individuals who can support the CBA's policy goals
- Showcase the value of the CBA's continued existence and structure (for Sunset Review and collaboration efforts)
- Present legislative proposals that relate to the regulation of the accounting profession in California

### Media

Made up of traditional mass media (print, radio, television), industry-specific, and Internet-based outlets, the media is able to spread the CBA's messages to audiences beyond the CBA's reach. To earn media coverage, the CBA must develop, package, and deliver news of interest to that outlet's audience. Oftentimes, the mechanism to do so is a news release, or through informal communications via established relationships with reporters/editors.

Messaging goals for this audience:

- Understanding of the CBA and its role
  - See the CBA as a trusted, supportive, and competent organization
  - See the CBA as an organization that understands their news cycle/audience and offers newsworthy articles
- Cultivate relationships with reporters/editors/producers
- News coverage that positively portrays the CBA and its mission/vision
- Amplification of announcements to protect consumers and inform licensees

## Partnerships

Developing and nurturing strategic, positive relationships with outside organizations adds significant value to the CBA's communication and outreach efforts. Partners lend their credibility and communication assets, thereby extending the reach and effectiveness of CBA's communication and outreach efforts. Partners are included in this Plan as a CBA communication asset. To develop and maintain these (and new) partnerships, they are also considered to be an audience.

Messaging goals for partnerships:

- Understanding of the CBA and its role
  - See the CBA as a trusted, supportive, and competent organization
- Partner recognizes shared goals/value to a relationship with the CBA
- Identify and cultivate positive, strategically valuable relationships with individuals who support the CBA's goals
- Collaborate to strengthen credibility of messaging to shared audiences
- Recruitment opportunities for the CBA:
  - Investigative CPA
  - Committee Member

Three current examples of key partners are the California Society of Certified Public Accountants (CalCPA), the National Association of State Boards of Accountancy (NASBA), and the American Institute of Certified Public Accountants (AICPA).

CalCPA and NASBA both possess knowledge, experience, relationships, and communication assets that can help the CBA craft and deliver effective messages. CalCPA, in particular, has relationships on many California college and university campuses and with State Government Stakeholders. The AICPA provides valuable content we can share with our audiences to keep them informed on the Uniform CPA Examination. These relationships, in particular, are critical to growing the success of the CBA's communication and outreach program.

Individual licensees are also a targeted audience, as the CBA aims to utilize messaging throughout 2021 to this audience for potential partnership and recruitment opportunities.

Developing partnerships takes time and sustained effort, but can lead to significant benefits to the CBA.

### Partnership Potential: Educational Institutions

The CBA's educational requirements for licensure require every applicant to graduate from an accredited academic institution, or receive a comparable education at a foreign college or university. As a result, educational institutions have direct, sustained opportunities to communicate with the CBA's current and future applicants.

Due to the success of its student outreach events in recent years, the CBA has developed relationships with faculty/administration at certain colleges/universities. Adding new partnerships among educational institutions directly supports CBA communication efforts with current and future applicants.

### Partnership Potential: Consumer Protection Organizations

The CBA was created to provide and ensure consumer protection with regulatory oversight of the accounting profession in California. Establishing and building relationships with like-minded consumer protection organizations creates an opportunity for collaboration, expanding the CBA's reach to a broader audience, while increasing the volume of its message.

The CBA has engaged with the Alliance for Responsible Professional Licensing (ARPL), whose philosophies and goals are consumer-focused via emphasizing the importance of professional licensure.

## **Communication Assets**

To have a successful communication and outreach program, the CBA must employ a variety of assets and tactics appropriate to the intended audience and support the desired message. An asset is a resource that the CBA has either direct or indirect control over.

### Assets

- CBA Members, committee members, and staff
- UPDATE newsletter
- CBA website
- Social media accounts (Facebook, Twitter, LinkedIn, YouTube)
- Email
- Video (e.g. live webinars or pre-recorded)
- Digital graphics
- Direct mail
- Surveys to gather feedback
- Brochures, flyers, or other printed materials
- Handbooks
- In-person and virtual events
- Media
  - Traditional: print, radio, television
  - Industry-specific: publications who have CPAs/firms as a primary audience
  - New/web-based: podcasts, blogs, online-only outlets
- Partnerships
- Executive Officer's Report

## **2021 Priorities**

To reach the CBA's identified target audiences in 2021, the CBA's communication and outreach priorities are as follows:

### UPDATE Publication

Distributed to all licensees, the *UPDATE* provides information regarding recent CBA activities and important changes that impact our stakeholders and operations. Further, the CBA uses the *UPDATE* to inform readers of recent disciplinary actions.

The CBA will publish three issues of the *UPDATE* in 2021; the first in March, the second in July, and the third in November.

### In-Person and Virtual Outreach Events

Each year, the CBA participates in multiple in-person events geared toward consumers and current and future applicants. Often made possible through partnerships developed with educational institutions, CalCPA, and others, these events provide the CBA a valuable opportunity to connect with our audiences.

In 2021, the CBA will continue to join CalCPA-sponsored events, including the "Pathways to Success in Accounting" event conducted virtually with San Francisco State University on February 11, 2021

The CBA will contact other California colleges/universities to gauge their interest in hosting the CBA at events in 2021 and beyond. Schedule permitting, these events will include CBA members as a keynote or featured speaker.

Further, the CBA aims to create and host a virtual event of its own in 2021, inviting future licensees statewide to join online as staff and Board Members explain the benefits of becoming a CPA, and the importance of the profession overall.

### Video-Based Outreach

In 2021, the CBA will grow the use of video in its communication and outreach efforts. In partnership with CalCPA, the CBA will develop a video series that explains to applicants and consumers the examination, education, and experience requirements for licensure.

The series will also include information regarding renewal requirements, including peer review and continuing education. These videos will be shared with appropriate audiences and shared on social media.

The CBA will explore the option of a podcast in 2021, a popular medium it hopes can be a new way to reach larger audiences. Episodes will include processing updates, staff discussing answers to frequently asked questions from licensees and applicants, and may include CBA Members, stakeholders, and other industry-related guests for interviews.

Presentation materials for outreach events will be updated and revamped for 2021 to reflect a more modern look our audiences can connect to more effectively. A new presentation template will also be created for the new outreach series the CBA will host virtually in 2021.

### Licensee Renewal Email Campaign

As the CBA continues to collect and verify email addresses for its licensees, the goal is to capitalize on this new communication opportunity. Therefore, the CBA will develop and implement a campaign to email licensees with reminders and relevant information related to their renewal requirements and deadlines. The campaign will include a series of messages sent to licensees throughout their renewal cycle, including, but not limited to, the following topics:

- Option and benefits of renewing online
- 20/12 CE requirements
- Peer review reporting
- Common renewal deficiencies

### Enhanced Social Media Engagement

The CBA maintains accounts on the Facebook, Twitter, LinkedIn, and (most recently) YouTube social media platforms. This medium provides a newer and growing method to reach stakeholders, most commonly applicants for licensure. The CBA posts information about CBA meetings, licensing requirements, and other items of interest to stakeholders.

The CBA may begin to share information on its social media accounts about licensees who are disciplined. Following the effective date of each disciplinary order, the CBA will provide information about the cause for discipline regarding those licensees on the CBA's Facebook, Twitter, and LinkedIn accounts.

The CBA will promote usage of these platforms as customer service channels, responding to consumer inquiries, while providing information normally only found on our website.

The CBA will continue to post weekly updates regarding our processing calendar dates to help applicants understand the timeline for reviewing and processing initial license and CPA Exam applications. The CBA will also continue to share content from the Governor's Office regarding health and safety updates, and other issues that may affect our audiences.

The CBA will use LinkedIn as another channel to share valuable information, drawing from *UPDATE* newsletter articles to broaden and amplify messaging to consumers.



## Website Updates

The Consumer Pages of the CBA website will be given a makeover in 2021, including a refreshed and updated Consumer Assistance Booklet online. The CBA wants the website to be a valuable resource for consumers to access the information they need.

The CBA will also add information and resources to the website on how to help prevent elder financial abuse, as it acknowledges the profession's unique opportunity to help guard against this behavior.

It will continue simplifying and updating the various resources that are on the CBA website to be more clear, simple to access, and easily obtain information (Licensing Handbooks, Licensing Information, etc.).

The CBA will explore additional interactive options to share information and resources for CBA applicants and candidates, including online information regarding their application, online payments, and others.

The CBA will also post information from organizations it partners with to enhance consumer protection efforts through the regulation of the accounting profession in California.

## Increased Military Support and Assistance to Refugees, Asylees, and Special Immigrant Visa Holders

In an effort to increase support for military members, the CBA has identified a staff member as its first Military Liaison. The liaison is a dedicated resource focused on increasing the assistance available to our armed forces.

To support these efforts, the CBA will add a Military tab to the homepage of the website, which will link to a page with information and resources specifically for military members and their spouses/domestic partners, and former members of the military. The CBA has already created a specific email address for the military at [militaryinfo@cba.ca.gov](mailto:militaryinfo@cba.ca.gov), and a toll-free telephone number; Both will be listed on the webpage.

Following the passage of Assembly Bill 2113 in 2020, DCA boards will be expediting the licensure applications for refugees, asylees, and special immigrant visa holders. Similar to the military support, qualifying individuals will be assisted by a designated member of the CBA staff.

Focused information on the CBA website and participating in outreach events to assist individuals with information on obtaining and maintaining a CPA license will be a priority.



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## Attachment 2

### Update on Priorities from the California Board of Accountancy 2020 Communications and Outreach Plan

Below is an excerpt from the 2020 Communications and Outreach Plan, identifying the priority, status, and next steps as relevant.

#### **Priority: UPDATE Publication**

The CBA will publish three issues of the *UPDATE* in 2020; the first in late February/early March, the second in early-to-mid July, and the third in early-to-mid November.

In addition, the CBA will deploy a redesigned look and feel to the *UPDATE*, incorporating more modern images to coincide with the first 2020 issue. Further, the CBA will use a new online publishing tool to enhance reader engagement as the CBA implements its electronic-distribution plans.

#### **Status**

The *UPDATE* newsletter was redesigned in 2020; however, only two issues of the *UPDATE* publication were distributed. When the COVID-19 pandemic hit, staff resources were redirected to focus on messaging and communications directed by the Department of Consumer Affairs and the Governor's Office. Communication regarding preventing the transmission of COVID-19, the stay-at-home order, and other key topics were regularly changing. This required frequent and ongoing website updates, stakeholder notifications, and social media posting.

With regards to the online publishing tool, staff conducted preliminary research; however, similar to the *UPDATE*, resources were redirected to focus on other priorities. As a result, the existing .pdf version of *UPDATE* was posted to the website, with some additional interactive links included. Staff have identified this internally as a project to further explore in 2021.

#### **Next Steps**

Three *UPDATE* editions have been added to the 2021 Priorities and are planned for this year. The CBA is also continuing to explore online publishing options, but the current online format of a posted .pdf file on the CBA website and an email announcement to licensees with a link to the publication has been well received.

### **Priority: In-Person Outreach Events**

Each year, the CBA participates in multiple in-person events geared toward consumers and current and future applicants. Often made possible through partnerships developed with educational institutions, the California Society of CPAs (CalCPA), and others, these events provide the CBA a valuable opportunity to connect with our audiences. In 2020, the CBA will continue to join CalCPA sponsored events.

In addition, the CBA will conduct an outreach event at Cal Poly Pomona on Tuesday, October 6, 2020. Further, the CBA will contact other California colleges/universities to gauge their interest in hosting the CBA at events on their campus in 2020 and beyond. Schedule permitting, these events will include CBA members as a keynote or featured speaker.

### **Status**

The CBA participated in five outreach events overall in 2020.

- San Francisco State University on January 30 with CalCPA
- CalCPA's "Conversation and Coffee" event on June 11
- Intel's "CPA CMA Roadshow" event on September 15
- CalCPA's "From Community College to CPA" event on September 24
- California Polytechnic State University, Pomona on October 6

Some had CBA representatives attend in person, while most—due to COVID-19 adjustments—were conducted in a virtual format only.

### **Next Steps**

This priority was addressed, however, this is an ongoing priority also identified in the 2021 Plan, with expansion to explore the CBA hosting its own statewide virtual event in 2021.

### **Priority: Video-Based Outreach**

In 2020, the CBA will grow the use of video in its communication and outreach efforts. In partnership with CalCPA, we will develop a video series that explains to applicants and consumers the examination, education, and experience requirements for licensure.

Further, the series will include information regarding renewal requirements, including peer review and continuing education (CE). These videos will be shared with appropriate audiences and shared on social media.

### **Status**

Production of the video series in collaboration with CalCPA has been moved to 2021.

### **Next Steps**

In addition to the planned video series, the CBA has added to the 2021 Priorities a revamped outreach event presentation template, and the exploration of a podcast.

### **Priority: Licensee Renewal Email Campaign**

As the CBA continues to collect and verify email addresses for its licensees, we wish to capitalize on this new communication opportunity. Therefore, we will develop and

implement a campaign to email licensees with reminders and relevant information related to their renewal requirements and deadlines. The campaign would include a series of messages sent to licensees throughout their renewal cycle, including, but not limited to, the following topics:

- Option and benefits of renewing online
- 20/12 CE requirements
- Peer review reporting
- Common renewal deficiencies

### **Status**

Email drafts for this campaign have been created, but not distributed as CBA staff continue to pursue technological opportunities to most effectively capture email addresses through the CBA website.

### **Next Steps**

The licensee renewal email campaign will carry over to this year and was added to the 2021 Priorities.

### **Priority: Enhanced Social Media Engagement**

The CBA maintains accounts on the Facebook, Twitter, LinkedIn, and (most recently) YouTube social media platforms. This medium provides a newer and growing method to reach stakeholders, most commonly applicants for licensure. The CBA posts information about CBA meetings, licensing requirements, and other items of interest to stakeholders.

The CBA will begin to share information on its social media accounts about licensees who are disciplined. Following the effective date of each disciplinary order, the CBA will provide information about the cause for discipline regarding those licensees on the CBA's Facebook, Twitter, and LinkedIn accounts.

Further, the CBA will re-publish some *UPDATE* content on LinkedIn.

### **Status**

Information about licensees who are disciplined has not yet been shared on social media, but information about application processing times was added as a weekly update on social media. *UPDATE* content was shared on social media, but not in full article form from the publication.

### **Next Steps**

The CBA will continue exploring the option of adding information about licensees who are disciplined, and find new ways to utilize its social media channel, such as ICPA and committee member recruitment messaging. These have been added to the 2021 Priorities, as well as plans to share a link to each *UPDATE* publication in full.

## **OUTREACH EVENTS**

The California Board of Accountancy (CBA) took part in two successful outreach events so far in 2021, with two more scheduled in April and May.

### **Golden Gate University**

The first event, titled “CPA – Game Changer!” occurred January 25 with approximately 50 Golden Gate University (GGU) students participating virtually. CBA President Nancy J. Corrigan, CPA, spoke about the role of the CBA and the value of the CPA title, including how it made a difference in her career. Teaming with President Corrigan were CBA Examination Unit Manager Suzanne Gracia and Initial Licensing Unit Manager Ramona Bermudez, who covered the topics of the qualifications and application process for the Uniform CPA Examination (CPA Exam) and CPA licensure. CBA Member Mary M. Geong, CPA, an alum of GGU, joined the lineup to speak about her career from graduation to CPA, including now being on the CBA. CBA staff also answered a variety of student questions after the presentations. GGU staff was highly appreciative and said the event was valuable for their students.

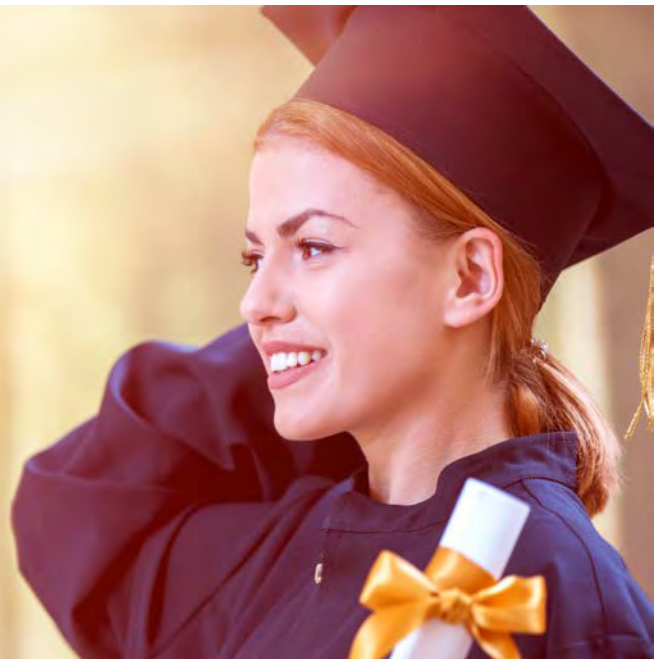
### **San Francisco State University**

A second outreach event took place on February 11, in partnership with the California Society of CPAs and San Francisco State University. The “Pathways to Success in Accounting” event featured a variety of speakers from a broad spectrum of accounting careers. President Corrigan, Ms. Gracia, and Ms. Bermudez represented the CBA and gave presentations on a similar slate of topics as at GGU, but also focusing on upcoming changes to the CPA Exam in 2024.

In an effort to connect more effectively with the audience in a virtual outreach setting, an updated deck of PowerPoint slides complementing the CBA presentations was debuted at this event, with two examples of the slides shown here.

### **MINIMUM EDUCATIONAL REQUIREMENTS TO TAKE THE CPA EXAM**

- Conferral of a bachelor's degree or higher
- Completion of 24 semester units in accounting subjects
- Completion of 24 semester units in business-related subjects



# CPA EVOLUTION

"Evolving initial CPA licensure requirements to build a future-ready profession for a rapidly changing marketplace." - AICPA / NASBA



## MILITARY ASSISTANCE

As discussed at the January meeting, the CBA is increasing its military assistance efforts in 2021. CBA military liaison Jennifer Jackson created an updated webpage describing the processing benefits bestowed on members of the military and their spouses, and listing CBA resources available to them, such as a dedicated email address and phone number. The page is linked from a "military" tab added to the other primary tabs on the CBA website's main page, making it highly visible and easy to locate.

## INVESTIGATIVE CPA RECRUITMENT

Announcements were placed on the CBA website and social media platforms regarding open Investigative CPA (ICPA) positions. An email was sent to a targeted group of approximately 40,000 licensees linking to the ICPA recruitment brochure, to heighten interest in the vacancies. The brochure, which can be found on the [CBA website](#), provides information about the qualifications required for the job and benefits offered, as well as instructions on how to apply for the position online.

## COMMITTEE RECRUITMENT

The CBA is pursuing new ways to aid with the recruitment of new members for CBA committees, as there are presently vacancies on all three advisory committees. Staff is creating a flyer highlighting committee opportunities, and will share it on the CBA website and social media. The existing webpage will also be updated with frequently asked questions and other new information focusing on volunteering for a committee.

President Corrigan suggested reaching out to licensees who participated in outreach events the CBA was involved with, which will be implemented. Staff recently sent an email to current and former CBA and committee members seeking assistance with committee recruiting. A separate email, the previously mentioned communication to targeted licensees about the Investigative CPA positions, also featured information regarding the opportunity to serve on a committee. CalCPA has been a great partner in sharing information with its membership as well.

**E-NEWS**

<b>E-News Subscriptions</b>	<b>Total</b>
Consumer Interest	5,184
Examination Applicant	3,244
Licensing Applicant	3,967
California Licensee	10,987
Out-of-State Licensee	2,719
Statutory/Regulatory	8,867
CBA Meeting Information & Agenda Materials	4,343
<i>UPDATE</i> Publication	8,861
<b>Total Subscriptions</b>	<b>48,172</b>
<b>Total Subscribers</b>	<b>100,132</b>

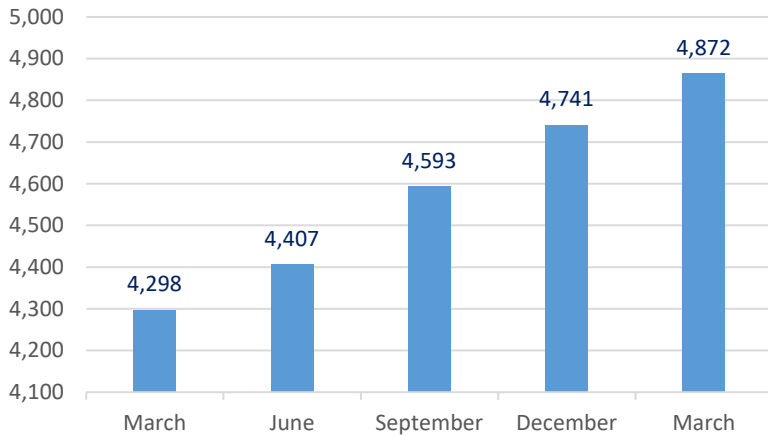
**SOCIAL MEDIA**

The CBA social media platforms continue their upward trajectory, adding more than 300 followers in the last three months. In addition to the weekly Processing Dates Calendar updates and other informational posts, the CBA amplifies important messaging from DCA and the Governor’s office across our social media sites. The #VaccinateAll58 campaign is a recent example of one of these directives.

The volume of inquiries the CBA receives through social media private messaging continues to increase. In the three-month period ending February 1, staff resolved questions or concerns from 349 stakeholders, up from 209 in the prior three months.

The charts below display the overall growth of the CBA’s Facebook, Twitter, and LinkedIn pages over the last 12 months.

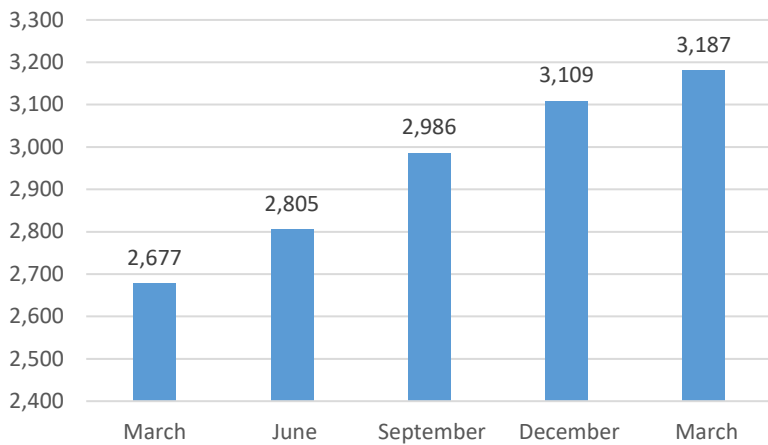
### 12-month Facebook Growth



Total followers: 4,872

Growth last 3 mos.: +131, +2.8%  
Growth last 12 mos.: +574, +13.4%

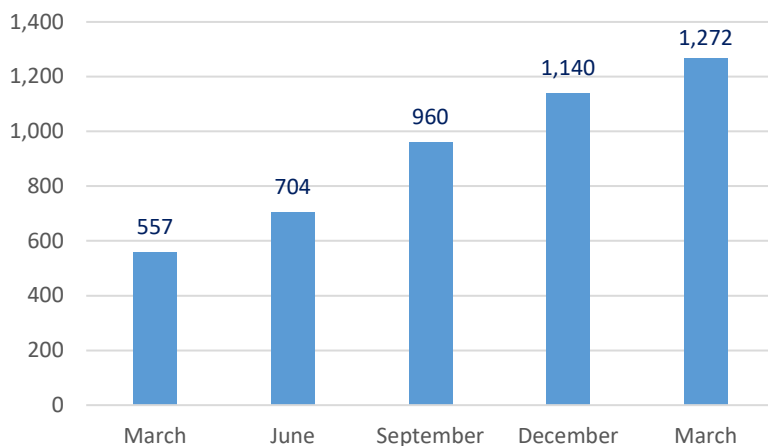
### 12-month Twitter Growth



Total followers: 3,187

Growth last 3 mos.: +78, +2.5%  
Growth last 12 mos.: +510, +19.1%

### 12-month LinkedIn Growth



Total followers: 1,272

Growth last 3 mos.: +132, +11.6%  
Growth last 12 mos.: +715, +128.4%





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**CBA Item VIII.C.2.**  
March 25-26, 2021

## **Presentation and Possible Adoption of the Peer Review Oversight Committee 2020 Annual Report**

**Presented by: Renee Graves, CPA, Chair, Peer Review Oversight Committee**

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### **Purpose of the Item**

The purpose of this agenda item is to present the California Board of Accountancy (CBA) with the Peer Review Oversight Committee (PROC) 2020 Annual Report (**Attachment 1**).

### **Consumer Protection Objectives**

The PROC 2020 Annual Report provides the CBA with an overview of the PROC's annual oversight activities, its effectiveness, and continued effort to ensure relevance to the California Peer Review Program, which is an important component of the CBA's Consumer Protection mandate.

### **Action(s) Needed**

The CBA is being asked to approve the PROC 2020 Annual Report.

### **Background**

The PROC derives its authority from Business and Professions Code section 5076.1. The purpose of the PROC is to provide recommendations to the CBA on any matter upon which it is authorized to act to ensure the effectiveness of mandatory peer review. Pursuant to CBA Regulations section 47(c), the PROC is required to report to the CBA annually regarding the results of its oversight, including the scope of work, findings, and conclusions.

The PROC 2020 Annual Report includes information on various activities and accomplishments, information on the oversight functions it performs, and various statistical information.

# **Presentation and Possible Adoption of the Peer Review Oversight Committee 2020 Annual Report**

Page 2 of 2

## **Comments**

At its February 12, 2021 meeting, the PROC reviewed and approved the PROC 2020 Annual Report. In 2020, the following sections and sub-sections were added:

- PROC Observed Oversight Activities Conclusion
- Peer Review Report and Publication Review Conclusion
- Statistical Monitoring and Reporting on California Peer Reviewer Statistics

Additionally, the PROC 2020 Annual Report has a slightly new format in order to make it compliant with the Americans with Disabilities Act, most notably in the tables and graphs.

## **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

## **Recommendation**

The PROC recommends that the CBA approve the PROC 2020 Annual Report and continue to provide guidance to the PROC concerning its oversight activities.

## **Attachment**

Peer Review Oversight Committee 2020 Annual Report



Attachment

CALIFORNIA BOARD OF ACCOUNTANCY

# PEER REVIEW OVERSIGHT COMMITTEE 2020 Annual Report



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## Table of Contents

I. Message from the Committee Chair .....	1
II. The California Peer Review Program.....	2
III. PROC Responsibilities.....	2
2020 PROC Meeting Dates .....	3
IV. PROC Members.....	3
V. AICPA .....	4
VI. CALCPA .....	4
VII. NASBA Peer Review Oversight Committee .....	4
VIII. PROC Oversight of the California Peer Review Program.....	5
PROC Observed Oversight Activities.....	5
AICPA Peer Review Board Meetings .....	6
CalCPA Report Acceptance Body Meetings .....	6
CalCPA Peer Review Committee Meetings .....	6
CalCPA Administrative Site Visit .....	6
PROC Observed Oversight Activities Conclusion .....	8
Peer Review-Related Reports and Publications Reviewed by the PROC.....	8
Results and Response Letters Regarding the Administrative Oversight of the AICPA National Peer Review Committee, Dated September 26, 2019 and October 16, 2019 .....	9
AICPA Peer Review Program, National Peer Review Committee 2018 Annual Report on Oversight, Issued October 17, 2019 .....	10
AICPA Peer Review Program Annual Report on Oversight, Issued May 8, 2020 .	11
AICPA Peer Review Administering Entity Oversight Visit Results for the North Carolina, Missouri, Colorado, Oregon and Texas Society of CPAs.....	12
Peer Review Report and Publication Review Conclusion .....	13
IX. Statistical Monitoring and Reporting on California Peer Review Statistics.....	13
Types (System vs. Engagement) and Numbers of Reviews Completed by Month, and Cumulatively for the Annual Reporting Period.....	14
Types (System vs. Engagement) and Numbers of Reviews Completed Cumulatively for the Annual Reporting Period .....	15
Types (System vs. Engagement) and Numbers of Reviews Receiving a Pass, Pass with Deficiencies, or Fail Rating.....	16
Corrective Action Matters (Various Types: Overdue Peer Review Reports, Disagreements Pending Resolution, etc.).....	18
Firms Expelled (Terminated) from the Program.....	19
X. Statistical Monitoring and Reporting on California Peer Reviewer Statistics.....	20
XI. Observations.....	20

AICPA .....	20
CALCPA .....	20
NASBA Peer Review Oversight Committee .....	21
XII. Conclusion.....	21

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## I. Message from the Committee Chair

I am pleased to present the California Board of Accountancy (CBA) with the Peer Review Oversight Committee's (PROC) 2020 Annual Report. I would like to thank the CBA for its continued trust in my leadership of the PROC. I would also like to extend my sincerest appreciation to Ms. Renee Graves, CPA, who served as Vice-Chair of the PROC this last year.

The COVID-19 pandemic significantly changed how the PROC operates and works to fulfill our mission. Governor Gavin Newsom initiated the stay-at-home order on March 19, 2020 and directed state agencies to meet virtually or cancel non-essential meetings. In response to this order, the May 2020 PROC meeting was cancelled. The PROC worked closely with the CBA and the Department of Consumer Affairs to implement virtual meetings. Additionally, the PROC worked closely with the California Society of Certified Public Accountants (CalCPA) to implement a virtual Administrative Site Visit.

Despite the challenges of the COVID-19 pandemic, PROC members performed oversight activities by attending CalCPA Report Acceptance Body meetings, CalCPA Peer Review Committee meetings, and American Institute of Certified Public Accountants (AICPA) Peer Review Board meetings. PROC members also performed oversight of five out-of-state administering entities to ensure that they are held to the same regulatory standards as California. Additionally, the PROC reviewed the following documents:

- Results and Response Letters Regarding the Administrative Oversight of the AICPA National Peer Review Committee, Dated September 26, 2019 and October 16, 2019.
- AICPA Peer Review Program, National Peer Review Committee 2018 Annual Report on Oversight, Issued October 17, 2019.
- AICPA Peer Review Program Annual Report on Oversight, Issued May 8, 2020.

I would like to thank the CBA and the PROC members for their flexibility and adaptability while navigating an unprecedented year. It has been an honor to serve in this role and I look forward to the continued success of the PROC.

Sincerely,

Jeffrey De Lyser, CPA



## II. The California Peer Review Program

All California-licensed accounting firms, including sole proprietorships, providing accounting and auditing services are required to undergo a peer review once every three years as a condition of license renewal.

The goal of peer review is to promote quality in the accounting and auditing services provided by accounting firms, and to ensure that licensees are adhering to professional standards. Consumer protection is increased in two crucial areas through peer review:

- First, the peer review requirement helps to monitor and educate accounting firms to promote quality in the accounting and auditing services they provide. This goal serves the public interest and protects the consumer through an increase in the quality of the product provided to clients.
- Second, the CBA requires accounting firms receiving substandard peer review ratings to notify the CBA. The CBA reviews the information to assess whether to pursue enforcement actions against accounting firms. This consumer protection mechanism provides assurance that only qualified licensees are practicing public accounting and providing services to consumers in California. Consumer confidence increases from knowing accounting firms must meet professional standards.

## III. PROC Responsibilities

The purpose of the PROC is to provide recommendations to the CBA on any matter upon which it is authorized to act to ensure the effectiveness of mandatory peer review. The PROC derives its authority from Business and Professions Code section 5076.1.

The roles and responsibilities of the PROC, as defined by the CBA, are:

- Hold meetings as necessary in order to conduct business and report to the CBA regarding the effectiveness of mandatory peer review.
- Ensure that CBA-Recognized Peer Review Program Providers administer peer reviews in accordance with the standards set forth in CBA Regulations section 48:
  - Conduct an annual administrative site visit.
  - Attend peer review board meetings, as necessary but sufficient to evaluate and assess the effectiveness of the program.
  - Attend peer review committee meetings, as necessary but sufficient to evaluate and assess the effectiveness of the program.

- Attend meetings conducted for the purpose of accepting peer review reports, as necessary but sufficient to evaluate and assess the effectiveness of the program.
- Conduct reviews of peer review reports on a sample basis.
- Attend, on a regular basis, peer review training courses.
- Evaluate any *Application to Become a Board-Recognized Peer Review Provider* and recommend approval or denial to the CBA.
- Refer to the CBA any Provider that fails to respond to any request.
- Collect and analyze statistical monitoring and reporting data from each CBA-recognized Peer Review Program Provider on an annual basis.
- Prepare an Annual Report to the CBA regarding the results of its oversight.
- Evaluate the peer reviewer population.

## 2020 PROC Meeting Dates

The PROC holds meetings as necessary in order to conduct business and report to the CBA regarding the effectiveness of mandatory peer review.

The PROC met three times in 2020.

- February 14, 2020
- August 14, 2020
- December 11, 2020

The February 14, 2020 meeting was held in-person at the CBA office in Sacramento. The August 14, 2020 and December 11, 2020 meeting were held virtually via WebEx.

## IV. PROC Members

### Current Members

At the November 2020 CBA meeting, Ms. Graves was appointed as Chair and Ms. Selleck was appointed as Vice-Chair for 2021. The PROC is actively recruiting for new members as membership terms expire.

## **V. AICPA**

The AICPA Peer Review Program is currently the sole CBA-recognized Peer Review Program Provider. The AICPA oversees its program and the peer reviews are administered by an entity, typically a state CPA society, approved by the AICPA to perform that role. Through regulation, the CBA established that the AICPA Peer Review Program meets the standards outlined in CBA Regulations section 48. Further, the CBA accepts all AICPA-approved entities authorized to administer the AICPA Peer Review Program.

The AICPA administers and monitors its peer review program through specifically assigned AICPA institutions, programs, and systems. Those monitoring tools are as follows:

- AICPA Peer Review Board
- AICPA Oversight Task Force
- AICPA Peer Review Program Administering Entities
- AICPA Peer Review Integrated Management Application

## **VI. CALCPA**

CalCPA is one of 55 state societies and is one of 28 administrative entities approved in 2020 by the AICPA. CalCPA administers the AICPA Peer Review Program in California, Arizona, and Alaska. As an administering entity, CalCPA is responsible for ensuring that peer reviews are performed in accordance with the AICPA's Standards for Performing and Reporting on Peer Reviews.

CalCPA upholds the integrity of its peer review administration of the AICPA peer review program through use of the AICPA Peer Review Integrated Management Application system, complying with AICPA regulations, reviewing and ensuring qualifications of peer reviewers, conducting peer reviewer training, maintaining on-staff CPAs and technical reviewers, and facilitating several Report Acceptance Body meetings each year. The Peer Review Committee addresses various administrative issues at its bi-annual meetings.

CalCPA technical reviewers review the technical quality of the peer review reports and findings on reviewed CPA firms and review the performance of peer reviewers. During the CalCPA Report Acceptance Body meetings, members discuss the peer reviews, conclude on the findings, discuss peer reviewer performance feedback, and determine whether each peer review completed is acceptable.

## **VII. NASBA Peer Review Oversight Committee**

In 2020, the National Association of State Boards of Accountancy (NASBA) Compliance Assurance Committee changed its name to the Peer Review Oversight Committee. NASBA's

Peer Review Oversight Committee is charged to provide transparency in the operation of the AICPA National Peer Review Committee and to promote effective oversight of compliance with professional standards by CPAs and their firms. The focus of NASBA's Peer Review Oversight Committee is to recommend a nationwide strategy promoting a mandatory program for compliance assurance acceptable to boards of accountancy.

By agreement, two positions on the AICPA National Peer Review Committee are filled by NASBA representatives. The AICPA National Peer Review Committee members representing NASBA participate in Report Acceptance Body meetings and report periodically to NASBA's Peer Review Oversight Committee on whether the AICPA National Peer Review Committee has operated effectively.

The National Peer Review Committee administers the AICPA peer review program for firms that meet one of the following three criteria:

- The firm is required to be registered with, and subject to permanent inspection, by the Public Company Accounting Oversight Board.
- The firm performs engagements under Public Company Accounting Oversight Board standards.
- The firm provides quality control materials, or is affiliated with a provider of quality control materials, that are used by firms that are subject to peer review.

## **VIII. PROC Oversight of the California Peer Review Program**

The PROC is charged with providing oversight of all CBA-recognized peer review program providers and peer review-related activities.

To ensure comprehensive oversight of the California Peer Review Program, the PROC strategically incorporates various in-person and/or virtual oversight activities. Oversight activities may include reviewing relevant peer review-related publications, highlighting and inquiring about findings that may have potential impacts to the California Peer Review Program, and performing continual internal updates and reviews of oversight procedures to address the evolving peer review program.

### **PROC Observed Oversight Activities**

The PROC actively oversees and evaluates the administration of the California Peer Review Program via in-person or virtual observations of peer review related meetings and activities. In 2020, the PROC engaged in the following peer review-related oversight activities:

- AICPA Peer Review Board Meetings
- CalCPA Report Acceptance Body Meetings

- CalCPA Peer Review Committee Meetings
- CalCPA Administrative Site Visit

### ***AICPA Peer Review Board Meetings***

PROC members observed four AICPA Peer Review Board meetings by attending virtually or reviewing meeting materials. The meetings took place in January, May, September, and November.

The topics covered during the meetings included expansion of remote system reviews during the COVID-19 pandemic and automatic six-month peer review extensions for firms with reviews due between January 1, 2020 and September 30, 2020 due to the COVID-19 pandemic.

### ***CalCPA Report Acceptance Body Meetings***

PROC members virtually observed sixteen Report Acceptance Body meetings.

The PROC consistently reported that the Report Acceptance Body members have high-level technical expertise and were engaged. Meetings commencing after March were held virtually and less reviews were addressed due to the COVID-19 pandemic. Technical issues were addressed thoroughly with emphasis on accuracy and consistency in peer review findings and reporting.

### ***CalCPA Peer Review Committee Meetings***

PROC members virtually observed two Peer Review Committee meetings.

The PROC reported that the Peer Review Committee had made modifications to extensions, deadlines, and other peer review provisions due to the COVID-19 pandemic. The Peer Review Committee discussed considering preparation engagements in system reviews and Continuing Professional Education as a corrective action for peer review findings.

### ***CalCPA Administrative Site Visit***

The Administrative Site Visit to CalCPA is the most comprehensive oversight activity performed by the PROC. The Administrative Site Visit is typically an in-person activity that allows the PROC to perform meaningful oversight of the California Peer Review Program. In 2020, the visit was performed virtually due to the COVID-19 pandemic. The Administrative Site Visit oversight procedures are outlined in four PROC-developed checklists, which are implemented in five phases annually to ensure key deadlines are met. The checklists are as follows:

- PROC Administrative Site Visit Work Plan Checklist
- PROC Administrative Site Visit Risk Map and Risk Mitigating Procedures Checklist

- PROC Administrative Site Visit Summary Report
- PROC Administrative Site Visit Summary Oversight Checklist

The PROC Administrative Site Visit implementation phases are listed below along with activities that took place in 2020.

**Phase 1:** Plan - Assignment of the two-person Administrative Site Visit team (**May**).

Associated Activities - The Administrative Site Visit was discussed at the August PROC meeting due to the cancellation of the May meeting. On August 14, 2020, the PROC assigned Ms. Graves and Mr. Lee as subcommittee members to perform the 2020 PROC Administrative Site Visit of CalCPA.

**Phase 2:** Plan - Referencing the PROC Administrative Site Visit Work Plan Checklist, assigned PROC members send an initial contact letter or communicate with administering entity to arrange oversight activities and site visit, and request documents and information necessary to effectively complete the risk assessment (**May/June**).

Associated Activities - Phase 2 was delayed due to the cancellation of the May PROC meeting. Ms. Graves and Mr. Lee communicated with CalCPA to arrange the logistics of a virtual site visit in late August and through September.

**Phase 3:** Plan - Place on the PROC agenda an item soliciting input from PROC on risks and associated testing (**August**).

Associated Activities - Phase 3 was not completed in 2020 due to the COVID-19 pandemic and the evolving nature of the Administrative Site Visit.

**Phase 4:** Plan - Referencing the PROC Administrative Site Visit Risk Map and Risk Mitigating Procedures Checklist, assigned PROC members will conduct the administrative site visit, perform executable risk assessment procedures to determine whether the risk mitigating procedures set in-place by the administering entity operate and function as intended (**September/October**).

Associated Activities - On October 19, 2020 and October 26, 2020, PROC members implemented Phase 4 of the Administrative Site Visit to CalCPA.

The PROC performed the following oversight procedures during its October 19, 2020 and October 26, 2020 virtual Administrative Site Visit to CalCPA:

- Reviewed a sample of existing and new peer reviewers and their

qualifications to determine if AICPA's minimum standards were met.

- Completed Phase 4 by reviewing and examining key risk variables and mitigating procedures.
- Interviewed key CalCPA staff, a Peer Review Committee member, and a technical reviewer.
- Reviewed policies and procedures used by CalCPA to govern its peer review program process.
- Read correspondence and other available documentation from other oversight activities performed at CalCPA.
- Reviewed a sample of peer review reports and associated files.
- Discussed the peer review committee member and individual peer reviewer qualifications process with CalCPA personnel and selected a sample for inspection of supporting documentation.
- Completed PROC Administrative Site Visit Summary Oversight Checklist.

**Phase 5:** Plan - Assigned PROC members will complete the PROC Administrative Site Visit Summary Report and present findings to the PROC, and as a committee complete the Administrative Site Visit Summary Oversight Checklist (**December**).

Associated Activities - On December 11, 2020, PROC members reported on and discussed observations from the October 19, 2020 and October 26, 2020 PROC Administrative Site Visit to CalCPA, the PROC Administrative Site Visit Summary Report, and the Administrative Site Visit Summary Oversight Checklist.

### ***PROC Observed Oversight Activities Conclusion***

The PROC concluded that the AICPA Peer Review Board meetings, the CalCPA Report Acceptance Body meetings, the CalCPA Peer Review Committee meetings, and the administration of the California Peer Review Program by CalCPA were performed in a manner consistent with peer review guidelines and met CBA expectations.

### **Peer Review-Related Reports and Publications Reviewed by the PROC**

The PROC annually reviews peer review-related reports and publications by the AICPA, CalCPA, and NASBA Peer Review Oversight Committee in order to remain current with the AICPA Peer Review Program, policies, procedures, and changes that affect consumers.

The PROC reviewed the following peer review-related reports and publications in 2020:

- Results and Response Letters Regarding the Administrative Oversight of the AICPA National Peer Review Committee, Dated September 26, 2019 and October 16, 2019.
- AICPA Peer Review Program, National Peer Review Committee 2018 Annual Report on Oversight, Issued October 17, 2019.
- AICPA Peer Review Program Annual Report on Oversight, Issued May 8, 2020.
- AICPA Peer Review Administering Entity Oversight Visit Results for the North Carolina, Missouri, Colorado, Oregon and Texas Society of CPAs.

***Results and Response Letters Regarding the Administrative Oversight of the AICPA National Peer Review Committee, Dated September 26, 2019 and October 16, 2019***

At its August 14, 2020 meeting, the PROC was presented with the Results and Response Letters Regarding the Administrative Oversight of the AICPA's National Peer Review Committee. The AICPA Oversight Task Force provides administrative oversight of the AICPA National Peer Review Committee. The AICPA Oversight Task Force report provides the PROC with valuable insight pertaining to the AICPA National Peer Review Committee administrative peer review process and provides reasonable assurance that consumer protection is a high priority.

On September 25 and 26, 2019, the AICPA Oversight Task Force conducted administrative oversight activities of the AICPA National Peer Review Committee peer review process including: review of its administrative procedures, technical review procedures, Certified Public Accountants on staff, and oversight program.

On September 26, 2019, the AICPA Oversight Task Force issued a results letter and concluded that the AICPA National Peer Review Committee administrative peer review process was performed in a manner consistent with peer review standards. The letter noted that significant improvements have been made to previously noted document retention deficiencies; however, minor document retention issues involving old and completed reviews still remain. Additionally, there was a finding for a firm that was referred to the AICPA Peer Review Board for a termination hearing and the hearing was subsequently cancelled, causing a significant delay in the performance of a technical review and completion of the firm's peer review. There were no other instances of this particular situation noted.

On October 16, 2019, James Brackens, Jr., CPA, AICPA Vice President – Ethics and Practice Quality, issued a response letter to the AICPA Oversight Task Force regarding the internal review of the AICPA National Peer Review Committee administrative procedures conducted on September 25 and 26, 2019.



Mr. Brackens noted that AICPA National Peer Review Committee staff have put in place procedures to eliminate the use of the old and completed review folder that housed documents beyond the retention period. Recent reviews have adhered to document retention policies. Mr. Brackens also noted that staff will begin obtaining a monthly report of inactive hearing cases to identify any review that may have been cancelled and returned for processing.

***AICPA Peer Review Program, National Peer Review Committee 2018 Annual Report on Oversight, Issued October 17, 2019***

At its August 14, 2020 meeting, the PROC was presented with the 2018 AICPA Peer Review Program Annual Report on Oversight, issued on October 17, 2019.

In April 2017, the AICPA Peer Review Program transitioned to the Peer Review Information Management Application system. As the software program is unable to generate certain quantitative statistics and comparable information that were included in previous reports, this report is more qualitative in nature.

The AICPA Oversight Task Force conducted an internal review of the AICPA National Peer Review Committee administrative functions in September 2019 and an external review was conducted by the AICPA Peer Review Board in September 2018 which covers the overall AICPA National Peer Review Committee peer review process, including:

- Scheduling
- Technical Review
- Report Acceptance
- Firm Peer Review Oversight Process and Procedures including:
  - On-site oversight
  - Off-site oversight
  - Engagement oversight
  - Oversight of the peer reviews and reviewers
  - Enhanced oversight
  - Use of panels
- Administrative oversight
- Annual verification of reviewers' resumes
- Peer reviewer performance
- Peer reviews of quality control materials
- Oversight of acceptance process

The external review of the AICPA National Peer Review Committee administrative functions conducted by the AICPA Oversight Task Force recommended that procedures for issuing committee decision letters to firms should be reviewed to provide reasonable assurance that the letters are in compliance with current wording requirements.

The AICPA National Peer Review Committee responded to this finding by training staff on how to properly modify committee decision letters.

The internal review of the administrative functions of the AICPA National Peer Review Committee conducted by the AICPA Oversight Task Force noted instances when peer review documents were retained longer than allowed by the peer review standards.

The AICPA National Peer Review Committee responded to this finding by identifying and implementing processes to address review documents being retained longer than allowed by the peer review standards.

### *AICPA Peer Review Program Annual Report on Oversight, Issued May 8, 2020*

At its August 14, 2020 meeting, the PROC was presented with the AICPA Peer Review Program Annual Report on Oversight, Issued May 8, 2020.

The statistical information presented in the Report pertains to peer reviews that commenced and were accepted during the calendar years 2017-2019, which covers a full three-year peer review cycle.

The Report provided an overview of oversight procedures performed in 2018 and 2019 in accordance with the AICPA Peer Review Oversight Handbook (AICPA Oversight Handbook), which includes:

- Oversight of Administering Entities – the AICPA Oversight Task Force visited 17 Administering Entities in 2018 and 12 Administering Entities in 2019.
- Report Acceptance Body Observations – The Report Acceptance Body observation focus group reviewed 298 and 178 reviews in 2018 and 2019, respectively.
- Enhanced Oversight – subject matter experts performed oversight on must-select engagements that included the reviews of financial statements and working papers. Subject matter experts reviewed 145 and 75 different peer reviewers for 2018 and 2019, respectively.
- The Report highlighted oversight activities conducted by Administering Entities in accordance with the AICPA Oversight Handbook, which included the following:
  - Administrative Oversight of the Administering Entities – 29 administrative visits performed for the years 2018 and 2019.
  - Oversight of Peer Reviews and Reviewers – 261 and 264 reviews were selected for oversight at the Administering Entities level in 2018 and 2019, respectively.
  - Annual Verification of Reviewers' resume – 957 and 737 peer reviewer resumes were verified in 2018 and 2019, respectively.

## *AICPA Peer Review Administering Entity Oversight Visit Results for the North Carolina, Missouri, Colorado, Oregon and Texas Society of CPAs*

The PROC is required to annually monitor selected out-of-state administering entities that operate under the CBA-Recognized Peer Review Program Provider, the AICPA, to ensure that they are held to the same regulatory standards as in California.

Out-of-state oversight procedures include a review of the current list of AICPA approved administering entities and top 20 jurisdictions (states) with a high-volume of Out-of-State Firm Registrants under the current California mobility program and the following procedures:

- At each PROC meeting, select two out-of-state administering entities from the list of administering entities identified that have high-volumes of Out-of-State Firm Registrants.
- Review available prior AICPA administering entities' oversight reports.
- Complete the PROC Out-of-State Administering Entities Checklist.
- Present and discuss as necessary the following items:
  - Findings
  - Recommendations
  - Develop items to include in a written inquiry to the AICPA regarding the findings and request for explanations, corrective actions, and timeframe for completion, if applicable
- Follow-up and review future published AICPA administering entities' oversight report(s) to ensure all findings have been addressed and corrected.

The AICPA Oversight Report for Colorado recommended:

- The administering entity review files 120 days after the acceptance letters are mailed to ensure that all appropriate working papers are destroyed in accordance with chapter 13 of the AICPA Peer Review Administrative Manual.
- Reviews be presented to the Report Acceptance Body no later than 120 days after the documents are received.
- Ensure reviewers are not present when their reviews are presented to the Report Acceptance Body, and that reviewers review guidance in the Report Acceptance Body Handbook for an acceptable implementation plan.
- Exercise additional care during Report Acceptance Body meetings in deliberating

reviews to ensure all critical matters are discussed and reviewer feedback is issued when necessary.

- Have a single due date for the acceptance letters and include the independence caution in the example acceptance letters provided by the AICPA.

The AICPA Oversight Report for Missouri found that the administering entity website has a policy that is not in accordance with the AICPA Peer Review Program guidelines. No additional details were provided. The report recommended that policies and procedures be reviewed to ensure compliance with current AICPA Peer Review Program guidelines.

The AICPA Oversight Report for Oregon found that the administering entity should establish procedures to ensure that peer review information on its website is updated and that the information is accurate and timely, and that the administering entity should ensure technical reviewers are evaluated on an annual basis as prescribed by program requirements.

The AICPA oversight reports for North Carolina and Texas had no findings.

### ***Peer Review Report and Publication Review Conclusion***

The PROC concluded that the AICPA National Peer Review Committee, the AICPA Oversight Task Force, and the AICPA Peer Review Board Oversight Program were performed in a manner consistent with peer review standards. Additionally, the PROC found that North Carolina, Missouri, Colorado, Oregon, and Texas were held to the same peer review standards as in California. Colorado, Missouri, and Oregon were found to need modifications to their current procedures.

## **IX. Statistical Monitoring and Reporting on California Peer Review Statistics**

The PROC annually provides and reports on peer review-related statistics specific to the state of California. The data is provided by CalCPA. The PROC collects and provides analysis on the following data points:

- Types (system vs. engagement) and numbers of reviews completed by month, and cumulatively for the annual reporting period
- Types (system vs. engagement) and numbers of reviews receiving a pass, pass with deficiencies, or fail rating
- Corrective action matters (various types: overdue peer review reports, disagreements pending resolution, etc.)
- Firms expelled from the program

The following statistical information is not currently available:

- Types and numbers of reviews in process
- Extensions requested and status
- Delinquent reviews
- Must-select engagements

The PROC asked that CBA staff provide statistical updates biannually, once prior to the PROC Administrative Site Visit to CalCPA and a second to consider for inclusion in the PROC Annual Report.

The following 2019 peer review-related statistical information was provided directly from the CalCPA on November 23, 2020:

### Types (System vs. Engagement) and Numbers of Reviews Completed by Month, and Cumulatively for the Annual Reporting Period

#### Number of reviews completed by month

**Source:** **2016 Data** – AICPA Facilitated State Board Access<sup>1</sup> Website. To obtain a month-to-month report of reviews accepted, including accounting firms that chose to opt out of the Facilitated State Board Access, the AICPA Facilitated State Board Access report on the numbers of reviews accepted is most appropriate.

**2017-2019 Data** – AICPA, CBA-Recognized Peer Review Program Provider and includes accounting firms that chose to opt out of the Facilitated State Board Access.

**Comments:** **Table 1** – Provides the number of both system and engagement reviews accepted on a monthly basis starting from January 1, 2016 to December 31, 2019. Numbers are reported by the CalCPA Peer Review Program.

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<sup>1</sup> American Institute of Certified Public Accountants Facilitated State Board Access website is a uniform system developed to ensure transparency and satisfy state boards of accountancy's peer review information submission and result requirements. Piloted in 2007, some state societies early adopted in 2008 with all societies participating by calendar year-end 2009.

**Table 1: California Reviews Accepted**

Month	2016 <sup>2</sup>	2017	2018 <sup>3</sup>	2019
January	161	64	52	125
February	159	243	173	145
March	135	162	138	123
April	120	95	132	120
May	111	49	112	72
June	139	14	82	74
July	84	23	138	94
August	94	63	114	102
September	134	78	154	124
October	87	108	97	103
November	87	137	117	58
December	111	86	111	75
<b>TOTAL</b>	<b>1,422</b>	<b>1,122</b>	<b>1,420</b>	<b>1,215</b>

- Average annual number of reviews completed in California during 2016-2019: 1,294

**Types (System vs. Engagement) and Numbers of Reviews Completed Cumulatively for the Annual Reporting Period**

**Source:** **2016 Data** – CalCPA Peer Review Program Annual Report on Oversight and does not include peer reviews accepted by the National Peer Review Committee or out-of-state administering entities.

**2017-2019 Data** – AICPA, CBA-Recognized Peer Review Program Provider and includes accounting firms that chose to opt out of the Facilitated State Board Access.

**Comments:** **Table 2** – Uses numbers reported by the CalCPA Peer Review Program.

**Table 2: California Peer Reviews Performed During the Calendar Years 2016-2019 by Types Cumulatively for Annual Reporting Period**

Type of Review	2016	2017	2018	2019
System	464	349	554	403
Engagement	938	773	866	812
<b>Total</b>	<b>1,402</b>	<b>1,122</b>	<b>1,420</b>	<b>1,215</b>

<sup>2</sup> The total number of reviews accepted in 2016 slightly varies from the total reflected in Tables 2-3, as the numbers provided by CalCPA were ran on different dates.

<sup>3</sup> The total number of reviews accepted in 2018 slightly varies from the total reflected in Tables 3-4, as the numbers provided by CalCPA were ran on different dates.

## Types (System vs. Engagement) and Numbers of Reviews Receiving a Pass, Pass with Deficiencies, or Fail Rating

**Source:** **2016 Data** – CalCPA Peer Review Program Annual Report on Oversight and does not include peer reviews accepted by the National Peer Review Committee or out-of-state administering entities.

**2017-2019 Data** – AICPA, CBA-Recognized Peer Review Program Provider and includes accounting firms that chose to opt out of the Facilitated State Board Access.

**Comments:** **Table 3** – Uses numbers reported by the CalCPA Peer Review Program.

**Table 4** – Using numbers from **Table 3**, it indicates relative changes in percentage for the total reporting grades, including both system and engagement reviews performed during the calendar years 2016 through 2019.

**Graph 1** – Percentage trend of System Reviews with pass, pass with deficiency, and failed ratings.

**Graph 2** – Percentage trend of Engagement Reviews with pass, pass with deficiency, and failed ratings.

**Table 3: California Reviews Performed by Types of Peer Review and Reporting and Rating**

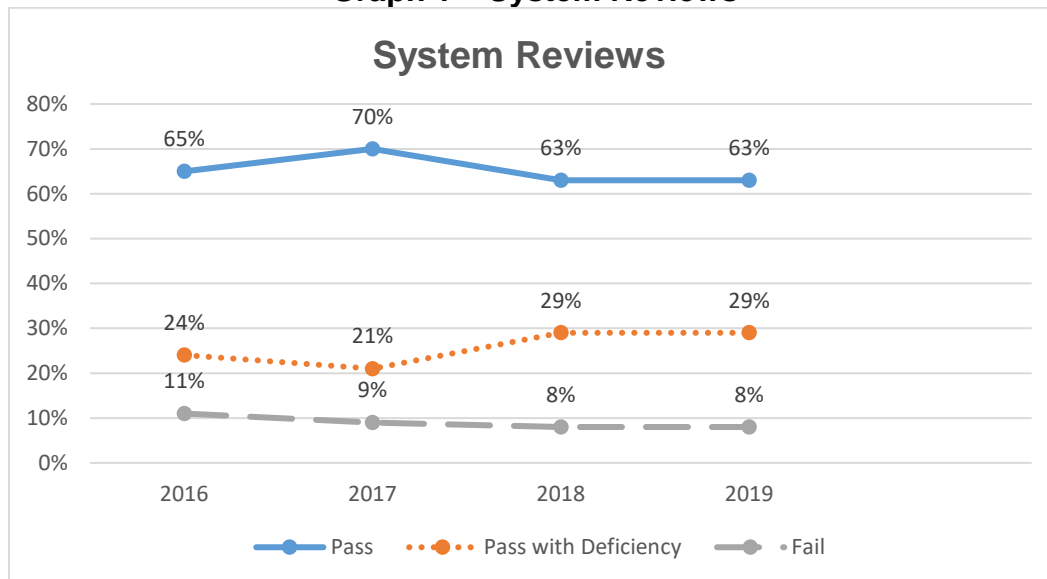
### System Reviews

Rating	2016 QTY	2016 %	2017 QTY	2017 %	2018 QTY	2018 %	2019 QTY	2019 %
Pass	303	65%	243	70%	302	63%	253	63%
Pass with Deficiency	110	24%	75	21%	140	29%	119	29%
Failed	51	11%	31	9%	39	8%	31	8%
<b>Total System</b>	<b>464</b>	<b>100%</b>	<b>349</b>	<b>100%</b>	<b>481</b>	<b>100%</b>	<b>403</b>	<b>100%</b>

## Engagement Reviews

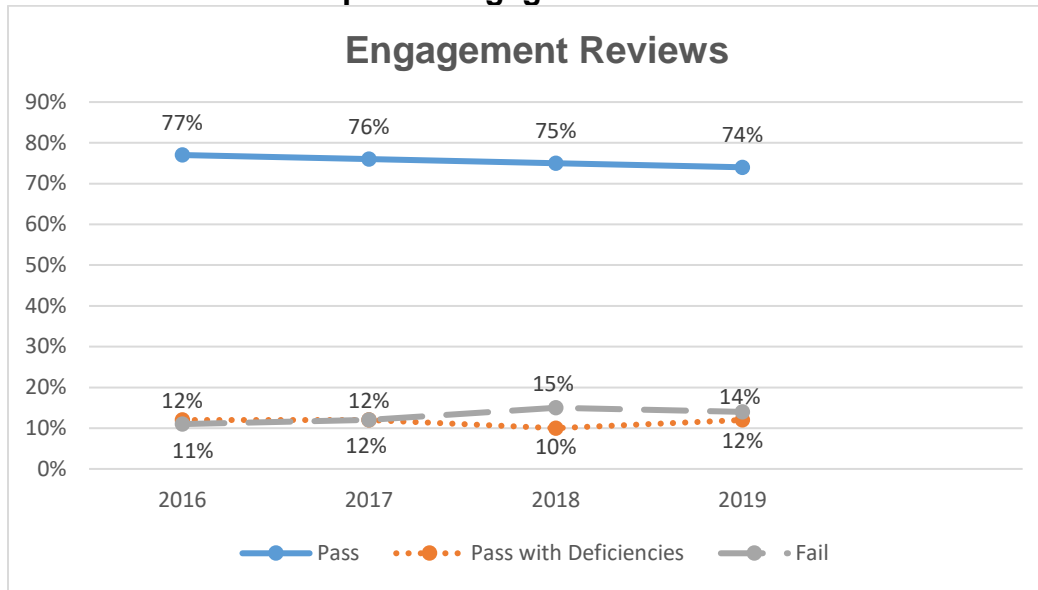
Rating	2016 QTY	2016 %	2017 QTY	2017 %	2018 QTY	2018 %	2019 QTY	2019 %
Pass	720	77%	586	76%	637	75%	604	74%
Pass with Deficiency	110	12%	92	12%	87	10%	96	12%
Failed	108	11%	95	12%	124	15%	112	14%
<b>Total Engagement</b>	<b>938</b>	<b>100%</b>	<b>773</b>	<b>100%</b>	<b>848</b>	<b>100%</b>	<b>812</b>	<b>100%</b>

**Graph 1 – System Reviews**





**Graph 2 – Engagement Reviews**



**Table 4: California Reviews Performed by Types of Peer Review and Reporting and Rating**

Systems and Engagements	2016 QTY	2016 %	2017 QTY	2017 %	2018 QTY	2018 %	2019 QTY	2019 %
Pass	1,023	73%	829	74%	939	71%	857	70%
Pass with Deficiency	220	16%	167	15%	227	17%	215	18%
Failed	159	11%	126	11%	163	12%	143	12%
<b>Summary Total</b>	<b>1,402</b>	<b>100%</b>	<b>1,122</b>	<b>100%</b>	<b>1,329</b>	<b>100%</b>	<b>1,215</b>	<b>100%</b>

**Corrective Action Matters (Various Types: Overdue Peer Review Reports, Disagreements Pending Resolution, etc.)**

**Source:** **2016 Data** – CalCPA Report and does not include peer reviews accepted by the National Peer Review Committee or out-of-state administering entities.

**2017-2019 Data** – AICPA, CBA-Recognized Peer Review Program Provider and includes accounting firms that chose to opt out of the Facilitated State Board Access.

**Comments:** **Table 5** – Uses numbers reported by the CalCPA Peer Review Program.

The CalCPA Peer Review Committee is authorized by the AICPA Peer Review Program Standards to decide on the need for and nature of any additional follow-up actions required as a condition of acceptance of the firm’s peer review. During the report acceptance process, the CalCPA Peer

Review Committee evaluates the need for follow-up actions based on the nature, significance, pattern, and pervasiveness of engagement deficiencies.

The CalCPA Peer Review Committee also considers the comments noted by the reviewer and the firm’s response thereto. If the firm’s response contains remedial actions which are comprehensive, genuine, and feasible, then the committee may decide to not recommend further follow-up actions. Follow-up actions are remedial and educational in nature and are imposed in an attempt to strengthen the performance of the firm. A review can have multiple follow-up actions.

**Table 5: Summary of Required Follow-up Actions Under AICPA and CalCPA Peer Review Program**

Type of Follow-up Action	2016	2017	2018	2019
Submit proof of Continuing Professional Education taken	235	209	339	527
Submit copy of monitoring report	4	6	16	17
Submit Copy of Inspection Report to Committee	0	0	2	3
Submit Evidence of Proper Firm Licensure	0	0	7	3
Submit to Team Captain revisit - General	24	12	12	8
Submit to Team Captain review of subsequent engagements with work papers	91	66	132	145
No longer perform any audit engagements	31	30	2	1
Agree to Pre-issuance Review by Team Captain/Outside Party	0	0	9	22
Team Captain/Outside Party Review Correction of Non-Conforming Engagements	0	0	5	3
Team Captain/Outside Party to Review Quality Control Document	0	0	4	1
Other	0	0	3	5
<b>Totals</b>	<b>385</b>	<b>323</b>	<b>531</b>	<b>735</b>

### Firms Expelled (Terminated) from the Program

**Source:** 2016-2019 Data – AICPA Peer Review Board firm drops and firm terminations website: <https://aicpa.org/forthepublic/prfirmterm.html>.

**Comments:** Table 6 – Accounting firms that have commenced their peer review process may be terminated by the AICPA for several of the following reasons:

- Failure to cooperate
- Consecutive failed reports
- Failure to submit a signed acknowledgement letter
- Failure to complete a corrective action
- Non-cooperation related to omission or misrepresentation of information
- Failure to complete its peer review after it has commenced

- Failure to complete an implementation plan
- Failure to correct deficiencies or significant deficiencies after consecutive correction actions

**Table 6: California Terminated Firms**

Action	2016	2017	2018	2019	Total
Terminated	4	3	11	6	24

Firms terminated for specific reasons can appeal for reenrollment in the California Peer Review Program and be evaluated by either the administering entity or a hearing panel of the AICPA Peer Review Board.

The CBA Enforcement Division proactively initiates investigations of California-licensed accounting firms identified to have been terminated from the AICPA peer review program. Results from each investigation vary on a case-by-case basis.

## **X. Statistical Monitoring and Reporting on California Peer Reviewer Statistics**

In 2019, the AICPA provided data related to California peer reviewers upon the request of the CBA and on the advice of the PROC. The CBA is working collaboratively with the AICPA to develop a data reporting framework and timeline for implementation in 2021.

## **XI. Observations**

Based on PROC members' 2020 oversight actions and attendance at the various peer review bodies' meetings cited in this report, the PROC offers the following findings to the CBA.

### **AICPA**

The PROC found the AICPA Peer Review Board to give ample consideration to the quality of the profession, and exhibit a high level of technical knowledge and diligence in striving to improve the quality of the peer review program and peer reviewers through their handling of a variety of issues that the program faces. The PROC found the agenda items for the meetings to be relevant and appropriate, and that the AICPA Peer Review Board members execute their duties in a knowledgeable and professional manner understanding the importance of the peer review program to the accounting profession and the public that it serves.

### **CALCPA**

Through participation in Peer Review Committee and Report Acceptance Body meetings, and the Administrative Site Visit, the PROC found the CalCPA to give ample consideration to the quality of the profession, and exhibit a high level of technical knowledge and diligence in striving to improve the quality of the peer review program and peer reviewers

through their handling of a variety of issues. The PROC found the agenda items for the meetings to be relevant and appropriate, and that the CalCPA Peer Review Committee members execute their duties in a knowledgeable and professional manner understanding the importance of the peer review program to the accounting profession and the public that it serves.

### **NASBA Peer Review Oversight Committee**

The NASBA Peer Review Oversight Committee did not hold any public meetings in 2020.

## **XII. Conclusion**

Based on its oversight activities, and in consideration of written communication including websites and public meetings, the PROC concluded that NASBA, the AICPA Peer Review Program, and its administering entity, CalCPA, functioned effectively in accordance with the peer review program standards adopted by the CBA.

**California Board of Accountancy  
PEER REVIEW OVERSIGHT COMMITTEE 2020 ANNUAL REPORT**



California Board of Accountancy

ENFORCEMENT ACTIVITY REPORT

COMPLAINTS RECEIVED

The California Board of Accountancy’s (CBA) Enforcement Division receives complaints from both internal and external sources. Complaints received are issued complaint numbers and assigned a Complaint Type (CT) based on the initial matter identified. The CT may change as the case investigation proceeds and may result in multiple violations.

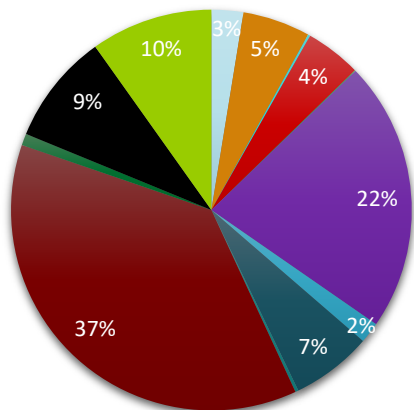
Complaints/Records of Convictions Received

<b>FY 2020/21</b> (7 months of data)	<b>1,596 Received</b> – Internal 838 – External 758
<b>FY 2019/20</b>	<b>2,295 Received</b> – Internal 1,506 – External 789
<b>FY 2018/19</b>	<b>3,060 Received</b> – Internal 1,941 – External 1,119

- For the first seven months of fiscal year (FY) 2020/21, the CBA received 1,596 complaints, with 53 percent of these complaints being internal referrals. The total number of complaints received has increased by 11 percent compared to the same time period in FY 2019/20.

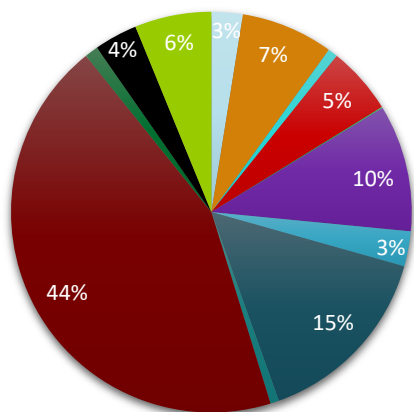
# COMPLAINT TYPES RECEIVED

## Fiscal Year 2020/2021



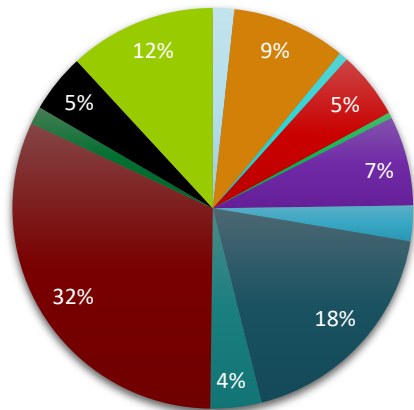
- Accountancy Licensee Database (41, 3%)
- Applications (87, 5%)
- Audit (3, >0%)
- Convictions and Subsequent Arrest (72, 4%)
- Employee Benefit Plan Audit (1, >0%)
- Other (349, 22%)
- PCAOB/SEC and Out-of-State (27, 2%)
- Peer Review Related (104, 7%)
- Practice Privilege (4, >0%)
- Renewal Deficiency (593, 37%)
- Reportable Events (15, 1%)
- Tax (143, 9%)
- Unlicensed Activity (157, 10%)

## Fiscal Year 2019/2020



- Accountancy Licensee Database (58, 3%)
- Applications (171, 7%)
- Audit (18, 1%)
- Convictions and Subsequent Arrest (125, 5%)
- Employee Benefit Plan Audit (2, >0%)
- Other (235, 10%)
- PCAOB/SEC and Out-of-State (65, 3%)
- Peer Review Related (348, 15%)
- Practice Privilege (16, 1%)
- Renewal Deficiency (1,010, 44%)
- Reportable Events (25, 1%)
- Tax (80, 3%)
- Unlicensed Activity (142, 6%)

## Fiscal Year 2018/2019



- Accountancy Licensee Database (53, 2%)
- Applications (282, 9%)
- Audit (22, 1%)
- Convictions and Subsequent Arrest (166, 6%)
- Employee Benefit Plan Audit (14, >0%)
- Other (221, 7%)
- PCAOB/SEC and Out-of-State (88, 3%)
- Peer Review Related (564, 18%)
- Practice Privilege (126, 4%)
- Renewal Deficiency (972, 32%)
- Reportable Events (44, 1%)
- Tax (145, 5%)
- Unlicensed Activity (363, 12%)

“Other” may include cases involving: Breach of Confidential Relationship, Advertising, Record Retention, and Fiscal Dishonesty. The volumes of these cases are low, and do not warrant individual categorization.

## INVESTIGATIONS

The number of complaints assigned for investigations and closed.

Investigations	FY 2018/19	FY 2019/20	FY 2020/21 7 months of data
Investigations Assigned	3,060	2,294	1,596
Investigations Closed	3,688	2,199	1,469
Average Days to Close	127	82	123

- The average number of days to close slightly increased from the last report, from 117 to 123.

Investigations Closed	FY 2020/21 7 months of data
Total Closed FY 2020/21	1,469
Closed within 0-6 Months	1,045
Closed within 6-12 Months	328
Closed within 12-18 Months	75
Closed within 18-21 Months	10
Closed within 21-24 Months	5
Closed >24 Months	6

- Of the total 1,469 investigations closed during FY 2020/21, 1,045 or 70 percent were closed within six months from the initial complaint investigation date. Further, 1,373 investigations or 92 percent were closed within one year.

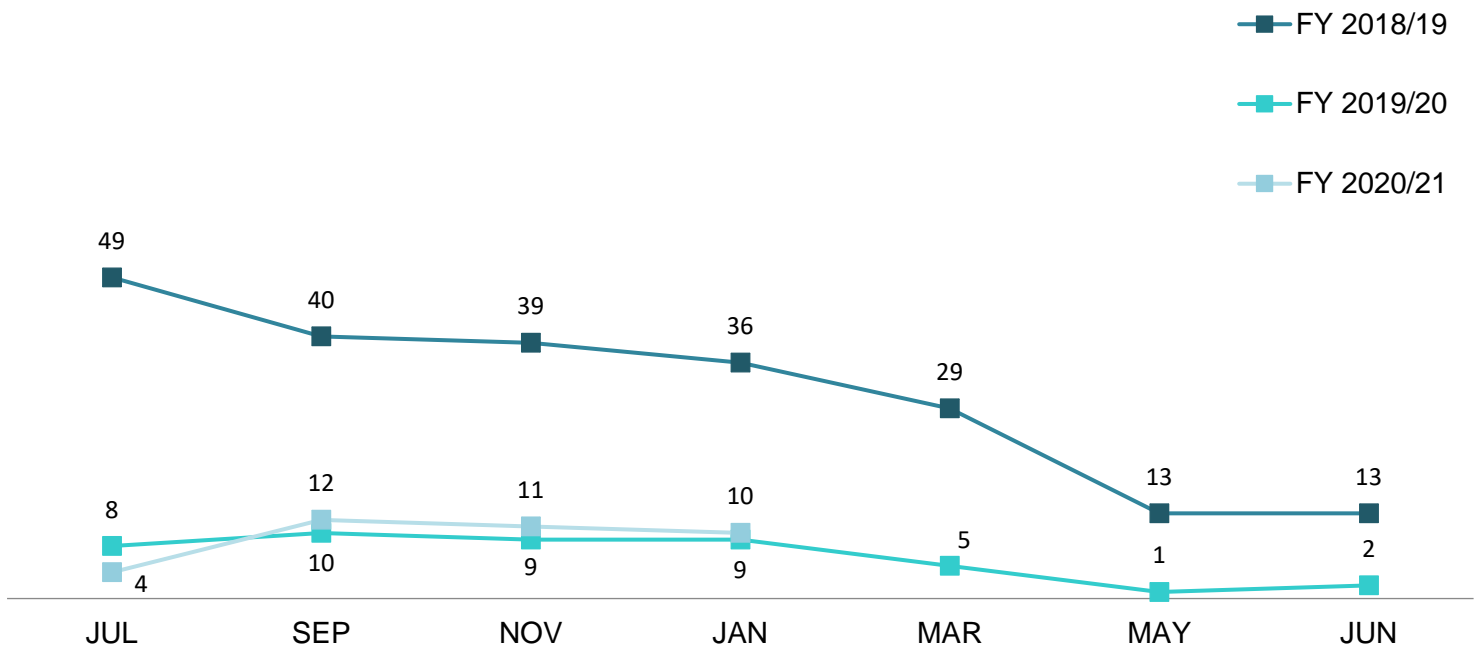


## INVESTIGATIONS PENDING

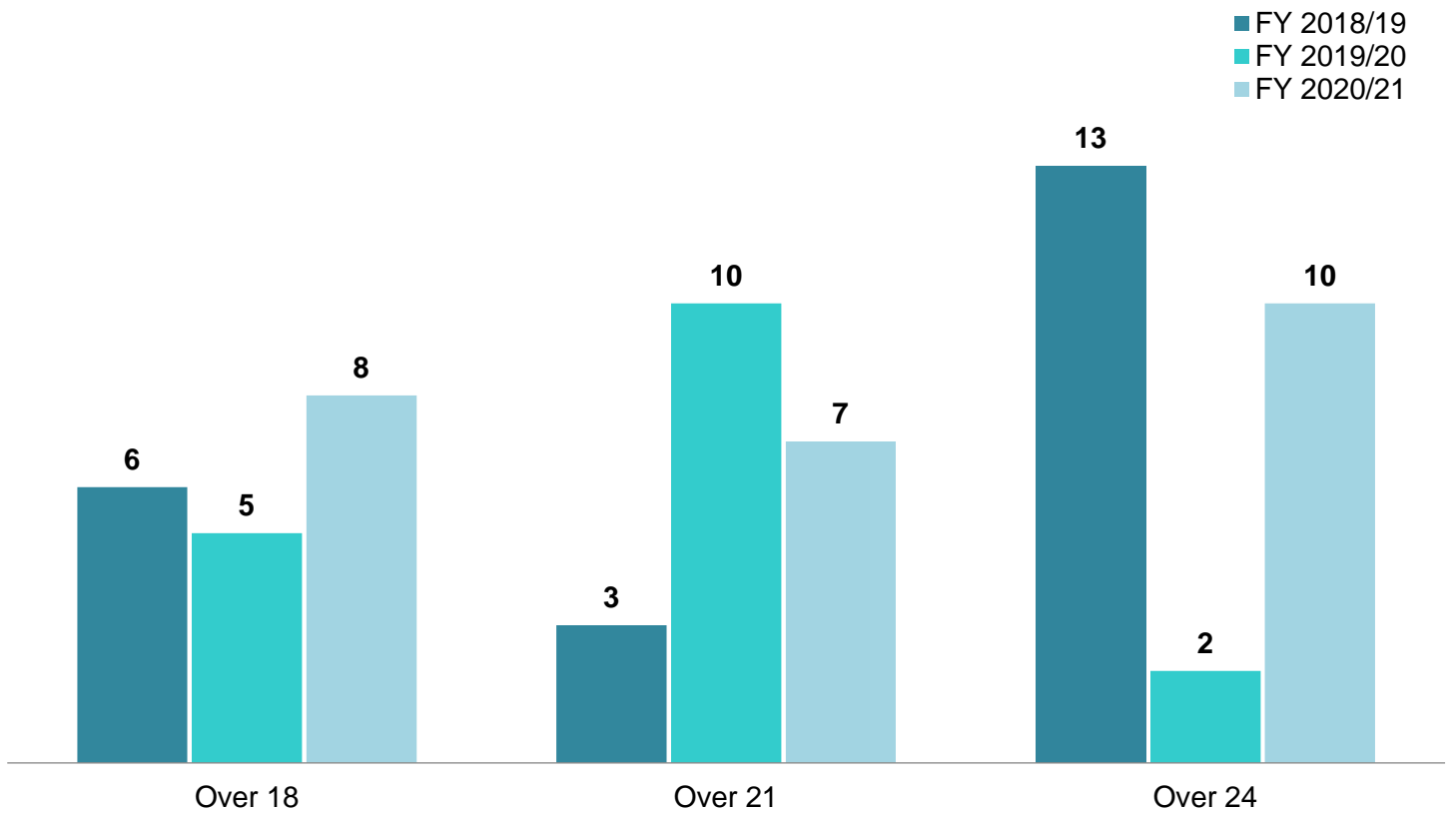
Investigations Pending	FY 2018/19	FY 2019/20	FY 2020/21 7 months of data
Total Investigations Pending	550	684	834
0-6 Months	447	446	699
6-12 Months	64	189	81
12-18 Months	17	32	29
18-21 Months	6	5	8
21-24 Months	3	10	7
>24 Months	13	2	10
Average Age of Open Cases (days)	125	169	111

- Of the total 834 pending cases as of January 31, 2021, 84 percent were less than six months old and approximately 94 percent were less than one year old.
- Staff worked diligently at the onset of the pandemic to handle the cases over 24 months. This focus created some cases in the 21-24 month category to age over 24 months. As a result, the number of cases over 24 months as of January 31, 2021 is 10.
- Of the 10 investigations pending over 24 months, staff have completed the investigation report for four cases, and the cases will be referred to the Attorney General's (AG) Office or closed prior to the next report.

## INVESTIGATIONS PENDING | OVER 24 MONTHS



## INVESTIGATIONS PENDING | OVER 18, 21, and 24 MONTHS

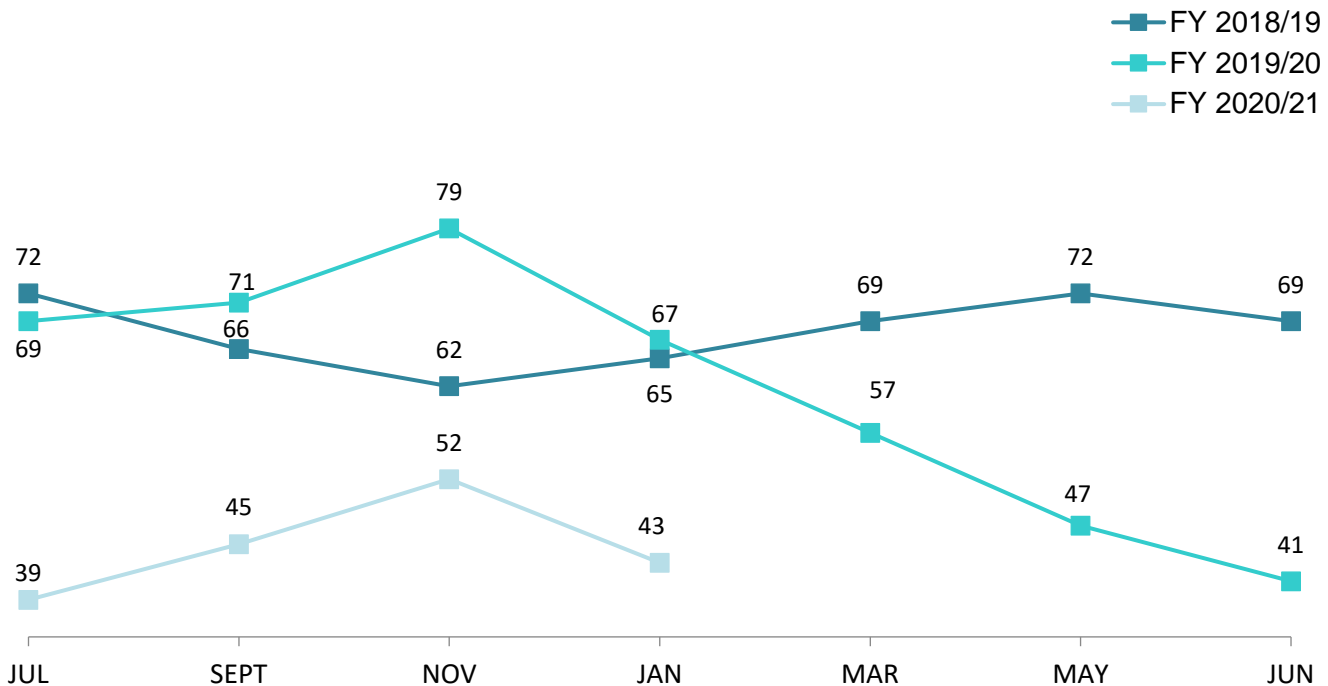


## DISCIPLINE

As part of its mission of consumer protection, the CBA referred matters to the AG's Office for imposition of discipline.

Discipline	FY 2018/19	FY 2019/20	FY 2020/21 7 months of data
Attorney General Referrals	79	51	31
Accusations Filed	68	53	26
Statement of Issues Filed	1	1	1
Petitions for Revocation Filed	6	4	1

## DISCIPLINE | COMPLAINTS PENDING AT ATTORNEY GENERAL'S OFFICE



- As of January 31, 2021, there were 43 complaints pending at the AG's Office. Staff work diligently to address aging disciplinary cases by actively monitoring for the filing of a Notice of Defense (NOD). If no NOD is received, staff request that the AG's Office prepare a default decision. When an NOD is received, staff work quickly to offer settlement terms and if a settlement cannot be reached, to set the matter for hearing.

## DISCIPLINE | AGE of COMPLAINTS PENDING at ATTORNEY GENERAL'S OFFICE

Pending at AG	FY 2018/19	FY 2019/20	FY 2020/21 7 months of data
<i>Total Pending at AG's Office</i>	69	41	43
0-6 Months	37	12	20
6-12 Months	23	17	15
12-18 Months	3	8	7
18-21 Months	1	3	0
21-24 Months	2	0	1
>24 Months	3	1	0

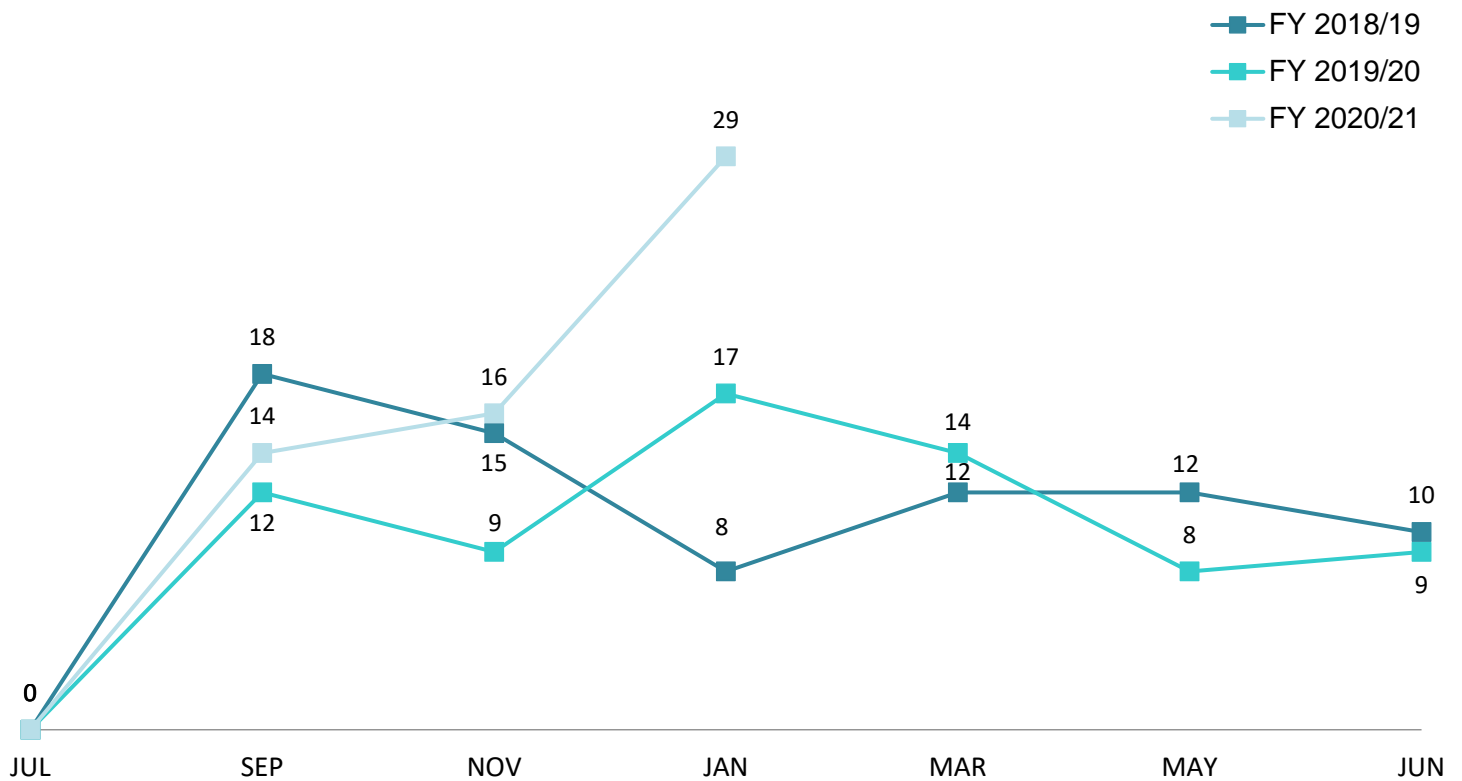
- Of the 43 cases at the AG's Office approximately 81 percent are less than 12 months old.

## DISCIPLINE | FINAL ORDERS

Disciplinary Actions	FY 2018/19	FY 2019/20	FY 2020/21 7 months of data
Final Decision Orders	75	69	29
– <i>Stipulated Settlement</i>	48	57	22
– <i>Proposed Decision</i>	6	6	3
– <i>Default Decision</i>	21	6	4

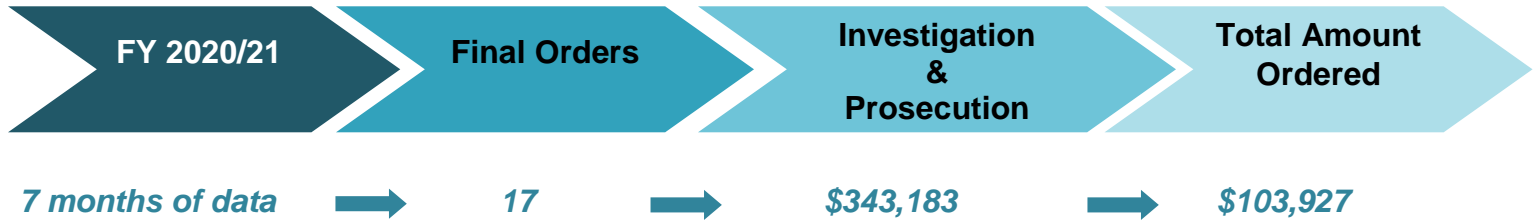
- As of January 31, 2021 the CBA took action on 29 matters, the majority of which were through stipulated settlements.

## DISCIPLINE | FINAL ORDER TREND



## DISCIPLINE | COST ORDERS

Pursuant to Business and Professions Code section 5107, the Legislature authorizes the CBA to recover investigation and prosecution costs. These costs include the time spent by staff to conduct the investigation and the time spent by the AG's Office to prosecute each case.



- Cost Recovery ordered has amounted to 30 percent of total investigation and prosecution cost.

## COST RECOVERY

Cost Recovery	FY 2018/19	FY 2019/20	FY 2020/21 7 months of data
Amount Ordered	\$321,110	\$630,538	\$103,927
– Number of Decisions	46	42	17
Amount Collected	\$315,253	\$227,756	\$142,103

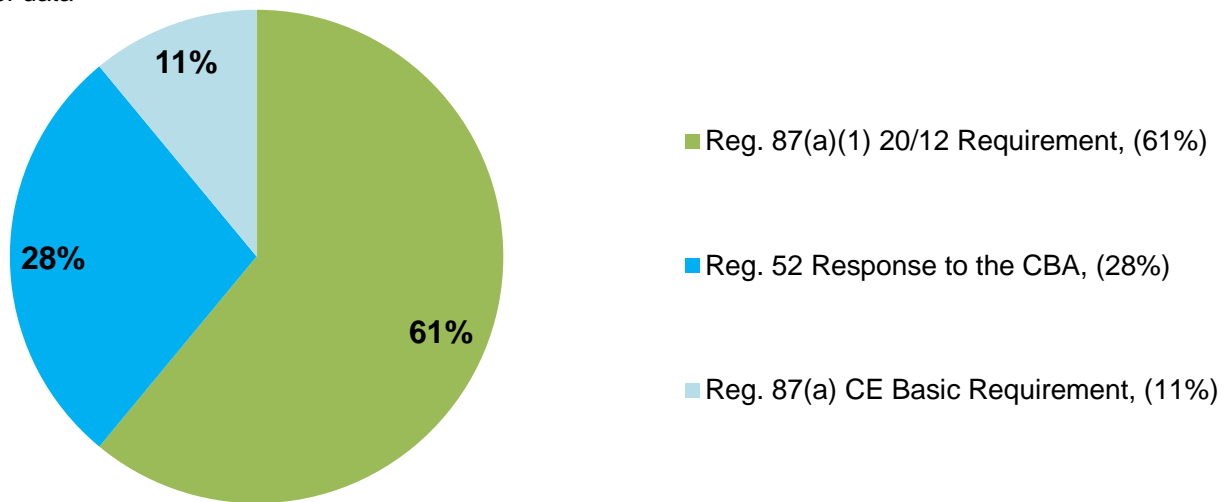
- Disciplinary cases resulting in ordered cost recovery are generally the result of a licensee placed on probation. Licensees typically pay cost recovery in monthly payments throughout the term of probation. As such the costs are paid within a two to two-and-one-half year timeframe.
- The “Amount Collected” referenced above includes payments on cost recovery amounts ordered from both prior and current years. The “Amount Ordered” reflects only the amount ordered in FY 2020/21 and will never reconcile with the “Amount Collected.”

## CITATIONS AND FINES

Citations	FY 2018/19	FY 2019/20	FY 2020/21 7 months of data
Total Citations Issued	517	174	204
Total Fines Assessed	\$155,950	\$49,275	\$61,550
Fine Average	\$302	\$286	\$302
Average Number of Days from Receipt of Complaint to Issuance of Citation	163	110	222

## CITATIONS AND FINES | FY 2020/21 TOP 3 VIOLATIONS

7 months of data



- The fine amount assessed varies from \$100 to \$5,000 and is determined on a case-by-case basis. Factors that may increase or decrease the fine amount include aggravating or mitigating circumstances, and length of time the violation occurred.
- The total number of citations issued for FY 2020/21 as of January 31, 2021 is 204. The average number of days from receipt of a complaint to issuance of a citation has increased since the last report, from 173 to 222.

## UNLICENSED ACTIVITY

Complaints received and initially identified to be “Unlicensed” CTs have matters involving CPAs or firms operating with an expired license, individuals without a CPA license, or unregistered accounting firms.

Complaints Received	FY 2019/20	FY 2020/21 7 months of data
Practice without Permit	57	125
Individuals without a CPA License	41	15
Unregistered Firms	44	16
<b>Total</b>	<b>142</b>	<b>156</b>
Investigations	FY 2019/20	FY 2020/21 7 months of data
Investigations Pending	65	122
<i>-Referred to Division of Investigation</i>	10	2
<b>Total</b>	<b>75</b>	<b>124</b>
Outcomes	FY 2019/20	FY 2020/21 7 months of data
Citations Issued	11	11
Closed for Compliance	173	107
Referred to District Attorney / Local Law Enforcement	2	2
<b>Total</b>	<b>186</b>	<b>120</b>



## FRANCHISE TAX BOARD | INTERCEPT PROGRAM

In FY 2015/16 the CBA began using the Franchise Tax Board (FTB) Intercept Program in an effort to collect unpaid administrative fines associated with the issuance of citations. The initial collection amount submitted to the FTB was significant and the pool of unpaid administrative fines dated back to FY 2011/12.

Between FY 2015/16 and FY 2020/21, the CBA referred to FTB a total of \$353,500 of uncollected fees associated with the issuance of citations. By the end of second quarter of FY 2020/21, the FTB retrieved \$83,081 of uncollected fees, resulting in a current balance of \$270,419 of uncollected fees.

FTB Intercept Program	FY 2018/19	FY 2019/20	FY 2020/21 7 months of data	BALANCE
Referred to FTB	\$21,050	\$18,500	\$2,300	\$353,500
Collected by FTB	\$7,480	\$4,872	\$250	\$83,081
Uncollected				\$270,419

## PROBATION MONITORING

Monitoring Activity	FY 2020/21
Number of Licensees on Probation as of Last Report	136
New Probationers Since the Last Report	4
Number of Probationer Off Probation	12
Total Number of Probationers	128
Out-of-State Probationers	15
Probation Orientations Held Since Last Report	4
Total Probation Orientations Completed	16
Number of Practice Investigations Completed	0
Number of Scheduled Probation Orientations to Occur	3
Number of Work Samples Reviewed in FY 2020/21	0
Referrals to Revoke Probation	1

## PROBATION MONITORING | VIOLATIONS DETECTED

CPAs disciplined for various violations may be placed on probation for an ordered amount of time with required terms. To ensure probationers successfully fulfill their probationary terms, the CBA Probation Monitoring Unit continuously reviews individual probation files and identifies violations, notifies probationers, records all monitoring activities, and communicates with the probationers to obtain compliance with probation terms.

Violations detected for FY 2020/21 as of January 31, 2021 include:

Probation Violation(s) Types	Detected
Cost Reimbursement	7
Obey All Laws	0
Submit Written Quarterly Report	8
Active License Status	1
Restricted Practice	0
Regulatory Review Course	0
Peer Review	0
Continuing Education	5
Administrative Penalty	3
Violation of Citation	1
<b>TOTAL</b>	<b>25</b>

## DIVISION HIGHLIGHTS AND RECRUITMENT EFFORTS

The CBA Enforcement Division is recruiting for the following positions:

- Three full-time Investigative CPAs for the Technical Investigations Unit
- One full-time Supervising Investigative CPA for the Technical Investigations Unit

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# CALIFORNIA BOARD OF ACCOUNTANCY LICENSING ACTIVITY REPORT

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July 1, 2020 – January 31, 2021

## Licensing Division Snapshot

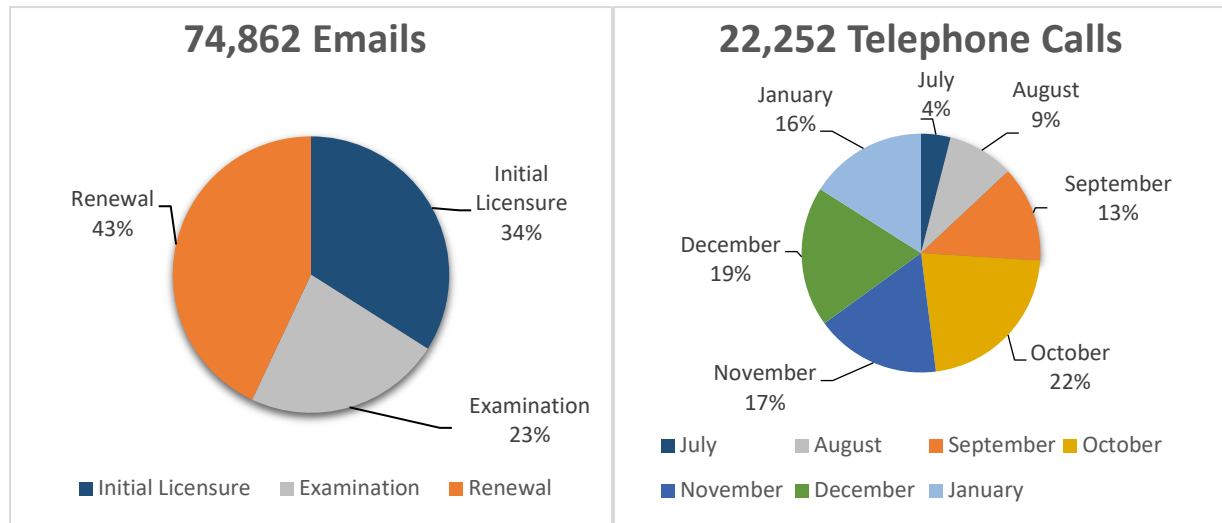
Table 1: Fiscal Year (FY) 2020/21 (July 1 – January 31, 2021)

Applications Received	Count
First Time Exam	3,806
Repeat Exam	8,781
CPA License	2,107
Accounting Firms	243
Renewal	23,471
<b>TOTAL</b>	<b>38,408</b>

## Highlights

- The Licensing Division is currently recruiting to fill the following vacancies: two Seasonal Clerks.
- CBA staff is currently working with the Department of Consumer Affairs and developers at SimpliGov to implement an online CPA application and payment submission. The online application is anticipated to launch in March.
- In an effort to help with testing challenges arising from COVID-related travel restrictions, National Association of State Boards of Accountancy (NASBA), along with Prometric, have extended CPA Exam testing in the Republic of Korea and Japan through December 31, 2021. To qualify, applicants must be an eligible CPA Exam candidate and possess valid citizenship or long-term residency in the following countries or areas: China, Hong Kong, Japan, Korea, Singapore, Philippines, Taiwan, or the United States.
- Included in this report is the NASBA CPA Exam Performance Summary for the third and fourth testing quarters of 2020. There are two parts to each quarterly report: 1) a California-specific report and 2) an all jurisdiction report. (**Attachments 1 and 2**)

## Stakeholder Inquiries



## Uniform CPA Examination Statistics

Table 2: CPA Exam Statistics by Fiscal Year

Approved to Test	FY 2018/19 Full Year	FY 2019/20 Full Year	FY 2020/21 July-Jan
First-Time Sitter	6,927	5,211	3,834
Repeat Sitter	15,742	13,640	8,781
<b>Approved to Test</b>	<b>22,669</b>	<b>18,851</b>	<b>12,615</b>

- As of January 31, 2021, staff identified 537 first-time CPA Exam applications with a deficiency where additional documentation was required from the applicant to approve their application. Deficiencies may include, but are not limited to, a shortage of accounting units or not including the conferral date of a bachelor's degree.
- The Examination Unit is currently processing first-time CPA Exam applications within 29 days of receipt.<sup>1</sup>

<sup>1</sup> Processing is defined as an initial review of an application where applicants either receive an approval to test or a deficiency letter identifying any outstanding items.

Table 3: CPA Exam Statistics as of January 31 by Fiscal Year

Examination Request	FY 2018/19 July-Jan	FY 2019/20 July-Jan	FY 2020/21 July-Jan
Received	3,695	3,926	3,806
<b>Approved to Test</b>	<b>4,271</b>	<b>3,702</b>	<b>3,834</b>

- For the first seven months of FY 2020/21, the total number of first-time applications received decreased by three percent compared to the same period in FY 2019/20, from 3,926 to 3,806.
- For the first seven months of FY 2020/21, the total number of first-time applications approved has increased by greater than three percent compared to the same period in FY 2019/20, from 3,702 to 3,834.
- The number approved may be higher than received given applications received in the prior year may not be approved until the following fiscal year.

## Initial Licensing Statistics

- As of January 31, 2021, staff identified 725 initial applications with a deficiency where additional documentation was required from the applicant to approve the application. Deficiencies may include, but are not limited to, shortage of education units, fingerprint clearance results not received from Department of Justice, and incomplete applications.
- The Initial Licensing Unit is processing initial CPA license applications and accounting firm applications within 48 days of receipt.<sup>2</sup>

Table 4: Initial CPA Licensure Statistics as of January 31 by Fiscal Year

Status	FY 2018/19 July-Jan	FY 2019/20 July-Jan	FY 2020/21 July-Jan
Received	1,980	2,114	2,107
<b>Total Approved</b>	<b>4,400</b>	<b>2,040</b>	<b>2,097</b>

<sup>2</sup> Processing is defined as an initial review of an application and other licensure requirements to ensure all applicants meet all qualifications.

- For the first seven months of FY 2020/21, the total number of CPA applications received has decreased by less than one percent compared to the same period in FY 2019/20, from 2,114 to 2,107.
- For the first seven months of FY 2020/21, the total number of CPA applications approved has increased by less than three percent compared to the same period in FY 2019/20, from 2,040 to 2,097.
- The number approved may be higher than received given applications received in the prior year may not be approved until the following fiscal year.

Table 5: Initial CPA License Approvals by Fiscal Year

License Type	FY 2018/19 Full Year	FY 2019/20 Full Year	FY 2020/21 July-Jan
Attest Authority	1,132	659	687
General Authority	3,268	1,936	1,410
<b>Total Approved</b>	<b>4,400</b>	<b>2,595</b>	<b>2,097</b>

Table 6: Initial Firm License Approvals by Fiscal Year

License Type	FY 2018/19 Full Year	FY 2019/20 Full Year	FY 2020/21 July-Jan
Corporation	173	279	135
Partnership	48	66	6
Fictitious Name Permit	84	169	64
Out-of-State Firm	49	82	38
<b>Total Approved</b>	<b>354</b>	<b>596</b>	<b>243</b>

## License Renewal Statistics

Table 7: License Renewal Statistics as of January 31 by Fiscal Year

License Type	FY 2018/19 July-Jan	FY 2019/20 July-Jan	FY 2020/21 July-Jan
CPA/PA	26,541	26,368	25,654
Accounting Firms	2,341	1,440	1,457
<b>Total Approved<sup>3</sup></b>	<b>28,882</b>	<b>27,808</b>	<b>27,111</b>

- The total number of renewals in FY 2020/21 is less than the number of renewals at the same point in time in FY 2019/20.

Table 8: License Renewal Application Reviews as of January 31

Review Outcome	FY 2020/21 July-Jan
Deficient <sup>4</sup> Applications	2,265
Non-Deficient Applications	7,355
<b>Total Reviewed</b>	<b>9,620</b>

- License Renewal Application Review is the process where staff examine continuing education worksheets that list self-reported courses at time of license renewal to determine fulfillment of all continuing education requirements.

<sup>3</sup> Approved is defined as successful payment of the renewal fee.

<sup>4</sup> Deficient applications include those who were granted an extension to complete continuing education in response to the Governor's COVID-19 CE Waivers.

Table 9: Top 3 Reasons for Enforcement Referral as of January 31

Enforcement Referrals	FY 2020/21 July-Jan
20/12 <sup>5</sup> First Year	62%
Non-Response – Deficiency Letter	19%
Peer Review <sup>6</sup>	6%
Other <sup>7</sup>	13%

- The Renewal and Continuing Competency Unit referred 523 cases to the Enforcement Division.

Table 10: Deficiency Outcomes as of January 31 by Fiscal Year

Deficiency Outcome	FY 2018/19 July-Jan	FY 2019/20 July-Jan	FY 2020/21 July-Jan
Resolved Deficiencies	1,606	414	1,449
Outstanding Deficiencies	17	293	816
<b>Total Deficiencies</b>	<b>1,623</b>	<b>707</b>	<b>2,265</b>

<sup>5</sup> A failure to meet the CE requirement of completing at least 20 hours of CE each year of the renewal cycle with at least 12 of those 20 hours being in a technical subject matter.

<sup>6</sup> Peer Review Deficiencies include substandard peer reviews, failure to complete a peer review, or an outdated peer review.

<sup>7</sup> Other Enforcement Referrals include reporting a conviction or discipline, second year 20/12 violations, operating with an unlicensed firm, and discrepancies between the application and the peer review form regarding services performed.



Table 11: Continuing Education Audits as of January 31

Review Outcome	FY 2020/21 July-Jan
Outstanding Audits	0
Resolved Audits	0
Enforcement Referrals	0
<b>Total Reviewed</b>	<b>0</b>

- The CBA conducts Continuing Education Audits by randomly selecting licensees to submit documentation substantiating the completion of the continuing education they reported at the time of license renewal. Once the CBA receives all requirement documentation, staff confirm that the continuing education was accurately reported, completed, and conformed to all laws and rules. Staff review of continuing education takes the form of Continuing Education Audits as well as License Renewal Application Reviews (Table 8).
- Continuing Education Audits were temporarily suspended due to COVID-19 continuing education extensions being granted and the need to redirect staff work. Audits will resume prior to the May 2021 CBA meeting.

Table 12: Retired Status Applications as of January 31

Status	FY 2020/21 July-Jan
Applications Approved	365
Applications Denied	15 <sup>8</sup>
<b>Total Received</b>	<b>380</b>

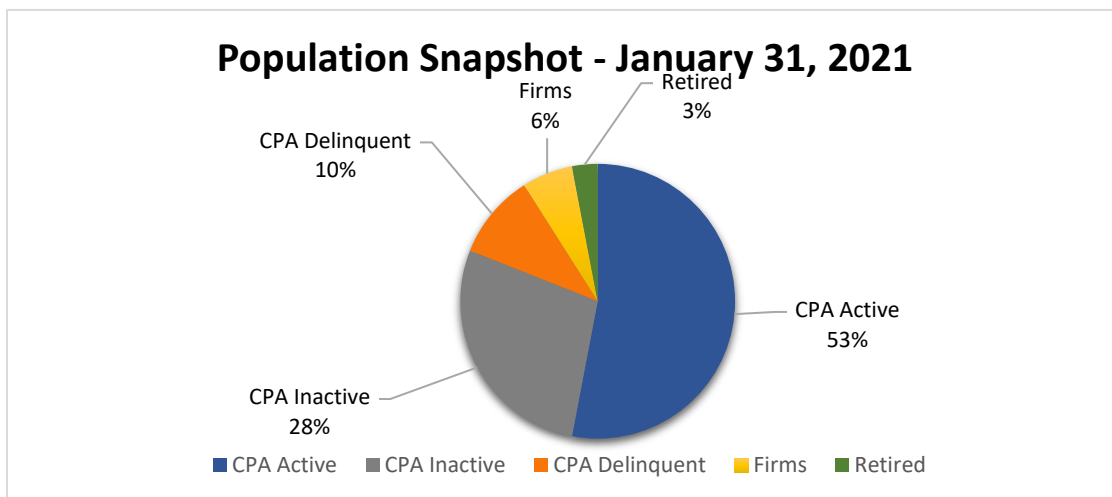
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<sup>8</sup> Retired Status Applications are most often denied because the licensee does not meet the qualifications set forth in CBA Regulation section 15.1.

## Population Statistics

Table 13: Population Statistics by Fiscal Year

License Type	FY 2018/19 July-Jan	FY 2019/20 July-Jan	FY 2020/21 July-Jan
Active CPA/PA	57,746	57,162	57,573
Inactive CPA	30,629	30,658	30,641
Delinquent CPA	9,333	10,973	11,349
CPA Retired	2,453	3,112	3,461
<b>Total CPA/PA</b>	<b>100,161</b>	<b>101,905</b>	<b>103,024</b>
Accountancy Corporations	4,358	4,242	4,306
Accountancy Partnerships	1,393	1,349	1,349
Out-of-State Firm Registrations	675	721	748
<b>Total Accountancy Firms</b>	<b>6,426</b>	<b>6,312</b>	<b>6,403</b>
<b>Grand Total</b>	<b>106,587</b>	<b>108,217</b>	<b>109,427</b>



# CPA Exam Performance Summary: 2020 Q-3 California

## Overall Performance

Unique Candidates	4,884
New Candidates	1,097
Total Sections	6,403
Passing 4th Section	822
Sections / Candidates	1.31
Pass Rate	59.13%
Average Score	74.29

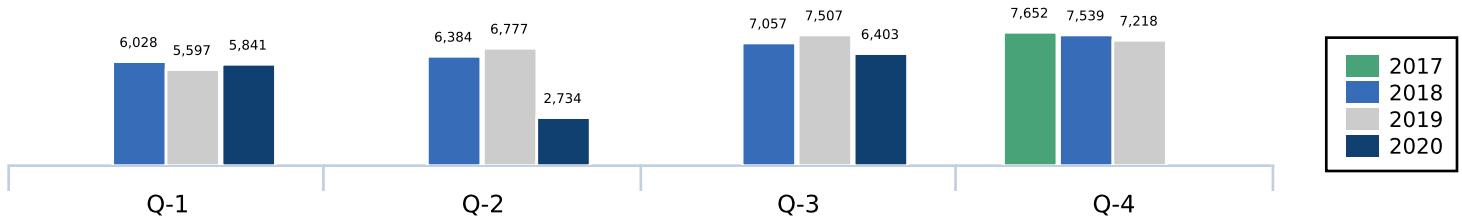
## Section Performance

	Sections	Score	% Pass
First-Time	1,852	75.28	64.15%
Re-Exam	4,538	73.88	57.07%
AUD	1,732	73.50	55.08%
BEC	1,278	78.12	67.29%
FAR	1,939	71.49	52.55%
REG	1,454	75.61	65.54%

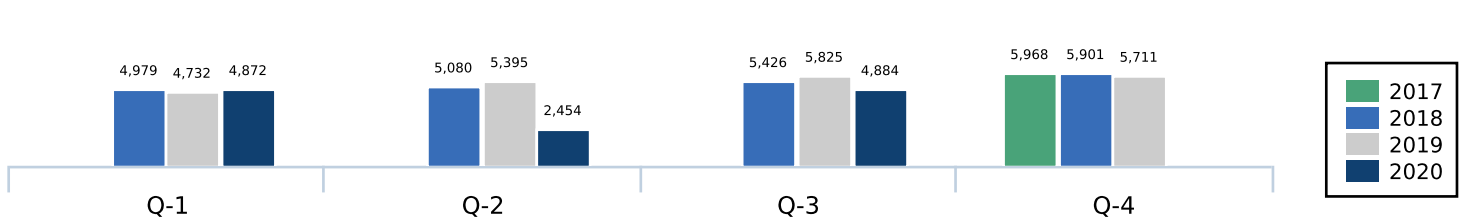
## Jurisdiction Ranking

<b>Candidates</b>	<b>Sections</b>
<b>1</b>	<b>1</b>
<b>34</b>	<b>32</b>
<b>Pass Rate</b>	<b>Avg Score</b>

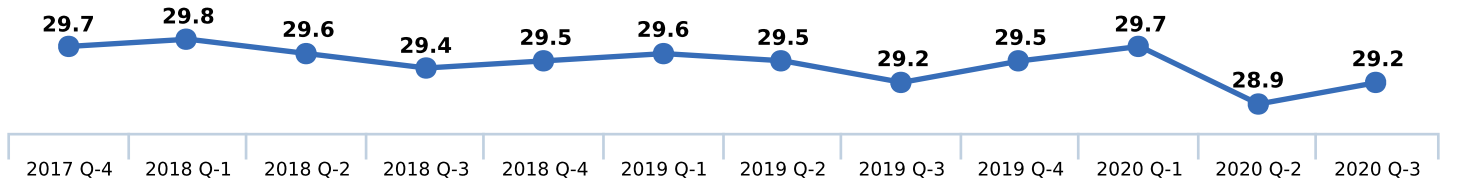
### Sections



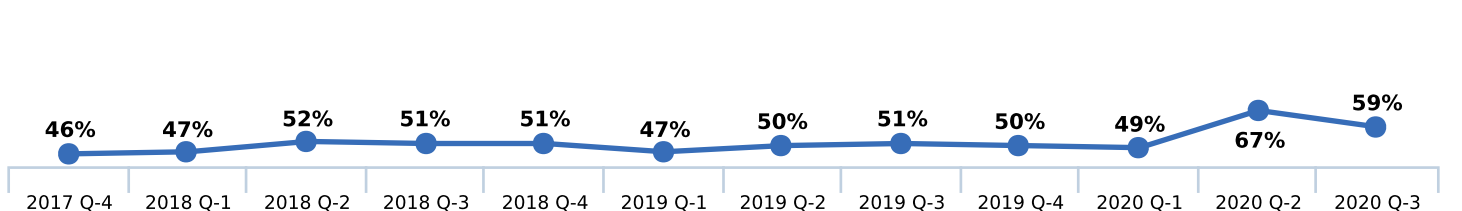
### Candidates



### Average Age



### % Pass



# CPA Exam Performance Summary: 2020 Q-3

## California

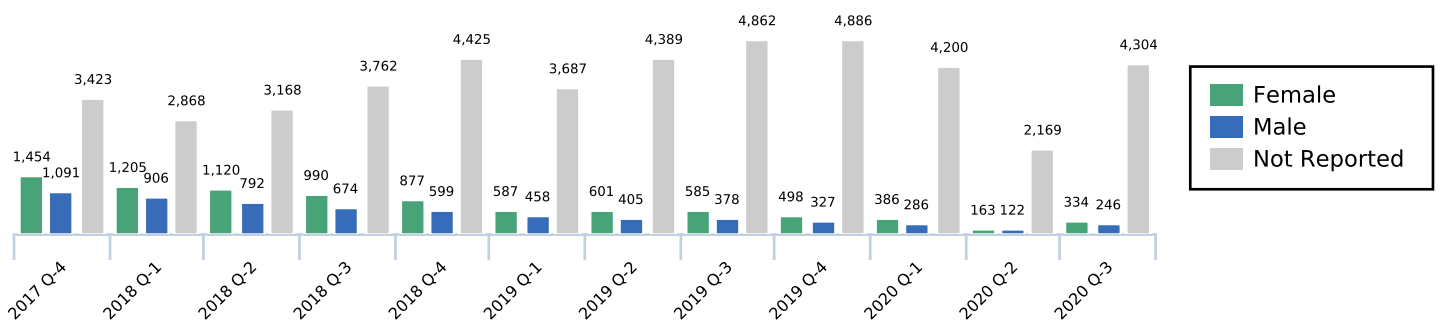
### Degree Type

	Candidates	% Total
Bachelor's Degree	3,732	76.4%
Advanced Degree	1,084	22.2%
Enrolled / Other	68	1.4%

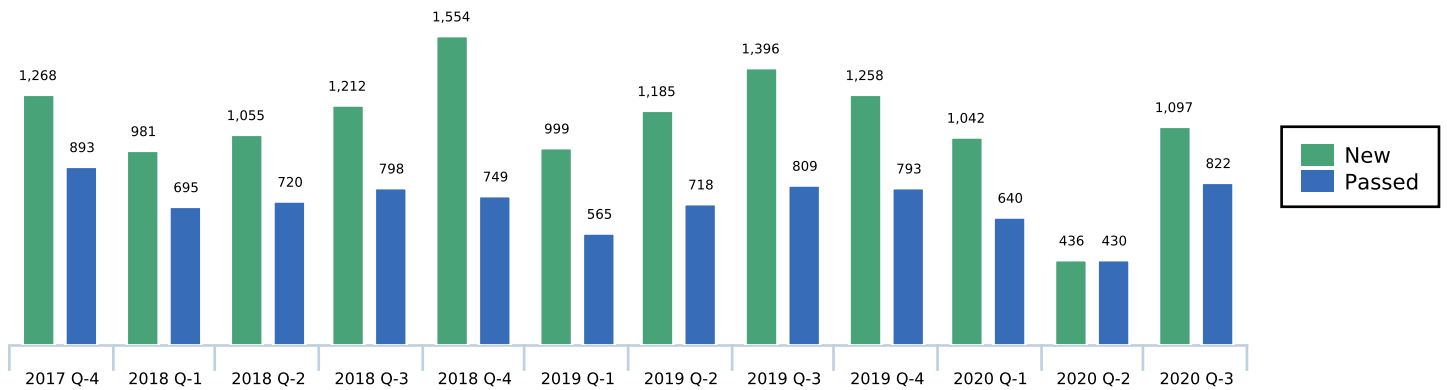
### Residency

	Candidates	% Total
In-State Address	4,159	85.16%
Out-of-State Address	479	9.81%
Foreign Address	246	5.04%

### Gender



### New Candidates vs Candidates Passing 4th Section



#### Notes:

1. The data used to develop this report was pulled from NASBA's Gateway System, which houses the Uniform CPA Examination's Application and Performance information for all 55 jurisdictions.
  2. The demographic data related to age, gender, and degree type is provided by the individual candidates and may not be 100% accurate.
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# CPA Exam Performance Summary: 2020 Q-3

## Overall

### Overall Performance

Unique Candidates	36,839
New Candidates	8,957
Total Sections	49,428
Passing 4th Section	6,696
Sections / Candidates	1.34
Pass Rate	61.14%
Average Score	75.18

### Section Performance

	Sections	Score	% Pass
First-Time	13,634	75.87	65.59%
Re-Exam	35,688	74.93	59.46%
AUD	13,401	73.96	56.90%
BEC	9,646	79.35	69.89%
FAR	15,114	72.95	55.66%
REG	11,267	76.07	66.04%

### Most Candidates

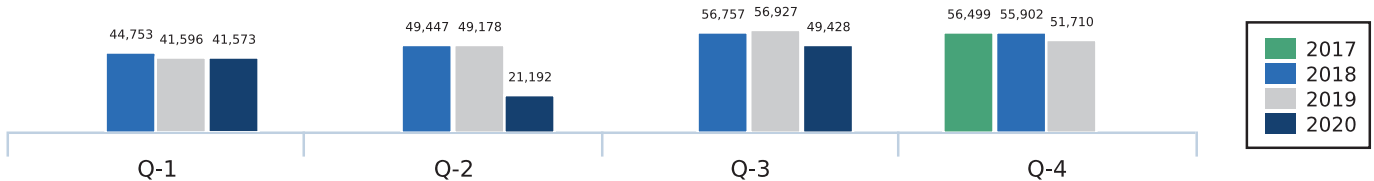
1. California	4,884
2. New York	4,355
3. Texas	2,718

### Top 3 Jurisdictions

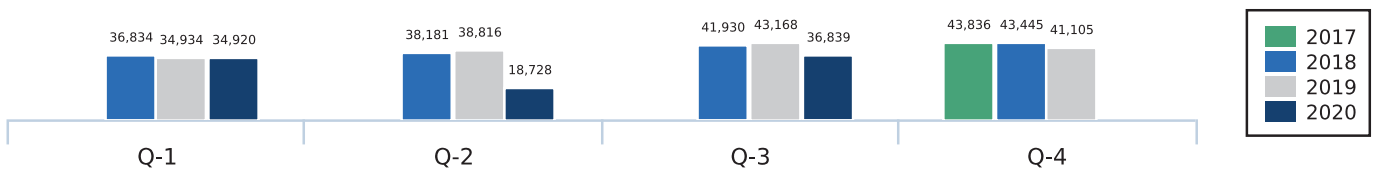
1. Utah	74.88%
2. Kansas	73.01%
3. Iowa	70.56%

### Highest Pass Rate

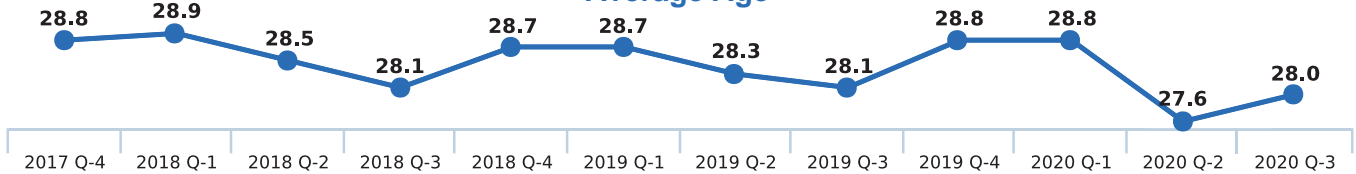
### Sections



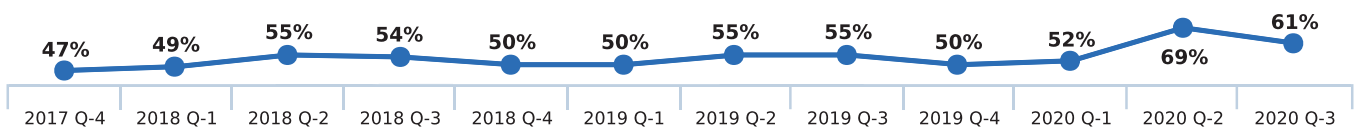
### Candidates



### Average Age



### % Pass



# CPA Exam Performance Summary: 2020 Q-3

## Overall

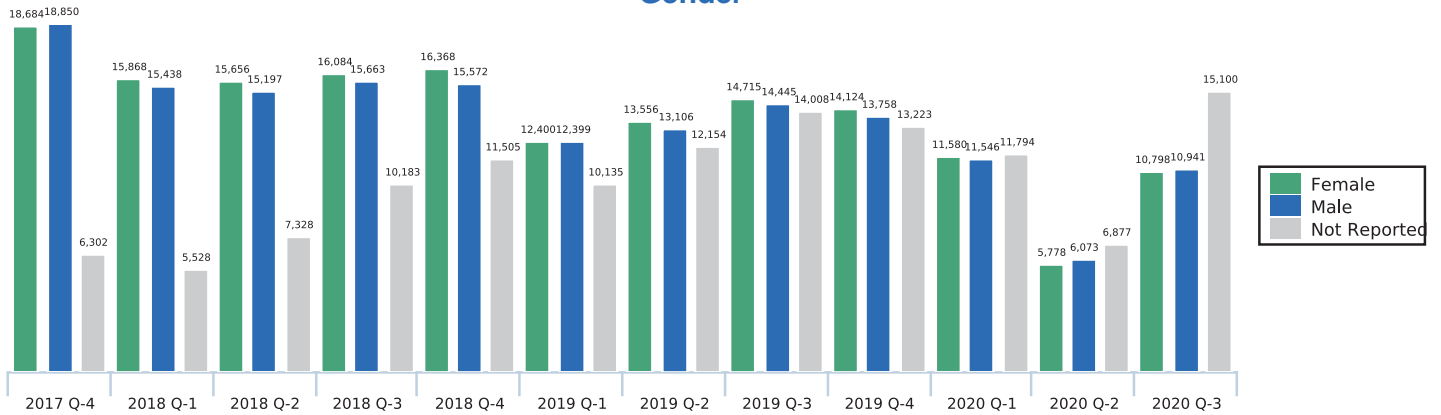
### Degree Type

	Candidates	% Total
Bachelor's Degree	25,724	69.8%
Advanced Degree	7,253	19.7%
Enrolled / Other	3,862	10.5%

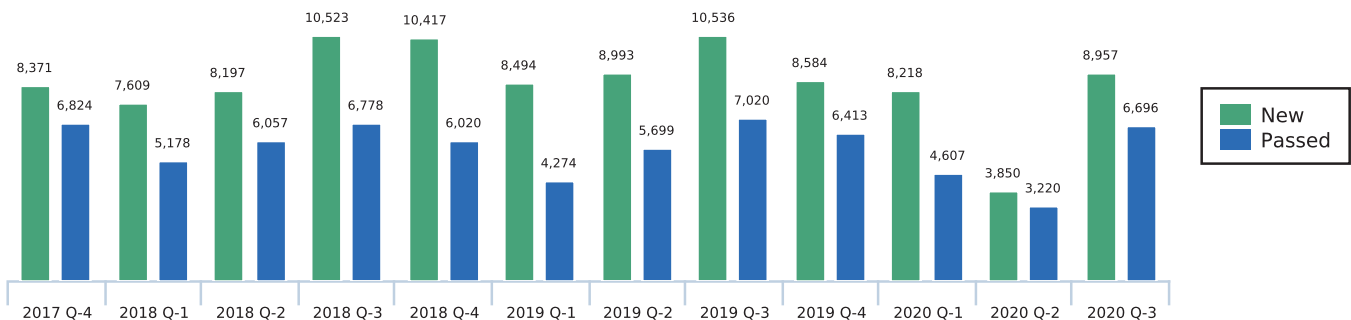
### Residency

	Candidates	% Total
In-State Address	27,775	75.4%
Out-of-State Address	6,104	16.57%
Foreign Address	2,960	8.03%

### Gender



### New Candidates vs Candidates Passing 4th Section



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# CPA Exam Performance Summary: 2020 Q-4 California

## Overall Performance

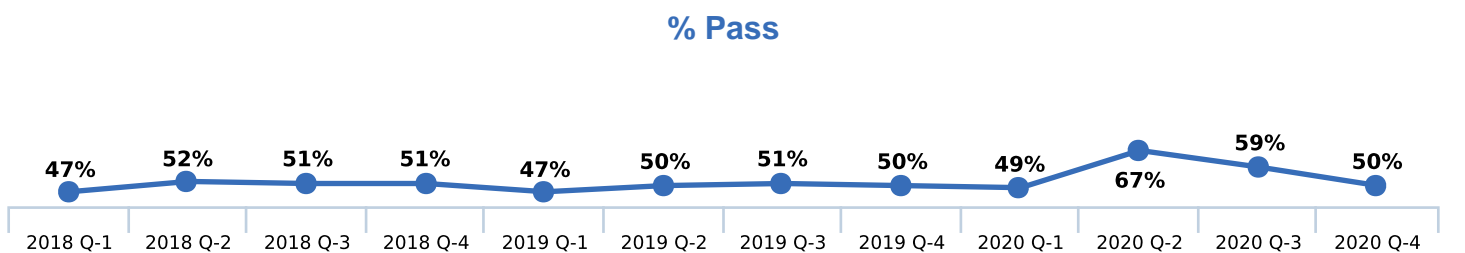
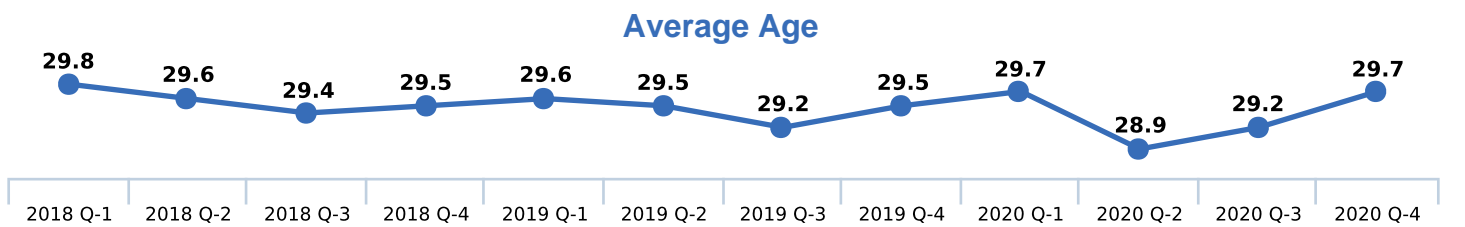
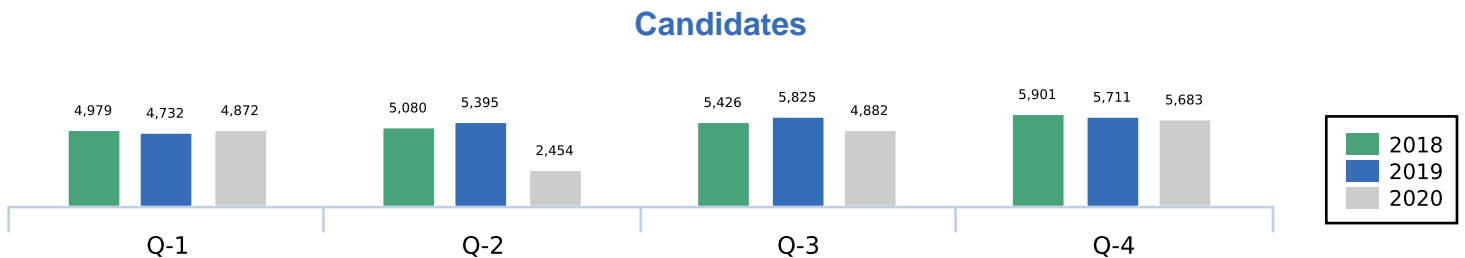
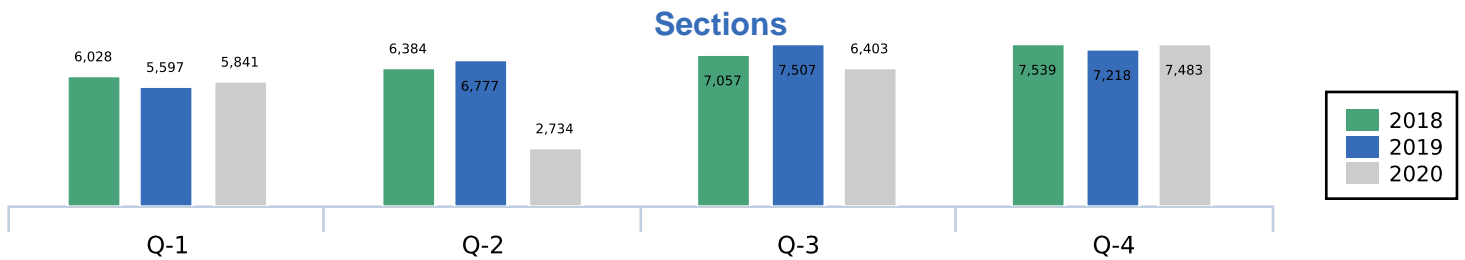
Unique Candidates	5,683
New Candidates	1,345
Total Sections	7,483
Passing 4th Section	940
Sections / Candidates	1.32
Pass Rate	50.34%
Average Score	70.92

## Section Performance

	Sections	Score	% Pass
First-Time	2,521	71.44	55.26%
Re-Exam	4,948	70.63	47.8%
AUD	2,029	69.86	45.74%
BEC	1,563	74.83	58.73%
FAR	2,299	68.26	44.93%
REG	1,592	72.26	55.78%

## Jurisdiction Ranking

Candidates	Sections
1	1
31	33
Pass Rate	Avg Score



# CPA Exam Performance Summary: 2020 Q-4 California

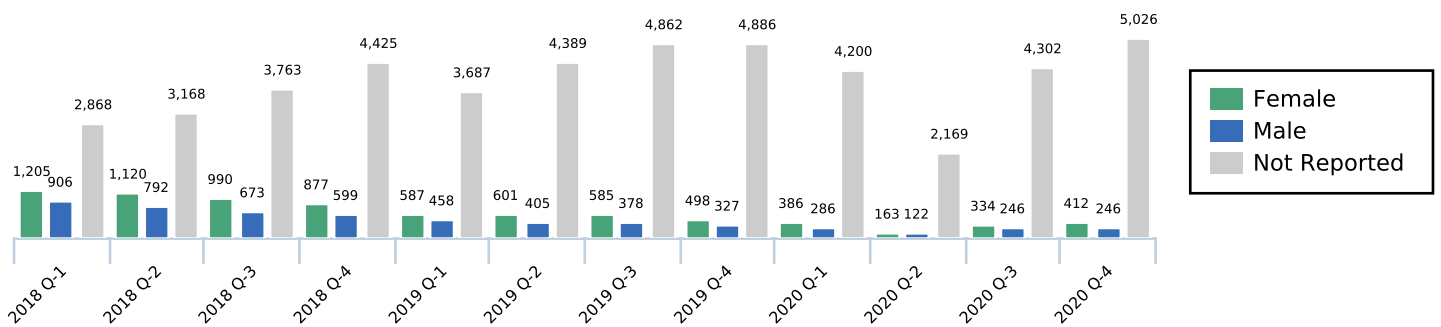
## Degree Type

	Candidates	% Total
Bachelor's Degree	4,340	76.4%
Advanced Degree	1,267	22.3%
Enrolled / Other	77	1.4%

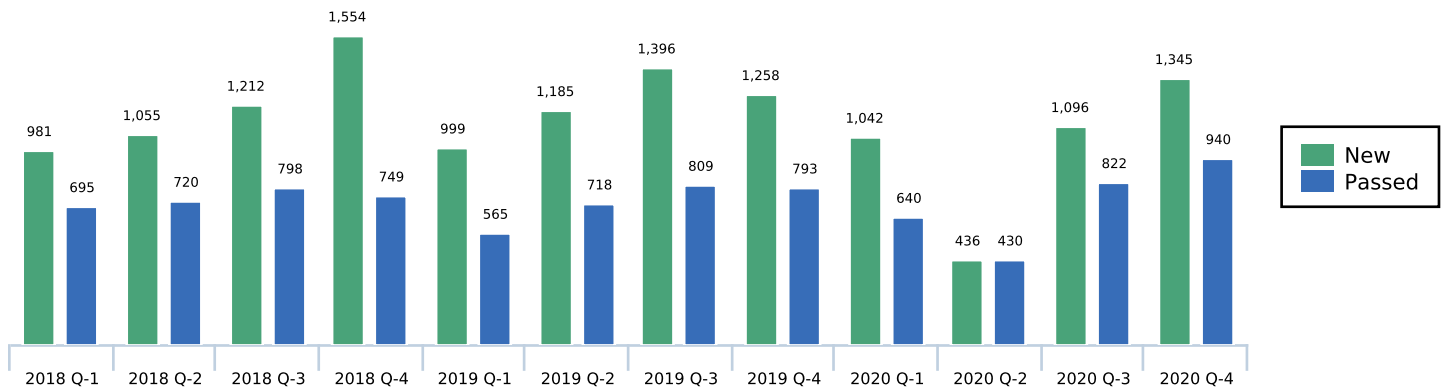
## Residency

	Candidates	% Total
In-State Address	4,808	84.59%
Out-of-State Address	556	9.78%
Foreign Address	320	5.63%

## Gender



## New Candidates vs Candidates Passing 4th Section



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# CPA Exam Performance Summary: 2020 Q-4

## Overall

### Overall Performance

Unique Candidates	41,365
New Candidates	9,307
Total Sections	55,090
Passing 4th Section	7,701
Sections / Candidates	1.33
Pass Rate	51.36%
Average Score	71.59

### Section Performance

	Sections	Score	% Pass
First-Time	14,922	70.58	52.57%
Re-Exam	40,011	71.97	50.91%
AUD	14,592	70.90	47.50%
BEC	11,716	75.94	60.78%
FAR	16,824	68.10	43.53%
REG	11,958	73.09	57.87%

### Top 3 Jurisdictions

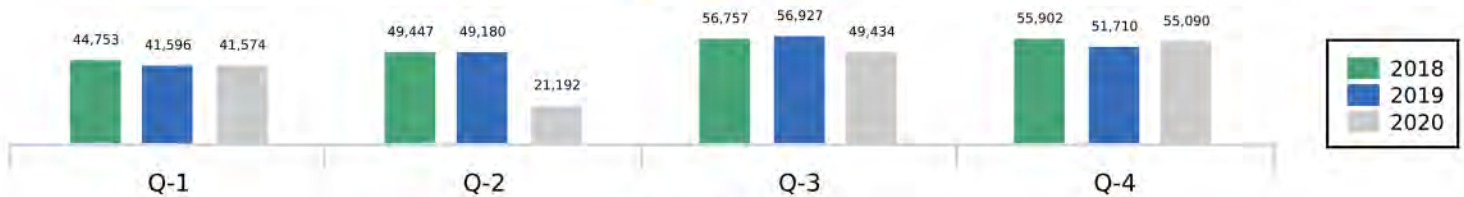
#### Most Candidates

1. California	5,683
2. New York	4,839
3. Texas	2,981

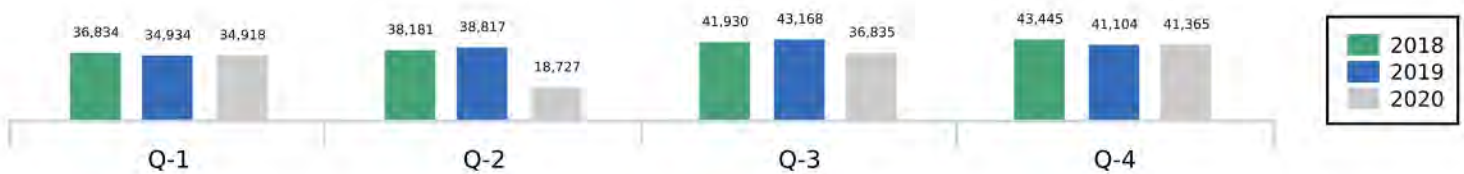
#### Highest Pass Rate

1. Utah	66.40%
2. South Dakota	61.64%
3. Wisconsin	61.19%

### Sections



### Candidates



### Average Age



### % Pass



# CPA Exam Performance Summary: 2020 Q-4 Overall

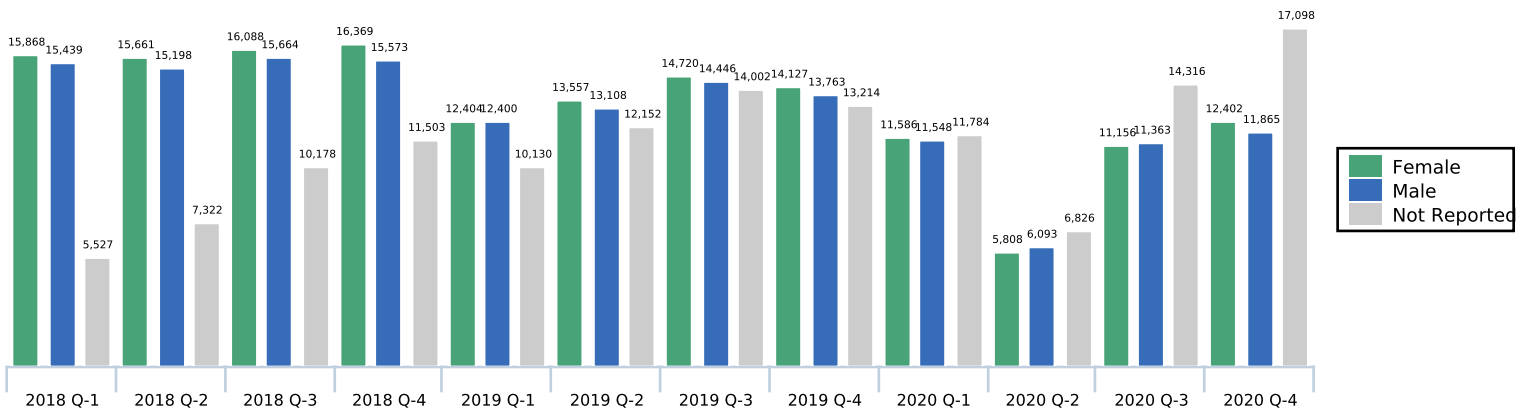
## Degree Type

	Candidates	% Total
Bachelor's Degree	29,078	70.3%
Advanced Degree	8,605	20.8%
Enrolled / Other	3,682	8.9%

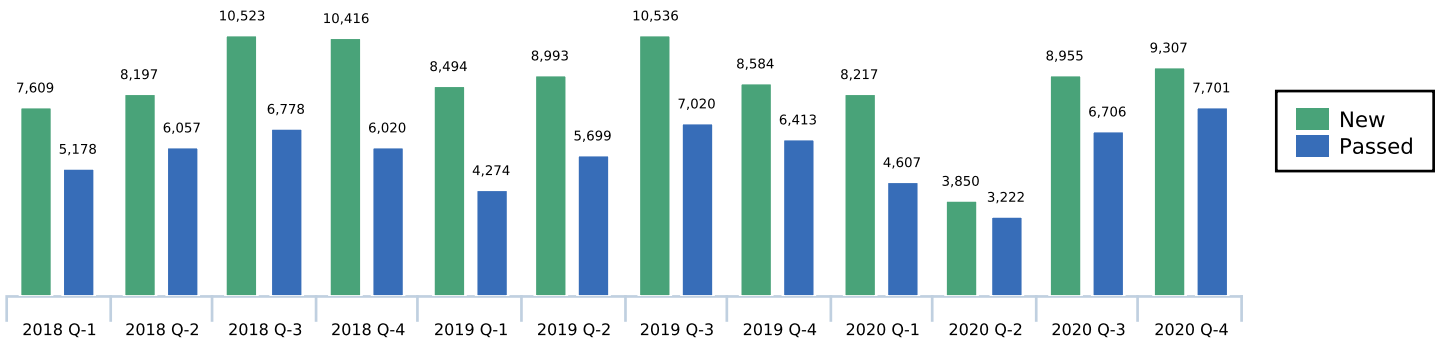
## Residency

	Candidates	% Total
In-State Address	30,846	74.57%
Out-of-State Address	6,312	15.26%
Foreign Address	4,207	10.17%

## Gender



## New Candidates vs Candidates Passing 4th Section



**Notes:**

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**CBA Item XI.A.**  
 March 25-26, 2021  
**DRAFT**

**DEPARTMENT OF CONSUMER AFFAIRS  
 CALIFORNIA BOARD OF ACCOUNTANCY**

**MINUTES OF THE  
 January 14, 2021  
 CALIFORNIA BOARD OF ACCOUNTANCY  
 TELECONFERENCE MEETING**

Call to Order, Roll Call, Establishment of Quorum, and Opening Remarks.

California Board of Accountancy (CBA) President Nancy J. Corrigan, CPA, called the meeting to order at 10:10 a.m. on Thursday, January 14, 2021. The CBA held the meeting via teleconference, consistent with the provisions of Governor Newsom's Executive Order N-29-20 dated March 17, 2020. The CBA recessed at 12:00 p.m. The CBA reconvened at 1:05 p.m. until 1:34 p.m. The CBA convened into closed session from 1:38 p.m. until 2:34 p.m. President Corrigan adjourned the meeting at 2:35 p.m.

President Corrigan read the following into the record:

"The CBA's mission is to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards. This mission is derived from the statutory requirement that protection of the public shall be the highest priority for the California Board of Accountancy in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount."

CBA Members

Nancy J. Corrigan, CPA, President  
 Michael M. Savoy, CPA, Vice-President  
 Mark J. Silverman, Esq., Secretary/Treasurer  
 George Famalett, CPA

Mary M. Geong, CPA  
 Karriann Farrell Hinds, Esq.

November 19, 2020

10:10 a.m. to 2:35 p.m.  
 10:10 a.m. to 2:35 p.m.  
 11:11 a.m. to 2:02 p.m.  
 10:10 a.m. to 11:27 a.m.  
 1:05 p.m. to 2:35 p.m.  
 10:10 a.m. to 2:35 p.m.  
 10:10 a.m. to 12:00 p.m.

CBA Members

Dan Jacobson, Esq.

Xochitl A. León

Luz Molina Lopez

Carola A. Nicholson, CPA

Zuhida "Dee Dee" Owens, CPA

Ariel Pe

Deidre Robinson

Katrina L. Salazar, CPA

Yen Tu

November 19, 2020

10:10 a.m. to 11:45 a.m.

1:40 p.m. to 2:35 p.m.

Absent

10:10 a.m. to 2:35 p.m.

10:10 a.m. to 2:35 p.m.

10:10 a.m. to 2:35 p.m.

10:10 a.m. to 2:35 p.m.

10:10 a.m. to 2:35 p.m.

10:10 a.m. to 2:35 p.m.

10:10 a.m. to 12:00 p.m.

2:13 p.m. to 2:35 p.m.

Staff and Legal Counsel

Patti Bowers, Executive Officer

Deanne Pearce, Assistant Executive Officer

Rich Andres, Information Technology (IT) Staff

Michelle Center, Chief, Licensing Division

Victoria Cesar, Office of Public Affairs, Department of Consumer Affairs (DCA)

Elizabeth Coronel, Strategic Business Analyst, DCA

Theodore Dracar, Deputy Attorney General (DAG), Department of Justice (DOJ)

Emmanuel Estacio, IT Support Analyst

Dominic Franzella, Chief, Enforcement Division

Helen Geoffroy, Legal Counsel, DCA

Patrick Ibarra, Information and Planning Officer

Tom Jurach, Office of Information Services, DCA

Amir Larian, Website Analyst

Nicole Le, Chief, Office of Human Resources, DCA

Tracy Montez, Chief, Division of Programs and Policy Review, DCA

Ryan Perez, Board and Bureau Relations, DCA

Rebecca Reed, Board Relations Analyst

Committee Chairs and Members

Douglas Aguilera, CPA, Chair, Enforcement Advisory Committee (EAC)

Kathy Johnson, CPA, Vice-Chair, EAC

Renee Graves, CPA, Chair, Peer Review Oversight Committee (PROC)

Nasi Raissian, CPA, Chair, Qualifications Committee (QC)

Michael Williams, CPA, Vice-Chair, QC

Other Participants

Emily Bogus

Colleen Conrad, Vice-President and Chief Operating Officer, National Association of State Boards of Accountancy (NASBA)

Michael A. Decker, Vice-President of Examinations, American Institute of Certified Public Accountants (AICPA)

Elizabeth Foreman, AICPA

Jason Fox, Vice President of Government Relations, California Society of CPAs (CalCPA)  
Connor Greth, Center for Public Interest Law  
John W. Johnson, Director of Legislative Affairs, NASBA  
Carolina Quezada  
Marta Zaniewski, Vice-President of State Regulatory and Legislative Affairs, AICPA

I. Public Comments for Items Not on the Agenda.

No public comments were received.

II. Report of the President.

A. Presentation From Colleen K. Conrad, CPA, Executive Vice-President and Chief Operating Director, National Association of State Boards of Accountancy And Michael A. Decker, Vice-President of Examinations, American Institute of Certified Public Accountants, Regarding ProProctor.

Ms. Conrad stated that when Prometric needed to close testing centers in March of 2020 due to the pandemic, the leadership at AICPA and NASBA decided that there was a need to look at a contingency solution to the testing centers being closed for an extended period of time. She stated that testing centers were closed from mid-March until May 1, 2020. She stated that when the testing centers reopened, some had social distancing requirements that reduced the number of testing opportunities in the test centers. She stated that Prometric worked with consultants to make sure testing centers were following best practices for social distancing and other safety measures.

Ms. Conrad stated that leadership decided to look at options for remote proctoring. She stated that since Prometric was already being utilized for the Certified Public Accountant Examination (CPA Exam) it was decided to look at Prometric for their ProProctor remote testing solution.

Ms. Conrad stated that when leadership began looking at Prometric's service, they needed to consider how they could technologically work with ProProctor because the CPA Exam is owned and conducted by AICPA and NASBA utilizes their test drivers.

Ms. Conrad stated that they started down parallel paths. She stated that one path was can they make remote testing work from a technological solution point of view and the other was should they implement remote testing.

Ms. Conrad stated that AICPA and NASBA are in the process of putting together a white paper, which will contain frequently asked questions and will also look at some of the risks and mitigations that have been developed. She stated that they are not ready to implement remote testing and are in a due diligence process and in a process of communicating out a lot of information to state boards.

Ms. Conrad stated the DCA requested NASBA and AICPA provide some specific information regarding remote testing. She stated that NASBA and AICPA will be working on providing DCA and the CBA with the requested information.

Ms. Conrad stated that they have been working closely with the psychometric staff of AICPA and that AICPA has a psychometric oversight committee that is made up of experts that also advises AICPA. She stated that NASBA also has several psychometric consultants that they use.

Ms. Conrad stated that they are looking at legal concerns regarding remote testing, along with security concerns and technology issues. She stated that ProProctor has been in use for several years and it is not a brand new product, though lightly used prior to COVID-19.

Ms. Conrad stated that as NASBA and AICPA continue to gather information to ensure they are confident in moving forward with remote testing for emergency situations only, they would acknowledge that testing at test centers is the gold standard. She stated that Prometric testing sites have the best security and they have been utilizing the testing sites since 2004.

Ms. Conrad stated that they do feel, for emergency purposes, that having a remote solution is important; however, she stated that neither NASBA nor AICPA would want to move forward with anything that they do not feel that is a solid solution. Ms. Conrad stated that NASBA and AICPA are planning to have a pilot program that is being worked on now.

Mr. Decker stated that when investigating remote testing in March 2020, NASBA and AICPA were hoping to have a solution by winter of 2020. He stated that it was realized that winter of 2020 would be too quick and they needed to go in a smaller constrained perspective before going in a larger scale with larger volumes.

Mr. Decker stated that the concept of a pilot program came to fruition in the fall and they have been trying to shift their communications to focus solely on the pilot. He stated that they are looking for approval of the pilot and the scores in the pilot, not full scale remote testing at large.

Mr. Decker stated that the concept behind pilot testing is ensuring security and minimizing risk. He stated that they are looking to test over a three week period beginning in March, but that could change. He stated that they would like 250 to 1,000 test sections in the pilot. He stated that candidates will not be able to retest a failed section within those three weeks due to score reporting. He stated that candidates will be able to take any section that they desire. He stated that 1,000 would be the right amount to minimize risk but to also get some perspective regarding policies, procedures, and security.

Mr. Decker Stated that NASBA and AICPA have been working with Prometric since March 4, 2020 to deliver a secure exam. He stated that they will not deliver a pilot program if they do not believe it is going to be secure or if it is not fair and psychometrically valid. He stated that all of the internal testing will be completed prior to the pilot. He stated that the content that will be used on the pilot is strictly for the pilot.

Ms. Molina Lopez inquired on how test takers would be gathered for the pilot.

Ms. Conrad stated that the plan is to work with several states to allow their candidates to participate in the pilot. She stated that what they will do is reach out to any candidates with open notices to schedule and give them the option to test in the pilot or test in a test center. She stated that they are careful in selecting states that only have domestic candidates because the CPA Exam is given internationally at international locations.

Ms. Conrad stated that there is a possibility that they may limit it to candidates who have already taken a section or passed a section because they are familiar with the process including the check in process and how the exam works.

Ms. Owens inquired on how the candidates identities would be verified when remote testing.

Ms. Conrad stated that there are steps that the candidates need to take prior to starting the test, which include holding their identification to the camera and the computer will take a picture of both the identification and the candidate. She stated that the candidate will need to make sure their computer systems are appropriate and will be able to run the exam. She stated that there will also be a check-in proctor in which the candidate will be face-to-face on camera through the entire testing process. She stated from that point on, the candidate will be on screen and will be observed by a proctor. She stated that the proctor will check the candidate's glasses, sleeves and pockets and the candidate will need to take their camera and show the room that they are in.

Mr. Decker stated that the proctor has the ability to stop the testing at any time and request the candidate to show the proctor their surrounds if the proctor feels there may be misconduct with the candidate. The proctor can also request a security proctor be brought in to review the recorded testing session. He stated that each proctor monitors up to eight candidates at all times.

Ms. Salazar inquired if the webinars that were conducted are available for viewing for members that were unable to participate or if future webinars would be made available after the webinar.

Ms. Conrad stated that the webinars were not recorded because they were having legal discussions with the boards that were participating. She stated that the PowerPoint presentations from the webinars are available. She stated that they will likely prepare an additional live demonstration that state board members can view.

President Corrigan inquired on what would constitute an emergency to be able to utilize remote proctoring and would the use of remote proctoring in an emergency set a precedence to be used in a non-emergency.

Ms. Conrad stated that there is a group that is working on the definition of emergency. She stated that they will be sharing additional information on what constitutes an emergency. She stated that the initial thoughts regarding what constitutes an emergency would be if test centers cannot be open. She stated that if there are state government mandates that require sheltering at home or the closure of businesses, those would constitute an emergency.

Ms. Geong inquired if there is a contingency plan with the pilot test takers if they encounter a computer problem while taking the test.

Mr. Decker stated they will monitor this. He stated that currently Prometric testing sites experience about a five percent or less interruption rate.

Ms. Conrad stated that during the pilot, testing sites will be open and if needed, the candidate can be diverted to a test site.

Ms. Robinson inquired on what is being done regarding cybersecurity for both the candidate and the company providing the test.

Mr. Decker stated that everything is encrypted. He stated that the software delivery driver is not installed on the candidate's workstation and that it is cloud-based. He stated that the only software installed on the candidate's workstation is the ProProctor application. He stated that the candidate's workstation is locked down and they cannot activate Google, Microsoft (MS) Word, MS Excel or any other applications while taking the test.

#### B. Discussion Regarding Remote Proctored Examination Administrations.

Ms. Center stated that the purpose of this item was for the CBA to discuss the use of remote proctoring during times of emergency when in-person testing is not feasible. She stated that remote proctoring would allow candidates to take the CPA Exam outside of a test center.

Ms. Center stated that as the practice of public accountancy has been determined an essential function, during times of emergency, remote



proctoring may provide safe access to applicants taking the CPA Exam, which is a requirement for CPA licensure.

Ms. Center stated that from March 18 through April 30, 2020, Prometric testing centers shut down and reopened in May with additional safety measures and limited capacity. She stated that the 2020 pandemic experience has identified the need for an alternative approach to ensure testing continues in times of emergency.

Ms. Center stated that NASBA, AICPA, and Prometric presented the use of ProProctor at various events, including the annual NASBA meeting and are preparing for live candidate pilot testing during the first quarter of 2021. She stated that California candidates will not be participating in the pilot. She stated that Prometric's ProProctor product is a web-based application that would allow the CPA Exam to be taken outside of a testing center using both human proctors and artificial intelligence to monitor the administration of the test.

Ms. Center stated that in September 2020, DCA indicated that some of its entities were considering the use of remote proctoring. She stated that at that time, DCA's Office of Professional Examination Services (OPES) recommended that boards carefully evaluate the factors when making decisions on remote proctoring. She stated staff have provided DCA's concerns to NASBA for consideration.

Ms. Center stated that staff will monitor the outcome of the analyses of ProProctor. She stated that with the assistance of legal counsel and DCA, staff will evaluate the ProProctor solution using the factors recommended by OPES and any regulatory or statutory restrictions, as well as any additional considerations recommended by the CBA and report back at a future CBA meeting.

C. Report of the Leadership Roundtable Meeting Regarding California Board of Accountancy Activities for 2021.

President Corrigan reported that at the Leadership Roundtable meeting, CBA Leadership reviewed the planned meeting topics for 2021. She also stated that staff provided an overview of its 2021 project list, which included an increased focus on filing Investigative CPA positions in the Enforcement Division, working with DCA on the development of the 2022-2024 Strategic Plan, and continuing work to reduce processing timeframes in the Licensing Division.

President Corrigan stated that staff was directed to present an item for CBA consideration regarding the continued need for the Mobility Stakeholder Group.

President Corrigan stated that priorities for 2021 include the following:

- Promoting a cohesive board and develop more comradery amongst members
- Complete any remaining 2020 projects that may have been rescheduled due to COVID
- Maintain and enhance outreach with community colleges and universities
- Continue work on the Business Modernization Project
- Monitor occupational licensing laws through communication with the Association of Responsible Professional Licensing (ARPL)
- Ensure we are educating the public on how to select a qualified CPA, including an increased focus on preventing elder financial abuse
- Keeping a strong focus on our budget and reserve level
- Being aware of the evolution of technology and the greater role it plays in the profession.

President Corrigan stated that updates regarding priorities will be provided in the Executive Officer's Monthly Report.

President Corrigan stated that leadership also discussed the importance of resuming committee meetings. She stated that the committees serve a critical role in deliberating topics and providing recommendations to the full board. She stated that staff will be presenting an agenda item at the March CBA meeting discussing the proposed format, identifying discussion topics, and providing the committee assignments. She stated that we plan to resume the committees in conjunction with the May CBA meeting.

D. Discussion and Possible Action Regarding the California Board of Accountancy's Executive Officer Salary Increase.

President Corrigan stated that the purpose of this agenda item was to discuss a salary level increase for the CBA's executive officer (EO). She stated that the EO has been at the maximum step of the current salary, Level H, since her appointment in 2008.

President Corrigan stated that the CBA approved and directed staff to initiate the process for a salary increase at its January 2018 meeting; however, DCA advised that a consultant was in the process of conducting a study regarding EO salary levels. She stated that to enable sufficient time for the salary level study to occur, the CBA withdrew its request. She stated that the study has been completed and the CBA can discuss and approve the request for a salary level change and direct staff to resubmit the request to DCA.

President Corrigan stated that since the EO was appointed in 2008, there have been significant changes within the CBA. She stated that the changes

encompass licensee population, employee volume, legislative mandates, regulatory oversight, and program implementation.

President Corrigan stated that as the principal operations officer, the EO, at the CBA's direction, guides the CBA's programs, which have political, economic, and social implications of considerable impact to California and nationally.

President Corrigan stated that the EO actively represents the CBA and has frequent participation in statewide and national committee and task force discussions regarding consumer protection and professional regulation.

President Corrigan stated that after the meeting materials were sent to members, she received information that the CBA could consider a change to a higher salary level. She stated that due to the relatively low increase between the EO's currently salary level H and the proposed salary level of G, the CBA can consider approving, and request, that salary level F be considered. She stated that the maximum monthly salary for Level F is \$12,377.

Mr. Fox stated that Ms. Bowers has provided excellent representation of the CBA in helping steer the CBA's priorities and CalCPA greatly appreciates working with Ms. Bowers. He stated that Ms. Bowers and her team have a great reputation with licensees in California and nationally.

**It was moved by Ms. Salazar and seconded by Ms. Robinson that the CBA submit a request to DCA seeking salary level F for the CBA's EO classification and if the level is approved, have the EO placed at the maximum of the range.**

**Yes: Ms. Corrigan, Mr. Famalett, Ms. Geong, Ms. Hinds, Mr. Jacobson, Ms. Molina Lopez, Ms. Owens, Mr. Pe, Ms. Robinson, Ms. Salazar, Mr. Savoy, and Ms. Tu.**

**No: None.**

**Absent: Ms. León and Mr. Silverman.**

**Abstain: None.**

- E. Resolution for Retired Enforcement Advisory Committee Member, William J. Donnelly, CPA.

**It was moved by Ms. Robinson and seconded by Ms. Hinds to approve the resolution for William J. Donnelly, CPA.**

**Yes: Ms. Corrigan, Mr. Famalett, Ms. Geong, Ms. Hinds, Mr. Jacobson, Ms. Molina Lopez, Ms. Owens, Mr. Pe, Ms. Robinson, Ms. Salazar, Mr. Savoy, and Ms. Tu.**

**No: None.**

**Absent: Ms. León and Mr. Silverman.**

**Abstain: None.**

F. Announcement of the New Committee and Liaison Assignments.

This item was deferred to a future meeting.

G. Discussion and Possible Adoption of the Proposed 2022 California Board of Accountancy Meeting Dates and Locations.

**It was moved by Ms. Tu and seconded by Mr. Pe to adopt the 2022 CBA meeting dates and locations.**

**Yes: Ms. Corrigan, Mr. Famalett, Ms. Geong, Ms. Hinds, Mr. Jacobson, Ms. Molina Lopez, Ms. Owens, Mr. Pe, Ms. Robinson, Ms. Salazar, Mr. Savoy, and Ms. Tu.**

**No: None.**

**Absent: Ms. León and Mr. Silverman.**

**Abstain: None.**

H. Overview of the California Legislative Process and the Legislative Committee's Role.

This was a written report only.

I. Update on California Board of Accountancy Legislative Proposals for 2021.

Mr. Ibarra reported that the purpose of this item was to provide the CBA with an update regarding the CBA's legislative proposals for 2021.

Mr. Ibarra stated that during its November 2019 meeting, the CBA directed staff to seek introduction of legislation that would:

- Allow participants to sit for the CPA Exam prior to degree conferral
- Authorize the CBA Secretary/Treasurer or another CBA member to preside over CBA meetings

- Clarify existing provisions of the Accountancy Act related to the privacy of applicant and licensee email addresses

Mr. Ibarra stated that in 2020, Assemblywoman Jacqui Irwin authored Assembly Bill 2267, which encompassed all of these elements. He stated that due to the unique circumstances of the 2020 legislative session, the bill did not move forward. He stated that staff continued to work with Assemblywoman Irwin and she agreed to author a bill in 2021 containing the legislative proposals.

Mr. Ibarra stated that additional information would be provided to the CBA after the bill has been introduced.

- J. Legislative Items for Future Meetings. The California Board of Accountancy may discuss other items of legislation in sufficient detail to determine whether such items should be on a future Legislative Committee agenda and/or whether to hold a special meeting of the Legislative Committee to discuss such items pursuant to Government Code section 11125.4.

There was no report on this agenda item.

- K. Department of Consumer Affairs Director's Report on Departmental Activities.

Mr. Perez reported that in response to the public health guidance and state and regional stay-at-home orders, state offices closed to the public beginning December 7, 2020.

Mr. Perez stated that DCA boards and bureaus continue to provide licensing, enforcement, and consumer services though many of the services are provided remotely. He stated that telework has been implemented for individuals who can perform their duties outside of their office. He stated that other public healthcare measures, such as social distancing, face coverings and frequent handwashing are required of those employees who cannot telework.

Mr. Perez stated that DCA continues to partner with the Governor's Office and the Business, Consumer Services, and Housing Agency on state-wide efforts related to awareness and enforcement of public health measures, including vaccine distribution.

Mr. Perez stated that one of the priorities within the Board and Bureau Relations is appointments. He stated that DCA and the Governor's Office were aware of CBA members who are currently serving in their grace period, or approaching their term expiration.

Mr. Perez stated that a new training for board presidents will be launched February 2, 2021. He also thanked President Corrigan and Ms. Bowers for their willingness to assist with the training.

- L. Presentation From John W. Johnson, Director of Legislative Affairs, National Association of State Boards of Accountancy and Marta Zaniewski, Vice President of State Regulatory and Legislative Affairs, American Institute of Certified Public Accountants, Regarding the Alliance for Responsible Professional Licensing.

Mr. Johnson stated that the purpose of the Alliance for Responsible Professional Licensing (ARPL) is to educate policy makers and the public on the importance of maintaining responsible regulatory oversight for highly technical professions, including accounting.

Mr. Johnson stated that ARPL was formed because there are groups that believe most, if not all, occupational professions should be deregulated. This approach does very little to protect consumers from unlicensed and unqualified practitioners. He stated that the regulatory profession has a well-established model that verifies qualifications and investigates complaints at no cost to the government because licensees pay for regulatory oversight through their fees.

Mr. Johnson stated that numerous states have filed legislation in 2020 that would prevent a board from denying a license to an applicant with a prior criminal conviction. He stated that in addition to criminal conviction legislation, some states have also filed deregulation bills.

Mr. Johnson stated that in 2020 the American Legislative Exchange Council's Occupational Licensing Consumer Choice Act (the Act) was filed into legislation in Tennessee and West Virginia. He stated that the Act would allow a non-licensed individual to enter into a non-licensed disclosure agreement with a potential client allowing a non-licensed occupational professional to work in a lawful occupation without an occupational license. He stated that similar legislation was filed in Missouri, Indiana, and West Virginia in 2019.

Mr. Johnson stated that ARPL was established to begin the process of educating lawmakers on the importance of clear responsible licensing for highly technical professions.

Ms. Zaniewski stated that with some of the regulatory proposals and changes, many in the technical fields felt as though the work that CPAs, architects, and engineers have done over the last 100 years was being sidelined. She stated that the broad brush of legislation was not taking into account the level of consumer protection that those highly technical professions have already undertaken and worked, not only at the state level to ensure that protection,

but also have partnered with nonprofits, such as NASBA and AICPA to ensure that there's a collaboration and coordination for that purpose.

Ms. Zaniewski stated that ARPL was formed to create a unified voice on the issue of occupational licensing. She stated that from an advocacy perspective, it is better when you have an entire group of professionals saying the same message and making the same point. She stated that those professions had the three E's that are needed to ensure consistency with occupational licensing, which include education, examination, and experience for licensure.

Ms. Zaniewski stated that ARPL wanted to work with the highly technical professions to speak and educate legislators regarding the unintended consequences of deregulation for professions like accountancy.

Ms. Zaniewski stated that as of now, ARPL members include accountancy, architecture, engineering and land surveying, and landscape architecture. She stated that those professions have the similar three E requirements, in addition to having great reciprocity and mobility models that can speak to some of the concerns that have been heard from legislators.

Ms. Zaniewski stated that ARPL's website contains various tools and resources. She stated that ARPL is a little different given the fact that it is comprised of professional societies and regulation societies. She stated that from the professional side, they have more leeway on what they can speak about, educate on, and advocate. She stated that from the regulatory side, they want to remain mindful of the tools and resources that they provide to speak to legislators or governor's staff, when appropriate.

Ms. Zaniewski stated that ARPL has been doing outreach within states, including targeted messaging to state legislators who are considering changing the legislative authority given to state licensing boards in protecting the public.

Ms. Zaniewski stated that one of the indicators of success for ARPL would be when lawmakers are making changes regarding various occupational issues that the lawmakers speak to the regulated profession first.

Ms. Zaniewski stated that ARPL partnered with Oxford Economics to discuss how licensing impacts wages and the path to licensure regarding not only pay, but if it creates additional barriers. She stated that information regarding the discussion would be released soon.

Ms. Zaniewski stated that ARPL's top priorities include: conducting media efforts to insert ARPL's voice with licensing and regulation, launch targeted digital advertising to educate legislators on the issue, creating content to

capture the impact of ARPL professions on public health, safety, and welfare, and provide messages and tools to assist state partners.

Ms. Zaniewski stated that on a state level, ARPL currently provides legislative and advocacy toolkits to state partners, develops resources and tools for state partners to use with media, creates issue-based digital advertising campaigns targeted to key states with pending legislation, and fosters close collaboration with state partners to protect consumers.

Ms. Tu inquired whether there is an effort to combat the area of entertainment portraying CPAs in a negative way or if there are any plans to educate the entertainment industry regarding CPAs.

Ms. Zaniewski stated that it is an angle that ARPL should pursue and will explore educating the entertainment industry.

III. Report of the Vice-President.

A. Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee.

There was no report on this agenda item.

B. Recommendations or Appointment(s)/Reappointment(s) to the Qualifications Committee.

There was no report on this agenda item.

C. Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee.

There was no report on this agenda item.

IV. Report of the Secretary/Treasurer.

A. Discussion of the First Quarter Financial Report for Fiscal Year 2020-21.

Mr. Silverman reported that the CBA budget authority for fiscal year (FY) 2020-21 was \$17,009,000. He stated that the budget did not yet reflect adjustments that will be made for the 9.23 percent reduction in staff compensation or the accompanying reduction in pro rata expenses.

Mr. Silverman stated that actual expenditures and encumbrances as of September 30, 2020 were approximately \$4.3 million and represented about 24 percent of the CBA budget.



Mr. Silverman stated that although not listed on the report, staff received updated information that the CBA's revenue through fiscal month three amounted to approximately \$3.8 million.

Mr. Silverman stated that all state agencies will assume a permanent five percent reduction to their operating budget for FY 2021-22. He stated that using the current fiscal year budget as a guide, DCA Budget Office informed staff that the reduction was only to the Operating Expense and Equipment portion of the CBA's budget and that DCA pro rata costs would be excluded from the calculation.

Mr. Silverman stated that the CBA's five percent was \$190,000 and staff were able to focus on historically underspent line items. He stated that the reduction plan is undergoing review by the Business, Consumer Services, and Housing Agency and then will be reviewed by the Department of Finance.

B. Discussion of the Governor's Proposed Budget for Fiscal Year 2021-22.

Mr. Silverman reported that the Governor's proposed budget for FY 2021-22 was released on January 8, 2021 and the CBA's proposed budget is \$17,611,000, which was an increase from the current year's budget allotment of \$17,009,000.

Mr. Silverman stated that details regarding the final budget will be provided at the July 2021 CBA meeting, after review and approval by the Legislature and Governor.

V. Report of the Executive Officer.

A. Review and Approval of Proposed Changes to the CBA Member Guidelines and Procedures Manual.

Ms. Pearce provided an overview of the agenda item. She highlighted the substantive revisions in the Guidelines and Procedures Manual (G&P Manual). She stated that some of the revisions included updated language to the following areas: the annual Executive Officer's (EO) evaluation, the DCA Director approving travel expense claims for board and committee members, conducting meetings virtually, and travel memorandums for in-person meetings.

Ms. Pearce stated that the revisions also included updated percentages of enforcement matters regarding default decisions, stipulated settlements, and proposed decisions, updated information regarding the statutory committees to include that members must have a license in an active status, and the removal of language regarding Section 69 meetings for employers not in the geographic area of the upcoming Qualifications Committee meeting.

**It was moved by Ms. Hinds and seconded by Ms. Owens to adopt the January 2021 version of the G&P Manual, including any non-substantive edits.**

**Yes: Ms. Corrigan, Ms. Geong, Ms. Hinds, Mr. Jacobson, Ms. Molina Lopez, Ms. Owens, Mr. Pe, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Tu.**

**No: None.**

**Absent: Mr. Famalett and Ms. León.**

**Abstain: None.**

- B. Update on the California Board of Accountancy's Communications and Outreach.

Mr. Ibarra reported that the CBA would be taking part in two virtual outreach events. He stated that President Corrigan will be joined by the CBA Examination Unit Manager Suzanne Gracia and Initial Licensing Unit Manager Ramona Bermudez to give presentations during both events.

He stated the first event for the students of Golden Gate University (GGU) will occur the evening of January 25. He stated the event is designed to encourage students to pursue a CPA license after graduation. He stated that President Corrigan will speak about the role of the CBA and the benefits of becoming a CPA, Ms. Gracia will provide the requirements to sit for the CPA Exam, and Ms. Bermudez will provide the requirements for CPA licensure.

Mr. Ibarra stated that on February 11, the CBA will be one of the featured presenters at CalCPA's "Pathways to Success in Accounting" event for the students of San Francisco State University. He stated that in addition to the topics from the GGU event, staff will also be speaking about upcoming changes to the CPA Exam in 2024.

Mr. Ibarra stated that the CBA would be teaming up with CalCPA this year to create a series of videos that will provide education and awareness regarding what it takes to become a CPA. He stated that the videos will discuss what applicants need to know as they apply to sit for the CPA Exam or apply for CPA licensure.

Mr. Ibarra stated that the new law, AB 2113 took effect on January 1, 2021, requiring the CBA to expedite application processing for certain refugees and immigrants. He stated that staff updated the CPA license application to include a question determining if applicants fit in this criteria, created a page

on the CBA website with information and resources about the new law, and updated the License Applicant Handbook to reflect the changes.

Mr. Ibarra reported that the CBA's social media pages grew by over 1,700 followers during 2020, and is projected to exceed 10,000 total followers later this year. He stated that staff continued to interact with many of the stakeholders on Facebook, Twitter, and LinkedIn, responding to the increasing number of inquiries that have been received on these platforms. He stated that in addition to the CBA's regular social media postings, staff have coordinated with DCA and the Governor's Office to amplify some of their messaging on topics that include the 2020 Census, slowing the spread of COVID-19, and reducing energy use during summer days of extreme heat.

Ms. Geong inquired if CBA members would be allowed to attend the event that was being held at GGU.

Ms. Pearce stated that the members could attend and staff would provide the link to the event.

VI. Report on the Enforcement Advisory Committee, Qualifications Committee, and Peer Review Oversight Committee.

A. Enforcement Advisory Committee.

1. Report of the December 3, 2020 Enforcement Advisory Committee Meeting.

Mr. Aguilera reported that during the December 3, 2020 EAC meeting, staff provided members with an update on the progress for holding investigative hearings virtually.

B. Qualifications Committee.

There was no report on this agenda item.

C. Peer Review Oversight Committee.

1. Report of the December 11, 2020 Peer Review Oversight Committee Meeting.

Ms. Graves reported that during the December 11, 2020 PROC meeting, the PROC discussed and provided feedback regarding the approval of its August 14, 2020 meeting minutes, highlighted 2020 PROC activities and assignments, and assessments of its 2020 Administrative Site Visit to the California Society of Certified Public Accountants. She stated that the October 2020 Administrative Site Visit was completed virtually and was successful.

Ms. Graves stated that the PROC comprehensively reviewed, discussed, and provided feedback regarding the Draft 2020 PROC Annual Report. She stated that the report will be reviewed again at the February 2021 PROC meeting and then presented to the CBA in March.

VII. Report of the Enforcement Chief.

A. Enforcement Activity Report.

Mr. Franzella provided an overview of this item.

VIII. Report of the Licensing Chief.

A. Licensing Activity Report.

Ms. Center provided an overview of this item.

Ms. Salazar stated that she appreciated the information staff has provided on the CBA's website regarding electronic submission of transcripts. She also inquired if any of the electronic transcript providers correspond with state university systems, or community college systems.

Ms. Center stated that in California, the colleges, whether they are community colleges or a university, have great independence on determining what service provider to use for the submission of electronic transcripts. She stated that Clearinghouse and Parchment are two major providers of electronic transcripts in California, as well as the nation, which cover a large amount of universities for receiving electronic transcripts. She stated that staff will continue to add additional third-party electronic transcript providers in the future. She stated that staff have direction regarding what to do in order to expand the list of providers.

IX. Meeting Minutes.

A. Adoption of the Minutes of the November 19, 2020 California Board of Accountancy Meeting.

**It was moved by Ms. Hinds and seconded by Ms. Owens to adopt the minutes of the November 19, 2020 California Board of Accountancy meeting, which included non-substantive edits that were noted after the minutes were received.**

**Yes: Ms. Corrigan, Ms. Geong, Ms. Hinds, Ms. Molina Lopez, Ms. Owens, Mr. Pe, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Tu.**

**No: None.**

**Absent: Mr. Famalett, Mr. Jacobson, and Ms. León.**

**Abstain: Ms. Robinson.**

- B. Acceptance of the Minutes of the July 9, 2020 Enforcement Advisory Committee Meeting.
- C. Acceptance of the Minutes of the January 22, 2020 Qualifications Committee Meeting.

**It was moved by Ms. Robinson and seconded by Ms. Owens to accept items IX.B. and IX.C., which include non-substantive edits that were noted after the minutes were received.**

**Yes: Ms. Corrigan, Ms. Geong, Ms. Hinds, Ms. Molina Lopez, Ms. Owens, Mr. Pe, Ms. Robinson, Ms. Salazar, Mr. Savoy, Mr. Silverman, and Ms. Tu.**

**No: None.**

**Absent: Mr. Famalett, Mr. Jacobson, and Ms. León.**

**Abstain: None.**

X. Other Business.

A. American Institute of Certified Public Accountants.

- 1. Report on Meetings of the American Institute of Certified Public Accountants Attended by a California Board of Accountancy Representative.

- a. Business Environment and Concepts Subcommittee.

President Corrigan reported that she attended a meeting on December 17, 2020 and on January 8, 2021, which were held via Zoom. She stated that the purpose of the meetings were to review multiple choice questions and task-based simulations or problems for the Business Environment and Concepts portion of the CPA Exam. She stated that once a year, the entire exam blue print is reviewed and updated as necessary.

- b. State Board Committee.

Ms. Salazar reported that the State Board Committee met earlier in the week. She stated that the focus of the meeting was based primarily on communications. She stated that the AICPA website rolled out the

board tool kit. She stated that additional topics discussed included an update regarding remote testing and moving forward with CPA Evolution.

Ms. Salazar stated that a task force has been created to keep CPA Evolution moving forward. She stated that the target date for the new CPA Exam is January 2024. She stated that at this time the task force's work has moved into focus groups and surveys are being conducted this quarter. She stated that the next step will be to go into research for the practice analysis.

B. National Association of State Boards of Accountancy.

1. Report of the National Association of State Boards of Accountancy Pacific Regional Director.

Ms. Salazar reported she hosted the Relations with Member Boards Committee earlier in the day. She stated that planning was started for the NASBA regional meeting which will be held in June. She stated that she will be participating in the NASBA Board meeting later in the week and would provide a follow up regarding the meeting.

2. Report on Meetings of the National Association of State Boards of Accountancy Attended by a California Board of Accountancy Member or Staff.

a. Continuing Professional Education Committee.

President Corrigan reported that the committee met on December 15, 2020 via Zoom. She stated that the committee reviewed their purpose as a committee in developing and promoting uniform rules and requirements for continuing professional education (CPE) and overseeing the related CPE standards working group.

President Corrigan stated that the newer internet based presentations, especially where group participation is involved, is presenting documentation issues as far as qualifying CPE. She stated that NASBA increased its desk audits in relation to this issue and implemented compliance policies for those sponsors. She stated that in the event that there is an issued based on an initial desk audit, the sponsor has an opportunity to appeal two times. She stated that the first appeal would go to the CPE standards working group. She stated that if the group agrees with NASBA to reject the sponsor, the sponsor could appeal a second time to the CPE Committee. She stated that if the committee finds the sponsor was not meeting the standards, they

would need to correct their actions, documentation, and other items before they could be listed again to provide that type of CPE

President Corrigan stated that the committee also discussed states accepting or rejecting nano and blended learning. She stated that California has accepted nano and blended learning and are waiting for the format to be formalized in regulation. She stated that they are hopeful that other states with smaller volumes will follow suit with nano and blended learning.

President Corrigan stated that the committee also discussed that 2021 is the two-year window when the CPE standards need to be updated. She stated that the committees will be busy updating the standards.

b. Relations With Member Boards Committee.

Ms. Salazar provided the report within the report of the NASBA Regional Director above.

c. Strategic Planning Task Force.

Ms. Bowers reported that the first meeting was focused on the introduction of the new members appointed to the task force. She stated that the task force reviewed past strategic plans and discussed the task force's charge and timeline going forward.

Ms. Bowers stated that at the next meeting, the task force will begin developing the new strategic plan objectives.

3. Discussion and Possible Ratification of Staff Responses to the National Association of State Boards of Accountancy's Focus Questions.

Ms. Reed reported that the purpose of this item was to provide the CBA with staff responses to the NASBA Focus Questions.

XI. Closing Business.

A. Agenda Items for Future California Board of Accountancy Meetings.

There were no suggested items for a future meeting.

XII. Closed Session: Pursuant to Government Code Section 11126(e), the California Board of Accountancy Will Convene Into Closed Session to Receive Advice From Legal Counsel on Litigation.

A. *Sam Walker and Sam Walker CPA, Inc. v. Department of Consumer Affairs, California Board of Accountancy, and the Office of Administrative Hearings, Los Angeles County Superior Court, Case No. BS171533.*

B. *Lanfeng Zhao and ELZ Accountancy Corporation v. California Board of Accountancy*, Los Angeles Superior Court, Case No. 18STCP02951.

C. *Michael D. Robinson v. California Board of Accountancy*, San Francisco County Superior Court, Case No. CPF-19-516602.

XIII. Closed Session: Pursuant to Government Code Section 11126(c) (3), the California Board of Accountancy Will Convene Into Closed Session to Deliberate on Enforcement Matters.

President Corrigan adjourned the meeting at 2:35 p.m. on Thursday, January 14, 2021.

\_\_\_\_\_ Nancy J. Corrigan, CPA, President

\_\_\_\_\_ Mark J. Silverman, Esq., Secretary/Treasurer

Rebecca Reed, Board Relations Analyst, and Patti Bowers, Executive Officer, prepared the CBA meeting minutes. If you have any questions, please call (916) 561-1718.





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**CBA Item XI.B.**  
 March 25-26, 2021  
**DRAFT**

**DEPARTMENT OF CONSUMER AFFAIRS  
 CALIFORNIA BOARD OF ACCOUNTANCY**

**MINUTES OF THE  
 November 21, 2019  
 MOBILITY STAKEHOLDER GROUP MEETING**

California Board of Accountancy  
 2450 Venture Oaks Way, Suite 420  
 Sacramento, CA 95833  
 Telephone: (916) 263-3680

Additional Location (Teleconference)  
 Valley Industry & Commerce Association (VICA)  
 16600 Sherman Way, Suite 170  
 Van Nuys, CA 91406  
 Telephone: (818) 817-0545

Call to Order, Roll Call, Establishment of Quorum, and Opening Remarks.

Jose A. Campos, CPA, Chair, called the meeting of the California Board of Accountancy's (CBA) Mobility Stakeholder Group (MSG) to order at 9:00 a.m. on Thursday, November 21, 2019, at the CBA Office in Sacramento. Mr. Campos requested that the roll be called.

MSG Members

Jose A. Campos, CPA, Chair	9:00 a.m. – 9:27 a.m.
Katrina L. Salazar, CPA, Vice-Chair	9:00 a.m. – 9:27 a.m.
Dominic Franzella	9:00 a.m. – 9:27 a.m.
Jeffrey De Lyser, CPA	9:00 a.m. – 9:27 a.m.
Jim Songey, CPA	9:00 a.m. – 9:27 a.m.
Stuart Waldman, Esq. (Via Teleconference)	9:00 a.m. – 9:27 a.m.
Shawn Lewis	9:00 a.m. – 9:27 a.m.

CBA Members Observing

Nancy J. Corrigan, CPA  
George Famalett, CPA  
Mary Geong, CPA  
Dan Jacobson, Esq.  
Xochitl Leon  
Luz Molina Lopez  
Carola A. Nicholson, CPA  
Ariel Pe  
Deidre Robinson  
Michael M. Savoy, CPA  
Mark J. Silverman, Esq.

CBA Staff and Legal Counsel

Patti Bowers, Executive Officer  
Deanne Pearce, Assistant Executive Officer  
Dominic Franzella, Chief, Enforcement Division  
Paul Fisher, Enforcement Supervising ICPA  
Ben Simcox, Enforcement Deputy Chief  
Corey Riordan, Enforcement Manager  
Melissa Winchell, Enforcement Manager  
Rich Andres, Information Technology Staff  
Aaron Bone, Information and Planning Officer  
Rebecca Reed, Board Relations Analyst  
Peter Renevitz, Legislative Analyst  
Wayne Wilson, Special Projects Analyst  
Shauna Palacios, Enforcement Analyst  
Roberto Mendoza, Enforcement Analyst  
Alegra Keith, Assistant Human Resources Liaison  
Ileana Butu, Legal Counsel, Department of Consumer Affairs (DCA)  
Ted Drcar, Deputy Attorney General, Department of Justice

Other Participants

Jason Fox, California Society of CPAs  
Pilar Oñate-Quintana, The Oñate Group

- I. Approve Minutes of the July 25, 2019 MSG Meeting.

**It was moved by Mr. Franzella and seconded by Ms. Salazar to approve the minutes of the July 25, 2019 MSG Meeting.**

**Yes: Mr. Campos, Mr. De Lyser, Mr. Franzella, Mr. Lewis, Mr. Songey, Ms. Salazar, and Mr. Waldman.**

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

II. Discussion and Possible Action to Initiate a Rulemaking to Amend Title 16, California Code of Regulations Section 19 – Practice Privilege Form for Individuals.

Mr. Franzella stated the legislation that made mobility permanent, Senate Bill 795, implemented a no notice, no fee practice privilege provision (also referred to as mobility). The legislation included a provision that the CBA require licensees from a particular state to provide notification and pay a fee prior to exercising a practice privilege if the CBA determines that allowing a CPA from a particular state violates the CBA's consumer protection mission.

Mr. Franzella explained that in order to implement the provision requiring notification and fee, the CBA must implement a rulemaking that allows CBA staff to create an initial statement of reasons, a document that explains the reasons why an agency is making the proposed regulatory changes, that underpins the regulatory information and it goes into the regulatory file. Part of the rulemaking allows background and rationale to the nature of the rulemaking including documentation and regulatory benefits, economic impact, and fiscal impact.

Mr. Franzella stated the agenda item before members is to adopt the text in CBA Regulation section 19 which includes a Practice Privilege Notification and Agreement Form incorporated by reference. He indicated that there are five sections that make up the form and provides a rationale for each of the sections. Section A is for contact information, Section B is for state of licensure, Section C relates to safe harbor, Section D related to acknowledgement and Section E is perjury of penalty statement. He noted that the acknowledgement section provides consent and jurisdictional information to the individual who is submitting the form to the CBA.

Mr. Franzella stated that the MSG Chair called attention to the safe harbor section in that safe harbor gives three options that are allowable by law, however there is the potential that someone can fail to notify the CBA properly. He suggested that a section called 'other' be added and make a reference to attach a written statement as to why notification was not provided as required by the three given options.

Mr. Franzella stated that CBA staff recommend the CBA make a motion to approve the amended regulatory text and form incorporated by reference to Title 16 California Code of Regulations Section 19 including the addition of a section of 'other' in the safe harbor language and direct staff to submit the text to the Director of the Department of Consumer Affairs and Business and Consumer Services and

Housing Agency for review and if no adverse comments are received, authorize the Executive Officer to take all steps necessary to initiate the rulemaking process and make any non-substantive changes to the package and set the matter for hearing. Additionally, he noted that the law requires that it is a notification and fee, and the fee itself would be in a separate section, however the fee has not yet been determined due to undergoing a fee analysis.

Ms. Salazar asked in regards to the safe harbor section, the instructions state identify the beginning date or date you will begin practicing in the state of California, but asked why only the second box has a space to include a date. Mr. Franzella answered that a date is required to make sure that the date falls within the five-day period of when they submitted it and the other date is for the licensee to attest to the date fell within the 60-day allotted time

Mr. Songey asked in Section D if the definition of an employee of a firm also included a partner or owner. Mr. Franzella stated that the CBA does not have a definition of an employee, but would presume that partner and owner encompasses as an employee. Additionally he noted that the language is pulled from the law.

**It was moved by Mr. Songey and seconded by Mr. De Lyser to: approve the amended regulatory text and form incorporated by reference in Title 16, California Code of Regulations section 19 with modifications to Part C of the Practice Privilege Form for Individuals, direct staff to submit the text to the Director of the Department on Consumer Affairs and the Business, Consumer Services, and Housing Agency for review; and authorize the Executive Officer to take all steps necessary to initiate the rulemaking process, make any non-substantive changes to the package, and set the matter for hearing.**

**Yes: Mr. Campos, Mr. De Lyser, Mr. Franzella, Mr. Lewis, Mr. Songey, Ms. Salazar, and Mr. Waldman.**

**No: None.**

**Abstain: None.**

**Absent: None.**

**The motion passed.**

- III. Update and Possible Action Regarding the California Board of Accountancy Directed Plan Related to the Ongoing Determinations of States' Substantial Equivalency to Enforcement Best Practices and Disciplinary Disclosures.

Mr. Franzella provided an update of the five areas of the best practice plan that the CBA approved:

1. Conduct a review of the National Association of State Boards of Accountancy's (NASBA) legislative support website to monitor legislation in other states

Staff continue to monitor the websites of NASBA and the American Institute of CPAs (AICPA) to maintain a currency of knowledge on select legislative issues of other state boards of accountancy and at the federal level that may affect the accounting profession, consumers, or both of accounting-related services. During the review, staff identified several jurisdictions that are pursuing law changes that would ease entry into occupational/professional licensing for individuals that have criminal convictions. Staff will continue to monitor these and report at a future meeting should any changes occur that could be of interest to California.

2. Review websites of other state boards of accountancy and CPAverify to ensure use of disciplinary flags and to determine the CBA maintains the appropriate disclosures and disclaimers on its website

The California mobility program relies on its access to disciplinary information from other states. In order for states to maintain substantial equivalency in California, states must inform consumers how to access and receive disciplinary information related to a licensee. The CBA utilizes the information available from other states to assist consumers when accessing licensee information regarding licensees who practice under mobility, through its out-of-state licensee look-up feature. Included as part of evaluating substantial equivalency, CBA staff verified the disclosure information for the states and determined if the states maintained appropriate disclosure or disclaimers on their respective websites or through CPAverify. Staff will be working with the Commonwealth of the Northern Mariana Islands, Virgin Islands and NASBA, if necessary, to determine steps to address this issue and will continue to report back to the CBA and MSG at future meetings.

3. Monitor cases referred by the CBA to other state boards of accountancy to ensure that proper disciplinary action is taken

Since October 2018, staff have referred eleven matters to 22 state boards of accountancy. Two of these matters were referred to three state boards of accountancy since the last MSG meeting. For four of the referrals, which went to four states, the matters were referred not because the individual was licensed there but because they were living in that state. As a result, staff are not actively monitoring.

4. Review Pre-Notification Forms received by the CBA to determine how other states handle Securities and Exchange Commission (SEC) and Public Company Accounting Oversight Board (PCAOB) referrals

The CBA directed staff to evaluate licensees that submit Pre-Notification Forms for purposes of obtaining authorization to practice in California for any that were submitted because of SEC or PCAOB actions. This review is designed to aid the CBA in determining how other states handle SEC and PCAOB referrals. Since the July 25, 2019 MSG meeting, the CBA has not received a Pre-Notification form related to SEC or PCAOB actions.

5. Report on peer review practices of other state boards of accountancy

The CBA has charged its Peer Review Oversight Committee (PROC) with reviewing out-of-state administering entities to ensure that other states have a functioning peer review program. Consumer protection is increased when peer review programs in other jurisdictions review attest services performed by California out-of-state registered accounting firms. Staff continue to work with the PROC to review the current list of AICPA-approved administering entities and the top 20 state boards of accountancy with a high volume of out-of-state accounting firm registrations. At the last scheduled PROC meeting, the PROC reported its findings on its report of the out-of-state administering entities for the states of Georgia and Massachusetts.

Mr. Franzella stated that staff will continue to implement the directives adopted by the CBA if the CBA wished to make any changes, staff will initiate those changes prior to any future activities that take place prior to the March 2020 MSG meeting.

The MSG did not take any action on this item.

#### IV. Discussion Regarding the Mobility Activity Report.

Mr. Franzella stated that the Mobility Activity Report (MAR) represents nine months' worth of data through September 30, 2019. He indicated that it provides some statistical information on various areas associated with California's mobility program: Out-of-state firm registration information, stakeholder services, website usage, and enforcement activities. At the MSG's request from a prior meeting, staff included a section in the MAR related to NASBA activities.

This report is informational only and no action was required.

#### V. Public Comments.

No public comments were received.

VI. Agenda Items for Next Meeting.

None.

There being no further business, the meeting adjourned at 9:27 a.m.



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**CBA Item XI.C.**  
 March 25-26, 2021

**DEPARTMENT OF CONSUMER AFFAIRS  
 CALIFORNIA BOARD OF ACCOUNTANCY**

**MINUTES OF THE  
 December 3, 2020  
 ENFORCEMENT ADVISORY COMMITTEE MEETING  
 TELECONFERENCE MEETING**

Call to Order, Roll Call, Establishment of Quorum, and Opening Remarks.

Douglas Aguilera, CPA, called to order the regularly scheduled meeting of the California Board of Accountancy (CBA) Enforcement Advisory Committee (EAC) at 9:03 a.m. on December 3, 2020. The EAC held the meeting via teleconference, consistent with the provisions of Governor Newsom's Executive Order N-29-20 dated March 17, 2020.

Mr. Aguilera read the following into the record:

"The CBA's mission is to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards. This mission is derived from the statutory requirement that protection of the public shall be the highest priority for the California Board of Accountancy in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount."

Members

Douglas Aguilera, CPA, Chair	9:03 a.m. – 9:20 a.m.
Thomas Gilbert, CPA, Vice-Chair	9:03 a.m. – 9:20 a.m.
William Donnelly, CPA	9:03 a.m. – 9:20 a.m.
Jackson Johnson, CPA	9:03 a.m. – 9:20 a.m.
Kathy Johnson, CPA	9:03 a.m. – 9:20 a.m.
Michael Johnson, CPA	9:03 a.m. – 9:20 a.m.
David Kral, CPA	9:03 a.m. – 9:20 a.m.
José Palma, CPA	9:03 a.m. – 9:20 a.m.
Nasi Raissian, CPA	9:03 a.m. – 9:20 a.m.
Jim Songey, CPA	9:03 a.m. – 9:20 a.m.
Chris Tegtmeyer, CPA	9:03 a.m. – 9:20 a.m.

CBA Staff and Legal Counsel

Ted Drcar, Deputy Attorney General, Department of Justice  
 Paul Fisher, Supervising Investigative CPA



Dominic Franzella, Chief, Enforcement Division  
Denise Murata, Enforcement Analyst  
Kari O'Connor, Enforcement Manager  
Dorothy Osgood, Supervising Investigative CPA  
Ben Simcox, Deputy Chief, Enforcement Division

I. Report of the Committee Chair (**Douglas Aguilera, CPA**).

A. Approval of the October 8, 2020 EAC Meeting Minutes.

**It was moved by Mr. Johnson and seconded by Mr. Aguilera to approve the minutes of the October 8, 2020 EAC meeting.**

**Yes: Mr. Aguilera, Mr. Donnelly, Mr. Gilbert, Mr. J. Johnson, Ms. K. Johnson, Mr. M. Johnson, Mr. Kral, Mr. Palma, Mr. Songey and Mr. Tegtmeyer.**

**No: None.**

**Abstain: Ms. Raissian.**

**Absent: None.**

**The motion passed.**

II. Report of the CBA Liaison

A. Report on the July 23 and September 24, 2020 California Board of Accountancy Meetings.

Mr. Franzella provided the report for this item. He reported that the National Association of State Boards of Accountancy's Center for Public Trust Operations Director, Sedrik Newbern, provided a presentation regarding the Center for Public Trust's Ethical Leadership Certification and training programs.

He announced that the CBA reappointed Douglas Aguilera, CPA to serve as the EAC Chair and appointed Kathy A. Johnson, CPA as Vice-Chair for one-year terms, effective January 1, 2021. Additionally, the CBA re-elected Nancy J. Corrigan, CPA as President, Michael M. Savoy, CPA as Vice-President, and Mark J. Silverman, Esq. as Secretary/Treasurer.

Mr. Franzella noted that the CBA will hold its next meeting via WebEx on January 14, 2021.

III. Report of the Enforcement Chief (**Dominic Franzella**).

A. Enforcement Activity Report (EAR).

Mr. Franzella provided an overview of this item. The report covered the first three months of fiscal year (FY) 2020/21. He reported that the CBA received approximately 460 complaints and 447 cases have been closed.

Mr. Franzella stated that the CBA has referred 18 matters to the Attorney General's Office and taken disciplinary action on 14 matters in the first three months of FY 2020/21.

Mr. Franzella reported that the CBA has issued 71 citations during FY 2020/21.

B. Report on Accusations and Final Disciplinary Orders Effective September 1, 2020 to October 31, 2020.

Mr. Franzella reported on this agenda item. He noted that between September 1, 2020 to October 31, 2020, the CBA filed 3 accusations and no disciplinary actions taken.

IV. Public Comments for Items not on the Agenda.

No public comment was given.

V. Adjournment.

Having no further business to conduct, the EAC meeting open session adjourned at approximately 9:20 a.m.

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Douglas Aguilera, CPA, Chair  
Enforcement Advisory Committee

Prepared by: Denise Murata, Enforcement Analyst



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**CBA Item XI.D.**  
 March 25-26, 2021

**DEPARTMENT OF CONSUMER AFFAIRS  
 CALIFORNIA BOARD OF ACCOUNTANCY**

**MINUTES OF THE  
 December 11, 2020  
 PEER REVIEW OVERSIGHT COMMITTEE MEETING  
 TELECONFERENCE MEETING**

Call to Order, Roll Call, Establishment of Quorum, and Opening Remarks.

Jeffrey De Lyser, CPA, Peer Review Oversight Committee (PROC) Chair, called to order the regularly scheduled meeting of the California Board of Accountancy (CBA) PROC at 9:00 a.m. on December 11, 2020. The PROC held the meeting via video conference, consistent with the provisions of Governor Newsom’s Executive Order N-29-20 dated March 17, 2020. The meeting adjourned at 10:27 a.m.

Mr. De Lyser read the following into the record:

“The CBA’s mission is to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards. This mission is derived from the statutory requirement that protection of the public shall be the highest priority for the California Board of Accountancy in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.”

Members

Jeffrey De Lyser, CPA, Chair	9:00 a.m. – 10:27 a.m.
Renee Graves, CPA, Vice-Chair	9:00 a.m. – 10:27 a.m.
Kevin Harper, CPA	9:00 a.m. – 10:27 a.m.
Alan Lee, CPA	9:00 a.m. – 10:27 a.m.
Iryna Oreshkova, CPA	9:00 a.m. – 10:27 a.m.
Fiona Tam, CPA	9:00 a.m. – 10:27 a.m.
Sharon Selleck, CPA	9:00 a.m. – 10:27 a.m.

CBA Member

Katrina L. Salazar, CPA

CBA Staff

Patti Bowers, Executive Officer  
Michelle Center, Licensing Chief  
Sarah Benedict, License Renewal Manager  
Matthew Parsons, License Renewal Coordinator

Other Participants

Vinit Shrawagi, California Society of Certified Public Accountants (CalCPA)

I. Report of the Committee Chair (**Jeffrey De Lyser, CPA**).

A. Approval of the August 14, 2020 PROC Meeting Minutes.

**It was moved by Ms. Oreshkova and seconded by Mr. Lee to approve the minutes of the August 14, 2020 PROC meeting.**

**Yes: Mr. De Lyser, Ms. Oreshkova, Mr. Lee, Ms. Graves, Ms. Selleck, Ms. Tam.**

**No: None.**

**Abstain: None.**

**Absent: None.**

**Mr. Harper did not vote due to connectivity issues with the video conference platform.**

**The motion passed.**

B. Report of the September 24, 2020 and November 19, 2020 California Board of Accountancy Meetings (**Katrina L. Salazar, CPA**).

Ms. Salazar noted that due to Governor Newsom's Executive Order regarding COVID-19, the September 24, 2020 and November 19, 2020 CBA meetings were conducted via WebEx. Future CBA meetings will be held via video conference until Governor Newsom lifts the order regarding public gatherings.

Ms. Salazar further stated that:

- At the September 24, 2020, CBA meeting, CalCPA President and CEO, Anthony Pugliese, provided a report regarding COVID-19 and how it has impacted CalCPA's activities. Some of the topics that Mr. Pugliese discussed included updating CalCPA's strategic plan and peer reviewers being able to complete peer reviews offsite through June 2021. Mr. Pugliese also stated that CalCPA has formed a Diversity, Equity, and Inclusion Commission.
- The CBA approved the 2021 PROC meeting dates and the calendar on the CBA website has been updated to include these dates.

- At the November 19, 2020, CBA meeting, the National Association of State Boards of Accountancy's (NASBA) Center for Public Trust Operations Director, Sedrik Newbern, provided a presentation regarding the Center for Public Trust's Ethical Leadership Certification and training programs.
- The CBA appointed Renee Graves, CPA to serve as the PROC Chair and Sharon Selleck, CPA as Vice-Chair for one-year terms, effective January 1, 2021.
- Also during the November meeting, the CBA re-elected Nancy J. Corrigan, CPA as President, Michael M. Savoy, CPA as Vice-President, and Mark J. Silverman, Esq. as Secretary/Treasurer.

The CBA will hold its next meeting via video conference on January 14-15, 2021.

- II. Report on Peer Review Oversight Committee Oversight Activities Since August 14, 2020 and Future Activities (**Jeffrey De Lyser, CPA**).
  - A. Report on the California Society of Certified Public Accountants Report Acceptance Body Meetings, the California Society of Certified Public Accountants Peer Review Committee Meeting, and the American Institute of Certified Public Accountants' Peer Review Board Open Meeting.
 

This was a written report only.
  - B. Report on the Peer Review Oversight Committee Oversight of Out-of- State Administering Entities and Revised Process (Oregon and Hawaii).
 

This was a written report only.
  - C. Report on Notices Posted on the American Institute of Certified Public Accountants' and National Association of State Boards of Accountancy's Websites Regarding Changes and Updates to the Peer Review Program.
 

This was a written report only.
  - D. Report on the October 19, 2020 and October 26, 2020 Peer Review Oversight Committee's Virtual Administrative Site Visit to the California Society of Certified Public Accountants (**Renee Graves, CPA**).

Ms. Graves stated that the administrative site visits were completed remotely and went very well.

Key observations:

- A total of 16 reviews were conducted.
- Mr. Shrawagi navigated the Peer Review Integrated Management Application (PRIMA) via screen sharing, which made the reviews much easier.

- Of those reviewed, a total of six peer reviews were extended for six months due to COVID-19.
- Of the six that were extended, there were a total of three deferred acceptance reviews that needed an additional two to three months to be finalized.
- Of the 16 reviews, ten were completed within the appropriate time frame
- Due to the fact that documents in PRIMA are purged after 120 days, there were instances when the PROC reviewers were unable to access purged correspondence to review contents but the reviewers were able to determine that communication took place.
- Committee Appointed Review Team (CART) reviews are retained on a separate spreadsheet by CalCPA and not initiated by PRIMA. It was suggested that the CART reviews be verified with PRIMA to ensure they are accounted for and are completed in a timely matter.

Mr. Lee added that the qualifications of peer reviewers themselves are reviewed and verified annually. Five of the 40 active members were selected and reviewed during the visit. The members selected for review were deemed to have met qualifications.

Mr. Harper asked if the PROC would like to spend more time on the administrative sites visits in the future. Ms. Graves stated that they spent six hours on the first day, and four on the second day. Ms. Graves feels that doing administrative site visits remotely was more efficient with Mr. Shrawagi's assistance with PRIMA, which saved time. Ms. Graves suggested that if administrative site visits return to in-person visits, the PROC will need to be cognizant of Mr. Shrawagi's time. While remote site visits are more efficient, if the review process started earlier in the year they may allow for more follow up if need be. Mr. De Lyser noted that every year brings new challenges and welcomed Mr. Shrawagi's feedback.

Mr. Shrawagi acknowledged that while the guided virtual process of screen sharing and navigating PRIMA does require a significant amount of time, CalCPA understands the importance and will try to do their best to accommodate these efforts moving forward. Mr. Shrawagi further noted that some of the processes have been automated and therefore the review of them may be outdated and inefficient. Mr. Shrawagi stated that CalCPA will take the lessons learned from this year and incorporate them next year, whether virtual or in-person.

E. Assignment of Future Peer Review Oversight Committee Oversight Roles, Responsibilities, Activities, and Assignments (**Sarah Benedict, Renewal and Continuing Competency Unit Manager**).

Mr. De Lyser highlighted upcoming PROC oversight activities and requested PROC members to participate and accept new assignments for upcoming PROC oversight activities.

Peer Review-Related Updates for February 2021 PROC Meeting

- AICPA and National Websites – Ms. Selleck

#### Out-of-State Administering Entities

- Florida and New York – Ms. Graves and Mr. Harper

#### CalCPA Report Acceptance Body Meetings

- December 21, 2020 at 9:00 a.m. – Ms. Tam
- December 23, 2020 at 9:00 a.m. – Ms. Tam
- January 26, 2021 at 9:00 a.m. – Mr. Lee
- January 28, 2021 at 9:00 a.m. – Ms. Oreshkova

#### CBA Meeting

- January 14, 2021 – Ms. Graves

Mr. Harper inquired about upcoming 2021 Peer Review Board (PRB) and Peer Review Committee meetings. Ms. Benedict stated that they have not been scheduled as of yet, but will provide updates as they become available.

### III. Report of the Licensing Chief (**Michelle Center, Chief, Licensing Division**).

#### A. Discussion of the Draft 2020 Peer Review Oversight Committee Annual Report.

Ms. Center reported on this agenda item. She stated that the Draft 2020 Peer Review Oversight Committee Annual Report addresses the COVID 19 pandemic, highlights the oversight activities performed by the PROC, and includes the first ever virtual administrative site visit. Ms. Center indicated that the CBA encourages feedback and edits from the PROC, and any suggestions should be sent to Ms. Benedict by Friday, December 18, 2020. The final report will be presented during the CBA's March Meeting.

Mr. De Lyser suggested providing input by sections as opposed to going page by page. Following a brief discussion, members began offering feedback. Requested edits were noted by Ms. Benedict and a revised version of the 2020 Annual Report will be presented to the PROC at the February 12, 2021 meeting.

### IV. Closing Business (**Jeffrey De Lyser**).

#### A. Public Comments for Items Not on the Agenda.

None.

#### B. Agenda Items for Future Peer Review Oversight Committee Meetings

Mr. Harper recommended the PROC add a future agenda item to discuss training for PROC members.

Ms. Oreshkova expressed concerns regarding the declining population in the accounting profession, and in particular peer reviewers. She acknowledged that peer reviews are expensive and can be difficult to complete; however, more effort needs to be made in recruiting new reviewers.

#### V. Adjournment

Having no further business to conduct, the PROC meeting adjourned at approximately 10:27 a.m.

Jeffrey De Lyser, CPA, Chair  
Peer Review Oversight Committee

Prepared by: Matthew Parsons, Renewal and Continuing Competency Unit Coordinator





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**CBA Item XII.B.3.**  
March 25-26, 2021

## **Discussion and Approval of Staff Responses to the National Association of State Boards of Accountancy's Focus Questions**

**Presented by: Rebecca Reed, Board Relations Analyst**

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### **Purpose of the Item**

The purpose of this agenda item is to provide the California Board of Accountancy (CBA) an opportunity to review and comment on proposed responses to the National Association of State Boards of Accountancy (NASBA) Regional Director's Focus Questions (**Attachment**).

### **Consumer Protection Objectives**

NASBA assists the CBA with achieving its mission to protect consumers by creating a forum for state boards of accountancy to discuss relevant issues, ideas, and opinions, regarding consumer protection and the accounting profession.

### **Action(s) Needed**

The CBA will be requested to approve the proposed responses, including any edits or additional information members may wish to include.

### **Background**

NASBA has informed staff that it uses the Focus Questions to help NASBA Regional Directors stay apprised of each state's policies and procedures and to see where improvements or adjustments might be made. The eight Regional Directors review the states' answers and then present their findings to NASBA.

### **Comments**

The responses to the NASBA Focus Questions were prepared by staff from the Enforcement, Licensing, and Administration Divisions. The answers to these focus questions are due by April 13, 2021.

### **Fiscal/Economic Impact Considerations**

There are no fiscal/economic impact considerations.

## **Discussion and Approval of Staff Responses to the National Association of State Boards of Accountancy's Focus Questions**

Page 2 of 2

### **Recommendation**

Staff recommend that the CBA approve the proposed responses, including any edits or additional information members may wish to include.

### **Attachment**

NASBA Focus Questions

# FOCUS QUESTIONS

January 2021 NASBA REGIONAL DIRECTORS' FOCUS QUESTIONS

Name of the person submitting form on behalf of the Board of Accountancy:

Rebecca Reed, Board Relations Analyst

Jurisdiction State:

California

Email address of person submitting form on behalf of the Board of Accountancy:

Rebecca.reed@cba.ca.gov

1. Remote Testing – On January 21, 2021, the National Association of State Boards of Accountancy (NASBA) held a webinar on remote testing, as a potential response to future test center closures. Limited pilot tests will take place in the months ahead. A white paper “Proposed Pilot of Remote Proctoring of CPA Examination: Update and FAQs for Boards of Accountancy,” that included an appendix of frequently asked questions on remote testing, was also made available to the Boards on January 21. After reviewing the report, does your Board require additional information from NASBA on remote testing and/or the pilot testing for this project?

Yes. Staff is currently working with NASBA to receive a written response to the following items. It is anticipated that the response will be received by Mid-March and will be provided to CBA members.

- Type of examination (e.g., format of items)
- Length of examination (i.e., number of questions/administration time)
- Number of breaks allowed, if any
- Materials or equipment used
- Ratio of candidates to proctors
- Technology requirements
- Security analytics and measures implemented
- Impact of potential examination subversion on program item banks and on the safety of consumers or patients
- Legal issues related to candidate privacy

No, not at this time

# FOCUS QUESTIONS

January 2021 NASBA REGIONAL DIRECTORS' FOCUS QUESTIONS

2. Would your Board like additional information on the following”

- CPA Evolution
- Accreditation
- Requiring fraud CPE (California's rule)
- Other. Please describe.

3. Would your Board like a speaker to address their meeting on:

- Outreach to educators in support of CPA Evolution
- Working with the Alliance for Responsible Professional Licensing
- Other. Please describe.

4. Please share your anticipated Board meeting calendar for the rest of 2021. Please respond with TBD if a meeting will be held but the date is still to be determined. Use n/a for months without meetings.

- April – n/a
- May 13-14, 2021
- June – n/a
- July 22-23, 2021
- August – n/a
- September 23-24, 2021
- October – n/a
- November 18-19, 2021
- December – n/a

5. What is happening in your jurisdiction that is important for other State Boards and NASBA to know about?

- The CBA will be sponsoring AB 298 (Irwin) which proposes to allow candidates to take the Uniform CPA Examination during a specific window of time prior to completing the education requirements as identified in Business and Professions Code section 5093(b)(1).
- In January 2021, the CBA began expediting the initial application process for certain refugees, asylees, and special immigrant visa holders. Last year, Assembly Business and Professions Committee Chairman Evan Low authored Assembly Bill 2113 (Statute 186 of 2020) with his stated goal of assisting these individuals settle in California by opening economic opportunities, enabling them to pursue meaningful careers and become self-sustainable as they settle in their new home.

# FOCUS QUESTIONS

## January 2021 NASBA REGIONAL DIRECTORS' FOCUS QUESTIONS

- Revisions to the California Code of Regulations, section 45, pertaining to peer review reporting are set to take effect April 1, 2021. Under the new revised law, only accounting firms, including licensees operating as sole proprietorships, will be required to report peer review information. This is done by completing the Peer Review Reporting Form and submitting it along with their license renewal application. Presently, all licensees must complete the Peer Review Reporting Form, even if they are not subject to peer review, and submit it along with the license renewal application. Licensees employed by an accounting firm, working for a non-accounting firm, employed by the government, or who are retired will no longer be subject to this requirement.
- California issued a continuing education (CE) extension for licenses expiring between March 31, 2020 and December 31, 2020. Licensees renewing in an active status must complete their CE requirements by April 22, 2021. Additionally, California issued a waiver extension covering licenses expiring between January 1, 2021, and February 28, 2021. This second group of licensees must complete their CE requirements by June 15, 2021. Lastly, California issued a waiver extension covering licenses expiring on March 31, 2021. This third group of licensees must complete their CE requirements by September 30, 2021.
- CPA Exam credits expiring between April 1, 2020 and June 30, 2021, were extended through June 30, 2021. NASBA is assisting the CBA in granting extensions for Notices to Schedule through March 31, 2021.
- California issued a new department policy that board members, committee members, and instructors avoid serving as expert consultants in the licensure examination development process. The provision states that “due to potential conflict of interest, undue influence, and/or security considerations, the DCA recommends that board members and instructors should not serve as expert consultants for, nor participate in, any aspect of licensure examination development or administration.” Such licensure examination development activities include, but are not limited to, occupational analysis workshops, item writing/review, and passing score workshops.

# FOCUS QUESTIONS

January 2021 NASBA REGIONAL DIRECTORS' FOCUS QUESTIONS

- The CBA now has a military liaison to assist members of the military and their spouses with the licensure process. A dedicated military email address ([militaryinfo@cba.ca.gov](mailto:militaryinfo@cba.ca.gov)) and Toll-Free number have also established (833)-922-0577.

6. How can NASBA be of assistance to your Board at this time?

The CBA does not need any assistance at this time.

NASBA's Board of Directors would appreciate as much input on the above questions as possible. How were the responses shown above compiled? Please check all that apply.

- Input only from Board Chair.
- Input only from Executive Director.
- Input only from Board Chair and Executive Director.
- Input from all Board Members and Executive Director.
- Input from some Board Members and Executive Director.
- Input from all Board Members.
- Input from some Board Members.
- Other (please explain).