



**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



**CALIFORNIA BOARD OF ACCOUNTANCY  
PUBLIC MEETING NOTICE FOR THE CALIFORNIA BOARD OF ACCOUNTANCY  
MEETING**

**California State Polytechnic University, Pomona  
Kellogg West Conference Center and Hotel  
3801 West Temple Avenue  
Pomona, CA 91768  
Telephone: (800) 593-7876**

**California Board of Accountancy Meeting  
Thursday, September 21, 2023  
9:00 a.m. – 11:00 a.m.**

**California Board of Accountancy Meeting  
Friday, September 22, 2023  
9:00 a.m. until adjournment**

Enclosed for your information is a copy of the agenda for the California Board of Accountancy meeting on September 21-22, 2023.

The California Board of Accountancy meeting will commence at 9:00 a.m. or later. 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.

**INSTRUCTIONS FOR PARTICIPATING VIRTUALLY:**

If joining the Thursday, September 21, 2023 meeting:

Event address for attendees: <https://dca-meetings.webex.com/dca-meetings/j.php?MTID=m5831ce2b8e362645e21f061383c6a589>

*If joining using the link above*

Webinar number: 2491 516 4682

Webinar password: CBA09212023

*If joining by phone*

+1-415-655-0001 US Toll

Access code: 249 151 64682

Passcode: 22209212

## CBA Meeting September 21-22, 2023

Page 2 of 2

If joining the Friday, September 22, 2023 meeting:

Event address for attendees: <https://dca-meetings.webex.com/dca-meetings/j.php?MTID=mcd3ecdc7225350e0b4f1d1092a06ca85>

### *If joining using the link above*

Webinar number: 2480 699 2658

Webinar password: CBA09232023

### *If joining by phone*

+1-415-655-0001 US Toll

Access code: 248 069 92658

Passcode: 22209232

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 a 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 meetings are 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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**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**

**MEETING AGENDA**

**Thursday, September 21, 2023  
9:00 a.m. – 11:00 a.m.**

**Friday, September 22, 2023  
9:00 a.m. until adjournment**

**California State Polytechnic University, Pomona  
Kellogg West Conference Center and Hotel  
3801 West Temple Avenue  
Pomona, CA 91768  
Telephone: (800) 593-7876**

**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](#).

Thursday,  
September 21,  
2023

**Call to Order, Roll Call, Establishment of Quorum, and Opening Remarks (Katrina L. Salazar, CPA, President).**

**Agenda Item**

**9:00 a.m. –  
11:00 a.m.**

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

**Agenda Item**

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

C. *Farzan Alamirad, et al. v. Marjan Ravanbakhsh, et al.*, Los Angeles County Superior Court, Case No. 22STCV21941.

II. 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.

III. Closed Session: Pursuant to Government Code Section 11126(c)(1), the California Board of Accountancy Will Convene into Closed Session to Prepare, Approve, Grade, or Administer Examinations.

Recess until September 22, 2023.

Friday,  
September 22,  
2023

**Call to Order, Roll Call, Establishment of Quorum, and Opening Remarks (Katrina L. Salazar, CPA, President).**

9:00 a.m. –  
9:05 a.m.

IV. Public Comments for Items Not on the Agenda.\*

9:05 a.m. –  
10:00 a.m.

V. Report of the President.

A. Resolution for Retiring Enforcement Advisory Committee Member, Mike Johnson, CPA.

B. Resolution for Retiring Enforcement Advisory Committee Member, Jim Songey, CPA.

C. Resolution for Retiring Qualifications Committee Member, Brad Holsworth, CPA.

D. Discussion of the Process for Annual Officer Elections.

E. California Society of CPAs Report: Profession Update  
**(Representative, California Society of CPAs).**

F. California Board of Accountancy 2023 Legislative Tracking Chart, 2023 Legislative Calendar and Considerations for Taking Positions on Legislation **(Written Report Only).**

G. Update, Discussion, and Possible Action on Legislation Which the California Board of Accountancy Has Taken a Position or Previously Acted Upon **(David Hemphill, Information and Planning Officer).**

## Agenda Item

1. Senate Bill 372 – Department of Consumer Affairs: Licensee and Registrant Records: Name and Gender Changes.
  2. Senate Bill 544 – Bagley-Keene Open Meeting Act: Teleconferencing.
  3. Senate Bill 816 – Professions and Vocations.
  4. Senate Bill 887 – Consumer Affairs.
- H. Discussion and Review of the California Board of Accountancy 2024 Sunset Review Report (**Deanne Pearce, Assistant Executive Officer**).
- I. Department of Consumer Affairs Director’s Report on Departmental Activities (**Representative, Department of Consumer Affairs**).
- 10:00 a.m. – 10:15 a.m.** VI. Report of the Vice President (**Katrina L. Salazar, CPA, 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.
- 10:15 a.m. – 10:30 a.m.** VII. Report of the Secretary/Treasurer (**Joseph Rosenbaum, CPA, Secretary/Treasurer**).
- There is no report on this agenda item.
- 10:30 a.m. – 10:45 a.m.** Morning Break.
- 10:45 a.m. – 11:05 a.m.** VIII. Report of the Executive Officer (**Dominic Franzella, Executive Officer**).
- A. Administration Activity Report (**Deanne Pearce, Assistant Executive Officer**).
  - B. Communications and Outreach Report (**David Hemphill, Information and Planning Officer**).

## Agenda Item

- 11:05 a.m. – 11:15 a.m.**
- IX. Report on the Enforcement Advisory Committee, Qualifications Committee, and Peer Review Oversight Committee.
- A. Enforcement Advisory Committee (**Doug Aguilera, CPA, Chair**).
- There is no report on this agenda item.
- B. Qualifications Committee (**Michael L. Williams, CPA, Chair**).
1. Approval of the 2024 Qualifications Committee Meeting Dates.
- C. Peer Review Oversight Committee (**Laura L. Ross, CPA, Chair**).
1. Report of the August 11, 2023 Peer Review Oversight Committee Meeting.
2. Approval of the 2024 Peer Review Oversight Committee Meeting Dates.
- 11:15 a.m. – 11:25 a.m.**
- X. Report of the Enforcement Chief (**Kari O'Connor, Deputy Chief, Enforcement Division**).
- A. Enforcement Activity Report.
- 11:25 a.m. – 11:40 a.m.**
- XI. Report of the Licensing Chief (**Michelle Center, Chief, Licensing Division**).
- A. Licensing Activity Report (**Jennifer Huddy, Manager, Initial Licensing Unit**).
- B. Report on Long-Term Licensing Data Trends (**Jennifer Huddy, Manager, Initial Licensing Unit**).
- 11:40 a.m. – 11:55 a.m.**
- XII. Regulations.
- A. Discussion and Possible Action to Amend Proposed Regulatory Text and Adopt California Code of Regulations, Title 16, Section 54.3 – Sale or Transfer of Licensee's Practice and Section 54.4 – Discontinuance of Licensee's Practice (**Kari O'Connor, Deputy Chief, Enforcement Division**).
- 11:55 a.m. – 12:00 p.m.**
- XIII. Meeting Minutes (**Katrina L. Salazar, CPA, President**).

## **Agenda Item**

- A. Adoption of the July 27-28, 2023 California Board of Accountancy Meeting Minutes.
- B. Acceptance of the July 27, 2022 Qualifications Committee Meeting Minutes.
- C. Acceptance of the May 12, 2023 Peer Review Oversight Committee Meeting Minutes.

**12:00 p.m. –  
12:25 p.m.**

### XIV. 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. Board of Examiners (**Katrina L. Salazar, CPA**).
    - b. State Board Committee (**Nancy J. Corrigan, CPA**).
- B. National Association of State Boards of Accountancy.
  - 1. Report of the National Association of State Boards of Accountancy Director-at-Large (**Katrina L. Salazar, CPA**).
  - 2. Report of the National Association of State Boards of Accountancy Pacific Regional Director (**Nancy J. Corrigan, CPA**).
  - 3. Report on Activities of Meetings of the National Association of State Boards of Accountancy Attended by a California Board of Accountancy Member.
    - a. Education Committee (**Nancy J. Corrigan, CPA, Chair**).
    - b. Relations With Member Boards Committee (**Nancy J. Corrigan, CPA**).
    - c. Communications Committee (**Yen C. Tu**).

There is no report on this agenda item.

- d. Diversity Committee (**Katrina L. Salazar, CPA, Chair**).

**Agenda Item**

e. Nominating Committee (**Michael M. Savoy, CPA**).

There is no report on this agenda item.

4. Discussion and Approval of Staff Responses to the National Association of State Boards of Accountancy's Focus Questions (**Rebecca Reed, Board Relations Analyst**).

**12:25 p.m. – 12:30 p.m.** XV. Closing Business (**Katrina L. Salazar, CPA, President**).

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

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 their 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 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.



# California Board of Accountancy



CBA Item V.A.  
September 21-22, 2023

## RESOLUTION

***WHEREAS,** Mike Johnson, CPA, has faithfully served as a member of the California Board of Accountancy Enforcement Advisory Committee from September 14, 2017 through September 30, 2023; and*

***WHEREAS,** throughout his term of service, at all times Mike Johnson, 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 Mike Johnson, 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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*Katrina L. Salazar, CPA, President*

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*Joseph Rosenbaum, CPA, Secretary/Treasurer*

*Dated: September 22, 2023*

# California Board of Accountancy



CBA Item V.B.  
September 21-22, 2023

## RESOLUTION

***WHEREAS**, Jim Songey, CPA, has faithfully served as a member of the California Board of Accountancy Enforcement Advisory Committee from September 14, 2017 through September 30, 2023; and*

***WHEREAS**, throughout his term of service, at all times Jim Songey, 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 Jim Songey, 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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*Katrina L. Salazar, CPA, President*

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*Joseph Rosenbaum, CPA, Secretary/Treasurer*

*Dated: September 22, 2023*

# California Board of Accountancy



**CBA Item V.C.**  
September 21-22, 2023

## RESOLUTION

*WHEREAS, Brad Holsworth, CPA, has faithfully served as a member of the California Board of Accountancy Qualifications Committee from September 14, 2017 through September 30, 2023; and*

*WHEREAS, throughout his term of service, at all times Brad Holsworth, 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 Brad Holsworth, 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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*Katrina L. Salazar, CPA, President*

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*Joseph Rosenbaum, CPA, Secretary/Treasurer*

*Dated: September 22, 2023*

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**CBA Item V.D.**  
September 21-22, 2023**Discussion of the Process for Annual Officer Elections****Presented by: Katrina L. Salazar, CPA, President**

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**Purpose of the Item**

The purpose of this agenda item is to provide information to the California Board of Accountancy (CBA) regarding the annual officer election process for President, Vice President, and Secretary/Treasurer.

**Consumer Protection Objectives**

Annually electing a President, Vice President, and Secretary/Treasurer assists the CBA in ensuring it meets its statutory mandate of consumer protection.

**Action(s) Needed**

Action is only needed by those CBA members who wish to be considered for an officer position.

**Background**

The process for the election of officers and a detailed listing of applicable duties is outlined in the *CBA Member Guidelines and Procedures Manual*, pages 5-7 (**Attachment**).

**Comments**

Each November, the CBA elects a President, Vice President, and Secretary/Treasurer. CBA members who wish to be considered for a leadership position are encouraged to submit a one-page Statement of Qualifications to the Board Relations Analyst, Rebecca Reed, by email at [rebecca.reed@cba.ca.gov](mailto:rebecca.reed@cba.ca.gov) on or before October 6, 2023. The Statements of Qualifications will be included in the November 2023 CBA meeting materials, as part of an agenda item.

At the November 2023 CBA meeting, the CBA President will provide an opportunity for additional candidates for the officer positions to express their interest. All candidates may be given up to five minutes of floor time to describe why they are qualified for the position.

Please note that the President, Vice President and Secretary/Treasurer each serve one-year terms and may not serve more than two consecutive terms.

## **Discussion of the Process for Annual Officer Elections**

Page 2 of 2

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

There are no fiscal/economic impact considerations.

### **Recommendation**

Staff do not have a recommendation on this agenda item.

### **Attachment**

Excerpt from *CBA Member Guidelines and Procedures Manual*

# California Board of Accountancy



## CBA Member Guidelines and Procedures Manual

Updated  
May 2023

AMENDMENTS TO THE GUIDELINES AND PROCEDURES MANUAL  
Formerly: BOARD OPERATIONS MANUAL

September 30, 1994  
March 15, 1995  
June 10, 1997  
November 21, 1997  
January 23, 1998  
March 21, 1998  
January 26, 2001  
January 1, 2003  
April 1, 2004

Revised and Restated  
January, 2010

Amendments to the Guidelines and Procedures Manual

July 2012  
January 2013  
January 2014  
January 2015  
June 2015  
January 2016  
December 2016  
February 2017  
August 2017  
January 2018  
January 2019  
January 2020  
January 2021  
January 2022  
January 2023  
May 2023

*The information provided in this document is for the purpose of providing a general overview of the California Board of Accountancy guidelines and procedures. It is not intended to cover all topics or issues. The document does not supersede any statutes, regulations, or case law; and if there is a conflict, the statute, regulation, or case law is controlling. Further, this does not override legal advice by Department of Consumer Affairs or Attorney General's Office.*

F. OFFICERS (Ref. Business & Professions Code §§ 5003, 5004 & 5007).

The officers of the CBA are President, Vice President, and Secretary/Treasurer.

1. Election of Officers.

The process for the election of officers is as follows:

- At the September CBA meeting, the President shall inform members that the election of officers will be held at the November CBA meeting.
- Interested candidates are requested to prepare a one-page written summary outlining their qualifications for the position for which they are applying, which will serve as a self-nomination. Candidates are limited to being nominated for one officer position. The summary is to be sent to the Board Relations Analyst by a date determined by the Executive Officer and CBA President.
- The nominations shall be distributed as part of the agenda items for the November CBA meeting.
- At the November CBA meeting, the President shall ask if there are any additional nominations for the officer positions. Any member who is nominated may be given up to five minutes of floor time to describe why they are qualified for the position.
- After all nominations have been confirmed, the President will close nominations.
- The vote for officer positions shall be held in the following order: Secretary/Treasurer, Vice President, and President.
- A roll call vote will be taken for each officer position nominee, starting in alphabetical order by the candidate's last name.
- Members can vote "Yes," "No," or abstain from the vote for each nominee.
- The first nominee to receive a majority vote will win the officer position.
- In the event none of the nominees receive a majority vote, the voting will continue until a majority vote is received. To assist in this process, the President may allow nominees to make a statement regarding their qualifications, within an established and reasonable time limit.
- The President, Vice President, and Secretary/Treasurer serve one-year terms and may not serve more than two consecutive one-year terms. The newly elected President, Vice President, and Secretary/Treasurer shall assume the duties of their respective offices at the conclusion of the meeting at which they were elected.

2. Vacancy.



In the event of a vacancy of the Vice President or Secretary/Treasurer prior to the annual election of officers, the CBA President shall make an interim appointment to fill the vacancy effective until the next election cycle. In the event of a vacancy of the President, the Vice President shall become the President.

### 3. Duties.

#### a. President.

The President shall perform general administrative duties, as well as the following:

- Preside over CBA meetings
- Approve the agenda and time schedule
- Appoint CBA members as Liaison to the Enforcement Advisory Committee, Peer Review Oversight Committee, and Qualifications Committee
- Appoint CBA members to CBA committees and task forces
- Establish other CBA committees as needed
- Make decisions regarding CBA matters between meetings
- Coordinate the annual evaluation of the Executive Officer
- When necessary, make interim appointments to the Enforcement Advisory Committee, Peer Review Oversight Committee, and Qualifications Committee, subject to ratification at the next CBA Meeting
- Monitor CBA member attendance at CBA Meetings and report issues to DCA
- Make interim appointments to the Vice President and Secretary/Treasurer positions should they become vacant mid-term
- Assign travel expense claims to be reviewed internally by CBA staff for adherence to established travel guidelines and subsequently delegate approval to DCA's Director or Deputy Director of Board and Bureau Relations
- Interface with the CBA staff regarding internal audit matters affecting the CBA. These matters include such issues as internal audit findings, requests for special reviews, and other related concerns or topics.

#### b. Vice President.

The Vice President shall perform the following:

- Act in the absence of the President

- Review applications and recommend appointments for membership on the Enforcement Advisory Committee, Qualifications Committee, and Peer Review Oversight Committee. Recommend reappointments of existing members, including appointments and reappointments for leadership roles.
- Perform any other duties as assigned by the CBA President
- Review and act upon time sensitive appeals to the CBA by CPA Licensure candidates

c. Secretary/Treasurer.

The Secretary/Treasurer shall perform the following:

- Act as Liaison to CBA staff for fiscal/budgetary functions and routinely report to the CBA regarding relevant matters. This includes reviewing the quarterly and year-end financial statements, in concert with the President. After review, the Secretary/Treasurer presents the financial statement to the CBA
- Perform other duties as requested by the CBA President

G. MEETINGS (Ref. Business & Professions Code §§ 5016 & 5017).

All meetings of the CBA and its committees, subcommittees and task forces are subject to the Bagley-Keene Open Meeting Act. This Act is summarized in a document developed by DCA, and includes statutory requirements for conducting Teleconference, Emergency Meetings, or both. **(Appendix 1)** NOTE: Pursuant to the provisions of Senate Bill 189 (Senate Budget and Fiscal Review Committee, Chapter 48, Statutes of 2022), various provisions of the Bagley-Keene Open Meeting Act were suspended and enabled state bodies to meet via teleconference through July 1, 2023.

1. Frequency.

The CBA meets regularly during the year. The dates are normally established annually at the January or March meeting for the following calendar year.

2. Locations.

The CBA chooses locations that are American's with Disabilities Act compliant and easily accessible to the public, applicants, and licensees. Pursuant to Business and Professions Code section 101.7, the CBA must meet at least two times each calendar year, once in Northern California and once in Southern California to facilitate participation by the public and its licensees. The CBA also recognizes its responsibility regarding the public's concern for the judicious use of public funds when choosing meeting facilities and overnight accommodations.

3. Attendance.



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**CBA Item V.F.**  
September 21-22, 2023

## **California Board of Accountancy 2023 Legislative Tracking Chart, 2023 Legislative Calendar and Considerations for Taking Positions on Legislation**

### **Presented by: Written Report Only**

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#### **Purpose of the Item**

The purpose of this agenda item is to provide an overview of any bills on which the California Board of Accountancy (CBA) has acted or taken a position on during the 2023 legislative session.

#### **Consumer Protection Objectives**

It is critical to ensure the CBA is informed regarding legislative proposals that may impact its consumer protection mission.

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

No specific action is required on this agenda item.

#### **Background**

Each year, members of the Legislature introduce bills that propose wide-ranging impacts for California. Staff review the proposed legislation and present those measures to the CBA that relate to its consumer protection mission and oversight of the practice of public accountancy in California.

#### **Comments**

The Legislative Tracking Chart for September 2023 (**Attachment 1**) reflect those bills on which the CBA previously acted or took a position on, any the CBA will consider at this meeting, and those items the CBA is currently monitoring.

Provided for CBA reference is the 2023 Legislative Calendar (**Attachment 2**) and the Considerations for Taking Positions on Legislation (**Attachment 3**).

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

There are no fiscal/economic impact considerations.

**California Board of Accountancy 2023 Legislative Tracking Chart, 2023  
Legislative Calendar, and Considerations for Taking Positions on Legislation**  
Page 2 of 2

**Recommendation**

None.

**Attachments**

1. California Board of Accountancy 2023 Legislative Tracking Chart
2. 2023 Legislative Calendar
3. Considerations for Taking Positions on Legislation



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## Attachment 1

# California Board of Accountancy 2023 Legislative Tracking Chart

## CBA Action on Legislation

Bill #	Author	Topic	Version	CBA Position	Location/Status (As of September 6, 2023)
<a href="#">SB 372</a>	Menjivar	Department of Consumer Affairs: Licensee and Registrant Records: Name and Gender Changes.	9/1/2023	No Position. Sent Letter with Concerns (4/20/2023 version)	Assembly Floor
<a href="#">SB 544</a>	Laird	Bagley-Keene Open Meeting Act: Teleconferencing.	8/14/2023	Support	Assembly Floor
<a href="#">SB 816</a>	Roth	Professions and Vocations	7/12/2023	Support	Assembly Floor
<a href="#">SB 887</a>	Roth	Consumer Affairs	4/20/2023	Support	Assembly Floor

## Monitored Legislation Items

Bill #	Author	Topic	Version	Notes	Location/Status (As of September 6, 2023)
<a href="#">AB 469</a>	Fong, V.	California Public Records Act Ombudsperson.	9/1/2023		Senate Floor
<a href="#">AB 477</a>	Waldron	Legislative Review of State Boards.	2/7/2023	2-year bill	Assembly Business and Professions Committee
<a href="#">AB 883</a>	Mathis	Business Licenses: United States Department of Defense SkillBridge Program.	5/18/2023		Senate Floor
<a href="#">AB 996</a>	Low	Department of Consumer Affairs: Continuing Education: Conflict-of-Interest Policy.	3/27/2023	Per Author: to be "gutted and amended on Senate Floor"	Senate Floor (Inactive File)
<a href="#">AB 143</a>	Budget	State Government.	8/29/2023	Both have provisions to reinstate the Bagley-Keene teleconference guidelines in existence prior to July 1.	Senate Floor
<a href="#">SB 143</a>	Budget and Fiscal Review	State Government.	8/28/2023		Assembly Budget Committee
<a href="#">SB 259</a>	Seyarto	Reports Submitted to Legislative Committees.	6/14/2023		Chapter 148, Statutes of 2023
<a href="#">SB 279</a>	Niello	Administrative Regulations: Public Participation: Comment Process.	3/21/2023	Held in Committee	Senate Appropriations Committee (Held in Committee)
<a href="#">SB 447</a>	Atkins	GO-Biz.	9/1/2023		Assembly Floor
<a href="#">SB 601</a>	McGuire	Professions and Vocations: Contractors: Home Improvement Contracts: Prohibited Business Practices: Limitation of Actions.	7/13/2023		Assembly Floor

<b>Bill #</b>	<b>Author</b>	<b>Topic</b>	<b>Version</b>	<b>Notes</b>	<b>Location/Status (As of September 6, 2023)</b>
<a href="#"><u>SB 702</u></a>	Limón	Gubernatorial Appointments: Report.	3/20/2023		Assembly Floor
<a href="#"><u>SB 802</u></a>	Roth	Licensing Boards: Disqualification from Licensure: Criminal Conviction.	2/17/2023	2-year bill	Assembly Business and Professions Committee

## 2023 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE  
Revised 11-4-22

### DEADLINES

### Attachment 2

JANUARY							
	S	M	T	W	TH	F	S
	1	2	3	4	5	6	7
Wk. 1	8	9	10	11	12	13	14
Wk. 2	15	16	17	18	19	20	21
Wk. 3	22	23	24	25	26	27	28
Wk. 4	29	30	31				

**Jan. 1** Statutes take effect (Art. IV, Sec. 8(c)).

**Jan. 4** Legislature reconvenes (J.R. 51(a)(1)).

**Jan. 10** Budget must be submitted by Governor (Art. IV, Sec. 12(a)).

**Jan. 16** Martin Luther King, Jr. Day.

**Jan. 20** Last day to submit **bill requests** to the Office of Legislative Counsel.

FEBRUARY							
	S	M	T	W	TH	F	S
Wk. 4				1	2	3	4
Wk. 1	5	6	7	8	9	10	11
Wk. 2	12	13	14	15	16	17	18
Wk. 3	19	20	21	22	23	24	25
Wk. 4	26	27	28				

**Feb. 17** Last day for bills to be **introduced** (J.R. 61(a)(1), J.R. 54(a)).

**Feb. 20** Presidents' Day.

MARCH							
	S	M	T	W	TH	F	S
Wk. 4				1	2	3	4
Wk. 1	5	6	7	8	9	10	11
Wk. 2	12	13	14	15	16	17	18
Wk. 3	19	20	21	22	23	24	25
Wk. 4	26	27	28	29	30	31	

**Mar. 30** **Spring Recess** begins upon adjournment (J.R. 51(a)(2)).

**Mar. 31** Cesar Chavez Day observed.

APRIL							
	S	M	T	W	TH	F	S
Wk. 4							1
Spring Recess	2	3	4	5	6	7	8
Wk. 1	9	10	11	12	13	14	15
Wk. 2	16	17	18	19	20	21	22
Wk. 3	23	24	25	26	27	28	29
Wk. 4	30						

**Apr. 10** Legislature reconvenes from **Spring Recess** (J.R. 51(a)(2)).

**Apr. 28** Last day for **policy committees** to hear and report to fiscal committees **fiscal bills** introduced in their house (J.R. 61(a)(2)).



## 2023 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE  
Revised 11-4-22

<b>MAY</b>							
	S	M	T	W	TH	F	S
Wk. 4		1	2	3	4	5	6
Wk. 1	7	8	9	10	11	12	13
Wk. 2	14	15	16	17	18	19	20
Wk. 3	21	22	23	24	25	26	27
No Hrgs.	28	29	30	31			

**May 5** Last day for **policy committees** to hear and report to the Floor **nonfiscal bills** introduced in their house (J.R. 61(a)(3)).

**May 12** Last day for **policy committees** to meet prior to June 5 (J.R. 61(a)(4)).

**May 19** Last day for **fiscal committees** to hear and report to the Floor bills introduced in their house (J.R. 61(a)(5)).

Last day for **fiscal committees** to meet prior to June 5 (J.R. 61(a)(6)).

**May 29** Memorial Day.

**May 30-June 2** **Floor session only.** No committee may meet for any purpose except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees (J.R. 61(a)(7)).

\*Holiday schedule subject to final approval by Rules Committee.

**OVER**

## 2023 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE  
Revised 11-4-22

JUNE							
	S	M	T	W	TH	F	S
No Hrgs.					1	2	3
Wk. 4	4	5	6	7	8	9	10
Wk. 1	11	12	13	14	15	16	17
Wk. 2	18	19	20	21	22	23	24
Wk. 3	25	26	27	28	29	30	

**June 2** Last day for each house to pass bills introduced in that house (J.R. 61(a)(8)).

**June 5** Committee meetings may resume (J.R. 61(a)(9)).

**June 15** Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)(3)).

JULY							
	S	M	T	W	TH	F	S
Wk. 3							1
Wk. 4	2	3	4	5	6	7	8
Wk. 1	9	10	11	12	13	14	15
Summer Recess	16	17	18	19	20	21	22
Summer Recess	23	24	25	26	27	28	29
Summer Recess	30	31					

**July 4** Independence Day.

**July 14** Last day for **policy committees** to meet and report bills (J.R. 61(a)(10)).

**Summer Recess** begins upon adjournment, provided Budget Bill has been passed (J.R. 51(a)(3)).

AUGUST							
	S	M	T	W	TH	F	S
Summer Recess			1	2	3	4	5
Summer Recess	6	7	8	9	10	11	12
Wk. 2	13	14	15	16	17	18	19
Wk. 3	20	21	22	23	24	25	26
Wk. 4	27	28	29	30	31		

**Aug. 14** Legislature reconvenes from Summer Recess (J.R. 51(a)(3)).

SEPTEMBER							
	S	M	T	W	TH	F	S
Wk. 4						1	2
No Hrgs.	3	4	5	6	7	8	9
No Hrgs.	10	11	12	13	14	15	16
Interim Recess	17	18	19	20	21	22	23
Interim Recess	24	25	26	27	28	29	30

**Sept. 1** Last day for **fiscal committees** to meet and report bills (J.R. 61(a)(11)).

**Sept. 4** Labor Day.

**Sept. 5-14 Floor session only.** No committees may meet for any purpose, except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(a)(12)).

**Sept. 8** Last day to **amend** on the Floor (J.R. 61(a)(13)).

**Sept. 14** Last day for each house to pass bills. (J.R. 61(a)(14)).

**Interim Recess** begins upon adjournment (J.R. 51(a)(4)).

### IMPORTANT DATES OCCURRING DURING INTERIM RECESS

## 2023 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE  
Revised 11-4-22

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### 2023

Oct. 14 Last day for Governor to sign or veto bills passed by the Legislature on or before Sept. 14 and in the Governor's possession on or after Sept. 14 (Art. IV, Sec. 10(b)(1)).

### 2024

Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).

Jan. 3 Legislature reconvenes (J.R. 51(a)(4)).

\*Holiday schedule subject to final approval by Rules Committee.



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## Attachment 3

### **Considerations for Taking Positions on Legislation**

As new bills are introduced or amended in the Legislature, the California Board of Accountancy (CBA) may take a variety of positions, which are outlined below. Introduced legislation rarely passes through the legislative process without amendments and those amendments may change the CBA's position. Should the CBA take a position on a bill, staff will track the legislation and update the CBA on any developments.

#### **Positions the CBA May Take**

##### **Sponsor:**

The CBA is the sponsor of a bill, meaning the CBA participated in the development of the legislation, will provide technical assistance to the author on any related policy areas, and advocate its passage.

##### **Support:**

CBA supports the bill as currently written and sends a letter of support to interested legislators. The CBA may decide to take proactive action in favor of the bill.

##### **Support if Amended:**

The CBA supports the concept, or certain portions of the bill, but requests an amendment to obtain the CBA's full support. This position would be communicated to legislators along with the requested amendment. If the CBA's amendment is accepted without further significant amendments, the CBA's position will be changed automatically to support the bill, and a letter reflecting this new position will be sent to the Legislature.

##### **Neutral:**

The bill in question may affect the CBA's interests in some way, but the CBA does not have a formal position. If the CBA adopts a Neutral position, it may wish to consider sending a letter to explain its viewpoint.

##### **Oppose unless Amended:**

The CBA opposes the bill as presently written, but if the bill were amended as requested by the CBA, the CBA's position would change to neutral. This position

## **Considerations for Taking Positions on Legislation**

Page 2 of 2

will be communicated to the author and other legislators, along with the suggested amendment. If the CBA's amendment is accepted without a significant change, a letter will be sent withdrawing the CBA's opposition and stating a new position.

### **Oppose:**

The CBA opposes the bill. There are no reasonable or anticipated amendments that would change the CBA's position. The CBA would send a letter of opposition to the author and other legislators and may consider taking proactive action against the bill.

### **Watch:**

The bill may develop into an item of interest for the CBA. Staff will continue to monitor the bill and update the CBA on any developments.

### **Discontinue Following:**

The bill has changed in such a way that it is no longer of interest to the CBA. Staff will stop monitoring and providing updates on the bill.

Throughout the legislative process, staff will track the bills that the CBA takes a position on, and monitor other legislation that may be of interest to the CBA.

**CALIFORNIA BOARD OF ACCOUNTANCY  
LEGISLATIVE ANALYSIS  
SB 372**

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<b>Subject:</b>	Department of Consumer Affairs: Licensee and Registrant Records: Name and Gender Changes	<b>CBA Position:</b>	No Position
<b>Version:</b>	September 1, 2023	<b>Author:</b>	Menjivar
<b>Status:</b>	Assembly Floor	<b>Sponsor:</b>	CA Association of Marriage and Family Therapists

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### **Summary**

Senate Bill (SB) 372 (**Attachment 1**) proposes to protect the privacy and ensure the safety of transgender and non-binary Californians by eliminating the use of deadnames<sup>1</sup> at the Department of Consumer Affairs (DCA) for licensed professionals who have changed their legal names. The bill had minor technical amendments made on September 1, 2023.

### **Background**

Existing law under Business and Professions Code (BPC) section 27 requires specified boards within DCA to provide information on the internet regarding the status of every license issued by that entity in accordance with the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code) and the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code).

The public information to be provided on the internet must include information on suspensions and revocations of licenses issued by the entity and other related enforcement actions, including accusations filed pursuant to the Administrative Procedure Act. Each entity is required to disclose a licensee's address of record.

### **Analysis**

This measure would add BPC section 27.5 to require boards within DCA, upon request from the licensee or registrant (licensee) and receipt of government-issued documentation, to 1) update a licensee's legal name or gender on the license, with references to the current name or gender after receiving government-issued documentation, and 2) update its online license verification system to replace references to the licensee's former name or gender with the current name or gender. The licensee's former name or gender shall not be published online.

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<sup>1</sup> Per the fact sheet, deadnaming occurs when someone intentionally or unintentionally refers to a trans or non-binary person by the name they previously used.

If the licensee was previously subject to an enforcement action referencing the individual's former name or gender, the board shall post an online statement directing the public to contact the board for more information about the licensee's prior enforcement action, in lieu of posting the enforcement action online.

The bill specifies that documents authorizing a name or gender change of a licensee are confidential and not subject to public inspection or disclosure. The board, when receiving public requests for more information about licensees, shall ensure compliance with the Public Records Act.

SB 372 specifies that either of the following is required to demonstrate a legal name change of a licensee:

- 1) A certified court order issued pursuant to a proceeding authorized by subdivision (b) of Section 1277 of the Code of Civil Procedure and a copy of the certificate issued under the Secretary of State's Safe at Home program authorized by Chapter 3.1 (commencing with Section 6205) of Division 7 of Title 1 of the Government Code reflecting the licensee's updated name.
- 2) A certified court order issued pursuant to a proceeding authorized by Section 1277.5 of the Code of Civil Procedure or Article 7 (commencing with Section 103425) of Chapter 11 of Part 1 of Division 102 of the Health and Safety Code reflecting the licensee's updated name.

Any of the following government-issued documentation is sufficient for a licensee to demonstrate a gender change:

- 1) State-issued driver's license or identification card
- 2) Birth certificate
- 3) Passport
- 4) Social security card
- 5) Court order indicating a gender change from a court of this state, another state, the District of Columbia, any territory of the United States, or any foreign court

To ensure that documents pertaining to a licensee's name or gender change are kept confidential, the bill specifies that all records related to such a request shall be deemed confidential and not subject to public inspection or disclosure.

The Legislature finds and declares that this measure imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest: To protect the privacy rights and safety of individuals, it is necessary that this act limit the public's right of access to that information.

## **Recommendation**

Staff have no recommended position on SB 372.

## **Fiscal Estimate**

There will be a workload impact to the CBA to update information on the CBA website, complete any increase in name changes, and process any increase in PRA requests.

## **Support/Opposition**

Support: CA Association of Marriage and Family Therapists (Co-Sponsor)  
CA State Association of Psychiatrists (Co-Sponsor)  
CA Association of Social Rehabilitation Agencies (Co-Sponsor)  
CA Council of Community Behavioral Health Agencies (Co-Sponsor)  
CA Psychological Association (Co-Sponsor)  
CA Association for Licensed Professional Clinical Counselors (Co-Sponsor)  
National Association of Social Workers – CA (Co-Sponsor)  
Psychiatric Physicians Alliance of California (Co-Sponsor)  
AFSCME  
Asian Americans for Community Involvement  
Board of Behavioral Sciences  
California Academy of Family Physicians  
California Access Coalition  
California Consortium of Addiction Programs and Professionals  
California Dental Association  
County Behavioral Health Directors Association of California  
Equality California  
PathPoint  
Steinberg Institute  
Sycamores  
The Kennedy Forum

Opposition: Physician Assistant Board  
California Board of Psychology

## **Effective/Operative Date**

January 1, 2024

## **Related Bills**

- Assembly Bill (AB) 2315 (Arambula, Chapter 932, Statutes of 2022) requires the governing board of each community college district to implement a system by which students, staff, and faculty can declare an affirmed name, gender, or both, to be used and to be updated, in certain records.



## **SB 372**

Page 4 of 4

- AB 421 (Ward, Chapter 40, Statutes of 2022) updates procedures for changing gender and sex identifiers on official documents, addressing internal inconsistencies from AB 218 of 2021.
- AB 218 (Ward, Chapter 577, Statutes of 2021) creates, as of January 1, 2023, a process for a petitioner seeking a change of gender to also request that their marriage license and certificate and their children's birth certificates be reissued with updated information about the petitioner.

### **Attachments**

1. SB 372
2. California Board of Accountancy Concerns Letter
3. SB 372 Fact Sheet

AMENDED IN ASSEMBLY SEPTEMBER 1, 2023

AMENDED IN ASSEMBLY JUNE 28, 2023

AMENDED IN ASSEMBLY JUNE 12, 2023

AMENDED IN SENATE APRIL 20, 2023

AMENDED IN SENATE MARCH 20, 2023

**SENATE BILL**

**No. 372**

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**Introduced by Senator Menjivar**

**(Coauthors: Senators Cortese and Wiener)**

(Coauthors: Assembly Members Haney, Lee, Pellerin, and Wallis)

February 9, 2023

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An act to add Section 27.5 to the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 372, as amended, Menjivar. Department of Consumer Affairs: licensee and registrant records: name and gender changes.

Existing law establishes in the Business, Consumer Services, and Housing Agency the Department of Consumer Affairs. Existing law establishes various boards within the department for the licensure, regulation, and discipline of various professions and vocations. Existing law defines "board" for purposes of the Business and Professions Code to include bureau, commission, committee, department, division, examining committee, program, and agency, unless otherwise expressly provided.

This bill would require a board *within the Department of Consumer Affairs* to update a licensee's or registrant's license by replacing references to the former name or gender on the license or registration,

as specified, if the board receives documentation, as described, from the licensee or registrant demonstrating that the licensee or registrant's legal name or gender has been changed. If the board operates an online license verification system, the bill would require the board to replace references to the licensee's or registrant's former name or *gender* with the individual's current name or gender, as applicable, on the publicly viewable information displayed on the internet. The bill would prohibit a board from publishing information relating to the licensee's or registrant's former name or gender online. Instead, the bill would require the board to post an online statement directing the public to contact the board for more information. For specified licensees or registrants, the board would be prohibited from posting enforcement records online, but would be required to post an online statement stating that the individual was previously subject to an enforcement action and directing the public to contact the board, as prescribed. The bill would provide that all records related to a request to update an individual's license or registration under these provisions are confidential and not subject to public inspection or disclosure. The bill would require the board, if requested by a licensee or registrant, to reissue any license created by the board and conferred upon the licensee or registrant. The bill would prohibit a board from charging a higher fee for reissuing a license with an updated legal name or gender than the fee it charges for reissuing a license with other updated information.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

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 27.5 is added to the Business and  
2 Professions Code, to read:  
3 27.5. (a) (1) Notwithstanding any other law, if a board *within*  
4 *the Department of Consumer Affairs* receives government-issued  
5 documentation, as described in subdivision (b), from a licensee or  
6 registrant demonstrating that the licensee's or registrant's legal

1 name or gender has been changed, the board, upon request by the  
2 licensee or registrant, shall update the individual's license or  
3 registration by replacing references to the former name or gender  
4 on the license or registration, as applicable, with references to the  
5 current name or gender.

6 (2) (A) If the board operates an online license verification  
7 system, upon request by a licensee or registrant whose name or  
8 gender was updated pursuant to paragraph (1), the board shall  
9 replace references to the licensee's or registrant's former name or  
10 gender with the individual's current name or gender, as applicable,  
11 on the publicly viewable information displayed on the internet  
12 about the licensee or registrant. The licensee's or registrant's  
13 former name or gender, as applicable, shall not be published online.

14 (B) Notwithstanding any other law, for licensees or registrants  
15 subject to subparagraph (A) who were previously subject to an  
16 enforcement action referencing the individual's former name or  
17 gender, as applicable, the board shall not post enforcement records  
18 online, but shall instead post online a statement stating that the  
19 individual previously was subject to enforcement action and  
20 directing the public to contact the board for more information about  
21 the licensee's or registrant's prior enforcement action. The board  
22 shall ensure compliance with the California Public Records Act  
23 (Division 10 (commencing with Section 7920.000) of Title 1 of  
24 the Government Code) in implementing this section, including,  
25 but not limited to, responding to a request for records within 10  
26 days from receipt of the request, as specified in Section 7922.535  
27 of the Government Code.

28 (C) If a public search of the online license verification system  
29 is performed using a licensee's or registrant's former name that  
30 was replaced pursuant to subparagraph (A), the board shall post  
31 an online statement directing the public to contact the board for  
32 more information about the licensee or registrant.

33 (3) If requested by the licensee or registrant, the board shall  
34 reissue the license created by the board and conferred upon the  
35 licensee or registrant by the board. A board shall not charge a  
36 higher fee for reissuing a document with an updated legal name  
37 or gender than the fee it regularly charges for reissuing a document  
38 with other updated information.

1 (b) (1) The documentation identified in either of the following  
2 is required to demonstrate a legal name change of a licensee or  
3 registrant:

4 (A) A certified court order issued pursuant to a proceeding  
5 authorized by subdivision (b) of Section 1277 of the Code of Civil  
6 Procedure and a copy of the certificate issued under the Secretary  
7 of State's Safe at Home program authorized by Chapter 3.1  
8 (commencing with Section 6205) of Division 7 of Title 1 of the  
9 Government Code reflecting the licensee's or registrant's updated  
10 name.

11 (B) A certified court order issued pursuant to a proceeding  
12 authorized by Section 1277.5 of the Code of Civil Procedure or  
13 Article 7 (commencing with Section 103425) of Chapter 11 of  
14 Part 1 of Division 102 of the Health and Safety Code reflecting  
15 the licensee's or registrant's updated name.

16 (2) Any of the following documents—~~is~~ *are* sufficient to  
17 demonstrate a gender change of a licensee or registrant:

18 (A) State-issued driver's license or identification card.

19 (B) Birth certificate.

20 (C) Passport.

21 (D) Social security card.

22 (E) Court order indicating a gender change from a court of this  
23 state, another state, the District of Columbia, any territory of the  
24 United States, or any foreign court.

25 (c) Notwithstanding any other law, all records related to a  
26 request by a licensee or registrant for a board to update the  
27 individual's license or registration pursuant to this section,  
28 including, but not limited to, all documentation described in  
29 subdivision (b), are confidential and not subject to public inspection  
30 or disclosure.

31 SEC. 2. The Legislature finds and declares that Section 1 of  
32 this act, which adds Section 27.5 to the Business and Professions  
33 Code, imposes a limitation on the public's right of access to the  
34 meetings of public bodies or the writings of public officials and  
35 agencies within the meaning of Section 3 of Article I of the  
36 California Constitution. Pursuant to that constitutional provision,  
37 the Legislature makes the following findings to demonstrate the  
38 interest protected by this limitation and the need for protecting  
39 that interest:

1 In order to protect the privacy rights and safety of individuals,  
2 it is necessary that this act limit the public's right of access to that  
3 information.

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June 7, 2023

**Attachment 2**

The Honorable Caroline Menjivar  
California State Assembly  
1021 O Street, Room 6720  
Sacramento, CA 95814

**Bill: SB 372**

Dear Senator Menjivar:

At its May 18, 2023 meeting, the California Board of Accountancy (CBA) discussed Senate Bill (SB) 372, as amended on April 20, 2023.

SB 372 would require Department of Consumer Affairs' (DCA) boards to update a licensee's legal name or gender in its online license verification system upon receipt of appropriate documentation, and to hold the licensee's former name or gender as confidential, as specified.

The policy focus of the bill, specifically addressing the practice of "deadnaming," is commendable and consistent with the CBA's goals for diversity, equity, access, and inclusion as is stated in the current CBA Strategic Plan. The Plan specifies being receptive to new ideas, supporting a variety of perspectives, and being responsive and considerate to all individuals. However, there may be a potential consumer impact based on how the legislation is implemented.

Presently, consumers can access both license and enforcement-related information directly from the online license verification system (referred to as License Lookup) and can also access enforcement-specific information directly from the CBA website via a name or license number search.

If consumers use the CBA's public enforcement documents search tool and locate disciplinary information on a licensee who has subsequently changed their name, they may be unable to locate the licensee when searching for that name using License Lookup to verify licensure.

As proposed in SB 372, the provisions of this bill as drafted would apply to all licensees requesting a name change, not just those who are transgender or non-binary and want to prevent possible deadnaming. It does not take into consideration licensees who may want to retain their former name in an online database. For example, it's possible a

licensee who changes their name as a result of marriage may want their prior name accessible for business purposes.

The CBA understands that DCA has been working with your office and stakeholders on amendments. Although the CBA hasn't taken a formal position on this measure yet, it appears that the DCA-proposed amendments would address implementation concerns noted in our letter.

The CBA stands ready to be a resource or participate in discussions on ways to enhance SB 372 to facilitate the elimination of deadnaming while also ensuring consumer access to critical licensure information is maintained.

If you have questions, please contact Dominic Franzella, Acting Executive Officer, at (916) 561-1711 or [Dominic.Franzella@cba.ca.gov](mailto:Dominic.Franzella@cba.ca.gov).

Sincerely,



Katrina L. Salazar, CPA  
President

- c: Members, California Board of Accountancy
- Members, Assembly Business and Professions Committee
- Members, Senate Business, Professions and Economic Development Committee
- Elissa Silva, Consultant, Senate Business, Professions and Economic Development Committee
- Kaitlin Curry, Consultant, Assembly Business and Professions Committee
- Bill Lewis, Principal Consultant, Assembly Republican Caucus
- Kayla Williams, Consultant, Senate Republican Caucus



# Senate Bill 372

## RESPECT FOR NAMES ACT

### Senator Caroline Menjivar (D – San Fernando Valley)

#### SUMMARY

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SB 372 would work to protect the privacy and ensure the safety of transgender and non-binary Californians by eliminating the use of deadnames at the Department of Consumer Affairs (DCA) for licensed professionals who have changed their legal names.

#### PROBLEM

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Deadnaming occurs when someone intentionally or unintentionally refers to a trans or non-binary person by the name they previously used. Currently, when a licensed professional has legally changed their name, their original or deadname still **appears in the DCA's BreEZe** online license verification system. This practice can both negatively impact the mental health as well as the physical safety of all licensees under DCA who are identified by their deadname online.

#### BACKGROUND

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Transgender people experience high rates of discrimination, especially if they are known or believed to be trans. The National Center for Transgender Equality found in their 2015 US Trans Survey that 46% of people surveyed had been verbally harassed and 9% had been physically assaulted for their trans identity. Additionally, 30% reported experiencing discrimination in the workplace or with prospective employers. The UCLA Williams Institute found that trans adults have a suicidal ideation rate 12 times higher and a suicide attempt rate 18 times higher than the general population.<sup>1</sup>

When transgender or non-binary people transition or come out, they may choose a new name to affirm their identity. Research has shown that referring to someone using their chosen name can reduce depressive symptoms and even suicidal ideation and behavior for transgender people.<sup>2</sup>

The DCA licenses professionals ranging from mental health service providers to chiropractors to nurses. It is imperative that the state take every step to uplift and

<sup>1</sup> Suicide Thoughts and Attempts Among Transgender Adults - Williams Institute (ucla.edu)

<sup>2</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6165713/>

protect trans and non-binary Californians. DCA can help protect its over 3.4 million licensed professionals by ensuring that trans and non-binary licensees who have legally changed their names have their identities reflected on their online system.

#### SOLUTION

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SB 372 takes a simple step to protect the safety and privacy of trans and non-binary licensees by requiring DCA to update the BreEZe online license verification system to limit the online display only **to the licensee's** legal name. It will also direct DCA to create a process by which a licensee with a former name can be identified for purposes of accessing an enforcement action under a prior name..

#### STATUS

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Amended March 20<sup>th</sup> - 2023

#### SUPPORT

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CA Association of Marriage and Family Therapists (Co-Sponsor)  
 CA State Association of Psychiatrists (Co-Sponsor)  
 CA Association of Social Rehabilitation Agencies (Co-Sponsor)  
 CA Council of Community Behavioral Health Agencies (Co-Sponsor)  
 CA Psychological Association (Co-Sponsor)  
 CA Association for Licensed Professional Clinical Counselors (Co-Sponsor)  
 National Association of Social Workers – CA (Co-Sponsor)  
 Psychiatric Physicians Alliance of California (Co-Sponsor)  
 AFSCME  
 Asian Americans for Community Involvement  
 California Access Coalition  
 California Council of Community Behavioral Health Agencies (CHBA)  
 California Dental Association  
 Equality California  
 PathPoint

#### CONTACT

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Rainer Apostol  
Office of Senator Caroline Menjivar  
(916) 651-4020



**CALIFORNIA BOARD OF ACCOUNTANCY  
LEGISLATIVE ANALYSIS  
SB 544**

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<b>Subject:</b>	Bagley-Keene Open Meeting Act: Teleconferencing.	<b>CBA Position:</b>	<b>Support</b>
<b>Version:</b>	August 14, 2023	<b>Author:</b>	Laird
<b>Status:</b>	Assembly Appropriations Committee	<b>Sponsor:</b>	California Commission on Aging

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### **Summary**

Senate Bill (SB) 544 (**Attachment 1**) would amend the Bagley-Keene Open Meeting Act (Bagley-Keene) related to how a state body conducts a meeting by teleconference. The bill would require state bodies to provide an opportunity for the public to address the state body, ensure the state body implements procedures to accommodate and resolve requests from individuals with disabilities, cease or recess meetings when technical issues are identified, and provide transparency for those participating remotely by requiring the disclosure of other individuals 18 years of age and older who are present.

Following the July California Board of Accountancy (CBA) meeting the bill was amended to require that a majority of the members be present at one location for a minimum of 50% of the meetings of the entity each year and add a repeal date of January 1, 2026.

### **Recommendation**

**Maintain Support Position.** Staff recommend the CBA maintain its Support position (**Attachment 2**) on SB 544.

### **Background**

Existing law (Government Code (GC) section 11120) establishes the Bagley-Keene Open Meeting Act, which requires state bodies to conduct their business in open public meetings, except as provided in Bagley-Keene, and establishes requirements and procedures for such meetings.

At the outset of the pandemic in March 2020, Governor Newsom issued Executive Order N-29-20, which stated:

Notwithstanding any other provision of state or local law (including, but not limited to, the Bagley-Keene Act or the Brown Act), and subject to the notice and accessibility requirements set forth below, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public

meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body or state body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting, are hereby waived.

Assembly Bill (AB) 361 (Rivas, Chapter 165, Statutes of 2021) amended GC section 11133 to provide that until January 31, 2022, meetings of state bodies may be conducted via teleconference.

On January 5, 2022, Governor Newsom signed a new executive order extending the sunset of the teleconference provisions of AB 361. Under Executive Order N-1-22, state bodies were permitted to continue holding public meetings via teleconference through March 31, 2022.

AB 189 (Committee on Budget, Chapter 48, Statutes of 2022), authorized through July 1, 2023, state bodies to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and address the state body.

## **Analysis**

According to the fact sheet (**Attachment 3**), the author states:

Senate Bill 544 updates teleconferencing requirements in the Bagley-Keene Act, which governs how state boards and commissions conduct open meetings, to promote equity and public participation through virtual meetings while safeguarding the personal safety of board and commission members.

### Provisions of the Bill

SB 544 would require that, beginning January 1, 2024, if a state body elects to conduct a meeting by teleconference, it must provide a means by which the public may remotely hear, remotely observe, or attend the meeting by providing on the posted agenda a teleconference telephone number, a website or other online platform, and a physical address for at least one site with access equivalent to that of a member of the state body participating remotely.

The specified teleconference telephone number, website or other online platform, and physical address indicating how the public can access the meeting remotely and in person shall be identified in any required meeting notice.

Under this bill, a majority of the members of the state body (constituting a quorum) would be required to be present at one physical location for a minimum of 50% of the meetings of the state body each year.

The bill requires that if a state body holds a meeting through teleconference, and allows a member of the public to observe and address the meeting, the state body must: 1) implement a procedure to receive and swiftly resolve requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990; and 2) advertise that procedure each time notice is given when members of the public may observe the meeting or offer public comment.

SB 544 would prohibit the meeting notice and agenda from disclosing remote location information from which a member is participating. Under this bill, members of the public would be entitled to exercise their right to directly address the state body during the teleconferenced meeting without being required to submit public comments prior to the meeting or in writing.

In the event that a state body discovers a means of remote participation has failed during a meeting and cannot be restored, the state body must end or adjourn the meeting in accordance with the prescribed adjournment and notice provisions, including information about reconvening.

If a member of a state body attends a meeting by teleconference from a remote location, this bill would require that member to disclose whether any other individuals 18 years or older are present in the room at the remote location, and the general nature of the member's relationship to that individual.

The bill makes legislative findings and declarations, stating that during the COVID-19 emergency, audio and video teleconferencing were widely used to conduct public meetings in lieu of physical meetings, that those meetings have been productive, increased public participation by all members of the public regardless of their location, increased the pool of people of those who are able to serve on these bodies, protected the health and safety of civil servants and public, and have reduced travel costs incurred by members of state bodies and reduced work hours traveling to and from meetings.

These provisions would be repealed on January 1, 2026.

#### Potential Impacts to the CBA

The overall goal of this measure is to establish permanent changes in the Bagley-Keene Act that would facilitate teleconference meetings in nearly the same manner as they have been conducted under the Governor's executive orders resulting from the COVID-19 pandemic and codified in AB 189.

Below is an overview of steps the CBA would need to take to implement the provisions of SB 544:

- The CBA would be required to have at least one physical meeting location where members of the public can attend and address members (any members that are present and those participating remotely). This would eliminate a prior requirement that teleconference meeting agendas include all physical meeting locations for all members participating remotely.
- If a member participates remotely, they would need to disclose if another individual, who is 18 years of age or older, is present at their location and the general nature of the relationship with the individual.
- Identify a process to notify interested persons if technical issues occur that require a meeting to end or be adjourned and reconvened on the same day.
- Implement procedures to quickly resolve requests for reasonable modifications or accommodations from individuals with disabilities consistent with the federal Americans with Disabilities Act. (Note: the CBA presently has a designated staff member to address requests for accommodations).
- Ensure a majority of the CBA members (constituting a quorum) are present at a physical location for a minimum of 50% of the meetings (three CBA meetings) each year.

As drafted, this bill would require CBA and other state bodies to operate under pre-pandemic meeting rules, as it relates to teleconference meetings, between July 2, 2023 and December 31, 2023, since AB 189 (Committee on Budget, Chapter 48, Statutes of 2022) is only effective through July 1, 2023, and SB 544 would not take effect until January 1, 2024.

### **Fiscal Estimate**

If the CBA were to meet primarily by teleconference, in accordance with the provisions of SB 544, it would result in cost savings to the CBA. The savings would fluctuate based on the number of members who participate via teleconference versus those who would attend in person. The pre-pandemic costs for in-person CBA meetings in 2019 was \$158,105.

### **Support/Opposition** (verified July 10, 2023)

Support: California Commission on Aging (Sponsor)  
AARP  
Advisory Council for Sourcewise  
Agency on Aging \ Area 4  
Alcoholic Beverage Control Appeals Board  
Board of Behavioral Sciences  
California Acupuncture Board  
California Architects Board  
California Board of Accountancy  
California State Board of Optometry  
California State Board of Pharmacy  
California State Council on Developmental Disabilities (SCDD)

California Structural Pest Control Board  
Dental Board of California  
Dental Hygiene Board of California  
Department of Consumer Affairs, Board of Barbering and Cosmetology  
Department of Consumer Affairs, Speech-language Pathology and  
Audiology and Hearing Aid Dispensers Board  
Disability Rights California  
Health Officers Association of California  
Medical Board of California  
Osteopathic Medical Board of California  
Physical Therapy Board of California  
The Veterinary Medical Board

Opposition: American Chemistry Council  
American Composites Manufacturers Association  
California Association of Winegrape Growers  
California Manufacturers & Technology Association  
Glass Packaging Institute

Opposed unless Amended:

ACLU California Action  
California Broadcasters Association  
California Common CAUSE  
California News Publishers Association  
Californians Aware: the Center for Public Forum Rights  
Ccnma: Latino Journalists of California  
First Amendment Coalition  
Howard Jarvis Taxpayers Association (HJTA)  
Institute of Governmental Advocates  
Media Alliance  
National Press Photographers Association  
Nlgja: Association of Lgbtq+ Journalists  
Northern California Society of Professional Journalists  
Orange County Press Club  
Pacific Media Workers Guild (the Newsguild-communications Workers of  
America Local 39521)  
Radio Television Digital News Association  
San Diego Pro Chapter of The Society of Professional Journalists  
Society of Professional Journalists, Greater Los Angeles Chapter

**Effective/Operative Date**

January 1, 2024

**Related Bills**

- AB 143 (Budget) \ SB 143 (Budget and Fiscal Review) budget trailer bills that would reinstate the authorization for a state body to hold public meetings using teleconferencing provisions that existed prior to July 1, 2023 (and used through the COVID-19 emergency), through December 31, 2023.
- AB 189 (Committee on Budget, Chapter 48, Statutes of 2022). Authorized a state body to hold public meetings through teleconferencing and to make public meetings accessible telephonically, or otherwise electronically, to all members of the public seeking to observe and to address the state body through July 1, 2023. The bill maintained the existing meeting notice and agenda posting requirements.
- AB 1733 (Quirk, 2022) would have permitted state bodies to meet via teleconference, permit state body members to participate either remotely or in-person, and require state bodies to permit members of the public to directly address the state body during a teleconferenced meeting. The bill would have required members who participate remotely with another adult present at their location to report that presence. In the event of a known connection failure, the state body would have been required to adjourn the meeting (never heard in Assembly Governmental Organization Committee).
- AB 361 (Robert Rivas, Chapter 165, Statutes of 2021) allowed, until January 31, 2022, state bodies to use teleconferencing without complying with specified Bagley-Keene requirements in certain state emergencies and provides similar authorizations for legislative bodies subject to the Gloria Romero Open Meetings Act of 2000.

**Attachments**

1. Senate Bill 544
2. California Board of Accountancy Support Letter
3. Senate Bill 544 Fact Sheet



AMENDED IN ASSEMBLY AUGUST 14, 2023

AMENDED IN SENATE APRIL 27, 2023

AMENDED IN SENATE MARCH 20, 2023

**SENATE BILL**

**No. 544**

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**Introduced by Senator Laird**

February 15, 2023

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An act to ~~amend~~ *amend, repeal, and add* Section 11123 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

SB 544, as amended, Laird. Bagley-Keene Open Meeting Act: teleconferencing.

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 authorizes meetings through teleconference subject to specified requirements, including, among others, that the state body post agendas at all teleconference locations, that each teleconference location be identified in the notice and agenda of the meeting or proceeding, that each teleconference location be accessible to the public, that the agenda provide an opportunity for members of the public to address the state body directly at each teleconference location, and that at least one member of the state body be physically present at the location specified in the notice of the meeting.

Existing law, until July 1, 2023, ~~authorizes~~ *authorized*, subject to specified notice and accessibility requirements, a state body to hold public meetings through teleconferencing and ~~suspends~~ *suspended*

certain requirements of the act, including the above-described teleconference requirements.

This bill would ~~amend existing law that will remain operative after July 1, 2023, to remove indefinitely~~ the teleconference requirements that a state body post agendas at all teleconference locations, that each teleconference location be identified in the notice and agenda of the meeting or proceeding, and that each teleconference location be accessible to the public. The bill would require a state body to provide a means by which the public may remotely hear audio of the meeting, remotely observe the meeting, or attend the meeting by providing on the posted agenda a teleconference telephone number, an internet website or other online platform, and a physical address for at least one site, including, if available, access equivalent to the access for a member of the state body participating remotely. The bill would require any notice required by the act to specify the applicable teleconference telephone number, internet website or other online platform, and physical address indicating how the public can access the meeting remotely and in person. The bill would revise existing law to no longer require that members of the public have the opportunity to address the state body directly at each teleconference location, but would continue to require that the agenda provide an opportunity for members of the public to address the state body directly. The bill would require a member or staff to be physically present at the location specified in the notice of the meeting. *The bill would require a majority of the members of the state body to be physically present at the same location for at least 1/2 of the meetings of that state body.*

This bill would provide that it does not affect prescribed existing notice and agenda requirements and would require the state body to post an agenda on its internet website and, on the day of the meeting, at any physical meeting location designated in the notice of the meeting. The bill would prohibit the notice and agenda from disclosing information regarding any remote location from which a member is participating and define “remote location” for this purpose. The bill would provide that members of the public shall be entitled to exercise their right to directly address the state body during the teleconferenced meeting without being required to submit public comments prior to the meeting or in writing.

This bill would require a state body, upon discovering that a means of remote participation required by the bill has failed during a meeting and cannot be restored, to end or adjourn the meeting in accordance

with prescribed adjournment and notice provisions, including information about reconvening.

This bill would require a state body that holds a meeting through teleconferencing pursuant to the bill and allows members of the public to observe and address the meeting telephonically or otherwise electronically to implement and advertise, as prescribed, a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990.

This bill would require a member of a state body who attends a meeting by teleconference from a remote location to disclose whether any other individuals 18 years of age or older are present in the room at the remote location with the member and the general nature of the member's relationship with any such individuals.

*This bill would repeal its provisions on January 1, 2026.*

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

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 11123 of the Government Code is  
2 amended to read:  
3 11123. (a) All meetings of a state body shall be open and  
4 public and all persons shall be permitted to attend any meeting of  
5 a state body except as otherwise provided in this article.  
6 (b) (1) This article does not prohibit a state body from holding  
7 an open or closed meeting by teleconference for the benefit of the  
8 public and state body. The meeting or proceeding held by  
9 teleconference shall otherwise comply with all applicable  
10 requirements or laws relating to a specific type of meeting or  
11 proceeding, including the following:  
12 (A) The teleconferencing meeting shall comply with all  
13 requirements of this article applicable to other meetings.

1 (B) The portion of the teleconferenced meeting that is required  
2 to be open to the public shall be audible to the public at the location  
3 specified in the notice of the meeting.

4 (C) If the state body elects to conduct a meeting or proceeding  
5 by teleconference, it shall conduct teleconference meetings in a  
6 manner that protects the rights of any party or member of the public  
7 appearing before the state body. The state body shall provide a  
8 means by which the public may remotely hear audio of the meeting,  
9 remotely observe the meeting, or attend the meeting by providing  
10 on the posted agenda a teleconference telephone number, an  
11 internet website or other online platform, and a physical address  
12 for at least one site, including, if available, access equivalent to  
13 the access for a member of the state body participating remotely.  
14 The applicable teleconference telephone number, internet website  
15 or other online platform, and physical address indicating how the  
16 public can access the meeting remotely and in person shall be  
17 specified in any notice required by this article.

18 (D) The agenda shall provide an opportunity for members of  
19 the public to address the state body directly pursuant to Section  
20 11125.7.

21 (E) All votes taken during a teleconferenced meeting shall be  
22 by rollcall.

23 (F) The portion of the teleconferenced meeting that is closed to  
24 the public may not include the consideration of any agenda item  
25 being heard pursuant to Section 11125.5.

26 (G) At least one member or staff of the state body shall be  
27 physically present at the location specified in the notice of the  
28 meeting.

29 *(H) A majority of the members of the state body shall be present*  
30 *at the same physical location for at least one-half of the meetings*  
31 *of the state body each year.*

32 ~~(H)~~

33 (I) This section does not affect the requirement prescribed by  
34 this article that the state body post an agenda of a meeting in  
35 accordance with the applicable notice requirements of this article,  
36 including Section 11125, requiring the state body to post an agenda  
37 of a meeting at least 10 days in advance of the meeting, Section  
38 11125.4, applicable to special meetings, and Sections 11125.5 and  
39 11125.6, applicable to emergency meetings. The state body shall  
40 post the agenda on its internet website and, on the day of the

1 meeting, at any physical meeting location designated in the notice  
2 of the meeting. The notice and agenda shall not disclose  
3 information regarding any remote location from which a member  
4 is participating.

5 (I)

6 (J) Members of the public shall be entitled to exercise their right  
7 to directly address the state body during the teleconferenced  
8 meeting without being required to submit public comments prior  
9 to the meeting or in writing.

10 (J)

11 (K) Upon discovering that a means of remote participation  
12 required by this section has failed during a meeting and cannot be  
13 restored, the state body shall end or adjourn the meeting in  
14 accordance with Section 11128.5. In addition to any other  
15 requirements that may apply, the state body shall provide notice  
16 of the meeting's end or adjournment on the state body's internet  
17 website and by email to any person who has requested notice of  
18 meetings of the state body by email under this article. If the  
19 meeting will be adjourned and reconvened on the same day, further  
20 notice shall be provided by an automated message on a telephone  
21 line posted on the state body's agenda, internet website, or by a  
22 similar means, that will communicate when the state body intends  
23 to reconvene the meeting and how a member of the public may  
24 hear audio of the meeting or observe the meeting.

25 (2) For the purposes of this subdivision, both of the following  
26 definitions shall apply:

27 (A) "Teleconference" means a meeting of a state body, the  
28 members of which are at different locations, connected by  
29 electronic means, through either audio or both audio and video.  
30 This section does not prohibit a state body from providing members  
31 of the public with additional locations in which the public may  
32 observe or address the state body by electronic means, through  
33 either audio or both audio and video.

34 (B) "Remote location" means a location from which a member  
35 of a state body participates in a meeting other than any physical  
36 meeting location designated in the notice of the meeting. Remote  
37 locations need not be accessible to the public.

38 (c) If a state body holds a meeting through teleconferencing  
39 pursuant to this section and allows members of the public to

1 observe and address the meeting telephonically or otherwise  
2 electronically, the state body shall also do both of the following:

3 (1) Implement a procedure for receiving and swiftly resolving  
4 requests for reasonable modification or accommodation from  
5 individuals with disabilities, consistent with the federal Americans  
6 with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and  
7 resolving any doubt whatsoever in favor of accessibility.

8 (2) Advertise that procedure each time notice is given of the  
9 means by which members of the public may observe the meeting  
10 and offer public comment.

11 (d) The state body shall publicly report any action taken and  
12 the vote or abstention on that action of each member present for  
13 the action.

14 (e) If a member of a state body attends a meeting by  
15 teleconference from a remote location, the member shall disclose  
16 whether any other individuals 18 years of age or older are present  
17 in the room at the remote location with the member, and the general  
18 nature of the member's relationship with any such individuals.

19 (f) For purposes of this section, "participate remotely" means  
20 participation in a meeting at a location other than the physical  
21 location designated in the agenda of the meeting.

22 (g) *This section shall remain in effect only until January 1, 2026,*  
23 *and as of that date is repealed.*

24 *SEC. 2. Section 11123 is added to the Government Code, to*  
25 *read:*

26 *11123. (a) All meetings of a state body shall be open and*  
27 *public and all persons shall be permitted to attend any meeting of*  
28 *a state body except as otherwise provided in this article.*

29 (b) (1) *This article does not prohibit a state body from holding*  
30 *an open or closed meeting by teleconference for the benefit of the*  
31 *public and state body. The meeting or proceeding held by*  
32 *teleconference shall otherwise comply with all applicable*  
33 *requirements or laws relating to a specific type of meeting or*  
34 *proceeding, including the following:*

35 (A) *The teleconferencing meeting shall comply with all*  
36 *requirements of this article applicable to other meetings.*

37 (B) *The portion of the teleconferenced meeting that is required*  
38 *to be open to the public shall be audible to the public at the*  
39 *location specified in the notice of the meeting.*

1 (C) If the state body elects to conduct a meeting or proceeding  
2 by teleconference, it shall post agendas at all teleconference  
3 locations and conduct teleconference meetings in a manner that  
4 protects the rights of any party or member of the public appearing  
5 before the state body. Each teleconference location shall be  
6 identified in the notice and agenda of the meeting or proceeding,  
7 and each teleconference location shall be accessible to the public.  
8 The agenda shall provide an opportunity for members of the public  
9 to address the state body directly pursuant to Section 11125.7 at  
10 each teleconference location.

11 (D) All votes taken during a teleconferenced meeting shall be  
12 by rollcall.

13 (E) The portion of the teleconferenced meeting that is closed to  
14 the public may not include the consideration of any agenda item  
15 being heard pursuant to Section 11125.5.

16 (F) At least one member of the state body shall be physically  
17 present at the location specified in the notice of the meeting.

18 (2) For the purposes of this subdivision, “teleconference” means  
19 a meeting of a state body, the members of which are at different  
20 locations, connected by electronic means, through either audio or  
21 both audio and video. This section does not prohibit a state body  
22 from providing members of the public with additional locations  
23 in which the public may observe or address the state body by  
24 electronic means, through either audio or both audio and video.

25 (c) The state body shall publicly report any action taken and  
26 the vote or abstention on that action of each member present for  
27 the action.

28 (d) This section shall become operative on January 1, 2026.

29 ~~SEC. 2.~~

30 SEC. 3. The Legislature finds and declares that Section 1 of  
31 this act, which amends Section 11123 of the Government Code,  
32 imposes a limitation on the public’s right of access to the meetings  
33 of public bodies or the writings of public officials and agencies  
34 within the meaning of Section 3 of Article I of the California  
35 Constitution. Pursuant to that constitutional provision, the  
36 Legislature makes the following findings to demonstrate the interest  
37 protected by this limitation and the need for protecting that interest:

38 (a) By removing the requirement for agendas to be placed at  
39 the location of each public official participating in a public meeting  
40 remotely, including from the member’s private home or hotel

1 room, this act protects the personal, private information of public  
2 officials and their families while preserving the public’s right to  
3 access information concerning the conduct of the people’s business.

4 (b) During the COVID-19 public health emergency, audio and  
5 video teleconference were widely used to conduct public meetings  
6 in lieu of physical location meetings, and those public meetings  
7 have been productive, increased public participation by all  
8 members of the public regardless of their location and ability to  
9 travel to physical meeting locations, increased the pool of people  
10 who are able to serve on these bodies, protected the health and  
11 safety of civil servants and the public, and have reduced travel  
12 costs incurred by members of state bodies and reduced work hours  
13 spent traveling to and from meetings.

14 (c) Conducting audio and video teleconference meetings  
15 enhances public participation and the public’s right of access to  
16 meetings of the public bodies by improving access for individuals  
17 that often face barriers to physical attendance.



**California Board of Accountancy**2450 Venture Oaks Way, Suite 300  
Sacramento, CA 95833phone: (916) 263-3680 fax: (916) 263-3675 web: [www.cba.ca.gov](http://www.cba.ca.gov)**Attachment 2**

June 6, 2023

The Honorable John Laird  
California State Senate  
1021 O Street, Room 8720  
Sacramento, CA 95814**Bill: SB 544**  
**Position: Support**

Dear Senator Laird:

At its May 18, 2023 meeting, the California Board of Accountancy (CBA) took a Support position on Senate Bill (SB) 544, as amended on April 27, 2023.

SB 544 would establish permanent changes in the Bagley-Keene Open Meeting Act (Bagley-Keene) related to how a state body conducts a meeting by teleconference.

The CBA agrees with the bill's overall goal to facilitate teleconference meetings in the same manner as they were conducted under the Governor's Executive Orders resulting from COVID-19 and codified in Assembly Bill 361 (Rivas, Chapter 165, Statutes of 2021) and SB 189 (Committee on Budget and Fiscal Review, Chapter 48, Statutes of 2022). CBA meetings held in this manner over the last three years have demonstrated that the objectives of Bagley-Keene can be met effectively, while maintaining transparency and accessibility for the public.

The CBA values the additional flexibility created due to the ability to meet via teleconference and appreciates this opportunity to have that option in the future. The CBA found that the use of teleconferencing has also enabled greater participation at its public meetings.

If you have questions, please contact Dominic Franzella, Acting Executive Officer, at (916) 561-1711 or [Dominic.Franzella@cba.ca.gov](mailto:Dominic.Franzella@cba.ca.gov).

Sincerely,

A handwritten signature in black ink that reads 'Katrina L. Salazar'.

Katrina L. Salazar, CPA  
President

- c: Members, California Board of Accountancy
- Members, Assembly Business and Professions Committee
- Members, Senate Business, Professions and Economic Development Committee
- Kaitlin Curry, Consultant, Assembly Business and Professions Committee
- Elissa Silva, Consultant, Senate Business, Professions and Economic Development Committee
- Bill Lewis, Principal Consultant, Assembly Republican Caucus
- Kayla Williams, Consultant, Senate Republican Caucus

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# California State Senate

SENATOR  
JOHN LAIRD

SEVENTEENTH SENATE DISTRICT



## Senate Bill 544 – State Boards and Commissions: Personal Safety and Public Access to Remote Hearings

### **SUMMARY**

Senate Bill 544 updates teleconferencing requirements in the Bagley-Keene Act, which governs how state boards and commissions conduct open meetings, to promote equity and public participation through virtual meetings while safeguarding the personal safety of board and commission members.

### **BACKGROUND**

The Bagley-Keene Open Meeting Act, initially passed in 1967, establishes the rules for meetings of state bodies. These rules are intended to ensure public access and allow input on meetings of state boards and commissions. In response to the COVID-19 pandemic, Governor Newsom issued an executive order in March 2020 permitting state bodies to hold meetings virtually, without requiring a physical location or the posting of the addresses of the teleconference location of attending board members as currently required under the Bagley-Keene Act.

What started as an experiment to promote health and safety during the COVID-19 pandemic has proven to be successful and enhances public participation while still ensuring sufficient access to state hearings. Virtual meetings have improved access for Californians that face barriers to physical attendance, such as those living in different areas of the state, individuals with limited mobility, caretakers, and more. Members of the public without the economic means to travel could still provide public comment.

In surveying state boards and commissions, the Little Hoover Commission found that over 90% of reported costs decreased due to virtual meetings, and

that roughly half of state bodies had better attendance from their members.

The Governor's executive order waiver is set to expire on June 30, 2023. Beginning in July, state bodies holding virtual meetings will again be required to post the physical location of all attending board and commission members. This poses personal safety concerns since remote attendance of board and commission members is often a private residence or hotel room, and members would also be required to provide the public with physical access to the remote meeting location. In addition, private residences may not meet Americans with Disabilities Act (ADA) requirements.

### **THIS BILL**

Senate Bill 544 promotes public access at state board and commission meetings by requiring a method for the public to remotely participate and observe the meeting via teleconference or an online platform, and a physical address for at least one site be provided on the posted agenda. Additionally, the bill requires state bodies to implement a procedure for accommodating accessibility requests consistent with the Americans with Disabilities Act of 1990.

Senate Bill 544 also safeguards the personal safety of state board and commission members by eliminating the requirement for state bodies to post the physical address of each member participating remotely in a meeting.

### **SPONSOR**

California Commission on Aging

CALIFORNIA BOARD OF ACCOUNTANCY  
LEGISLATIVE ANALYSIS  
SB 816

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<b>Subject:</b>	Profession and Vocations.	<b>Position:</b>	<b>Support</b>
<b>Version:</b>	July 12, 2023	<b>Author:</b>	Roth
<b>Status:</b>	Assembly Floor	<b>Sponsor:</b>	Author

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## Summary

Senate Bill (SB) 816 (**Attachment 1**) contains statutory proposals for several Department of Consumer Affairs (DCA) boards, including the fee increase proposal approved by the California Board of Accountancy (CBA) at its May 2023 meeting. This analysis focuses only on the proposed amendments related to the CBA.

The bill has not been amended since the July CBA meeting.

## Recommendation

**Maintain Support Position.** Staff recommend the CBA maintain its support position (**Attachment 2**) on the provisions of SB 816 relating to the CBA.

## Background

In January 2023, the DCA presented the CBA's Fee Analysis (Fee Analysis), which reflected that many of the CBA's present fee levels were inadequate in recovering the actual cost of the associated service. Without a fee increase, the CBA would continue its negative cash flow, where authorized expenditures exceed revenues, and the Accountancy Fund would continue decreasing and create the possibility of insolvency in future years.

Using the Fee Analysis as a guide, the CBA approved a legislative proposal at its January 2023 meeting to increase various fee levels. Subsequent to this approval, staff, working with the DCA Budget Office, prepared an alternative proposal specific to the increases for initial licensure and license renewal fees for both certified public accountants and accounting firms and the accounting firm application fee. The alternative fee change proposal was approved by the CBA at its May 2023 meeting.

## Analysis

The bill proposes the following:

- Delete the provision to charge a separate fee to out-of-state candidates for the Uniform Certified Public Accountant (CPA) Examination.
- Increase the statutory cap for the application fee for CPA licensure to \$700.
- Establish the fee charged to each applicant for registration as a partnership or professional corporation, commencing July 1, 2024, at \$250 and increase the statutory cap to \$2,000.

- Increase the biennial license renewal fee<sup>1</sup> for CPAs as follows:
  - For permits expiring after June 30, 2024, the fee would be \$340.
  - For permits expiring after June 30, 2026, the fee would be \$400.
- Increase the biennial license renewal fee for a partnership or professional corporation as follows:
  - For permits expiring after June 30, 2024, the fee would be \$400.
  - For permits expiring after June 30, 2026, the fee would be \$520.

SB 816 would also provide that if the CBA has unencumbered funds in an amount equal to more than the CBA's operating budget for the next two fiscal years, the board may adjust biennial renewal fees by regulation at an amount less than those identified above.

As part of its discussion during the May 2023 meeting, the CBA approved proposed statutory language that would provide the CBA authority to increase fees consistent with the California Consumer Price Index. This was not included in SB 816; however, staff were informed that this concept is being discussed on a broader scale for all DCA boards and bureaus.

### **Fiscal Estimate**

The fee increases will have a positive impact on the CBA's Accountancy Fund and will resolve the current negative annual cash flow.

### **Support/Opposition**

Support: California Board of Accountancy  
California Board of Psychology  
California State Board of Pharmacy  
International Interior Design Association Northern California Chapter  
International Interior Design Association Southern California Chapter

Opposition: None

### **Effective/Operative Date**

January 1, 2024

### **Related Bills**

- SB 887 (Senate Business, Professions and Economic Development Committee) proposes to amend several sections of the BPC, including obsolete provisions in BPC 5134 relating to the CBA.
- AB 1521 (Low, Chapter 359, Statutes of 2019) was the CBA's sunset bill and extended the CBA's statutory authority from January 1, 2020, to January 1, 2024. It also established minimum and maximum fees, \$250 and \$280 respectively, that the CBA may charge for license renewal and initial licensure.

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<sup>1</sup> Pursuant to Business and Professions Code section 5134(j), the initial permit fee is equal to the license renewal fee. If the initial permit period is issued for one year or less, the initial permit fee is equal to 50% of the license renewal fee.

**Attachments**

1. Senate Bill 816 (excerpt)
2. California Board of Accountancy Support Letter

AMENDED IN ASSEMBLY JULY 12, 2023

AMENDED IN ASSEMBLY JUNE 27, 2023

AMENDED IN SENATE APRIL 20, 2023

**SENATE BILL**

**No. 816**

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**Introduced by Senator Roth**

February 17, 2023

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An act to amend Sections 2881.2, 2987, 2988, 4531.1, 4836.2, 5134, 5681, 5800, 5801, 5801.1, 5802, 5803, 5804, 5805, 5807, ~~and 5812 of, 5812, 12703.1, 12704, and 12709 of~~, to amend, renumber, and add Section 5811.1 of, and to amend, repeal, and add Sections 4119.01, 4119.11, 4128.2, 4161, 4202.5, 4210, and 4400 of, the Business and Professions Code, relating to professions and vocations, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 816, as amended, Roth. Professions and vocations.

(1) Existing law, the Vocational Nursing Practice Act, establishes in the Department of Consumer Affairs a Board of Vocational Nursing and Psychiatric Technicians of the State of California, which is charged with various licensing, regulatory, and disciplinary functions related to vocational nursing. Existing law, effective until January 1, 2025, sets forth an approval process for a vocational nursing school or program and authorizes the board to reduce the continuing approval fees, by no more than  $\frac{1}{2}$  of the established fee, for a program that experiences a reduction in state funding that directly leads to a reduction in enrollment capacity.

Existing law, the Psychiatric Technicians Law, also grants the board authority to license and regulate psychiatric technicians. That law,

effective until January 1, 2025, similarly establishes an approval process for a school or program for psychiatric technicians and authorizes the board to reduce the continuing approval fees, by no more than  $\frac{1}{2}$  of the established fee, for a program that experiences a reduction in state funding that directly leads to a reduction in enrollment capacity.

This bill would instead authorize the board to reduce the continuing approval fees in the above-described circumstances for a program that experiences a reduction in enrollment capacity that directly leads to a reduction in state funding. The bill would revise related provisions to require the board to require a program to provide documentation for purposes of issuing the fee reduction.

(2) Existing law, the Psychology Licensing Law, imposes various fees on applicants for licensure and on licensees, including an application fee for registration as a psychologist of \$50, a biennial renewal fee for registration as a psychologist of \$400, an initial psychologist licensing fee in an amount not to exceed the renewal fee, an application fee for registration as a psychological associate of \$75, an annual renewal fee for registration of a psychological associate of no more than \$75, and a delinquency fee for each license type not to exceed \$150. Existing law requires a licensed psychologist who holds an inactive license to pay a biennial renewal fee of no more than \$40.

This bill would increase various fees imposed under the Psychology Licensing Law. In this regard, the bill would increase the application fee for registration as a psychologist to \$236, the biennial renewal fee for registration as a psychologist to \$795, the initial psychologist licensing fee to \$231, the application fee for registration as a psychological associate to \$424, and the annual renewal fee for registration of a psychological associate to \$224. The bill would increase the maximum delinquency fee for each of these license types to \$397.50. The bill would also establish an application fee in the amount of \$127 for the California Psychology Law and Ethics Examination and a fee in the amount of \$184 for Fingerprint Hard Card Processing for ~~Out of State~~ *Out-of-State* Applicants. The bill would increase the biennial renewal fee that a licensed psychologist with an inactive license must pay to \$221.

(3) Existing law, until January 1, 2027, provides a comprehensive scheme for the certification and regulation of interior designers. Under existing law, a Certified Interior Designer may obtain a stamp from an interior design organization that includes a number that identifies and bears the name of the designer, and that stamp certifies that the Certified



Interior Designer has provided the interior design organization with evidence of passage of an interior design examination and completion of certain interior design education or experience requirements.

This bill would, instead, establish the California Council for Interior Design Certification to carry out duties and responsibilities governing the stamp certification and regulation of interior designers. The bill would authorize the council to issue certifications pursuant to these provisions to applicants who provide satisfactory evidence of compliance with specified education, experience, and examination requirements. The bill would identify the individual as either a “Certified Interior Designer” or “Certified Commercial Interior Designer” if the designer has completed certain additional interior design courses and examination requirements for the commercial designation, as determined by the council.

This bill would authorize the council to adopt bylaws, rules, and procedures and establish reasonable application fees, renewal fees, and other fees related to the regulatory cost of providing services and carrying out the council’s duties. The bill would make other related and conforming changes to these provisions.

(4) Existing law, the Pharmacy Law, establishes the licensure and regulation of the practice of pharmacy, including, among others, pharmacies, wholesalers or third-party logistics providers, nonresident wholesalers or third-party logistic providers, centralized hospital packing pharmacies, sterile compounding pharmacies, and paramedics. Existing law specifies the fees for issuance or renewal of licenses issued pursuant to the Pharmacy Law, including, among others, pharmacy licenses, outsourcing facility licenses, and centralized hospital packaging licenses.

This bill would reorganize and revise the fee schedule for specified licenses issued pursuant to the Pharmacy Law to both increase and decrease the amounts charged for the original issuance and renewal of those licenses, as well as for temporary licenses. The bill would also establish the fee schedule for the application and licensing fees of remote dispensing site pharmacies. The bill would make these provisions operative on January 1, 2025.

(5) Existing law, the Veterinary Medicine Practice Act, provides for the regulation of the practice of veterinary medicine by the Veterinary Medical Board in the Department of Consumer Affairs. Existing law requires the board to adopt regulations establishing animal health care tasks that may be performed by licensed veterinarians, registered veterinary technicians, or veterinary assistants. Existing law establishes

a process by which a veterinary assistant may apply for a controlled substance permit. Existing law prohibits the board from issuing a veterinary assistant controlled substance permit to any applicant with a state or federal felony controlled substance conviction. Existing law makes it a misdemeanor for any person to violate or aid or abet in the violation of the act.

This bill would delete the prohibition on the board issuing a veterinary assistant controlled substance permit to an applicant with a conviction, as described above. By expanding the application of the act, the violation of which is a crime, the bill would impose a state-mandated local program.

(6) Existing law establishes the California Board of Accountancy, which is within the Department of Consumer Affairs, and requires the board to license and regulate accountants in this state. Existing law imposes various fees on applicants for licensure as a certified public accountant and on certified public accountant licensees, including an application fee for a certified public accountant certificate in an amount not to exceed \$250 and a biennial renewal fee for each permit to engage in the practice of public accountancy in an amount not to exceed \$280. Existing law imposes a fee in an amount not to exceed \$250 to each applicant for registration as a partnership or professional corporation. Existing law credits all moneys received by the board to the Accountancy Fund and continuously appropriates all money in that fund derived from fees.

This bill would increase various fees, including the application fee for a certified public accountant certificate to \$700. The bill would adjust and increase the biennial renewal fee for each permit to engage in the practice of public accountancy that expires after June 30, 2024, to \$340 for a certified public accountant and \$400 for a partnership or professional corporation. The bill would adjust and increase the biennial renewal fee for each permit to engage in the practice of public accountancy that expires after June 30, 2026, to \$400 for a certified public accountant and \$520 for a partnership or professional corporation. The bill would increase the fee imposed on an applicant for registration as a partnership or professional corporation to no less than \$250, but no more than \$2,000. By increasing the fees deposited in a continuously appropriated fund, this bill would make an appropriation.

(7) Existing law establishes the California Architects Board within the Department of Consumer Affairs, and sets forth its powers and duties relating to the licensing and regulation of landscape architects,

including the authority to issue licenses for the practice of landscape architecture. Existing law imposes various fees on applicants for licensure as a landscape architect and on landscape architect licensees, including an application fee not to exceed \$100, a fee for the examination for a license to practice landscape architecture in an amount not to exceed the actual cost to the board to administer each exam, a fee not to exceed \$400 for an original license, a fee not to exceed \$50 for a duplicate license, and a renewal fee not to exceed \$400.

This bill would increase the above-described fees imposed on landscape architect applicants and licensees. In this regard, the bill would impose an application fee of \$100 and a fee for the California Supplemental Examination of not less than \$350. The bill would authorize the board to increase the examination fee by regulation up to \$400. The bill would increase the fee for an original license to \$700. The bill would authorize the board to increase the fee by regulation up to \$800. The bill would increase the fee for a duplicate license to \$300 and would increase the renewal fee to be not less than \$700. The bill would authorize the board to increase the original license fee by regulation up to \$800.

*(8) Existing law requires a person who weighs, measures, or counts a commodity and issues a statement or memorandum of the weight, measure, or count that is used as the basis for either the purchase or sale of that commodity or charge for service, to obtain a license as a weighmaster from the Department of Food and Agriculture, and imposes an annual license fee and various other requirements on weighmasters. Existing law, until January 1, 2024, requires a recycler or junk dealer who is an applicant for a new weighmaster license or a renewal of a weighmaster license to furnish specified additional information on the application, and requires a weighmaster who is a junk dealer or recycler to pay an additional annual fee of \$500 to the department for each location at which the weighmaster operates, as specified. Existing law provides for license fees collected pursuant to these provisions to be deposited in the Department of Food and Agriculture Fund and continuously appropriated for the administration and enforcement of these provisions.*

*This bill would extend the operation of the requirements to furnish the additional application information and to pay the additional annual fee to January 1, 2028. By extending the collection of a fee deposited in a continuously appropriated fund, this bill would make an appropriation.*

(8)

(9) 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 2881.2 of the Business and Professions  
2 Code is amended to read:  
3 2881.2. (a) The approval process for a school or program shall  
4 be consistent with the following timelines:  
5 (1) (A) Upon receipt of a letter of intent to submit an application  
6 for approval as a school or program of licensed vocational nursing,  
7 the board shall notify the proposed school or program of the steps  
8 in the approval process and provide an estimated wait time until  
9 active assignment to a nursing education consultant.  
10 (B) Upon active assignment of a nursing education consultant,  
11 the school or program shall submit an initial application for  
12 approval within 60 days.  
13 (2) (A) Within 30 days of the date the board receives an initial  
14 application for approval, the board shall notify the school or  
15 program whether the application is complete.  
16 (B) A notice that an initial application is not complete shall  
17 specify what additional documents or payment of fees the school  
18 or program is required to submit to the board to make the  
19 application complete.  
20 (3) Within 60 days from the date the board notifies the school  
21 or program that the initial application is not complete, the school  
22 or program shall provide the missing information. If a school or  
23 program fails to submit the required information, the board shall  
24 take the application out of consideration consistent with subdivision  
25 (c) of Section 2881.3. The board may provide a school or program  
26 with an additional 30 days to complete its application.  
27 (4) Within six months of the date the board receives an initial  
28 application for approval as a school or program, the board shall

1 11105.2 of the Penal Code, for persons described in paragraph (1)  
2 of subdivision (c).

3 SEC. 20. Section 5134 of the Business and Professions Code  
4 is amended to read:

5 5134. The amount of fees prescribed by this chapter is as  
6 follows:

7 (a) The fee to be charged to each applicant for the certified  
8 public accountant examination shall be fixed by the board at an  
9 amount not to exceed six hundred dollars (\$600). The board may  
10 charge a reexamination fee not to exceed seventy-five dollars (\$75)  
11 for each part that is subject to reexamination.

12 (b) The application fee to be charged to each applicant for  
13 issuance of a certified public accountant certificate shall be fixed  
14 by the board at an amount not to exceed seven hundred dollars  
15 (\$700).

16 (c) After June 30, 2024, the fee to be charged to each applicant  
17 for registration as a partnership or professional corporation shall  
18 not be less than two hundred fifty dollars (\$250) and shall not  
19 exceed two thousand dollars (\$2,000).

20 (d) (1) The biennial renewal fee for a certified public accountant  
21 to engage in the practice of public accountancy, as specified in  
22 Section 5070, shall be three hundred forty dollars (\$340) for  
23 permits expiring after June 30, 2024.

24 (2) The biennial renewal fee for a certified public accountant  
25 to engage in the practice of public accountancy, as specified in  
26 Section 5070, shall be four hundred dollars (\$400) for permits  
27 expiring after June 30, 2026.

28 (e) (1) The biennial renewal fee for a partnership or professional  
29 corporation shall be four hundred dollars (\$400) for permits  
30 expiring after June 30, 2024.

31 (2) The biennial renewal fee *for* a partnership or professional  
32 corporation shall be five hundred twenty dollars (\$520) for permits  
33 expiring after June 30, 2026.

34 (f) If the board has unencumbered funds in an amount that is  
35 equal to more than the board's operating budget for the next two  
36 fiscal years, the board may fix the biennial renewal fees by  
37 regulation at an amount less than those identified in subdivision  
38 (d) for certified public accountants and subdivision (e) for  
39 partnerships and professional corporations.

1 (g) The application fee to be charged to each applicant for a  
2 retired status license, as described in Section 5070.1, shall be fixed  
3 by the board at an amount not to exceed two hundred fifty dollars  
4 (\$250).

5 (h) The application fee to be charged to each applicant for  
6 restoration of a license in a retired status to an active status pursuant  
7 to subdivision (f) of Section 5070.1 shall be fixed by the board at  
8 an amount not to exceed one thousand dollars (\$1,000).

9 (i) The delinquency fee shall be 50 percent of the accrued  
10 renewal fee.

11 (j) The initial permit fee is an amount equal to the renewal fee  
12 in effect on the last regular renewal date before the date on which  
13 the permit is issued, except that, if the permit is issued one year  
14 or less before it will expire, then the initial permit fee is an amount  
15 equal to 50 percent of the renewal fee in effect on the last regular  
16 renewal date before the date on which the permit is issued. The  
17 board may, by regulation, provide for the waiver or refund of the  
18 initial permit fee where the permit is issued less than 45 days before  
19 the date on which it will expire.

20 (k) (1) The annual fee to be charged an individual for a practice  
21 privilege pursuant to Section 5096 with an authorization to sign  
22 attest reports shall be fixed by the board at an amount not to exceed  
23 one hundred twenty-five dollars (\$125).

24 (2) The annual fee to be charged an individual for a practice  
25 privilege pursuant to Section 5096 without an authorization to sign  
26 attest reports shall be fixed by the board at an amount not to exceed  
27 80 percent of the fee authorized under paragraph (1).

28 (l) The fee to be charged for the certification of documents  
29 evidencing passage of the certified public accountant examination,  
30 the certification of documents evidencing the grades received on  
31 the certified public accountant examination, or the certification of  
32 documents evidencing licensure shall be twenty-five dollars (\$25).

33 (m) The board shall fix the fees in accordance with the limits  
34 of this section and any increase in a fee fixed by the board shall  
35 be pursuant to regulation duly adopted by the board in accordance  
36 with the limits of this section.

37 (n) It is the intent of the Legislature that, to ease entry into the  
38 public accounting profession in California, any administrative cost  
39 to the board related to the certified public accountant examination  
40 or issuance of the certified public accountant certificate that

1 exceeds the maximum fees authorized by this section shall be  
2 covered by the fees charged for the biennial renewal of the permit  
3 to practice.

4 SEC. 21. Section 5681 of the Business and Professions Code  
5 is amended to read:

6 5681. The fees prescribed by this chapter for landscape architect  
7 applicants and landscape architect licensees shall be fixed by the  
8 board as follows:

9 (a) The application fee for reviewing an applicant's eligibility  
10 to take any section of the examination shall be one hundred dollars  
11 (\$100).

12 (b) The fee for any section of the examination administered by  
13 the board shall not exceed the actual cost to the board for  
14 purchasing and administering each exam. The fee for the California  
15 Supplemental Examination shall be three hundred fifty dollars  
16 (\$350). The board may adopt regulations to set the fee at a higher  
17 amount, up to a maximum of four hundred dollars (\$400).

18 (c) The fee for an original license shall be seven hundred dollars  
19 (\$700) and the board may adopt regulations to set the fee at a  
20 higher amount, up to a maximum of eight hundred dollars (\$800),  
21 except that, if the license is issued less than one year before the  
22 date on which it will expire, then the fee shall equal 50 percent of  
23 the fee fixed by the board for an original license. The board may,  
24 by appropriate regulation, provide for the waiver or refund of the  
25 initial license fee where the license is issued less than 45 days  
26 before the date on which it will expire.

27 (d) The fee for a duplicate license shall be three hundred dollars  
28 (\$300).

29 (e) The renewal fee shall be seven hundred dollars (\$700). The  
30 board may adopt regulations to set the fee at a higher amount, up  
31 to a maximum of eight hundred dollars (\$800).

32 (f) The penalty for failure to notify the board of a change of  
33 address within 30 days from an actual change in address may not  
34 exceed fifty dollars (\$50).

35 (g) The delinquency fee shall be 50 percent of the renewal fee  
36 for the license in effect on the date of the renewal of the license,  
37 but not less than fifty dollars (\$50) nor more than two hundred  
38 dollars (\$200).

1 (h) The fee for filing an application for approval of a school  
2 pursuant to Section 5650 may not exceed six hundred dollars  
3 (\$600) charged and collected on an biennial basis.

4 SEC. 22. Section 5800 of the Business and Professions Code  
5 is amended to read:

6 5800. As used in this chapter:

7 (a) “Certified Interior Designer” means a person who prepares  
8 and submits nonstructural or nonseismic plans consistent with  
9 Sections 5805 and 5538 to local building departments that are of  
10 sufficient complexity so as to require the skills of a licensed  
11 contractor to implement them, and who engages in programming,  
12 planning, designing, and documenting the construction and  
13 installation of nonstructural or nonseismic elements, finishes and  
14 furnishings within the interior spaces of a building, and has  
15 demonstrated by means of education, experience and examination,  
16 the competency to protect and enhance the health, safety, and  
17 welfare of the public.

18 (b) An “interior design organization” means the California  
19 Council for Interior Design Certification (council), a nonprofit  
20 organization that is exempt from taxation under Section 501(c)(3)  
21 of Title 26 of the United States Code, and consists of Certified  
22 Interior Designers whose governing board includes representatives  
23 of the public.

24 SEC. 23. Section 5801 of the Business and Professions Code  
25 is amended to read:

26 5801. A Certified Interior Designer may obtain a stamp from  
27 the council that shall include a number that uniquely identifies and  
28 bears the name of that Certified Interior Designer and identifies  
29 the individual as either a Certified Interior Designer or a Certified  
30 Interior Designer with commercial designation if the Certified  
31 Interior Designer has met the requirements pursuant to paragraph  
32 (2) of subdivision (a) of Section 5811.1. The stamp certifies that  
33 the Certified Interior Designer has provided the council with  
34 evidence of meeting the education, experience, and examination  
35 requirements pursuant to Section 5811.1.

36 SEC. 24. Section 5801.1 of the Business and Professions Code  
37 is amended to read:

38 5801.1. The procedure for the issuance of a stamp by the  
39 council under Section 5801, including the examinations recognized  
40 and required by the council, shall be subject to the occupational



**California Board of Accountancy**2450 Venture Oaks Way, Suite 300  
Sacramento, CA 95833phone: (916) 263-3680 fax: (916) 263-3675 web: [www.cba.ca.gov](http://www.cba.ca.gov)

July 12, 2023

**Attachment 2**The Honorable Richard D. Roth  
California State Senate  
1021 O Street, Room 7510  
Sacramento, CA 95814**Bill: SB 816**  
**Position: Support**

Dear Senator Roth:

On behalf of the California Board of Accountancy (CBA), I would like to express my appreciation for including CBA-requested statutory changes in Senate Bill (SB) 816 to increase specified fees.

The CBA is in support of SB 816, as amended on June 27, 2023, which will provide increased revenues for the CBA to eliminate its negative annual cash flow, more closely align fees with the associated service, and build its reserves to ensure the CBA has the resources necessary to meet its consumer protection mission.

If you have questions, please contact Dominic Franzella, Acting Executive Officer, at (916) 561-1711 or [Dominic.Franzella@cba.ca.gov](mailto:Dominic.Franzella@cba.ca.gov).

Sincerely,

A handwritten signature in black ink that reads 'Katrina L. Salazar'.

Katrina L. Salazar, CPA  
President

cc: Members, California Board of Accountancy  
Deanne Pearce, Assistant Executive Officer, California Board of Accountancy  
Members, Assembly Business and Professions Committee  
Members, Senate Business, Professions and Economic Development Committee  
Elissa Silva, Consultant, Senate Business, Professions and Economic Development Committee  
Kaitlin Curry, Consultant, Assembly Business and Professions Committee  
Bill Lewis, Principal Consultant, Assembly Republican Caucus  
Kayla Williams, Consultant, Senate Republican Caucus

**CALIFORNIA BOARD OF ACCOUNTANCY  
LEGISLATIVE ANALYSIS  
SB 887**

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<b>Subject:</b>	Consumer Affairs.	<b>CBA Position:</b>	<b>Support</b>
<b>Version:</b>	April 20, 2023	<b>Author:</b>	Senate Business, Professions and Economic Development Committee
<b>Status:</b>	Assembly Floor	<b>Sponsor:</b>	Author

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## Summary

Senate Bill (SB) 887 (**Attachment 1**) proposes to amend several sections of the Business and Professions Code (BPC) relating to the Department of Justice and various boards and bureaus within the Department of Consumer Affairs (DCA), including the California Board of Accountancy (CBA). This analysis focuses only on the proposed amendments relating to the CBA.

The bill has not been amended since the May CBA meeting.

## Recommendation

**Maintain Support Position.** Staff recommend the CBA maintain its Support position (**Attachment 2**) on SB 887.

## Background

### CBA Non-Substantive Changes

At the January 2023 meeting, the CBA approved several non-substantive edits to the BPC for submission to the Senate Business, Professions and Economic Development Committee for consideration in a Committee bill.

## Analysis

### CBA Non-Substantive Changes

Senate Bill 887 includes the following non-substantive changes relating to the CBA:

#### *Advisory Committee Deletion*

This bill deletes the authorization for a continuing education advisory committee under BPC section 5029. The CBA has not used and does not foresee using this advisory committee in the future.

#### *Peer Review Changes*

This bill deletes the term “substandard” contained in BPC section 5076 and replaces it with the term “fail” consistent with the American Institute of Certified Public Accountants standards.

## **SB 887**

Page 2 of 2

Additionally, the bill deletes outdated language regarding a peer review reporting requirement the CBA completed in 2014.

### *Practice Privilege Fees*

This bill deletes the outdated authorization for the CBA to collect fees under the prior practice privilege provisions in BPC section 5134(k).

### *Outdated Language Relating to New CPA Licensure Requirements in 2013*

This bill proposes to delete language in BPC section 5092.1 that provided a period of time for candidates who were in the pipeline to obtain their license without having to return to school to obtain the 20 hours of accounting study and 10 units of ethics study.

### *Other Non-substantive Changes*

This bill incorporates other non-substantive changes, including gender neutral pronouns, updated terminology to reference internet website, and grammatical changes.

## **Fiscal Estimate**

None.

## **Support/Opposition**

Support: Board of Accountancy  
Board of Psychology  
Board of Registered Nursing  
Speech-Language Pathology and Audiology and Hearing Aid Dispensers  
Board Veterinary Medical Board

Opposition: None

## **Effective/Operative Date**

January 1, 2024

## **Related Bills**

None.

## **Attachments**

1. Senate Bill 887 (excerpt)
2. California Board of Accountancy Support Letter

AMENDED IN SENATE APRIL 20, 2023

**SENATE BILL****No. 887**


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**Introduced by Committee on Business, Professions and Economic Development (Senators Roth (Chair), Alvarado-Gil, Archuleta, Ashby, Becker, Dodd, Eggman, Glazer, Nguyen, Niello, Smallwood-Cuevas, Wahab, and Wilk)**

March 14, 2023

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An act to amend Sections 115.8, 472.4, 2530.3, 2532, 2532.5, 2535.4, 2537.3, 2538.20, 2538.21, 2538.27, 2538.28, 2538.30, 2538.32, 2538.33, 2538.34, 2538.36, 2538.40, 2538.49, 2538.50, 2538.51, 2538.56, 2539.1, 2539.6, 2710, 2728, 2732, 2732.1, 2733, 2734, 2736, 2746.8, 2759, 2760, 2761, 2762, 2765, 2770.11, 2770.7, 2780, 2785.6, 2800, 2811, 2811.5, 2816, 2826, 2828, 2830.6, 2833, 2836, 2838.1, 2838.2, 2915.4, 2915.5, 4427.8, 4846, 4861, 4875.3, 4989.14, 5017.1, 5017.5, 5022, 5028, 5037, 5051, 5053, 5057, 5058.2, 5058.3, 5058.4, 5060, 5063.3, 5070.7, 5076, 5082.4, 5094, 5096.20, 5096.21, 5103.5, 5104, 5107, 5121, 5134, 5550.3, 10471, and 21638.5 of, *to amend, repeal, and add Section 7685.3 of*, to add Section 4990.11 to, and to repeal Sections 2738, 5029, and 5092.1 of, the Business and Professions Code, and to amend Sections 94874.8, 94874.9, 94878, 94897, 94902, 94905, 94910, 94910.5, 94911, 94913, 94941, 94942, and 94949.73 of the Education Code, relating to consumer affairs.

## LEGISLATIVE COUNSEL'S DIGEST

SB 887, as amended, Committee on Business, Professions and Economic Development. Consumer affairs.

*(1) Existing law requires the Department of Consumer Affairs to compile an annual report for the Legislature containing specified*

by the Board of Behavioral Sciences and defines “educationally related mental health services” for purposes of supervising associate marriage and family therapists, associate clinical social workers, or associate professional clinical counselors.

This bill would also make the definition applicable for purposes of supervising marriage and family therapist trainees.

~~(6)~~

(9) Existing law establishes the California Board of Accountancy to license and regulate accountants, and authorizes the board to establish an advisory continuing education committee to perform specified duties, including evaluating programs and advising the board as to whether they qualify under regulations adopted by the board. Existing law requires an accounting firm to have a peer review report of its accounting and auditing practice every 3 years in order to renew its registration or convert to an active status, and requires a firm issued a substandard peer review report to submit a copy of the report to the board. Under existing law, an individual whose principal place of business is not in California and who has a valid and current license, certificate, or permit to practice public accountancy from another state may engage in the practice of public accountancy in California through a practice privilege if specified conditions are met. Existing law establishes an annual fee to be charged an individual for a practice privilege.

This bill would delete the provision authorizing the board to establish an advisory continuing education committee. The bill would require a firm issued a peer report with a rating of “fail” instead of a substandard peer report to submit a copy of the report to the board. The bill would delete the annual fee for a practice privilege.

*(10) Existing law, the Architects Practice Act, establishes the California Architects Board in the Department of Consumer Affairs for the licensure and regulation of persons engaged in the practice of architecture. Existing law authorizes the board to adopt guidelines for the delegation of its authority to grade examinations of applicants for licensure to a vendor under contract to the board for provision of an architect’s registration examination, subject to specified procedures and limitations.*

*This bill would provide that a candidate who received full credit for all divisions of the Architect Registration Examination (ARE) before May 1, 2023, shall be deemed to have passed the ARE.*

*(11) Existing law, the Cemetery and Funeral Act, establishes the Cemetery and Funeral Bureau within the Department of Consumer*

1 (7) Group and individualized counseling with the client and  
2 family.

3 (8) Mobilizing school and community resources to enable the  
4 client to learn as effectively as possible in their educational  
5 program, as outlined in Section 300.34 of Title 34 of the Code of  
6 Federal Regulations.

7 ~~SEC. 56.~~

8 *SEC. 60.* Section 4990.11 is added to the Business and  
9 Professions Code, to read:

10 4990.11. For purposes of license and registration verification,  
11 a person may rely upon the licensing and registration information  
12 as it is displayed on the board's internet website that includes the  
13 issuance and expiration dates of any license or registration issued  
14 by the board.

15 ~~SEC. 57.~~

16 *SEC. 61.* Section 5017.1 of the Business and Professions Code  
17 is amended to read:

18 5017.1. The board shall post, within 10 days of board approval,  
19 the finalized minutes from meetings of the board that are open and  
20 public pursuant to Section 5017 on the board's internet website.  
21 The minutes shall remain on the board's internet website for at  
22 least three years. Providing a link on the internet website to the  
23 minutes shall satisfy this requirement.

24 ~~SEC. 58.~~

25 *SEC. 62.* Section 5017.5 of the Business and Professions Code  
26 is amended to read:

27 5017.5. (a) The board shall provide a live audio or video  
28 broadcast, on its internet website, of each of its board meetings  
29 that are open and public.

30 (b) (1) If technical failure prevents the board from providing a  
31 live broadcast as specified in subdivision (a), that failure shall not  
32 constitute a violation of this section if the board exercised  
33 reasonable diligence in providing a live broadcast.

34 (2) Failure to provide a live broadcast of its board meetings due  
35 to technical failure shall not prohibit the board from meeting and  
36 taking actions.

37 (c) The recording of the live audio or video broadcast shall  
38 remain on the internet website for at least three years. Providing  
39 a link on the internet website to the recording of the live audio or  
40 video broadcast shall satisfy this requirement.

1 ~~SEC. 59.~~

2 *SEC. 63.* Section 5022 of the Business and Professions Code  
3 is amended to read:

4 5022. The qualifications committee shall make  
5 recommendations and forward its report to the board for action on  
6 any matter on which it is authorized to act. An applicant for  
7 registration as a certified public accountant who is aggrieved by  
8 any action taken by the committee with respect to their  
9 qualifications may appeal to the board in accordance with rules or  
10 regulations prescribed by the board. The board on the appeal may  
11 give an oral or written examination as an aid in determining  
12 whether the applicant is qualified under the terms of this chapter.

13 ~~SEC. 60.~~

14 *SEC. 64.* Section 5028 of the Business and Professions Code  
15 is amended to read:

16 5028. The board may, in accordance with the intent of this  
17 article, make exceptions from continuing education requirements  
18 for licensees not engaged in public practice, or for reasons of  
19 health, military service, or other good cause. If the licensee returns  
20 to the practice of public accounting, they shall meet continuing  
21 education requirements as the board may determine.

22 ~~SEC. 61.~~

23 *SEC. 65.* Section 5029 of the Business and Professions Code  
24 is repealed.

25 ~~SEC. 62.~~

26 *SEC. 66.* Section 5037 of the Business and Professions Code  
27 is amended to read:

28 5037. (a) All statements, records, schedules, working papers  
29 and memoranda made by a licensee or a partner, shareholder,  
30 officer, director, or employee of a licensee, incident to, or in the  
31 course of, rendering services to a client in the practice of public  
32 accountancy, except the reports submitted by the licensee to the  
33 client and except for records that are part of the client's records,  
34 shall be and remain the property of the licensee in the absence of  
35 an express agreement between the licensee and the client to the  
36 contrary. No such statement, record, schedule, working paper, or  
37 memoranda shall be sold, transferred, or bequeathed, without the  
38 consent of the client or their personal representative or assignee,  
39 to anyone other than one or more surviving partners or stockholders

1 or new partners or stockholders of the licensee, or any combined  
2 or merged firm or successor in interest to the licensee.

3 (b) A licensee shall furnish to ~~a~~ *their* client or former client,  
4 upon request and reasonable notice:

5 (1) A copy of the licensee's working papers, to the extent that  
6 those working papers include records that would ordinarily  
7 constitute part of the client's records and are not otherwise  
8 available to the client.

9 (2) Any accounting or other records belonging to, or obtained  
10 from or on behalf of, the client that the licensee removed from the  
11 client's premises or received for the client's account. The licensee  
12 may make and retain copies of documents of the client when they  
13 form the basis for work done by them.

14 ~~SEC. 63.~~

15 *SEC. 67.* Section 5051 of the Business and Professions Code  
16 is amended to read:

17 5051. Except as provided in Sections 5052 and 5053, a person  
18 shall be deemed to be engaged in the practice of public accountancy  
19 within the meaning and intent of this chapter if they do any of the  
20 following:

21 (a) Hold themselves out to the public in any manner as one  
22 skilled in the knowledge, science, and practice of accounting, and  
23 as qualified and ready to render professional service as a public  
24 accountant for compensation.

25 (b) Maintain an office for the transaction of business as a public  
26 accountant.

27 (c) Offer to prospective clients to perform for compensation, or  
28 does perform on behalf of clients for compensation, professional  
29 services that involve or require an audit, examination, verification,  
30 investigation, certification, presentation, or review of financial  
31 transactions and accounting records.

32 (d) Prepare or certify for clients reports on audits or  
33 examinations of books or records of account, balance sheets, and  
34 other financial, accounting and related schedules, exhibits,  
35 statements, or reports that are to be used for publication, for the  
36 purpose of obtaining credit, for filing with a court of law or with  
37 any governmental agency, or for any other purpose.

38 (e) In general or as an incident to that work, render professional  
39 services to clients for compensation in any or all matters relating



1 to accounting procedure and to the recording, presentation, or  
2 certification of financial information or data.

3 (f) Keep books, make trial balances, prepare statements, make  
4 audits, or prepare reports, all as a part of bookkeeping operations  
5 for clients.

6 (g) Prepare or sign, as the tax preparer, tax returns for clients.

7 (h) Prepare personal financial or investment plans or provide  
8 to clients products or services of others in implementation of  
9 personal financial or investment plans.

10 (i) Prepare management consulting services to clients.

11 The activities set forth in subdivisions (f) to (i), inclusive, are  
12 “public accountancy” only when performed by a certified public  
13 accountant or public accountant, as defined in this chapter.

14 A person is not engaged in the practice of public accountancy  
15 if the only services they engage in are those defined by subdivisions  
16 (f) to (i), inclusive, and they do not hold themselves out, solicit,  
17 or advertise for clients using the certified public accountant or  
18 public accountant designation. A person is not holding themselves  
19 out, soliciting, or advertising for clients within the meaning of this  
20 section solely by reason of displaying a CPA or PA certificate in  
21 their office or identifying themselves as a CPA or PA on other  
22 than signs, advertisements, letterhead, business cards, publications  
23 directed to clients or potential clients, or financial or tax documents  
24 of a client.

25 ~~SEC. 64.~~

26 *SEC. 68.* Section 5053 of the Business and Professions Code  
27 is amended to read:

28 5053. Nothing contained in this chapter precludes a person  
29 who is not a certified public accountant or public accountant from  
30 serving as an employee of, or an assistant to, a certified public  
31 accountant or public accountant or partnership or a corporation  
32 composed of certified public accountants or public accountants  
33 holding a permit to practice pursuant to this chapter if the employee  
34 or assistant works under the control and supervision of a certified  
35 public accountant, or a public accountant authorized to practice  
36 public accountancy pursuant to this chapter and if the employee  
37 or assistant does not issue any statement over their name.

38 This section does not apply to an attorney at law in connection  
39 with the practice of law.

1 ~~SEC. 65.~~

2 *SEC. 69.* Section 5057 of the Business and Professions Code  
3 is amended to read:

4 5057. Notwithstanding any other provision of law, an individual  
5 holding a valid and current license, certificate, or permit to practice  
6 public accountancy from another state shall be exempt from the  
7 requirement to obtain a permit to practice public accountancy  
8 issued by the board under this chapter or to secure a practice  
9 privilege pursuant to Article 5.1 (commencing with Section 5096)  
10 if all of the following conditions are satisfied:

- 11 (a) The individual’s client is located in another state.
- 12 (b) The individual’s engagement with the client relates to work  
13 product to be delivered in another state.
- 14 (c) The individual does not solicit California clients, or have  
15 their principal place of business in this state.
- 16 (d) The individual does not assert or imply that they are licensed  
17 to practice public accountancy in California.
- 18 (e) The individual’s practice of public accountancy in this state  
19 on behalf of the client located in another state is of a limited  
20 duration, not extending beyond the period required to service the  
21 engagement for the client located in another state.
- 22 (f) The individual’s practice of public accountancy in this state  
23 specifically relates to servicing the engagement for the client  
24 located in another state.

25 ~~SEC. 66.~~

26 *SEC. 70.* Section 5058.2 of the Business and Professions Code  
27 is amended to read:

28 5058.2. The holder of an inactive license issued by the board  
29 pursuant to Section 462, when lawfully using the title “certified  
30 public accountant,” the CPA designation, or any other reference  
31 that would suggest that the person is licensed by the board on  
32 materials such as correspondence, internet websites, business cards,  
33 nameplates, or name plaques, shall place the term “inactive”  
34 immediately after that designation.

35 ~~SEC. 67.~~

36 *SEC. 71.* Section 5058.3 of the Business and Professions Code  
37 is amended to read:

38 5058.3. The holder of a retired license issued by the board  
39 pursuant to Section 5070.1, when lawfully using the title “certified  
40 public accountant,” the CPA designation, or any other reference

1 that would suggest that the person is licensed by the board on  
2 materials such as correspondence, internet websites, business cards,  
3 nameplates, or name plaques, shall place the term “retired”  
4 immediately after that title, designation, or reference.

5 ~~SEC. 68.~~

6 *SEC. 72.* Section 5058.4 of the Business and Professions Code  
7 is amended to read:

8 5058.4. The holder of a permit in a military inactive status  
9 issued by the board pursuant to Section 5070.2, when lawfully  
10 using the title “certified public accountant,” the CPA designation,  
11 or any other reference that would suggest that the person is licensed  
12 by the board, on materials such as correspondence, internet  
13 websites, business cards, nameplates, or name plaques, shall place  
14 the term “military inactive” immediately after that title, designation,  
15 or reference.

16 ~~SEC. 69.~~

17 *SEC. 73.* Section 5060 of the Business and Professions Code  
18 is amended to read:

19 5060. (a) No person or firm may practice public accountancy  
20 under any name which is false or misleading.

21 (b) No person or firm may practice public accountancy under  
22 any name other than the name under which the person or firm  
23 holds a valid permit to practice issued by the board.

24 (c) Notwithstanding subdivision (b), a sole proprietor may  
25 practice under a name other than the name set forth on their permit  
26 to practice, provided the name is registered by the board, is in good  
27 standing, and complies with the requirements of subdivision (a).

28 (d) The board may adopt regulations to implement, interpret,  
29 and make specific the provisions of this section including, but not  
30 limited to, regulations designating particular forms of names as  
31 being false or misleading.

32 ~~SEC. 70.~~

33 *SEC. 74.* Section 5063.3 of the Business and Professions Code  
34 is amended to read:

35 5063.3. (a) No confidential information obtained by a licensee,  
36 in their professional capacity, concerning a client or a prospective  
37 client shall be disclosed by the licensee without the written  
38 permission of the client or prospective client, except the following:

39 (1) Disclosures made by a licensee in compliance with a  
40 subpoena or a summons enforceable by order of a court.

1 (2) Disclosures made by a licensee regarding a client or  
2 prospective client to the extent the licensee reasonably believes it  
3 is necessary to maintain or defend themselves in a legal proceeding  
4 initiated by the client or prospective client.

5 (3) Disclosures made by a licensee in response to an official  
6 inquiry from a federal or state government regulatory agency.

7 (4) Disclosures made by a licensee or a licensee's duly  
8 authorized representative to another licensee or person in  
9 connection with a proposed sale or merger of the licensee's  
10 professional practice, provided the parties enter into a written  
11 nondisclosure agreement with regard to all client information  
12 shared between the parties.

13 (5) Disclosures made by a licensee to either of the following:

14 (A) Another licensee to the extent necessary for purposes of  
15 professional consultation.

16 (B) Organizations that provide professional standards review  
17 and ethics or quality control peer review.

18 (6) Disclosures made when specifically required by law.

19 (7) Disclosures specified by the board in regulation.

20 (b) In the event that confidential client information may be  
21 disclosed to persons or entities outside the United States of America  
22 in connection with the services provided, the licensee shall inform  
23 the client in writing and obtain the client's written permission for  
24 the disclosure.

25 ~~SEC. 71.~~

26 *SEC. 75.* Section 5070.7 of the Business and Professions Code  
27 is amended to read:

28 5070.7. (a) A permit that is not renewed within five years  
29 following its expiration may not be renewed, restored, or reinstated  
30 thereafter, and the certificate of the holder of the permit shall be  
31 canceled immediately upon expiration of the five-year period,  
32 except as provided in subdivision (e).

33 (b) A partnership or corporation whose certificate has been  
34 canceled by operation of this section may obtain a new certificate  
35 and permit only if it again meets the requirements set forth in this  
36 chapter relating to registration and pays the registration fee and  
37 initial permit fee.

38 (c) A certified public accountant whose certificate is canceled  
39 by operation of this section may apply for and obtain a new  
40 certificate and permit if the applicant:

1 (1) Is not subject to denial of a certificate and permit under  
2 Section 480.

3 (2) Pays all of the fees that would be required of them if they  
4 were then applying for the certificate and permit for the first time.

5 (3) Takes and passes the examination that would be required of  
6 them if they were then applying for the certificate for the first time.

7 The examination may be waived in any case in which the applicant  
8 establishes to the satisfaction of the board that, with due regard  
9 for the public interest, they are qualified to engage in practice as  
10 a certified public accountant.

11 (d) The board may, by appropriate regulation, provide for the  
12 waiver or refund of all or any part of the application fee in those  
13 cases in which a certificate is issued without an examination under  
14 this section.

15 (e) Revoked permits may not be renewed, but may be reinstated  
16 by the board, without regard to the length of time that has elapsed  
17 since the permit was revoked, and with conditions and restrictions  
18 as the board shall determine.

19 ~~SEC. 72.~~

20 *SEC. 76.* Section 5076 of the Business and Professions Code  
21 is amended to read:

22 5076. (a) In order to renew its registration in an active status  
23 or convert to an active status, a firm, as defined in Section 5035.1,  
24 shall have a peer review report of its accounting and auditing  
25 practice accepted by a board-recognized peer review program no  
26 less frequently than every three years.

27 (b) For purposes of this article, the following definitions apply:

28 (1) "Peer review" means a study, appraisal, or review conducted  
29 in accordance with professional standards of the professional work  
30 of a firm, and may include an evaluation of other factors in  
31 accordance with the requirements specified by the board in  
32 regulations. The peer review report shall be issued by an individual  
33 who has a valid and current license, certificate, or permit to practice  
34 public accountancy from this state or another state and is  
35 unaffiliated with the firm being reviewed.

36 (2) "Accounting and auditing practice" includes any services  
37 that were performed in the prior three years using professional  
38 standards defined by the board in regulations.

39 (c) The board shall adopt regulations as necessary to implement,  
40 interpret, and make specific the peer review requirements in this

1 section, including, but not limited to, regulations specifying the  
2 requirements for board recognition of a peer review program,  
3 standards for administering a peer review, extensions of time for  
4 fulfilling the peer review requirement, exclusions from the peer  
5 review program, and document submission.

6 (d) Nothing in this section shall prohibit the board from initiating  
7 an investigation and imposing discipline against a firm or licensee,  
8 either as the result of a complaint that alleges violations of statutes,  
9 rules, or regulations, or from information contained in a peer review  
10 report received by the board.

11 (e) A firm issued a peer reviewed report with a rating of “fail,”  
12 as defined by the board in regulation, shall submit a copy of that  
13 report to the board. The board shall establish in regulation the time  
14 period that a firm must submit the report to the board. This period  
15 shall not exceed 60 days from the time the report is accepted by a  
16 board-recognized peer review program provider to the date the  
17 report is submitted to the board.

18 (f) (1) A board-recognized peer review program provider shall  
19 file a copy with the board of all peer review reports issued to  
20 California-licensed firms with a rating of “fail.” The board shall  
21 establish in regulation the time period that a board-recognized peer  
22 review program provider shall file the report with the board. This  
23 period shall not exceed 60 days from the time the report is accepted  
24 by a board-recognized peer review program provider to the date  
25 the report is filed with the board. These reports may be filed with  
26 the board electronically.

27 (2) Nothing in this subdivision shall require a board-recognized  
28 peer review program provider, when administering peer reviews  
29 in another state, to violate the laws of that state.

30 (g) The board shall define a peer review report rating of “fail”  
31 in regulation.

32 (h) Any requirements imposed by a board-recognized peer  
33 review program on a firm in conjunction with the completion of  
34 a peer review shall be separate from, and in addition to, any action  
35 by the board pursuant to this section.

36 (i) Any peer review report with a rating of “fail” submitted to  
37 the board in conjunction with this section shall be collected for  
38 investigatory purposes.

39 (j) Nothing in this section affects the discovery or admissibility  
40 of evidence in a civil or criminal action.

1 (k) Nothing in this section requires any firm to become a  
2 member of any professional organization.

3 (l) A peer reviewer shall not disclose information concerning  
4 licensees or their clients obtained during a peer review, unless  
5 specifically authorized pursuant to this section, Section 5076.1, or  
6 regulations prescribed by the board.

7 ~~(m) (1) By January 1, 2015, the board shall provide the~~  
8 ~~Legislature and Governor with a report regarding the peer review~~  
9 ~~requirements of this section that includes, without limitation:~~

10 (A) The number of peer review reports completed to date and  
11 the number of reports that were submitted to the board as required  
12 in subdivision (e).

13 (B) The number of enforcement actions that were initiated as a  
14 result of an investigation conducted pursuant to subdivision (i).

15 (C) The number of firms that were recommended to take  
16 corrective actions to improve their practice through the mandatory  
17 peer review process, and the number of firms that took corrective  
18 actions to improve their practice following recommendations  
19 resulting from the mandatory peer review process.

20 (D) The extent to which mandatory peer review of accounting  
21 firms enhances consumer protection.

22 (E) The cost impact on firms undergoing mandatory peer review  
23 and the cost impact of mandatory peer review on the firm's clients.

24 (F) A recommendation as to whether the mandatory peer review  
25 program should continue.

26 (G) The extent to which mandatory peer review of small firms  
27 or sole practitioners that prepare nondisclosure compiled financial  
28 statements on another comprehensive basis of accounting enhances  
29 consumer protection.

30 (H) The impact of peer review required by this section on small  
31 firms and sole practitioners that prepare nondisclosure compiled  
32 financial statements on another comprehensive basis of accounting.

33 (I) The impact of peer review required by this section on small  
34 businesses, nonprofit corporations, and other entities that utilize  
35 small firms or sole practitioners for the purposes of nondisclosure  
36 compiled financial statements prepared on another comprehensive  
37 basis of accounting.

38 (J) A recommendation as to whether the preparation of  
39 nondisclosure compiled financial statements on another

1 comprehensive basis of accounting should continue to be a part  
2 of the mandatory peer review program.

3 ~~(2) A report to the Legislature pursuant to this section shall be~~  
4 ~~submitted in compliance with Section 9795 of the Government~~  
5 ~~Code.~~

6 ~~SEC. 73.~~

7 *SEC. 77.* Section 5082.4 of the Business and Professions Code  
8 is amended to read:

9 5082.4. A Canadian Chartered Accountant in good standing  
10 may be deemed by the board to have met the examination  
11 requirements of Section 5082, 5092, or 5093 if they have  
12 successfully passed the Canadian Chartered Accountant Uniform  
13 Certified Public Accountant Qualification Examination of the  
14 American Institute of Certified Public Accountants or the  
15 International Uniform Certified Public Accountant Qualification  
16 Examination referenced in subdivision (b) Section 5082.3.

17 ~~SEC. 74.~~

18 *SEC. 78.* Section 5092.1 of the Business and Professions Code  
19 is repealed.

20 ~~SEC. 75.~~

21 *SEC. 79.* Section 5094 of the Business and Professions Code  
22 is amended to read:

23 5094. (a) In order for education to be qualifying, it shall meet  
24 the standards described in subdivision (b) or (c) of this section.

25 (b) At a minimum, education shall be from a degree-granting  
26 university, college, or other institution of learning accredited by  
27 a regional or national accrediting agency included in a list of these  
28 agencies published by the United States Secretary of Education  
29 under the requirements of the Higher Education Act of 1965 as  
30 amended (20 U.S.C. Sec. 1001 et seq.).

31 (c) Education from a college, university, or other institution of  
32 learning located outside the United States may be qualifying  
33 provided it is deemed by the board to be equivalent to education  
34 obtained under subdivision (b). The board may require an applicant  
35 to submit documentation of their education to a credential  
36 evaluation service approved by the board for evaluation and to  
37 cause the results of this evaluation to be reported to the board in  
38 order to assess educational equivalency.

39 (d) The board shall adopt regulations specifying the criteria and  
40 procedures for approval of credential evaluation services. These



1 regulations shall, at a minimum, require that the credential  
2 evaluation service (1) furnish evaluations directly to the board, (2)  
3 furnish evaluations written in English, (3) be a member of the  
4 American Association of Collegiate Registrars and Admissions  
5 Officers, NAFSA: Association of International Educators, or the  
6 National Association of Credential Evaluation Services, (4) be  
7 used by accredited colleges and universities, (5) be reevaluated by  
8 the board every five years, (6) maintain a complete set of reference  
9 materials as specified by the board, (7) base evaluations only upon  
10 authentic, original transcripts and degrees and have a written  
11 procedure for identifying fraudulent transcripts, (8) include in the  
12 evaluation report, for each degree held by the applicant, the  
13 equivalent degree offered in the United States, the date the degree  
14 was granted, the institution granting the degree, an English  
15 translation of the course titles, and the semester unit equivalence  
16 for each of the courses, (9) have an appeal procedure for applicants,  
17 and (10) furnish the board with information concerning the  
18 credential evaluation service that includes biographical information  
19 on evaluators and translators, three letters of references from public  
20 or private agencies, statistical information on the number of  
21 applications processed annually for the past five years, and any  
22 additional information the board may require in order to ascertain  
23 that the credential evaluation service meets the standards set forth  
24 in this subdivision and in any regulations adopted by the board.

25 ~~SEC. 76.~~

26 *SEC. 80.* Section 5096.20 of the Business and Professions Code  
27 is amended to read:

28 5096.20. (a) To ensure that Californians are protected from  
29 out-of-state licensees with disqualifying conditions who may  
30 unlawfully attempt to practice in this state under a practice  
31 privilege, prior to July 1, 2013, the board shall add an out-of-state  
32 licensee feature to its license lookup tab of the home page of its  
33 internet website that allows consumers to obtain information about  
34 an individual whose principal place of business is not in this state  
35 and who seeks to exercise a practice privilege in this state, that is  
36 at least equal to the information that was available to consumers  
37 through its home page prior to January 1, 2013, through the practice  
38 privilege form previously filed by out-of-state licensees pursuant  
39 to Section 5096, as added by Chapter 921 of the Statutes of 2004,

1 and the regulations adopted thereunder. At minimum, these features  
2 shall include all of the following:

3 (1) The ability of the consumer to search by name and state of  
4 licensure.

5 (2) The disclosure of information in the possession of the board,  
6 which the board is otherwise authorized to publicly disclose, about  
7 an individual exercising a practice privilege in this state, including,  
8 but not limited to, whether the board has taken action of any form  
9 against that individual and, if so, what the action was or is.

10 (3) A disclaimer that the consumer must click through prior to  
11 being referred to any other internet website, which in plain  
12 language explains that the consumer is being referred to an internet  
13 website that is maintained by a regulatory agency or other entity  
14 that is not affiliated with the board. This disclaimer shall include  
15 a link to relevant sections of this article that set forth disqualifying  
16 conditions, including, but not limited to, Section 5096.2.

17 (4) A statement in plain language that notifies consumers that  
18 they are permitted to file complaints against such individuals with  
19 the board.

20 (5) A link to the internet website or sites that the board  
21 determines, in its discretion, provides the consumer the most  
22 complete and reliable information available about the individual's  
23 status as a licenseholder, permitholder, or certificate holder.

24 (6) If the board of another state does not maintain an internet  
25 website that allows a consumer to obtain information about its  
26 licensees including, but not limited to, disciplinary history, and  
27 that information is not available through a link to an internet  
28 website maintained by another entity, a link to contact information  
29 for that board, which contains a disclaimer in plain language that  
30 explains that the consumer is being referred to a board that does  
31 not permit the consumer to obtain information, including, but not  
32 limited to, disciplinary history, about individuals through the  
33 internet website, and that the out-of-state board is not affiliated  
34 with the board.

35 (b) The board shall biennially survey the internet websites and  
36 disclosure policies of other boards to ensure that its disclaimers  
37 are accurate.

38 ~~SEC. 77.~~

39 *SEC. 81.* Section 5096.21 of the Business and Professions Code  
40 is amended to read:

1 5096.21. (a) (1) On and after January 1, 2016, if the board  
2 determines, through a majority vote of the board at a regularly  
3 scheduled meeting, that allowing individuals from a particular  
4 state to practice in this state pursuant to a practice privilege as  
5 described in Section 5096, violates the board's duty to protect the  
6 public, pursuant to Section 5000.1, the board shall require  
7 out-of-state individuals licensed from that state, as a condition to  
8 exercising a practice privilege in this state, to file the notification  
9 form and pay the applicable fees as required by Section 5096.22.

10 (2) A state for which the board has made a determination  
11 pursuant to paragraph (1) to require individuals licensed from that  
12 state to file a notification form and pay the applicable fees may  
13 subsequently be redetermined by the board, by majority vote of  
14 the board at a regularly scheduled meeting, to allow individuals  
15 from that state to practice in this state pursuant to a practice  
16 privilege as described in Section 5096.

17 (b) The board shall, at minimum, consider the following factors  
18 when making a determination or redetermination pursuant to  
19 subdivision (a):

20 (1) Whether the state timely and adequately addresses  
21 enforcement referrals made by the board to the accountancy  
22 regulatory board of that state, or otherwise fails to respond to  
23 requests the board deems necessary to meet its obligations under  
24 this article.

25 (2) Whether the state makes the disciplinary history of its  
26 licensees publicly available through the Internet in a manner that  
27 allows the board to adequately link consumers to an internet  
28 website to obtain information that was previously made available  
29 to consumers about individuals from the state prior to January 1,  
30 2013, through the notification form.

31 (3) Whether the state imposes discipline against licensees that  
32 is appropriate in light of the nature of the alleged misconduct.

33 (4) Whether the state has in place and is operating pursuant to  
34 enforcement practices substantially equivalent to the current best  
35 practices guidelines adopted by the National Association of State  
36 Boards of Accountancy provided those guidelines have been  
37 determined by the board to meet or exceed the board's own  
38 enforcement practices.

39 (c) On or before July 1, 2014, the board shall convene a  
40 stakeholder group consisting of members of the board, board

1 enforcement staff, and representatives of the accounting profession  
2 and consumer representatives to consider whether the provisions  
3 of this article are consistent with the board's duty to protect the  
4 public consistent with Section 5000.1, and whether the provisions  
5 of this article satisfy the objectives of stakeholders of the  
6 accounting profession in this state, including consumers. The  
7 group, at its first meeting, shall adopt policies and procedures  
8 relative to how it will conduct its business, including, but not  
9 limited to, policies and procedures addressing periodic reporting  
10 of its findings to the board. The group shall provide  
11 recommendations to the board on any matter upon which it is  
12 authorized to act.

13 ~~SEC. 78.~~

14 *SEC. 82.* Section 5103.5 of the Business and Professions Code  
15 is amended to read:

16 5103.5. (a) The board shall post on its internet website, in an  
17 easily marked and identifiable location, notice of all formal  
18 accusations. The notice of any formal accusation shall contain a  
19 link to where a person may request and have sent to them a copy  
20 of the formal accusation, and the basis for the accusation and  
21 alleged violations filed by the board against a licensee.

22 (b) The link to where a person may request and have sent to  
23 them a copy of the formal accusation shall be clearly and  
24 conspicuously located on the same internet website page on which  
25 the notice is posted and shall authorize a person to request and  
26 receive the information described in subdivision (a) by regular  
27 mail or electronic mail.

28 (c) The board shall develop a statement that informs any person  
29 requesting a copy of a formal accusation and any person receiving  
30 a copy of a formal accusation that any allegations contained in the  
31 accusation are not a final determination of wrongdoing and are  
32 subject to adjudication and final review by the board pursuant to  
33 the Administrative Procedure Act (Chapter 3.5 (commencing with  
34 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
35 Code). This statement shall be provided to a person requesting and  
36 receiving a copy of a formal accusation in a manner to be  
37 determined by the board.

38 ~~SEC. 79.~~

39 *SEC. 83.* Section 5104 of the Business and Professions Code  
40 is amended to read:

1 5104. Any certified public accountant or public accountant  
2 whose certificate, registration, or permit has been revoked or  
3 suspended shall, upon request of the board, relinquish their  
4 certificate or permit. However, upon the expiration of the period  
5 of suspension, the board shall immediately return any suspended  
6 certificate or permit that has been relinquished.

7 ~~SEC. 80.~~

8 *SEC. 84.* Section 5107 of the Business and Professions Code  
9 is amended to read:

10 5107. (a) The executive officer of the board may request the  
11 administrative law judge, as part of the proposed decision in a  
12 disciplinary proceeding, to direct any holder of a permit or  
13 certificate found to have committed a violation or violations of  
14 this chapter to pay to the board all reasonable costs of investigation  
15 and prosecution of the case, including, but not limited to, attorney's  
16 fees. The board shall not recover costs incurred at the  
17 administrative hearing.

18 (b) A certified copy of the actual costs, or a good faith estimate  
19 of costs where actual costs are not available, signed by the  
20 executive officer, shall be prima facie evidence of reasonable costs  
21 of investigation and prosecution of the case.

22 (c) The administrative law judge shall make a proposed finding  
23 of the amount of reasonable costs of investigation and prosecution  
24 of the case when requested to do so by the executive officer  
25 pursuant to subdivision (a). Costs are payable 120 days after the  
26 board's decision is final, unless otherwise provided for by the  
27 administrative law judge or if the time for payment is extended by  
28 the board.

29 (d) The finding of the administrative law judge with regard to  
30 cost shall not be reviewable by the board to increase the cost award.  
31 The board may reduce or eliminate the cost award, or remand to  
32 the administrative law judge where the proposed decision fails to  
33 make a finding on costs requested by the executive officer pursuant  
34 to subdivision (a).

35 (e) The administrative law judge may make a further finding  
36 that the amount of reasonable costs awarded shall be reduced or  
37 eliminated upon a finding that respondent has demonstrated that  
38 they cannot pay all or a portion of the costs or that payment of the  
39 costs would cause an unreasonable financial hardship that cannot  
40 be remedied through a payment plan.

1 (f) When an administrative law judge makes a finding that costs  
2 be waived or reduced, they shall set forth the factual basis for their  
3 finding in the proposed decision.

4 (g) Where an order for recovery of costs is made and timely  
5 payment is not made as directed by the board's decision, the board  
6 may enforce the order for payment in any appropriate court. This  
7 right of enforcement shall be in addition to any other rights the  
8 board may have as to any holder of a permit or certificate directed  
9 to pay costs.

10 (h) In a judicial action for the recovery of costs, proof of the  
11 board's decision shall be conclusive proof of the validity of the  
12 order of payment and the terms of payment.

13 (i) All costs recovered under this section shall be deposited in  
14 the Accountancy Fund.

15 (j) (1) Except as provided in paragraph (2), the board shall not  
16 renew or reinstate the permit or certificate of a holder who has  
17 failed to pay all of the costs ordered under this section.

18 (2) Notwithstanding paragraph (1) or paragraph (2) of  
19 subdivision (g) of Section 125.3, the board may, in its discretion,  
20 conditionally renew or reinstate for a maximum of three years the  
21 permit or certificate of a holder who demonstrates financial  
22 hardship and who enters into a formal agreement with the board  
23 to reimburse the board within that three-year period for those  
24 unpaid costs.

25 (k) Nothing in this section shall preclude the board from seeking  
26 recovery of costs in an order or decision made pursuant to an  
27 agreement entered into between the board and the holder of a  
28 permit or certificate.

29 (l) (1) Costs may not be recovered under this section as a result  
30 of a citation issued pursuant to Section 125.9 and its implementing  
31 language if the licensee complies with the citation.

32 (2) The Legislature hereby finds and declares that this  
33 subdivision is declaratory of existing law.

34 ~~SEC. 84.~~

35 *SEC. 85.* Section 5121 of the Business and Professions Code  
36 is amended to read:

37 5121. The display or uttering by a person of a card, sign,  
38 advertisement or other printed, engraved or written instrument or  
39 device, bearing a person's name in conjunction with the words  
40 "certified public accountant" or any abbreviation thereof or the

1 words “public accountant” or any abbreviation thereof shall be  
2 prima facie evidence in any prosecution, proceeding or hearing  
3 brought under this article that the person whose name is so  
4 displayed caused or procured the display or uttering of such card,  
5 sign, advertisement or other printed, engraved or written instrument  
6 or device. Any such display or uttering shall be prima facie  
7 evidence that the person whose name is so displayed holds  
8 themselves out as a certified public accountant, or a public  
9 accountant holding a permit to practice public accountancy in this  
10 State under the provisions of this chapter. In any prosecution or  
11 hearing under this chapter, evidence of the commission of a single  
12 act prohibited by this chapter shall be sufficient to justify a  
13 conviction without evidence of a general course of conduct.

14 ~~SEC. 82.~~

15 *SEC. 86.* Section 5134 of the Business and Professions Code  
16 is amended to read:

17 5134. The amount of fees prescribed by this chapter is as  
18 follows:

19 (a) The fee to be charged to each applicant for the certified  
20 public accountant examination shall be fixed by the board at an  
21 amount not to exceed six hundred dollars (\$600). The board may  
22 charge a reexamination fee not to exceed seventy-five dollars (\$75)  
23 for each part that is subject to reexamination.

24 (b) The fee to be charged to out-of-state candidates for the  
25 certified public accountant examination shall be fixed by the board  
26 at an amount not to exceed six hundred dollars (\$600) per  
27 candidate.

28 (c) The application fee to be charged to each applicant for  
29 issuance of a certified public accountant certificate shall be fixed  
30 by the board at an amount not to exceed two hundred fifty dollars  
31 (\$250).

32 (d) The application fee to be charged to each applicant for  
33 issuance of a certified public accountant certificate by waiver of  
34 examination shall be fixed by the board at an amount not to exceed  
35 two hundred fifty dollars (\$250).

36 (e) The fee to be charged to each applicant for registration as a  
37 partnership or professional corporation shall be fixed by the board  
38 at an amount not to exceed two hundred fifty dollars (\$250).

39 (f) The biennial fee for the renewal of each of the permits to  
40 engage in the practice of public accountancy specified in Section

1 5070 shall not be less than two hundred fifty dollars (\$250) and  
2 shall not exceed two hundred eighty dollars (\$280).

3 (g) The application fee to be charged to each applicant for a  
4 retired status license, as described in Section 5070.1, shall be fixed  
5 by the board at an amount not to exceed two hundred fifty dollars  
6 (\$250).

7 (h) The application fee to be charged to each applicant for  
8 restoration of a license in a retired status to an active status pursuant  
9 to subdivision (f) of Section 5070.1 shall be fixed by the board at  
10 an amount not to exceed one thousand dollars (\$1,000).

11 (i) The delinquency fee shall be 50 percent of the accrued  
12 renewal fee.

13 (j) The initial permit fee is an amount equal to the renewal fee  
14 in effect on the last regular renewal date before the date on which  
15 the permit is issued, except that, if the permit is issued one year  
16 or less before it will expire, then the initial permit fee is an amount  
17 equal to 50 percent of the renewal fee in effect on the last regular  
18 renewal date before the date on which the permit is issued. The  
19 board may, by regulation, provide for the waiver or refund of the  
20 initial permit fee where the permit is issued less than 45 days before  
21 the date on which it will expire.

22 (k) The fee to be charged for the certification of documents  
23 evidencing passage of the certified public accountant examination,  
24 the certification of documents evidencing the grades received on  
25 the certified public accountant examination, or the certification of  
26 documents evidencing licensure shall be twenty-five dollars (\$25).

27 (l) The board shall fix the fees in accordance with the limits of  
28 this section and any increase in a fee fixed by the board shall be  
29 pursuant to regulation duly adopted by the board in accordance  
30 with the limits of this section.

31 (m) It is the intent of the Legislature that, to ease entry into the  
32 public accounting profession in California, any administrative cost  
33 to the board related to the certified public accountant examination  
34 or issuance of the certified public accountant certificate that  
35 exceeds the maximum fees authorized by this section shall be  
36 covered by the fees charged for the biennial renewal of the permit  
37 to practice.

38 *SEC. 87. Section 5550.3 of the Business and Professions Code*  
39 *is amended to read:*



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**Attachment 2**

April 10, 2023

The Honorable Richard D. Roth  
1021 O Street, Room 7510  
Sacramento, CA 95814

**Bill: SB 887**  
**Position: Support**

Dear Senator Roth:

At its March 23-24, 2023 meeting, the California Board of Accountancy (CBA) took a Support position on Senate Bill (SB) 887, as introduced on March 14, 2023.

The CBA would like to extend our appreciation to you and the Senate Business, Professions and Economic Development (BPED) Committee for including CBA-requested amendments in SB 887 that will strengthen and clarify its statutory provisions, including:

- Deleting the authorization for a continuing education advisory committee the CBA no longer uses and does not foresee using in the future.
- Deleting the peer review term “substandard” and replacing it with the term “fail,” consistent with American Institute of Certified Public Accountants’ Standards for Performing and Reporting on Peer Review.
- Deleting the outdated authorization for the CBA to collect fees under the prior practice privilege provisions.
- Deleting language that provided a period of time for candidates who were in the pipeline in 2011 to obtain their license without having to return to school to obtain the 20 hours of accounting study and 10 units of ethics study.


SB 887 also incorporates other non-substantive changes, including gender neutral pronouns, updated terminology to reference internet website, and grammatical changes.

The CBA appreciates the opportunity to continue working with Senate BPED Committee staff to correct some minor drafting errors in Business and Professions Code sections 5037(b) and 5076(m)(1)(G), (H), (I), and (J) to ensure the bill contains accurate terminology as it relates to the CBA.

Removing outdated statutory provisions and updating the identified terminology will assist the CBA in maintaining clear and relevant laws to guide the CBA in meeting its consumer protection mission.

If you have questions, please contact Deanne Pearce, Assistant Executive Officer, at (916) 561-1740 or [Deanne.Pearce@cba.ca.gov](mailto:Deanne.Pearce@cba.ca.gov).

Sincerely,

A handwritten signature in black ink that reads "Katrina L. Salazar". The signature is written in a cursive, flowing style.

Katrina L. Salazar, CPA  
President

cc: Members, California Board of Accountancy  
Dominic Franzella, Acting Executive Officer, California Board of Accountancy  
Members, Assembly Business and Professions Committee  
Members, Senate Business, Professions and Economic Development Committee  
Elissa Silva, Consultant, Senate Business, Professions and Economic  
Development Committee  
Kaitlin Curry, Consultant, Assembly Business and Professions Committee  
Bill Lewis, Principal Consultant, Assembly Republican Caucus  
Kayla Williams, Consultant, Senate Republican Caucus

**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**CBA Item VI.A.1.**  
September 21-22, 2023**Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee****Presented by: Katrina L. Salazar, CPA, President**

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**Purpose of the Item**

The purpose of this agenda item is to recommend that Jeffrey De Lyser, 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, the Vice President works 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**.

The Vice President also confers 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.

Prior to making a decision to recommend Jeffrey De Lyser, CPA, for appointment to the EAC, Vice President Tu performed all the steps previously mentioned. Mr. De Lyser is

## **Recommendations for Appointment(s)/Reappointment(s) to the Enforcement Advisory Committee**

Page 2 of 2

currently serving on the Peer Review Oversight Committee where he has served as Chair and Vice Chair. Additionally, Mr. De Lyser served on the EAC from July 21, 2011 to July 31, 2019 having served as Chair and Vice Chair. Vice President Tu believes Jeffrey De Lyser, CPA, has the skills and knowledge to serve once again 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 Jeffrey De Lyser, CPA, be appointed for two years to the EAC, effective September 22, 2023 until September 30, 2025.

### **Attachments**

1. Curriculum Vitae of Jeffrey De Lyser, CPA
2. California Board of Accountancy Enforcement Advisory Committee Skill Matrix



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**CBA Item VI.B.1.**  
September 21-22, 2023

## **Recommendations for Appointment(s)/Reappointment(s) to the Qualifications Committee**

**Presented by: Katrina L. Salazar, President**

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### **Purpose of the Item**

The purpose of this agenda item is to recommend that Michael L. Williams, 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 reappointing 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 interviews and work paper reviews, with the applicant or employer present, to verify that the responses provided on the experience form are reflective of the requisite experience for licensure.

### **Comments**

For all appointments to a committee, Vice President works 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**.

The Vice President also confers 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.

For current members who are being reappointed, the Vice President reviews prior attendance records, verify completion of mandatory trainings, and review the

## **Recommendations for Appointment(s)/Reappointment(s) to the Qualifications Committee**

Page 2 of 2

evaluations that may have been completed by the current Vice Chairperson, CBA Liaisons, and the Licensing 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 Michael L. Williams, CPA, for reappointment to the QC, Vice President Tu performed all the steps previously mentioned.

Michael L. Williams, CPA, has exhibited a high level of professionalism during the performance of his duties and was selected to serve as Chairperson of the QC. Vice President Tu believes Michael L. Williams, CPA, has demonstrated the skills and knowledge to continue 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, I recommend that Michael L. Williams, CPA, be reappointed for two years to the QC, until September 30, 2025.

### **Attachments**

1. Curriculum Vitae of Michael L. Williams, CPA
2. California Board of Accountancy Qualifications Committee Skill Matrix



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**CBA Item VI.C.1.**  
September 21-22, 2023

## **Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee**

**Presented by: Katrina L. Salazar, CPA, President**

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### **Purpose of the Item**

The purpose of this agenda item is to recommend that Fausto Hinojosa, 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, the Vice President works 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.

The Vice President also confers 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.

For current members who are being reappointed, the Vice President reviews prior attendance records, verify completion of mandatory trainings, and review the

## **Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee**

Page 2 of 2

evaluations that may have been completed by the current Chairperson CBA Liaisons, and the Licensing 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 Fausto Hinojosa, CPA, for reappointment to the PROC, Vice President Tu performed all the steps previously mentioned. Fausto Hinojosa, CPA, has exhibited a high level of professionalism during the performance of his duties, and was selected to serve as Vice Chairperson of the PROC. Vice President Tu believes Fausto Hinojosa, CPA, 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, I recommend that Fausto Hinojosa, CPA, be reappointed for two years to the PROC, until September 30, 2025.

### **Attachment**

Curriculum Vitae of Fausto Hinojosa, CPA





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**CBA Item VI.C.2.**  
September 21-22, 2023

## **Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee**

**Presented by: Katrina L. Salazar, CPA, President**

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### **Purpose of the Item**

The purpose of this agenda item is to recommend that Jeffrey De Lyser, 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, the Vice President works 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.

The Vice President also confers 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.

For current members who are being reappointed, the Vice President reviews prior attendance records, verify completion of mandatory trainings, and review the

## **Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee**

Page 2 of 2

evaluations that may have been completed by the current Chairperson CBA Liaisons, and the Licensing 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 Jeffrey De Lyser, CPA, for reappointment to the PROC, Vice President Tu performed all the steps previously mentioned. Jeffrey De Lyser, CPA, has exhibited a high level of professionalism during the performance of his duties, and has previously served as Chair and Vice Chairperson of the PROC. Vice President Tu believes Jeffrey De Lyser, CPA, 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, I recommend that Jeffrey De Lyser, CPA, be reappointed for two years to the PROC, until September 30, 2025.

### **Attachment**

Curriculum Vitae of Jeffrey De Lyser, CPA



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**CBA Item VI.C.3.**  
September 21-22, 2023

## **Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee**

**Presented by: Katrina L. Salazar, CPA, President**

---

### **Purpose of the Item**

The purpose of this agenda item is to recommend that Nick Petersen, 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, the Vice President works 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.

The Vice President also confers 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.

For current members who are being reappointed, the Vice President reviews prior attendance records, verify completion of mandatory trainings, and review the

## **Recommendations for Appointment(s)/Reappointment(s) to the Peer Review Oversight Committee**

Page 2 of 2

evaluations that may have been completed by the current Chairperson CBA Liaisons, and the Licensing 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 Nick Petersen, CPA, for reappointment to the PROC, Vice President Tu performed all the steps previously mentioned.

Nick Petersen, CPA, has exhibited a high level of professionalism during the performance of his duties. Vice President Tu believes Nick Petersen, CPA, 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, I recommend that Nick Petersen, CPA, be reappointed for two years to the PROC, until September 30, 2025.

### **Attachment**

Curriculum Vitae of Nick Petersen, CPA

September 21-22, 2023

Item VIII.A.

## CBA by the Numbers



## Information Technology

### Transition to Microsoft Teams Calling

As part of the recent network migration the CBA began transitioning to Microsoft Teams Calling, which enables staff to both initiate and receive calls via their computer. Each staff member is assigned a telephone number that is accessible on the computer they are logged into. This provides maximum flexibility for staff who work both remote and in the CBA office.

The current "desk" lines still exist and will eventually be phased out once outreach has been done and various rosters and notices are updated regarding the new telephone numbers. The main telephone number for the CBA, unit lines (e.g. renewal information), and CBA Executive line will continue to be used and eventually ported to the Microsoft Teams platform.

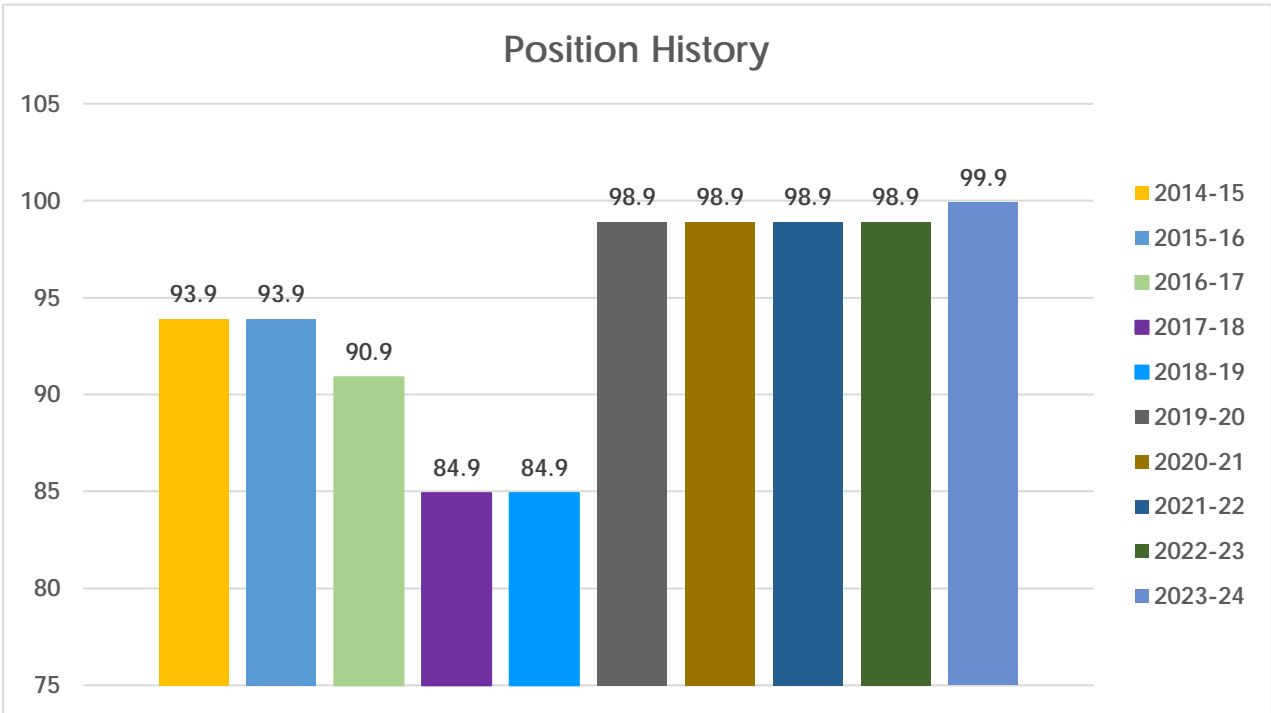
The new Teams phone numbers begin with a (279) area code prefix, instead of the previous (916) area code used with other CBA phone numbers. The (279) prefix was added as an overlay to the Sacramento region beginning in 2018. Outreach will be beneficial to ensure stakeholders are aware of the new format of the telephone numbers.

# Staffing Update

## Vacancy Information

The CBA currently has 12 vacant positions. Five of these positions are classified as hard to fill (Supervising Investigative CPA and Investigative CPA).

Total Number of Positions	99.9
Vacancies <ul style="list-style-type: none"> <li>Administration – 2</li> <li>Enforcement – 6</li> <li>Licensing – 4</li> </ul>	12.0
Vacancy Rate	12%



# Update on Regulations

Subject of Regulations	Status
<b>Sale, Transfer, or Discontinuance of Practice</b>	
<p>Establish regulations regarding the sale, transfer, or discontinuance of a licensee's practice.</p>	<p>This rulemaking package was withdrawn to address a clarity issue in the proposed text. The revised text will be presented for CBA review and approval at the September meeting and then resubmitted to OAL following a 15-day notice of modified text.</p>
<b>CPA Evolution/Early Entry</b>	
<p>Establish and amend regulations to implement CPA Evolution and Early Entry to the CPA Exam.</p>	<p>The CBA approved a modification to the proposed text at the July meeting, which was available for public comment through August 18. Staff are working with DCA to finalize the rulemaking documents for submission to OAL.</p>
<b>Firm Responsibilities and Client Notification Regarding Attest Services</b>	
<p>Amend regulations regarding accounting firms providing attest services with ownership comprised solely of CPAs who have not completed the attest experience requirement.</p>	<p>Staff are working with DCA to finalize the rulemaking documents.</p>
<b>Disciplinary Guidelines</b>	
<p>Amend the CBA's Disciplinary Guidelines and Model Orders.</p>	<p>Staff are working with DCA to finalize the rulemaking documents.</p>
<b>Reinstatement of Surrendered Licenses via Written Record</b>	
<p>Add Section 99.3, Reinstatement of Surrendered Licenses via Written Record.</p>	<p>Staff are working with DCA to finalize the rulemaking documents.</p>

September 21-22, 2023

Item VIII.B.

## Outreach Events

### Student and Faculty Sessions at September CBA Meeting

The CBA is planning a variety of outreach events to go along with the CBA meeting to be held September 21-22, 2023, at California State Polytechnic University, Pomona (Cal Poly Pomona). The outreach will be targeted toward both students and faculty. This is a great opportunity for the CBA to speak directly to students and lay the foundation to become a trusted partner for the next generation of accounting professionals.



Two separate presentations will be given to students, one for undergraduates, and one for those in the graduate program. These presentations will discuss the role of the CBA, value of the CPA license, and the requirements to be approved to sit for the Uniform CPA Examination (CPA Exam) and for CPA licensure. CPA Evolution and its implementation will also be covered, to ensure students are aware of the new Core + Discipline model of the CPA Exam debuting in January 2024. There will be a question and answer session following both presentations. Another town-hall style event will be held with faculty from Cal Poly Pomona and other colleges and universities in the surrounding areas to gather more information for the Students Understanding the Requirements to be a CPA (SURE CPA) Project. The CBA would like to extend a special thank you to President Katrina L. Salazar, CPA, Vice President Yen Tu, Secretary/Treasurer Joe Rosenbaum, CPA, and Member Nancy J. Corrigan, CPA, for their participation in this vital outreach.

In addition, a Meet and Mingle session with CBA members will take place. This will be an informal session for students to ask members about the accounting profession, their career paths, why they volunteer on the CBA, and anything else students may wish to ask.

Four CBA staff from the Examination and Initial Licensing Units will be on campus meeting individually with students and reviewing their transcripts to provide guidance on how their coursework satisfies the educational requirements to become a CPA.



# SURE CPA Project Video

The CBA created [a new video](#) encouraging students, recent graduates, and licensees to take the SURE CPA Project survey. This was the first video produced by Jacob Sudia, the CBA's new Information and Planning Specialist. The fresh, informative, and inviting tone was well-received on the CBA social media channels which speaks to our goal of inspiring a diverse response group for the survey. The video can be viewed on the [SURE CPA Project page](#).



Staff has already begun work on the next two video productions, which will be focused on CPA Evolution and working at the CBA.

## UPDATE Newsletter

The [latest UPDATE newsletter](#), issue No. 99, has been published to the CBA website and may be viewed under the "Communications and Outreach" tab. The issue is full of information about the CBA's recent and upcoming outreach activities, the SURE CPA Project, legislation potentially affecting the accounting profession, the CBA's upcoming fee restructuring, and when the recent extension of the CPA Exam credit window may take effect. This issue also provides more date-specific information about CPA Evolution. Additionally, all recent CBA enforcement actions are listed in the current publication.

The issue's featured article was written by Kathy A. Johnson, CPA, Vice President of the Alliance of Black Women Accountants (ABWA) and Vice Chair of the CBA's Enforcement Advisory Committee. Ms. Johnson describes her experiences in the profession and what the ABWA is doing to support its membership. The article, titled "The Only One," aligns with the CBA's goal of promoting Diversity, Equity, and Inclusion within the accounting profession.

Staff is already hard at work and excited to create something special for Issue No. 100. Look for that to be published before the end of 2023.

## Annual Reports

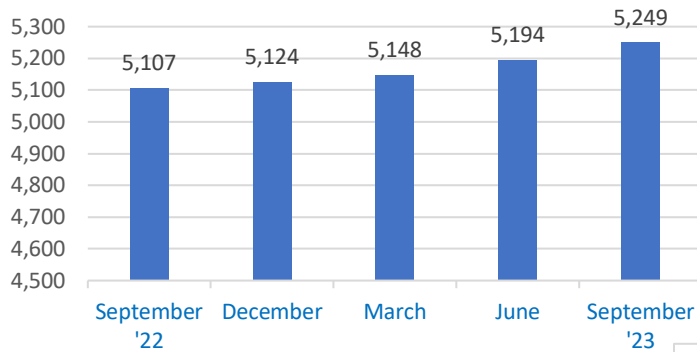
The CBA's contribution to the Department of Consumer Affairs' (DCA) 2022-23 Annual Report has been submitted. Once complete, a link will be provided for viewing. The CBA's own fiscal year 2022-23 Annual Report is currently in production and will be presented at the November CBA meeting.

# Social Media

The CBA social media accounts continued to grow during the summer months with increased audience and engagement. Staff is in the process of creating a new social media content calendar that will ensure our messaging speaks to applicants, licensees, and consumers in a more calculated manner. There will be a focus on increasing the volume of our posts to deliver important information to CBA stakeholders.

The CBA is proud to partner with other state agencies to amplify important messaging that our followers may find helpful. During the heatwave last month, the CBA amplified important safety news and tips from Listos California, the California Office of Emergency Services, and HeatReadyCA.com.

### 12-month Facebook Growth

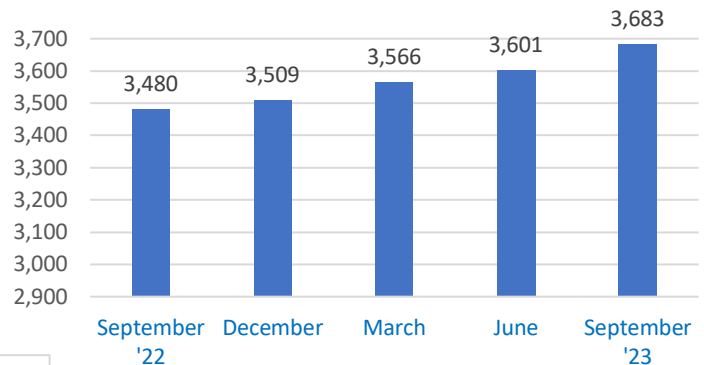


Total Followers: 5,249  
 3-month Growth: +55, 1.1%  
 12-month Growth: +142, 2.8%

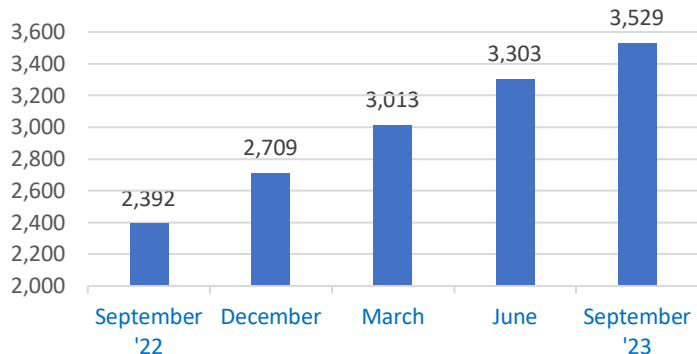


Total Followers: 3,683  
 3-month Growth: +82, 2.3%  
 12-month Growth: +203, 5.8%

### 12-month X (Twitter) Growth



### 12-month LinkedIn Growth



Total Followers: 3,529  
 3-month Growth: +226, 6.8%  
 12-month Growth: +1,137, 47.5%

# Website Updates

## Bios Added to Committee Members Roster Page

The CBA has enhanced the [Committee Roster page](#) on the website to now include member biographies. This addition improves transparency for stakeholders so they may be more educated on the backgrounds of the licensees who are giving back to the profession and assisting the CBA in meeting its consumer protection mission.

## E-News

E News Subscriptions	Total
Consumer Interest	5,249 (+8)
Examination Applicant	3,350 (+16)
Licensing Applicant	4,070 (+15)
California Licensee	11,182 (+20)
Out-of-State Licensee	2,803 (+12)
Statutory/Regulatory	8,970 (+13)
CBA Meeting Information & Agenda Materials	4,483 (+16)
UPDATE Publication	9,016 (+18)
<b>Total Subscriptions</b>	<b>49,123 (+118)</b>



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**CBA Item IX.B.1.**  
September 21-22, 2023

## **Approval of the 2024 Qualifications Committee Meeting Dates**

**Presented by: Michael L. Williams, CPA, Chair, Qualifications Committee**

---

### **Purpose of the Item**

The purpose of this agenda item is to provide the California Board of Accountancy (CBA) with the proposed Qualifications Committee (QC) meeting dates for 2024.

### **Consumer Protection Objectives**

Pursuant to Business and Professions Code section 5023, the QC is authorized to act as an advisory committee for the CBA by providing recommendations and assisting with the consumer protection mandate, by examining the qualifications of applicants for certified public accountant licensure.

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

The CBA may choose to adopt or modify the 2024 QC proposed meeting dates.

### **Background**

The 2024 CBA meeting dates are as follows:

- January 25-26, 2024
- March 21-22, 2024
- May 16-17, 2024
- July 25-26, 2024
- September 19-20, 2024
- November 21-22, 2024

### **Comments**

It is anticipated that the QC meetings will be held in-person, at the CBA Office in Sacramento. The proposed QC meeting dates are:

- January 24, 2024
- April 24, 2024
- July 24, 2024
- October 23, 2024

## **Approval of the 2024 Qualifications Committee Meeting Dates**

Page 2 of 2

In addition to the quarterly meetings, QC members will conduct subcommittee personal appearance interviews and section 69 reviews.

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

There are no fiscal/economic considerations.

### **Recommendation**

The QC recommends that the CBA adopt or modify the proposed 2024 QC meeting dates.

### **Attachment**

None.



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**CBA Item IX.C.2.**  
September 21-22, 2023

## **Approval of the 2024 Peer Review Oversight Committee Meeting Dates**

**Presented by: Laura L. Ross, CPA, Chair, Peer Review Oversight Committee**

---

### **Purpose of the Item**

The purpose of this agenda item is to provide the California Board of Accountancy (CBA) with the proposed Peer Review Oversight Committee (PROC) meeting dates for 2024.

### **Consumer Protection Objectives**

Pursuant to Business and Professions Code section 5076, the PROC is authorized to act as an advisory committee for the CBA by providing recommendations and assisting with the consumer protection mandate on any peer review activities associated with the American Institute of Certified Public Accountants, and the California Society of Certified Public Accountants, to ensure the effectiveness of mandatory peer review.

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

The CBA may choose to adopt or modify the 2024 PROC proposed meeting dates.

### **Background**

The 2024 CBA meeting dates are as follows:

- January 25-26, 2024
- March 21-22, 2024
- May 16-17, 2024
- July 25-26, 2024
- September 19-20, 2024
- November 21-22, 2024

### **Comments**

The PROC meetings will be held at the CBA Office in Sacramento. The proposed PROC meeting dates are:

- February 16, 2024
- May 10, 2024
- August 9, 2024
- December 13, 2024

## **Approval of the 2024 Peer Review Oversight Committee Meeting Dates**

Page 2 of 2

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

There are no fiscal/economic considerations.

### **Recommendation**

The PROC recommends that the CBA adopt or modify the proposed 2024 PROC meeting dates.

### **Attachment**

None.

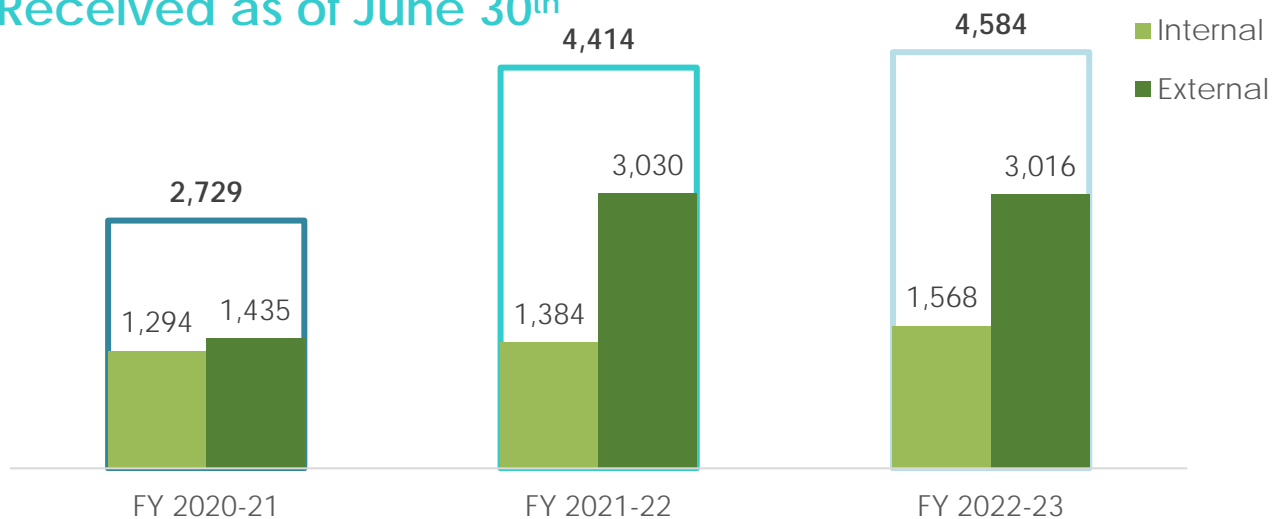
September 21-22, 2023

CBA Item X.A.

## Complaints

<b>FY 2022-23</b> (12 months of data)	<b>4,584 Received</b> – Internal 1,568 – External 3,016
<b>FY 2021-22</b>	<b>4,414 Received</b> – Internal 1,384 – External 3,030
<b>FY 2020-21</b>	<b>2,729 Received</b> – Internal 1,294 – External 1,435

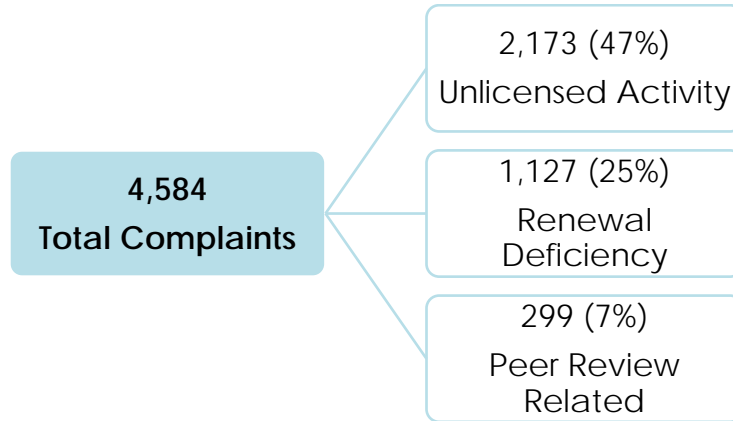
### Received as of June 30<sup>th</sup>



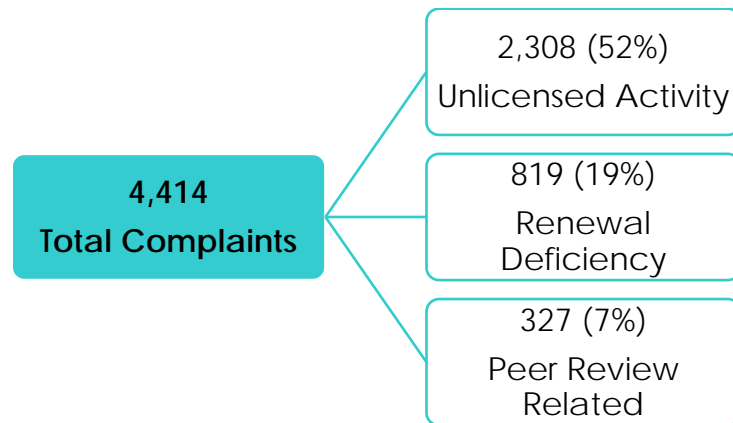


# Top 3 Complaint Types Received

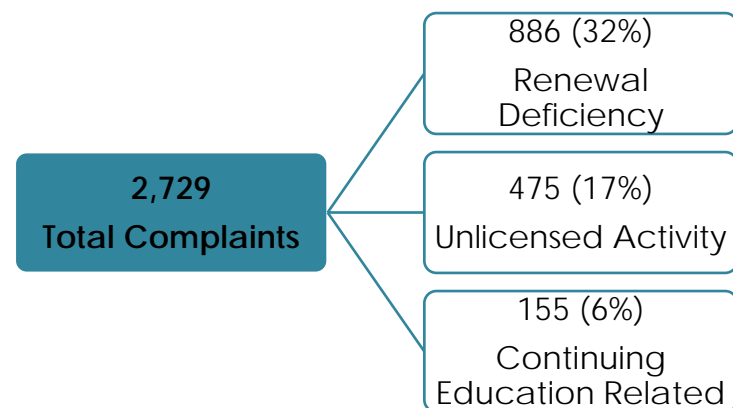
## Fiscal Year 2022-23



## Fiscal Year 2021-22



## Fiscal Year 2020-21



# Investigations

The number of complaints assigned for investigations and closed.

Investigations	FY 2020-21	FY 2021-22	FY 2022-23 12 months of data
Investigations Assigned	2,729	4,414	4,584
Investigations Closed	2,692	3,126	5,043
Average Days to Close	113	97	123

- The average number of days to close decreased slightly from the last report, from 126 to 123.

Investigations Closed	FY 2022-23 12 months of data
Total Closed FY 2022-23	5,043
Closed within 0-6 Months	3,801
Closed within 6-12 Months	1,183
Closed within 12-24 Months	47
Closed >24 Months	12

- Of the total 5,043 investigations closed in FY 2022-23, 3,801 or 75% were closed within six months from the initial complaint investigation date. Further, 4,984 investigations or 99% were closed within one year.

## Pending

Investigations Pending	FY 2020-21	FY 2021-22	FY 2022-23 12 months of data
Total Investigations Pending	779	2,114	1,693
0-6 Months	686	2,060	1,382
6-12 Months	56	32	218
12-24 Months	33	21	91
>24 Months	4	1	2
Average Age of Open Cases (days)	110	57	111

- Of the total 1,693 pending cases, 82% were less than six months old and approximately 95% were less than one year old.
- There are two ongoing investigations pending over 24 months.

# Discipline

As part of its mission of consumer protection, the California Board of Accountancy (CBA) referred matters to the Attorney General’s (AG) Office for imposition of discipline.

Discipline	FY 2020-21	FY 2021-22	FY 2022-23 12 months of data
AG Referrals	50	34	38
Accusations Filed	44	25	28
Statement of Issues Filed	2	2	1
Petitions for Revocation Filed	3	3	3

# Age of Complaints Pending at Attorney General’s Office

Pending at AG	FY 2020-21	FY 2021-22	FY 2022-23 12 months of data
Total Pending at AG’s Office	39	32	24
0-6 Months	18	11	13
6-12 Months	11	14	6
12-24 Months	10	7	4
>24 Months	0	0	1

# Final Orders

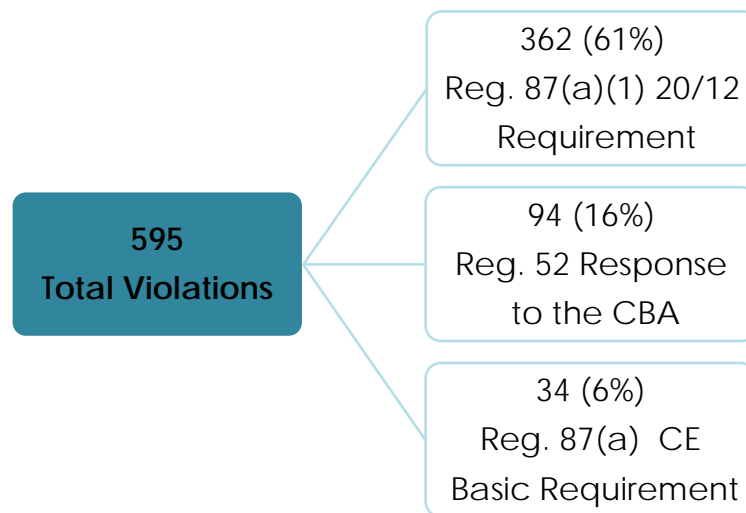
Disciplinary Action	FY 2020-21	FY 2021-22	FY 2022-23 12 months of data
Final Decision Orders	50	32	37
Stipulated Settlement	34	25	27
Proposed Decision	7	4	6
Default Decision	9	3	4

# Citations and Fines

Citations	FY 2020-21	FY 2021-22	FY 2022-23 12 months of data
Total Citations Issued	376	459	463
Total Fines Assessed	\$117,800	\$113,825	\$146,650
Fine Average	\$313	\$248	\$317
Average Number of Days from Receipt of Complaint to Issuance of Citation	192	206	93

## FY 2022-23 Top 3 Violations

12 months of data



Citation and Fine Appeals and Outcomes	FY 2022-23
Citation and Fine Appeals Received	64
Citations Modified	6
Citations Withdrawn	39
Citations Affirmed-Upheld	19

- A citation may be withdrawn for reasons such as financial hardship, health-related matters, or submission of mitigating evidence demonstrating compliance.

# Unlicensed Activity

Complaints Received		FY 2020-21	FY 2021-22	FY 2022-23 12 months of data
	Internal	58	32	28
	External	417	2,276	2,145
	<b>Total</b>	<b>475</b>	<b>2,308</b>	<b>2,173</b>

Complaint Categories		FY 2020-21	FY 2021-22	FY 2022-23 12 months of data
	Practice without Permit	197	967	1,089
	Individuals without a CPA License	224	1,293	1,055
	Unregistered Firms	54	48	29
	<b>Total</b>	<b>475</b>	<b>2,308</b>	<b>2,173</b>

Investigations		FY 2020-21	FY 2021-22	FY 2022-23 12 months of data
	Investigations Pending	144	1,709	1,069
	<i>-Referred to Division of Investigation</i>	2	3	0
	<b>Total</b>	<b>146</b>	<b>1,712</b>	<b>1,069</b>

Outcomes		FY 2020-21	FY 2021-22	FY 2022-23 12 months of data
	Citations Issued	17	24	4
	Closed for Compliance	382	727	2,426
	Referred to District Attorney / Local Law Enforcement	2	3	0
	<b>Total</b>	<b>401</b>	<b>754</b>	<b>2,430</b>

# Probation Monitoring

Monitoring Activity	FY 2022-23
Number of Licensees on Probation as of Last Report	84
New Probationers Since the Last Report	2
Number of Probationers Off Probation	4
Total Number of Probationers	82
Out-of-State Probationers	9
Total Probation Orientations Completed	23
Referrals to Revoke Probation	2

## 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 include:

Probation Violation(s) Types	Detected
Cost Reimbursement	9
Obey All Laws	0
Submit Written Quarterly Report	23
Active License Status	6
Restricted Practice	0
Peer Review	0
Continuing Education	4
Administrative Penalty	5
Probation Monitoring Costs	0
Personal Appearance	0
Violation of Citation	1
Tolling of Probation for Out-of-State Residence/Practice	1
<b>TOTAL</b>	<b>50</b>



# LICENSING ACTIVITY REPORT

September 21-22, 2023

CBA Item XI.A.

## July 1, 2022 – June 30, 2023

### Licensing Highlights

- The Examination and Initial Licensing Units processed complete applications within 30 days.

### Application Processing Snapshot

Table 1: Complete<sup>1</sup> Application Processing Times as of June 30, 2023

Application Type	Processing Time Complete Applications
First-Time Uniform Certified Public Accountant Examination (CPA Exam)	23 days
CPA Initial License	18 days
Corporation Initial License Application	22 days
Partnership Initial License Application	19 days
Out-of-State Firm Registration Application	1 days

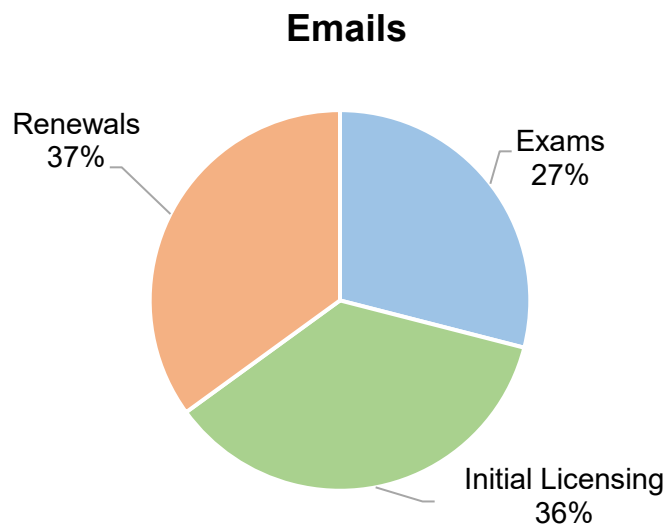
<sup>1</sup> Only applications deemed complete at the time of initial review (*i.e.*, did not require additional information/documentation) are used to calculate processing times.

# Inquiries

Table 2: Inquiries Received by Fiscal Year

Inquiry Type	2021-22 July-June Received	2022-23 July-June Received
Telephone <sup>2</sup>	32,286	33,533
Email	94,629	71,336
<b>Total</b>	<b>126,915</b>	<b>104,869</b>

Chart 1: Email Distribution by Unit



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<sup>2</sup> Telephone inquiries are inclusive of those received by the Department of Consumer Affairs call center.



# Uniform CPA Examination Statistics

Table 3: CPA Exam Applications by Fiscal Year

Examination Request	2020-21 Approved	2021-22 Approved	2022-23 July-June Received	2022-23 July-June Approved
First-Time Test	6,183	4,840	5,913	4,755
Repeat Test	15,633	13,707	14,504	14,504
First-Time Test (Early Entry)	N/A	348	744	637
Repeat Test (Early Entry)	N/A	0	202	202
<b>Total</b>	<b>21,816</b>	<b>18,895</b>	<b>21,363</b>	<b>20,098</b>

- Staff identified 344 first-time CPA Exam applications with a deficiency where additional documentation is 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 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

Table 4: Initial Licensure Activity by Fiscal Year

License/Registration/Permit Type	2020 21 Issued	2021 22 Issued	2022 23 July June Received	2022 23 July June Issued
CPA – General Accounting Experience	2,791	2,513	2,106	2,075
CPA – Attest Experience	1,255	913	868	793
<i>Subtotal CPA</i>	4,046	3,426	2,984 <sup>3</sup>	2,868
Partnerships	60	48	53	58
Corporations	243	223	207	211
Out-of-State Firms	67	69	49	49
<i>Subtotal Firms</i>	370	340	309	318
<i>Total Fictitious Name Registrations</i>	107	66	59	59
<b>Total Licenses/ Registrations</b>	<b>4,523</b>	<b>3,832</b>	<b>3,352</b>	<b>3,245</b>

- There were a total of 526 initial CPA applications with a deficiency where additional documentation was required from the applicant to approve the application. This includes active applications received in prior fiscal years.
- The number issued may be higher than received given applications received in the prior year may not be approved until the following fiscal year.

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<sup>3</sup> This total includes 10 licensing applications that were received without experience forms and those have received a deficiency letter. At this time, the Initial Licensing Unit cannot determine whether these 10 applications are for licensure with general accounting experience or attest experience.

# License Renewal Statistics

Table 5: License Renewal Activity by Fiscal Year

License/Registration/Permit Type	2020 21 Renewed	2021 22 Renewed	2022 23 July June Renewed
CPA	43,945	44,396	42,097
Public Accountant (PA)	2	2	1
<i>Subtotal CPA/PA</i>	43,947	44,398	42,098
Partnerships	579	631	565
Corporations	1,951	1,896	2,028
Out-of-State Firms	133	161	125
<i>Subtotal Firms</i>	2,663	2,688	2,718
<i>Total Fictitious Name Registrations</i>	376	164	221
<b>Total Licenses/Registrations</b>	<b>46,986</b>	<b>47,250</b>	<b>45,037</b>

**Table 6: License Renewal Application Review by Fiscal Year (Cohort Report)<sup>4</sup>**

Review Outcome	2020 21	2021 22	2022 23 July June
Deficient – Resolved Deficiency	1,323	1,226	2,464
Deficient – Outstanding	0	8 <sup>5</sup>	265
Enforcement Referral	240	195	67 <sup>6</sup>
<i>Subtotal Deficient/Enforcement Referrals</i>	1,563	1,429	2,796
<i>Subtotal Compliant</i>	20,428	37,518	56,766
<b>Total Reviewed</b>	<b>21,991</b>	<b>38,947</b>	<b>59,562</b>

- If staff identified a deficiency that could be corrected (e.g., short CE hours) the renewal was counted as Deficient – Outstanding. If the deficiency is corrected, it will move to Deficient – Resolved Deficiency.
- Licensees who had a deficiency that could not be corrected were referred to Enforcement (e.g., violation of the 20-CE hour per year rule).

<sup>4</sup> Caution should be used when comparing fiscal years in this table. CBA Connect was launched on April 4, 2022, allowing for more efficient renewal review by automating a portion of the renewal review process.

<sup>5</sup> Licensees have one year to comply with renewal deficiencies pursuant to California Code of Regulations section 71(c).

<sup>6</sup> CBA Connect ensures licensees meet specific renewal requirements prior to allowing the submission of the online renewal, explaining the decline in the number of renewals being referred to the Enforcement Division.

**Table 7: Continuing Education Audits by Fiscal Year (Cohort Report)**

Audit Outcome	2020 21	2021 22	2022 23 July June
Compliant CE	623	778	684
Non-Compliant CE – Outstanding	0	0	15
Non-Compliant CE – Resolved	59	38	33
Enforcement Referral	73	61	51
Audits in Process	0	0	120
<b>Total Audits</b>	<b>755</b>	<b>877</b>	<b>903</b>

- To conduct CE audits, staff select a random sample of licensees from those who reported completion of the 80 hours on their renewal application.

# Population Statistics

Table 8: Population Statistics by Fiscal Year

License/Registration Type	June 30, 2021 Count	June 30, 2022 Count	June 30, 2023 Count
CPA – Active	58,525	65,966	65,121
PA – Active	4	2	2
<i>Subtotal CPA/PA – Active</i>	<i>58,529</i>	<i>65,968</i>	<i>65,123</i>
Accountancy Corporations	4,357	4,385	4,329
Accountancy Partnerships	1,357	1,326	1,311
Out-of-State Firm Registrations	790	859	875
<i>Subtotal Accountancy Firms</i>	<i>6,504</i>	<i>6,570</i>	<i>6,515</i>
<i>Total – Active CPA/PA and Firms</i>	<i>65,033</i>	<i>72,538</i>	<i>71,638</i>
CPA – Inactive	30,617	22,540	22,048
CPA – Delinquent	11,613	13,015	14,213
CPA – Retired	3,774	3,853	4,406
<i>Subtotal CPA – Inactive/Delinquent/Retired</i>	<i>46,004</i>	<i>39,408</i>	<i>40,667</i>
<i>Total Fictitious Name Registration</i>	<i>2,577</i>	<i>2,633</i>	<i>2,680</i>
<i>Grand Total Licenses/ Registrations</i>	<b>113,614</b>	<b>114,579</b>	<b>114,985</b>

# Military and Refugee Statistics

The CBA provides assistance programs for past and present military personnel and their spouses/domestic partners, as well as refugees, asylees and special immigrant visa holders, collectively referred to as “refugee.”

**Table 9: Military and Refugee Inquiries by Fiscal Year**

Inquiries	2021 22	2022 23 July June
Email (Military)	338	598
Telephone Calls (Military)	55	183
Email (Refugee)	73	124
Telephone Calls (Refugee)	13	117
<b>Total Inquiries</b>	<b>479</b>	<b>1,022</b>

**Table 10: Military and Refugee Applications Received and Approved by Fiscal Year**

Application Type	2020 21 Approved	2021 22 Approved	2022 23 July June Received	2022 23 July June Approved	Average Processing Time in Days
CPA Exam (Military)	1	13	61	72	9
CPA License (Military) <sup>7</sup>	18	48	48	36	4
CPA Renewal (Military)	1	1	3	3	2
CPA Exam (Refugee)	0	4	17	18	13
CPA License (Refugee)	3	4	6	6	30

<sup>7</sup> The CPA License (Military) statistic includes active military, veterans, and military spouses.



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**CBA Item XI.B.**  
September 21-22, 2023

## **Report on Long-Term Licensing Data Trends**

**Presented by: Jennifer Huddy, Initial Licensing Unit Manager**

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### **Purpose of the Item**

The purpose of this agenda item is to provide the California Board of Accountancy (CBA) with long-term licensing data trends that may be useful when considering the pipeline of future California Certified Public Accountants (CPA).

### **Consumer Protection Objectives**

The CBA protects consumers by ensuring that only qualified individuals are approved for CPA licensure in the state of California.

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

No specific action is required on this agenda item.

### **Background**

At its November 2022 meeting, the CBA requested California-specific licensing data that could be useful when considering the CPA pipeline. Staff presented data to the CBA at the March 2023 meeting. The CBA requested that staff bring a report on long-term licensing data to the CBA every September. The California Society of Certified Public Accountants (CalCPA) requested that additional firm information be added in future iterations of the report.

Staff derived the requested licensing data from historical CBA Licensing Activity Reports, National Association of State Boards of Accountancy (NASBA) annual and quarterly Uniform CPA Examination (CPA Exam) data reports, and CBA's internal licensing databases. The focus of the data is on the California CPA pipeline and how California compares nationally.

The American Institute of Certified Public Accountants (AICPA) publishes an annual trend report. The report identifies key trends in U.S. accounting enrollments and graduates, as well as hiring in the public accounting sector, and select information about CPA Exam candidates.



# Report on Long-Term Licensing Data Trends

## Comments

The following sections address individuals applying for and taking the CPA Exam, individuals who have passed the CPA Exam and applying for licensure, firms applying for licensure, and existing California CPAs and firms.

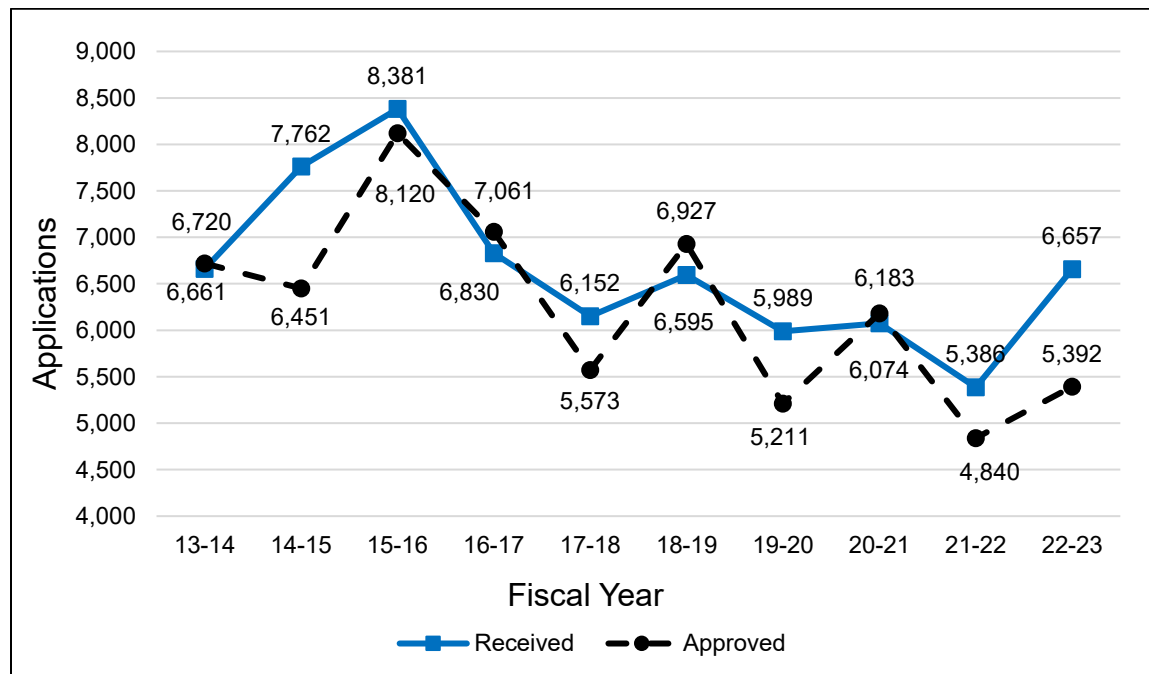
### Examinations

Individuals pursuing a CPA license must pass the CPA Exam. The CPA Exam is developed by the AICPA and administered by NASBA. The CPA Exam currently consists of four separate and distinct test sections. The test sections are completed independent of each other, and all four sections must be passed within an 18-month rolling period to pass the CPA Exam.

To qualify for a CPA license, an applicant must pass the CPA Exam and the Professional Ethics for CPAs Exam, as well as meet educational and accounting experience requirements, and obtain state and federal fingerprint clearance.

Over the past 10 fiscal years, the CBA has experienced fluctuations in the number of first time CPA Exam applications and the number of repeat CPA Exam applications received and approved, as shown in Graphs 1 and 2. In Graph 1, a decreasing trend is observed from 2015-16 to 2021-22 then begins to increase in 2022-23.

**Graph 1: California First-Time CPA Exam Applications Received and Approved**



**Graph 1** illustrates fluctuations in trends over the past 10 fiscal years in the number of first time CPA Exam applications received and approved. The CPA Exam underwent a routine practice analysis in 2014 resulting in the announcement of changes to the CPA Exam. This led to a nearly 25% increase of first time CPA Exam applications from 2013-

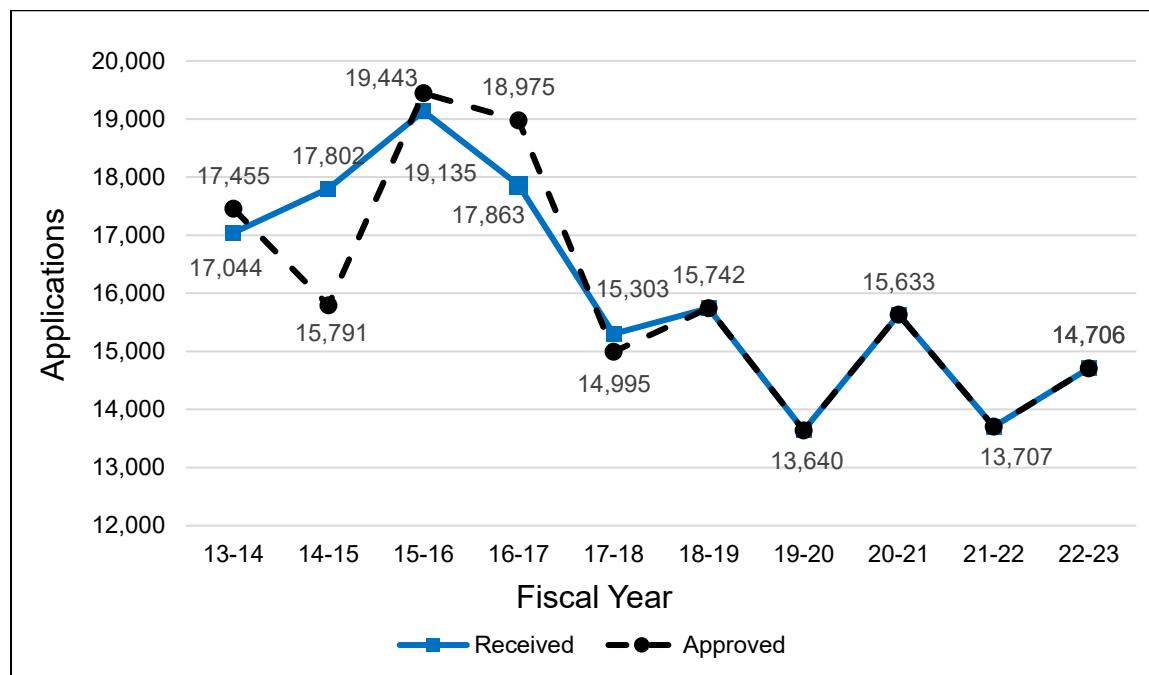
## Report on Long-Term Licensing Data Trends

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14 to 2015-16 as applicants were attempting to pass all four sections of the CPA Exam prior to the implementation of the new CPA Exam in April 2017.

First time CPA Exam applications received decreased again by approximately 9% between 2018-19 and 2019-20 at the start of the COVID-19 pandemic. The number of applications received increased 24% from 2021-22 to 2022-23. The increase in first-time applications is most likely in response to pending CPA Exam changes due to CPA Evolution. The increase is expected to continue into 2023-24.

**Graph 2: California Repeat Exam Applications Received and Approved<sup>1</sup>**



**Graph 2** illustrates an overall steady decline in the number of repeat CPA Exam applications received and approved. The implementation of the new version of the CPA Exam in April 2017 led to a 12% increase of repeat CPA Exam applications from 2013-14 to 2015-16.

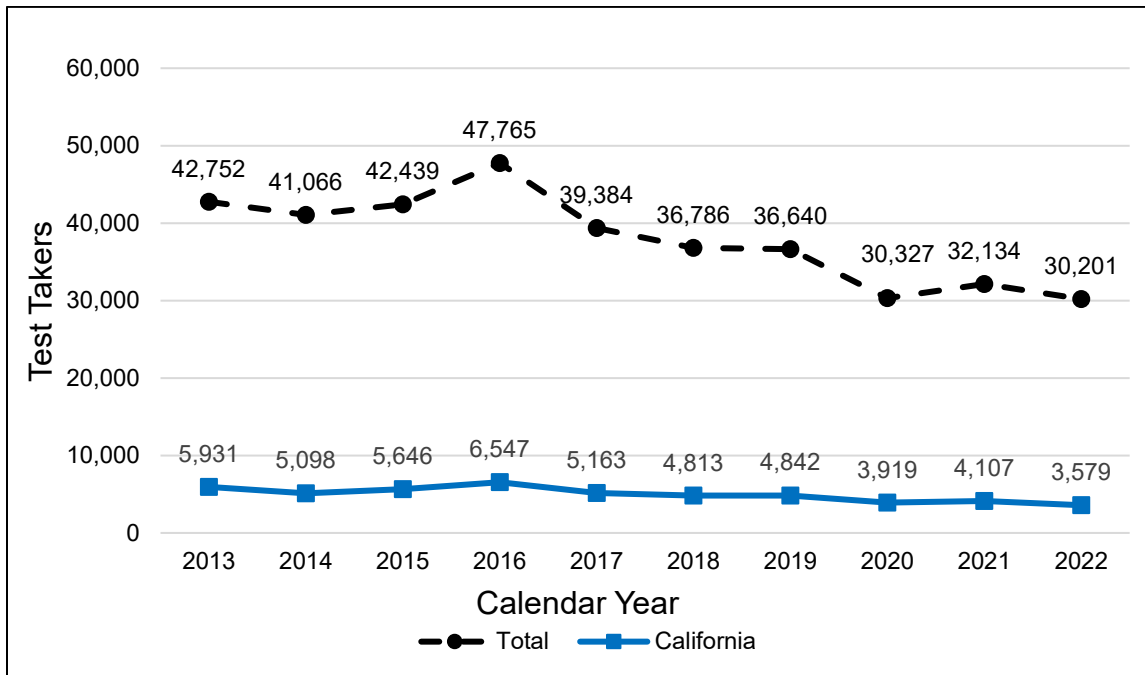
Repeat CPA Exam applications received decreased by approximately 13% between 2018-19 and 2019-20 at the start of the COVID-19 pandemic. Like first-time applications, it is anticipated an increase in repeat applications received will continue into 2023-24 due to CPA Evolution.

**Graphs 3** and **4** display data for candidates who have sat for the CPA Exam in California compared to the total count of test takers (*i.e.*, all jurisdictions). The first time a candidate sits for a test section they are considered a “first-time” test taker (*i.e.*, they are only considered a first-time test taker once, not once for each section). A candidate is considered a “repeat” test taker in all other instances.

<sup>1</sup> The data for received and approved is identical in 2018-19, 2019-20, 2020-21, 2021-22, and 2022-23.

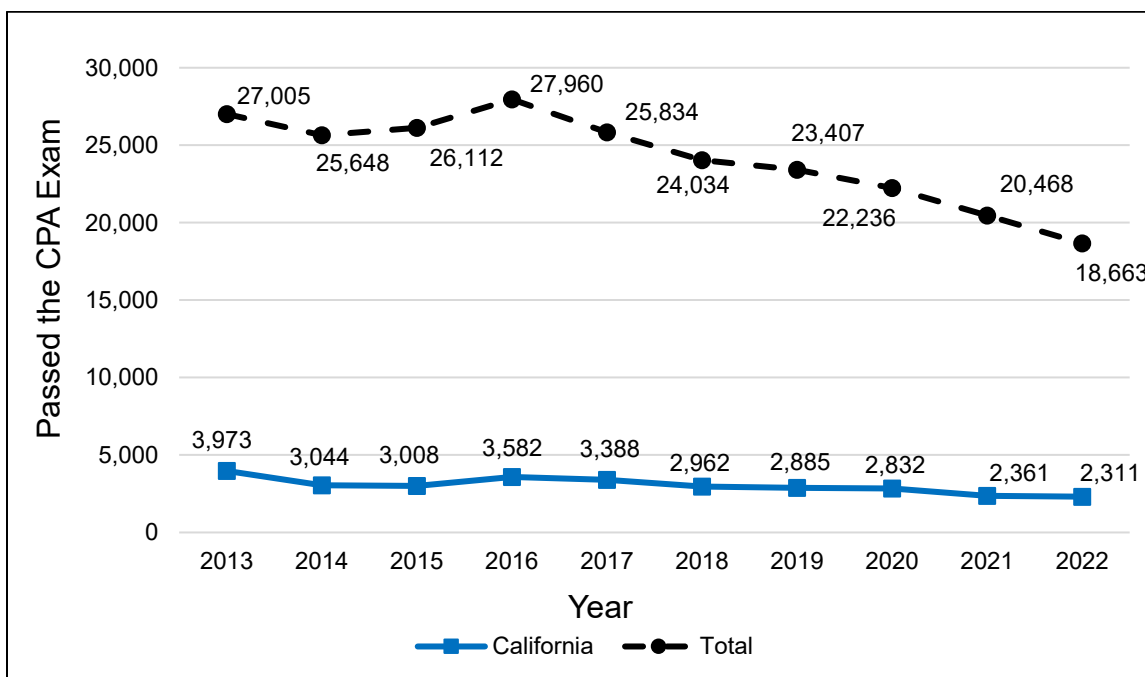
# Report on Long-Term Licensing Data Trends

### Graph 3: First-Time CPA Exam Test Takers – California vs. Total



Graph 3 illustrates a steady decline in first-time test takers in California and across all jurisdictions.

### Graph 4: CPA Exam Test Passers – California vs. Total



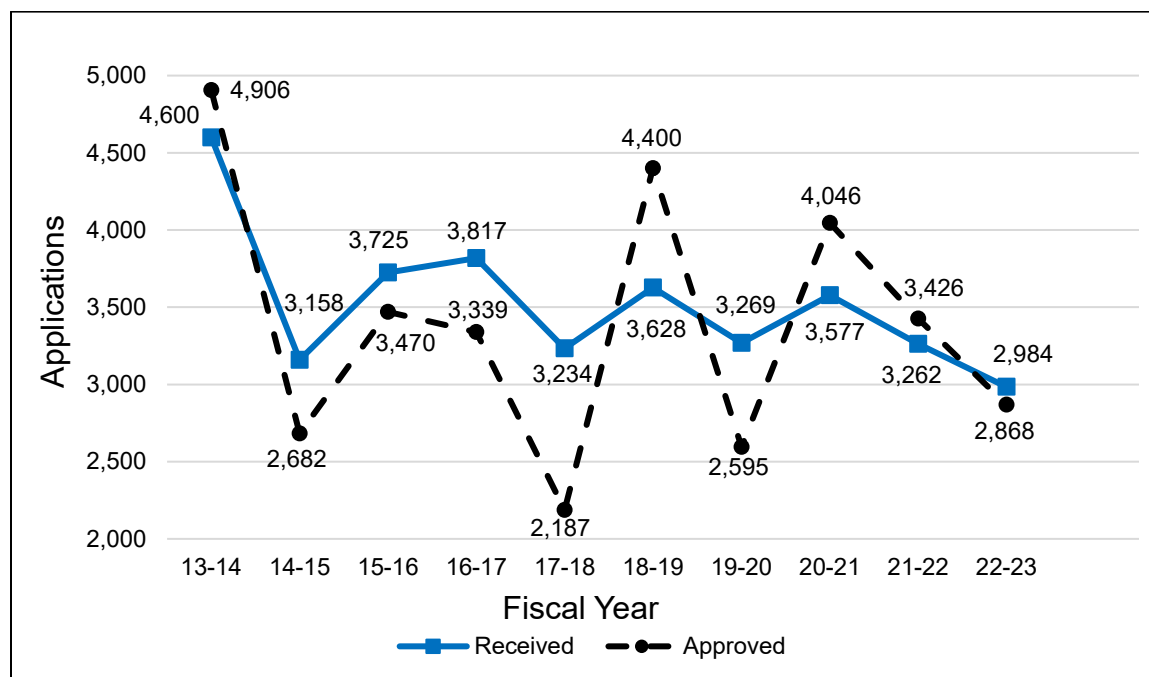
## Report on Long-Term Licensing Data Trends

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As shown in **Graph 4**, those passing all four sections of the CPA Exam in California consistently makes up approximately 13% of the total number of candidates passing all four sections of the CPA Exam. The total number passing the CPA Exam in California and across all jurisdictions began to decline in 2014. The numbers increased slightly in 2015 and again in 2016 across all jurisdictions as applicants worked to pass the CPA Exam before the implementation of the new CPA Exam, which was to become effective in April 2017. Since 2017, the total number passing the CPA Exam for all jurisdictions has been in a steady decline.

### Initial Licensing

**Graph 5: Initial CPA Applications Received vs. Approved**

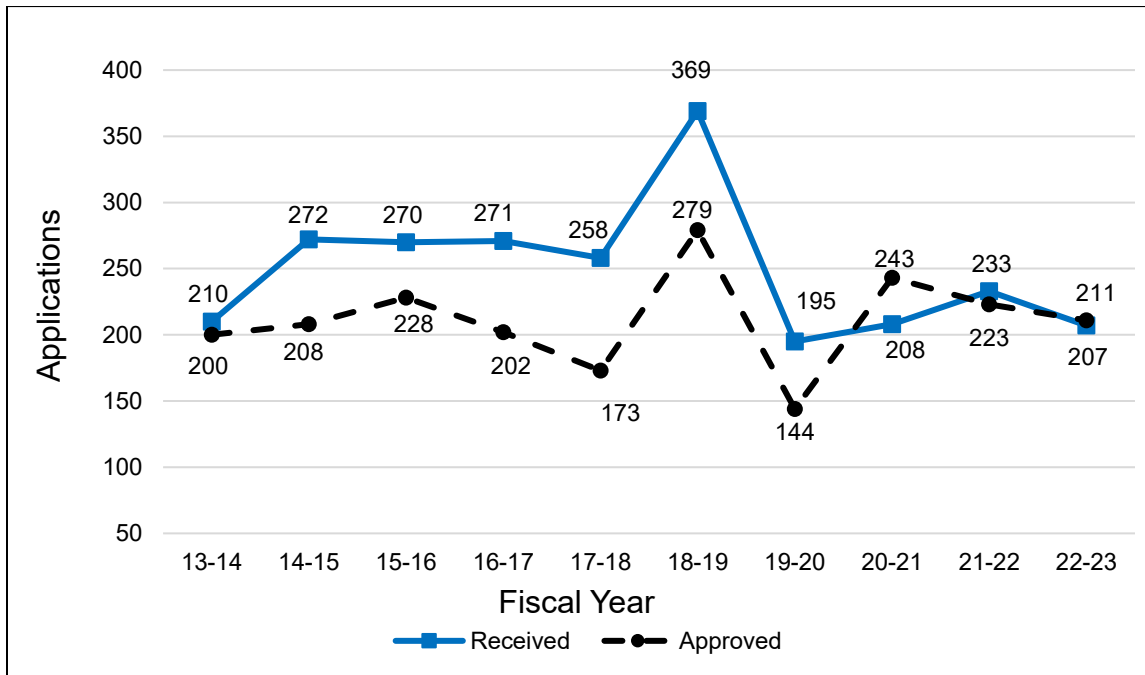


The CBA has seen several spikes and declines in the number of initial licensing applications received. One possible reason for the significant increase in applications in 2013-14 is the anticipation of the 150-semester unit educational requirement that went into effect in 2014.

The number of applications received and approved has declined steadily since 2020-21, reaching a 10-year low on the number of applications received in 2022-23. The number of applications received may spike in 2023-24 and 2024-25 as exam applicants pass the CPA Exam and apply for licensure. Additionally, the applications approved seem more variable than received; however, this is most likely due to staffing and prioritizing of processing at times when they exceed the 30-day processing goal.

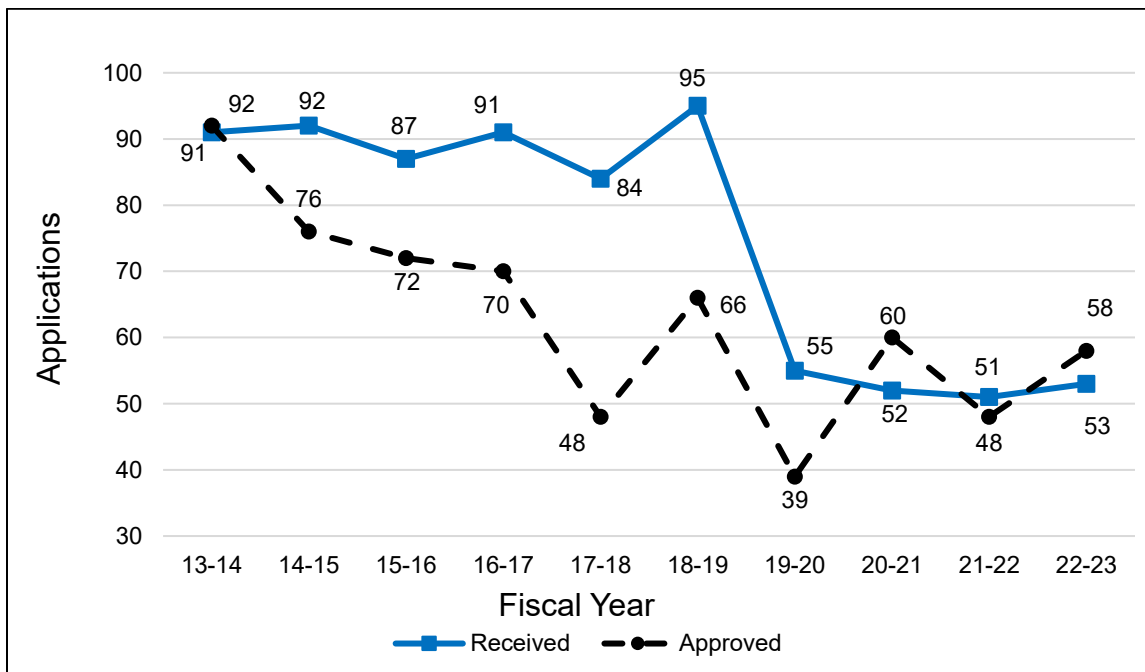
# Report on Long-Term Licensing Data Trends

### Graph 6: Initial Accountancy Corporation Applications Received vs. Approved



**Graph 6** represents Accountancy Corporation applications received and approved. The number of applications received and approved is steady overall, with the exception of a spike in 2018-19. The low number of applications received and approved in 2019-20 is likely due to the COVID-19 pandemic. The CBA saw a small increase in 2020-21 as firms recovered from the COVID-19 pandemic.

### Graph 7: Initial Accountancy Partnership Applications Received vs. Approved



## Report on Long-Term Licensing Data Trends

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**Graph 7** represents the number of Accountancy Partnership applications received and approved. The number of applications received and approved has declined steadily since the peak in 2018-19.

**Table 1: Estimate of Net Number of New California CPA Licensees<sup>2</sup>**

Fiscal Year	Previously Unlicensed Applicants	Previously Licensed Applicants	Total New CA CPA Licensees
2022-23	2,625	243	2,868
2021-22	2,932	494	3,426
2020-21	3,525	521	4,046
2019-20	2,145	450	2,595
<b>Total</b>	<b>10,997</b>	<b>1,946</b>	<b>12,943</b>

**Table 1** represents a disaggregation of the counts of those approved for initial CPA licensure by those either previously unlicensed or previously licensed.

Previously unlicensed consists of the following application types:

- Type A – An applicant who passed the CPA Exam in California, has not been issued a valid license to practice public accounting in any state and is applying for licensure as a CPA in California for the first time.
- Type B – An applicant who passed the CPA Exam in a state other than California, has not been issued a valid license to practice public accounting in any state and is applying for licensure as a CPA in California for the first time.
- Type E – An applicant who passed the AICPA and NASBA’s International Qualification Examination.

Previously licensed consists of the following application types:

- Type C – An applicant who was issued a valid license to practice public accounting in a state other than California.
- Type D – An applicant who previously was licensed as a CPA in California and the certificate was cancelled after five years for nonpayment of license renewal fees.
- Type F – A California licensee originally issued a license to perform general accounting services who has now completed attest experience and wishes to obtain the authorization to sign on attest engagements.

**Table 1** shows most of the initial applications for licensure are comprised of those who were previously unlicensed compared to those previously licensed.

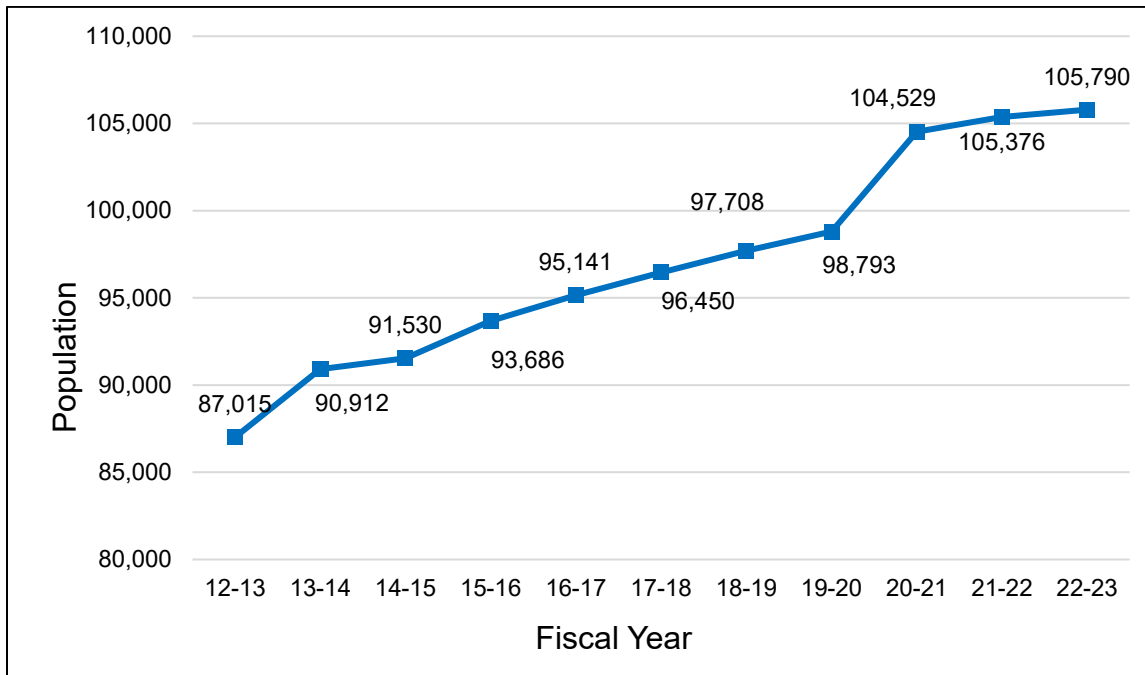
### CPA Population

**Graph 8** represents the CBA’s population of CPAs. It does not include firms. The Graph includes active, inactive, delinquent, and retired CPAs.

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<sup>2</sup> The CBA is only able to generate data for this table beginning with 2019-20.

Graph 8: Total California CPA Population<sup>3</sup>



The population has grown at an approximate rate of 2% per year. There was a notable increase of nearly 6% in 2020-21 that corresponds to an increase in CPA Exam applications (**Graph 1**) and new CPA licenses issued (**Table 1**).

As of June 30, 2023, 62% of the CPA population is in the active status and can practice public accountancy. Licensees in the inactive status represent approximately 21% of the population, licensees who have an expired/delinquent license represent 13% of the population and licensees in the retired status represent 4% of the population. Approximately 7% of CBA licensees reside out of the state and 1% reside out of the country.

Of the 62% of active licensees, 56% hold a license with Attest authority. In 2023-24, the CBA expanded the population statistics to include General and Attest license types. Future reports will include General vs Attest data trends.

<sup>3</sup> The population table includes Public Accountants (PA).

## Report on Long-Term Licensing Data Trends

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**Table 2: CPA Licensees by Active, Inactive, Delinquent, and Retired Status**

Licensee Status	2021-22	2022-23
Active	65,968	65,123
Inactive	22,540	22,048
Delinquent	13,015	14,213
Retired	3,853	4,406

**Table 2** provides disaggregated CPA population data. The number of CPAs in active and inactive status slightly declined in 2022-23 compared to 2021-22. The number of delinquent licenses went up approximately 9%. The number of licensees in retired status rose by approximately 14%. It is important to note that licenses stay in delinquent status for five years before they are cancelled by operation of law. Although a portion of licensees will eventually come out of delinquent status, there are some that stay in that category for a full five years. As the CPA population grows, the number of licenses in delinquent status will grow as well.

While disaggregating the historical population in this fashion might provide insights related to the pipeline, the CBA is unable to provide that historical data reliably. Please note that beginning with 2021-22, the CBA can disaggregate the data by active, inactive, expired/delinquent, and retired.

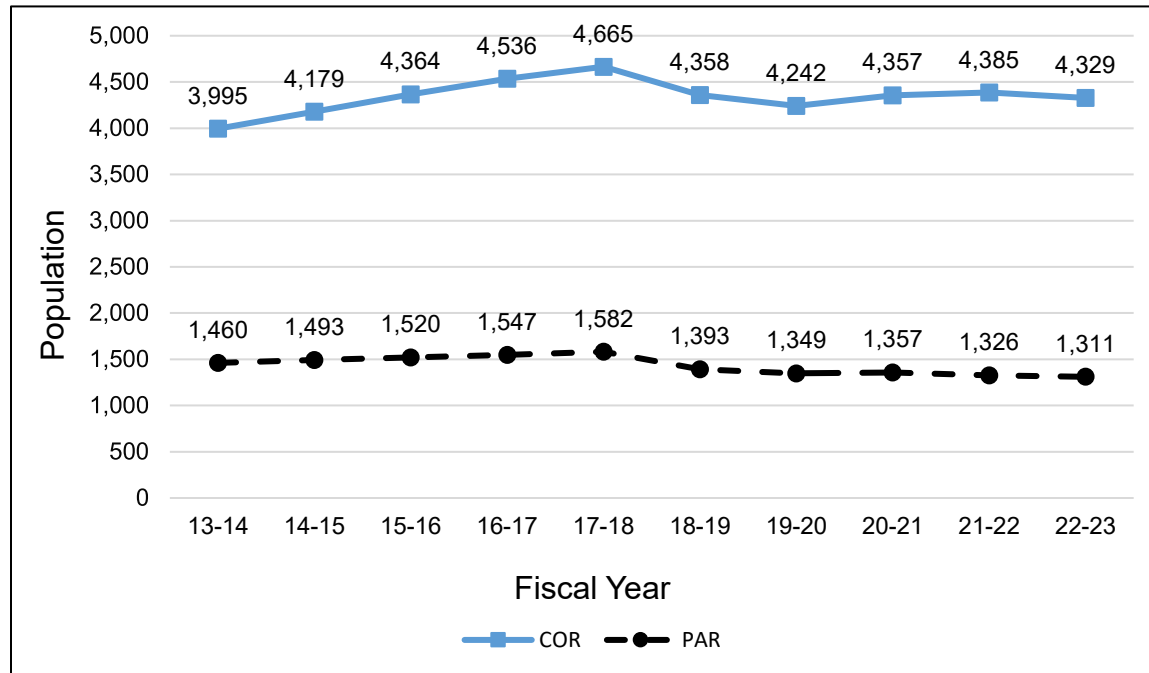


# Report on Long-Term Licensing Data Trends

## Firm Population<sup>4</sup>

**Graph 9** represents the CBA's firm population. The Graph includes active and delinquent firms.

**Graph 9: Total Accountancy Firm Population**



As of June 30, 2023, corporations represent 77% of the total firm population, and partnerships represent 23%. Approximately 13% of firms are headquartered out of the state.

The number of Accountancy Firms declined slightly in 2022-23.

**Table 3: Average Age of Initial, Previously Unlicensed CPA<sup>5</sup>**

Fiscal Year	Average Age
2022-23	30.9
2021-22	30.5
2020-21	30.2
2019-20	30.8

The data in **Table 3** demonstrates that initial, previously unlicensed CPA applicants are approximately 30 years at the time they apply for a California CPA license.

<sup>4</sup> While the CBA defines a firm to include sole proprietorships, California does not require sole proprietorships to apply for a firm license. As such, the firm data is limited to Corporations and Partnerships.

<sup>5</sup> The CBA is only able to generate data for this table beginning with 2019-20.

## Report on Long-Term Licensing Data Trends

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**Table 4: Active and Inactive CPA Age Demographics<sup>6</sup>**

<b>Age</b>	<b>Number of CPAs</b>	<b>Percent of Total Population</b>
20-29	6,072	7.0%
30-39	20,968	24.2%
40-49	19,599	22.6%
50-59	18,110	20.9%
60-69	15,155	17.5%
70-79	5,632	6.5%
80-89	1,061	1.2%
90-99	62	.1%
<b>Total</b>	<b>86,666</b>	<b>100%</b>

The majority of California CPAs are aged 49 or younger. The median age of California CPAs is 48.

### AICPA Trend Data

The 2021 trend report is expected to be published by AICPA in September 2023. If available, staff will present key highlights from the report during its presentation of this agenda item.

### Conclusion

The CPA population has continued to grow with an overall average of 60% of the CPA licensees in the active status. The recent decline in the number of CPA Exam applications received at CBA, the decline in the number of applicants who pass the CPA Exam, and the small percent of licensees aged 20-29 may be leading indicators that the CBA will experience a decline in the number of licensed, active CPAs in coming years. Additionally, California firms may have a need that exceeds the number of new CPAs entering the profession.

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

There are no fiscal/economic impact considerations.

### **Recommendation**

Staff does not have a recommendation on this item.

### **Attachment**

None.

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<sup>6</sup> Table 4 includes the aggregate of active and inactive CPAs and PAs. It does not include CPA/PAs in expired/delinquent or retired status. The data in this report may not match the Licensing Activity Report as the reports were run on different dates.



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**CBA Item XII.A.**  
September 21-22, 2023

**Discussion and Possible Action to Amend Proposed Regulatory Text and Adopt California Code of Regulations, Title 16, Section 54.3 – Sale or Transfer of Licensee’s Practice and Section 54.4 – Discontinuance of Licensee’s Practice**

**Presented by: Kari O’Connor, Deputy Chief, Enforcement Division**

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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:

1. Approve modifications to the proposed regulatory text in California Code of Regulations (CCR), title 16, sections 54.3 and 54.4.
2. Approve the staff-recommended response to any written comments the CBA receives during the 15-day comment period that are not specifically directed at the most recent modifications to the proposed regulations.
3. Adopt the proposed modified regulatory text in CCR, title 16, sections 54.3 and 54.4 should no comments be received related to the proposed modified text.

**Consumer Protection Objectives**

Consumer protection is enhanced by requiring licensees, when selling, transferring, or discontinuing a practice, to follow specified procedures regarding notification, disclosure, retention, and disposal of client records.

**Action(s) Needed**

The CBA is being asked to adopt amendments to the proposed regulatory text regarding the sale, transfer, or discontinuance of a licensee’s practice, and approve the proposed response to comments not directed to the amendments.

**Background**

Business and Professions Code (BPC) section 5018 requires licensees to adhere to the rules and standards of professional conduct adopted by the CBA, which are set forth in Title 16, Division 1, Article 9, of the CCR. Existing regulation, CCR section 58, requires licensees to comply with all applicable professional standards, which includes the Code of Professional Conduct developed by the American Institute of Certified Public Accountants (AICPA). The Code of Professional Conduct is a set of principles, rules

**Discussion and Possible Action to Amend Proposed Regulatory Text and Adopt California Code of Regulations, Title 16, Section 54.3 – Sale or Transfer of Licensee’s Practice and Section 54.4 – Discontinuance of Licensee’s Practice**  
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and interpretations that guides Certified Public Accountants (CPAs) in the performance of their professional responsibilities.

In October 2016, the AICPA Professional Ethics Executive Committee adopted new and revised interpretations (Interpretations) to the AICPA Code of Professional Conduct.

At its September 2022 meeting, the CBA approved proposed regulations to add two new sections to Article 9 of Division 1 of Title 16 of the CCR, to address new Interpretation 1.400.205 (Transfer of Files and Return of Client Records in Sale, Transfer, Discontinuance or Acquisition of a Practice), and revised Interpretation 1.700.050 (Disclosing Client Information in Connection With a Review or Acquisition of the Member’s Practice).

CCR section 54.3 would address the sale or transfer of all or part of a licensee’s practice to a successor person, and CCR section 54.4 would address notification to clients when a licensee’s practice is discontinued without a sale or transfer of the practice to a successor person.

Following the CBA approval of proposed regulatory text, the CBA filed the necessary documents with the Office of Administrative Law (OAL) to allow the 45-day public comment period to occur, which began on November 18, 2022, and concluded on January 3, 2023. Additionally, the CBA held a public hearing on January 10, 2023.

At its March 2023 meeting, the CBA directed staff to take all steps necessary to complete the rulemaking file, and on June 26, 2023, the rulemaking package was submitted to the OAL for its review and approval.

Once OAL receives a rulemaking file, they must review the regulatory action for compliance with procedural requirements of the Administrative Procedure Act and for compliance with the standards for administrative regulations per Government Code section 11349.1. The standards include necessity, authority, clarity, consistency, reference, and nonduplication. OAL has 30 working days to either approve the rulemaking and file the proposed regulation with the Secretary of State or disapprove the rulemaking action.

**Comments**

During OAL’s review, they identified a clarity issue in proposed sections 54.3(d) and 54.4(b). Per Government Code section 11349, “clarity” means written or displayed so that the meaning of regulations will be easily understood by those persons directly affected by them.

**Discussion and Possible Action to Amend Proposed Regulatory Text and Adopt California Code of Regulations, Title 16, Section 54.3 – Sale or Transfer of Licensee’s Practice and Section 54.4 – Discontinuance of Licensee’s Practice**  
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Following discussions with OAL staff, the CBA elected to withdraw the rulemaking package on August 7, 2023, to allow for the opportunity to provide clarifying modifications to the proposed regulatory text for CCR, title, sections 54.3 and 54.4.

Based on OAL’s feedback, staff recommends the CBA approve modifications to the proposed regulations (**Attachment**) as identified below:

1. Regarding the client notification requirements outlined in the proposed regulatory text, the proposed modifications provide clarification in sections 54.3(d) and 54.4(b) that, “A notice returned to the licensee, either by mail or electronic transmission, would demonstrate that the attempt to contact the client was unsuccessful.”
2. Eliminate the use of the term “its” throughout the proposed regulatory text, and instead, use more specific language, such as “that client’s,” “the client,” or “their,” to provide further clarity, and improve readability.

15-Day Notice

Given substantive modifications are being proposed to the regulatory text following the 45-day public comment period, an additional public comment period of 15 days is necessary to ensure the public is provided an opportunity to provide comments.

Staff-Recommended Comment Response

For any comments received during the 15-day comment period that are not specifically directed at the most recent modifications to the proposed regulations, CBA staff proposes the following response be used in the Final Statement of Reasons:

“The CBA has reviewed and considered the comment and declines to make any amendments to the proposed text based thereon.

Comment is not specifically directed at the most recent modifications to the proposed regulations.”

Potential Need for Special Meeting

If, during the 15-day comment period, substantive comments are received that are specifically directed at the most recent modifications to the proposed regulations, the CBA will need to schedule and hold a special meeting to consider the public comments.

A rulemaking agency must transmit a rulemaking action to OAL for review within one year from the date the Notice was published in the California Regulatory Notice Register. If this is not done, the notice is no longer valid.

**Discussion and Possible Action to Amend Proposed Regulatory Text and Adopt California Code of Regulations, Title 16, Section 54.3 – Sale or Transfer of Licensee’s Practice and Section 54.4 – Discontinuance of Licensee’s Practice**  
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The Notice for this rulemaking was published on November 18, 2022. Therefore, waiting until the CBA’s next meeting on November 16-17, 2023 to consider any public comments received would not allow sufficient time for CBA staff to resubmit the rulemaking file to OAL by the one-year deadline.

**Fiscal/Economic Impact Considerations**

The fiscal and economic impact is detailed in the Notice, Final Statement of Reasons, and the Economic and Fiscal Impact Statement (Std. 399) which are all included as part of this rulemaking package. The proposed modifications to CCR, title 16, sections 54.3 and 54.4 do not impact the prior Std. 399.

**Recommendation**

Staff recommends that the CBA make the following motion:

- Approve the modifications to the proposed regulatory text in CCR, title 16, sections 54.3 and 54.4.
- Direct staff to notice the modified text as discussed today for a 15-day public comment period.
- Approve the staff-recommended response to any written comments the CBA receives during the 15-day comment period that are not specifically directed at the most recent modifications to the proposed regulations.
- Direct staff to take all steps necessary to complete the rulemaking process, including submitting to the Director of the Department of Consumer Affairs, the Business Consumer Services, and Housing Agency, and OAL; and
- If, during the 15-day public comment period, no timely, relevant, adverse comments are received that are specifically directed at the most recent modifications, authorize the Executive Officer to take all steps necessary to complete the rulemaking, make any non-substantive changes to the package, and adopt the proposed modified regulatory text in CCR, title 16, sections 54.3 and 54.4.

**Attachment**

Proposed Regulatory Language for California Code of Regulations, Title 16, Sections 54.3 and 54.4



**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



## Attachment

The California Board of Accountancy has illustrated proposed changes to the regulatory text in the following manner: originally proposed text is shown in single underline. Modifications to the proposed regulatory language are displayed in double underline for text proposed to be added; and ~~double strikethrough~~ for text proposed to be deleted.

### **Proposed Regulatory Language California Code of Regulations, Title 16, Sections 54.3 and 54.4**

#### **§ 54.3. Sale or Transfer of Licensee's Practice.**

A licensee that sells or transfers all or part of the licensee's practice to another person ("successor person"), as defined in section 5035 of the Business and Professions Code, and will no longer retain any ownership in the practice shall comply with all of the following:

- (a) Send a written notice regarding the sale or transfer of the practice to each client that is subject to the sale or transfer. The notice shall be sent via first-class or certified mail to the last known address of the client, or via electronic transmission as provided in this section. The notice shall contain, at a minimum, the following: a request for the client's consent to transfer ~~its~~ that client's records to the successor person, and a notice that the client's consent will be presumed if ~~it~~ the client does not notify the licensee that ~~it~~ the client objects within 90 days from the date of the written notice. The licensee may not transfer any client records to the successor person until either the client's consent is obtained, or the 90 days has lapsed without any objection from the client, whichever is shorter. The licensee is required to retain a copy of the written notice, and any document reflecting the client's consent or objection to the transfer of ~~its~~ that client's records, in either written or electronic format, for not less than four years from the date of sale or transfer of the licensee's practice. Any written or electronic copy of the notice specified in this section, and any document reflecting the client's consent or objection shall be a legible, complete, and accurate reproduction of the original business record;
- (b) If a client objects to the transfer of ~~its~~ their records to the successor person, the licensee shall return any client records without delay, or as agreed upon with the client; and,
- (c) With respect to client records not subject to the sale or transfer, a licensee shall return any client records without delay, or as agreed upon with the client.
- (d) If the licensee is unable to contact a client, that client's records shall not be transferred, and shall be retained by the licensee for a period of not less than four years

from the date of sale or transfer of the licensee's practice, or if the client's records include audit documentation as defined in section 68.2, for the time period set by section 68.3, whichever is longer. A notice returned to the licensee, either by mail or electronic transmission, would demonstrate that the attempt to contact the client was unsuccessful.

(e) After the retention period indicated in subdivision (d), the licensee shall dispose of or arrange for the disposal of client records that are no longer to be retained by the licensee by shredding, erasing, or otherwise modifying the personal information in those records to make the records unreadable or undecipherable through any means.

(f) For the purposes of this section, "electronic transmission" means the transmission of a document by electronic means to the electronic mail address at or through which a client has authorized or consented to such communication method. Proof of such authorization and consent for electronic transmission shall be demonstrated through a written confirmation of such agreement from the client. As part of that agreement, at the time of giving consent to electronic transmission, the client shall provide their electronic mail address for the purpose of receiving electronic notice or documents from the licensee.

(g) "Client records" shall have the meaning set forth in section 68 and shall include working papers as defined in section 68.1 if considered part of the client's records as specified by section 68.

**NOTE:** Authority cited: Sections 5010 and 5018, Business and Professions Code.  
Reference: Sections 5018 and 5063.3, Business and Professions Code, Section 1798.81, Civil Code.

#### **§ 54.4. Discontinuance of Licensee's Practice.**

A licensee that discontinues ~~its~~ their practice but does not sell or transfer the practice to another person ("successor person"), as defined in section 5035 of the Business and Professions Code, shall comply with all of the following:

(a) Send a written notice regarding the discontinuance of the practice to each client as provided in this section. The notice shall be sent via first-class or certified mail to the last known address of the client, or via electronic transmission as provided in this section. The notice shall contain, at a minimum, the date of discontinuance of the practice and, if the licensee maintains any client records, the date and method of delivery or return of any client records. The licensee shall also return any client records, without delay, or as agreed upon with the client. The licensee is not required to provide notification to former clients.

(b) If the licensee is unable to contact a client, that client's records shall be retained for a period of not less than four years from the date the licensee's practice discontinues, or if the client's records include audit documentation as defined in section 68.2, for the time period set by section 68.3, whichever is longer. A notice returned to the licensee, either by mail or electronic transmission, would demonstrate that the attempt to contact the client was unsuccessful.



(c) After the retention period indicated in subdivision (b), the licensee shall dispose of or arrange for the disposal of client records that are no longer to be retained by the licensee by shredding, erasing, or otherwise modifying the personal information in those records to make the records unreadable or undecipherable through any means.

(d) For the purposes of this section, “electronic transmission” means the transmission of a document by electronic means to the electronic mail address at or through which a client has authorized or consented to such communication method. Proof of such authorization and consent for electronic transmission shall be demonstrated through a written confirmation of such agreement from the client. As part of that agreement, at the time of giving consent to electronic transmission, the client shall provide their electronic mail address for the purpose of receiving electronic notice or documents from the licensee.

(e) “Client records” shall have the meaning set forth in section 68 and shall include working papers as defined in section 68.1 if considered part of the client’s records as specified by section 68.

**NOTE:** Authority cited: Sections 5010 and 5018, Business and Professions Code. Reference: Sections 5018 and 5063.3, Business and Professions Code, Section 1798.81, Civil Code.



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**CBA Item XIII.A.**  
September 21-22, 2023  
**DRAFT**

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

**MINUTES OF THE  
July 27-28, 2023  
CALIFORNIA BOARD OF ACCOUNTANCY MEETING**

California Board of Accountancy  
2450 Venture Oaks Way, Suite 420  
Sacramento, CA 95833  
Telephone: (916) 263-3680

Jacobson & Associates  
1352 Irvine Boulevard  
First Floor Conference Room  
Tustin, CA 92780  
Telephone: (714) 505-4872

Call to Order, Roll Call, Establishment of Quorum, and Opening Remarks.

California Board of Accountancy (CBA) President Katrina L. Salazar, CPA, called the meeting to order at 10:25 a.m. on Thursday, July 27, 2023 at the CBA office in Sacramento. The CBA held the meeting in-person and provided public participation via WebEx. The CBA convened into closed session from 11:50 a.m. until 5:50 p.m. to deliberate on closed session matters. The CBA reconvened into open session on Friday, July 28, 2023 at 9:02 a.m. until 10:07 a.m. President Salazar adjourned the meeting at 10:07 a.m.

President Salazar 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

Katrina L. Salazar, CPA, President  
Yen C. Tu, Vice President  
Joseph Rosenbaum, CPA, Secretary/Treasurer  
Nancy J. Corrigan, CPA  
Karriann Farrell Hinds, Esq.  
Dan Jacobson, Esq. (Alternate Location)  
Kristian Latta, CPA  
Tong "Tony" Lin  
Ariel Pe  
Michael M. Savoy, CPA  
Evangeline Ward

July 27, 2023

10:25 a.m. to 5:50 p.m.  
10:25 a.m. to 5:50 p.m.  
10:25 a.m. to 5:50 p.m.  
10:25 a.m. to 5:50 p.m.  
10:25 a.m. to 5:50 p.m.  
10:25 a.m. to 5:50 p.m.  
Absent  
10:25 a.m. to 5:50 p.m.  
Absent  
10:25 a.m. to 5:50 p.m.  
10:25 a.m. to 5:50 p.m.

CBA Members

Katrina L. Salazar, CPA, President  
Yen C. Tu, Vice President  
Joseph Rosenbaum, CPA, Secretary/Treasurer  
Nancy J. Corrigan, CPA  
Karriann Farrell Hinds, Esq.  
Dan Jacobson, Esq.  
Kristian Latta, CPA  
Tong "Tony" Lin  
Ariel Pe  
Michael M. Savoy, CPA  
Evangeline Ward

July 28, 2023

9:02 a.m. to 10:07 a.m.  
9:02 a.m. to 10:07 a.m.  
9:02 a.m. to 10:07 a.m.  
9:02 a.m. to 10:07 a.m.  
Absent  
9:02 a.m. to 10:07 a.m.  
Absent  
9:02 a.m. to 10:07 a.m.  
Absent  
9:02 a.m. to 10:07 a.m.  
9:02 a.m. to 10:07 a.m.

Staff and Legal Counsel

Dominic Franzella, Acting Executive Officer  
Deanne Pearce, Assistant Executive Officer  
Sarah Benedict, Manager, License Renewal and Continuing Competency Unit  
Judie Bucciarelli, Staff Services Manager I Specialist, DCA Board and Bureau Relations  
Michelle Center, Chief, Licensing Division  
Elizabeth Coronel, Strategic Business Analyst, DCA  
Theodore Drcar, Deputy Attorney General (DAG), Department of Justice (DOJ)  
Emmanuel Estacio, Information Technology Support Analyst  
Andrew Finkel, Information Office I  
Ann Fisher, Planner, DCA  
Helen Geoffroy, Legal Counsel, DCA  
Jennifer Huddy, Manager, Examination Unit  
Amir Larian, Website Analyst  
Alexander Millington, Attorney III, Regulations Unit, Legal Affairs Division, DCA  
Kari O'Connor, Deputy Chief, Enforcement Division  
Cheri Oakman, Special Projects Analyst  
Eulalio Ortega, Manager, Examination Unit  
Bryce Penny, Television Specialist, Office of Public Affairs, DCA  
Katrina Pierce, Executive Analyst  
Rebecca Reed, Board Relations Analyst

Peter Renevitz, Legislative Analyst  
Jacob Sudia, Information Officer I

Committee Chairs and Members

Doug Aguilera, CPA, Chair Enforcement Advisory Committee (EAC)  
Michael L. Williams, CPA, Chair, Qualifications Committee (QC)  
Laura L. Ross, CPA, Chair, Peer Review Oversight Committee (PROC)

Other Participants

Ben, Member of the Public  
Jason Fox, Vice President of Government Relations, California Society of CPAs  
(CalCPA)  
Pat Joyce, The Accountant's Coalition (TAC)  
Rich Simitian. CPA, Interim Director, CalCPA Peer Review

I. Public Comments for Items Not on the Agenda.

No public comments were received.

II. Report of the President.

A. Resolution for Retired California Board of Accountancy Member,  
Zuhdia "Dee Dee" Owens, CPA.

**It was moved by Ms. Hinds and seconded by Ms. Tu to approve the  
resolution for Zuhdia "Dee Dee" Owens, CPA.**

**Yes: Ms. Corrigan, Ms. Hinds, Mr. Jacobson, Mr. Lin,  
Mr. Rosenbaum, Ms. Salazar, Mr. Savoy, Ms. Tu, and Ms. Ward.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Latta and Mr. Pe.**

**The motion passed.**

B. Resolution for Retiring Enforcement Advisory Committee Member,  
Jackson G. Johnson, CPA.

**It was moved by Ms. Corrigan and seconded by Ms. Tu to approve the  
resolution for Jackson G. Johnson, CPA.**

**Yes: Ms. Corrigan, Ms. Hinds, Mr. Jacobson, Mr. Lin,  
Mr. Rosenbaum, Ms. Salazar, Mr. Savoy, Ms. Tu, and Ms. Ward.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Latta and Mr. Pe.**

**The motion passed.**

- C. Discussion and Review of the California Board of Accountancy 2024 Sunset Review Report.

Ms. Pearce provided an overview of the draft CBA 2024 Sunset Review Report. She stated the answers to the two new questions included in the report template would be included for review at the September CBA meeting.

- D. Department of Consumer Affairs Director's Report on Departmental Activities.

Ms. Bucciarelli provided a report on departmental activities, which included topics on DCA's Diversity, Equity, and Inclusion Steering Committee, the Enlighten Enforcement Project, training, and press release translations.

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

**It was moved by Ms. Tu and seconded by Ms. Hinds to reappoint Jeffrey Baginski, CPA, and appoint Chris Smith, CPA, to the QC.**

**Yes: Ms. Corrigan, Ms. Hinds, Mr. Jacobson, Mr. Lin, Mr. Rosenbaum, Ms. Salazar, Mr. Savoy, Ms. Tu, and Ms. Ward.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Latta and Mr. Pe.**

**The motion passed.**

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

**It was moved by Ms. Tu and seconded by Ms. Corrigan to reappoint Laura L. Ross, CPA, to the PROC.**

**Yes: Ms. Corrigan, Ms. Hinds, Mr. Jacobson, Mr. Lin, Mr. Rosenbaum, Ms. Salazar, Mr. Savoy, Ms. Tu, and Ms. Ward.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Latta and Mr. Pe.**

**The motion passed.**

- D. Update on Activities for Committee Recruitment.

Ms. Tu provided an update on activities for committee recruitment. She noted any assistance that CBA members could provide by sharing information with colleagues on the opportunity to serve as a committee member would be welcomed.

- IV. Closed Session: Pursuant to Government Code Section 11126(c)(1), the California Board of Accountancy Will Convene into Closed Session to Discuss the Department of Consumer Affairs' Office of Professional Examination Services Report on the Occupational Analysis and Validation Studies.
- V. 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. *Lenfeng Zhao and ELZ Accountancy Corporation v. California Board of Accountancy*, Los Angeles Superior Court, Case No. 18STCP02951.
- B. *Michael D. Robinson v. California Board of Accountancy*, San Francisco County Superior Court, Case No. CPF-19-516602.
- VI. 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.
- VII. Closed Session: Pursuant to Government Code Section 11126(a), the California Board of Accountancy Will Convene into Closed Session to Conduct Interviews and Consider the Appointment of the Executive Officer.

VIII. Report of the Secretary/Treasurer.

A. Update on California Board of Accountancy Budget.

Mr. Rosenbaum provided an update of the CBA's budget. He stated the CBA's budget authority for fiscal year (FY) 2023-24 was finalized at \$19,059,000, which represented a 2.7% increase over the previous year's budget. He noted payback of the \$10 million General Fund loan remained scheduled for FY 2023-24.

Mr. Rosenbaum noted that at its May meeting, the CBA approved a statutory proposal to increase the license renewal and initial license fees and the accounting firm application fee. He stated if approved, the initial phase would be implemented July 1, 2024, and the second step would be implemented July 1, 2026. He further stated the fee increase would enable the CBA to resolve the current annual negative cash flow where authorized expenditures exceed revenues.

IX. Report of the Executive Officer.

A. Report of the Administration Division.

Ms. Pearce provided an overview of this item.

B. Update on the California Board of Accountancy's Communications and Outreach.

Ms. Pearce provided an overview of this item.

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

A. Enforcement Advisory Committee.

1. Report of the July 13, 2023 Enforcement Advisory Committee Meeting.

Mr. Aguilera reported the EAC held its July 13, 2023 meeting in-person in Sacramento. He stated the EAC members reviewed 14 case files and provided valuable insight and feedback to assist staff with next steps in the investigative process. He noted the EAC held five Investigative Hearings.

2. Approval of the 2024 Enforcement Advisory Committee Meeting Dates.

**It was moved by Ms. Tu and seconded by Mr. Lin to approve the 2024 Enforcement Advisory Committee meeting dates.**

**Yes: Ms. Corrigan, Mr. Jacobson, Mr. Lin, Mr. Rosenbaum, Ms. Salazar, Mr. Savoy, Ms. Tu, and Ms. Ward.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Hinds, Ms. Latta, and Mr. Pe.**

**The motion passed.**

**B. Qualifications Committee.**

**1. Report of the July 26, 2023 Qualifications Committee Meeting.**

Mr. Williams reported at its July 26 meeting, the QC reviewed and approved the 2024 QC meeting dates, discussed the Students Understanding the Requirements for CPA license project, and held a closed session to conduct the annual initial licensing file review.

Mr. Williams noted since the July 2022 QC meeting, the QC held three subcommittee meetings. He stated during those meetings, the QC conducted a total of 13 Section 69 Reviews, and five personal appearances. He noted 10 applicants were recommended for approval of a CPA license and eight applicants were recommended for deferral.

**C. Peer Review Oversight Committee.**

There was no report on this agenda item.

**XI. Regulations.**

**A. Discussion and Possible Action to Consider Public Comments and Amend California Code of Regulations, Title 16, Sections 6 – Examination Required, Passing Grades, Provisions for Disabled Applicants, 7.1 – Credit Status for the Computerized Uniform CPA Examination, 8.2 – Requirements for Issuance of the Authorization to Test, and 9.2 – Education Required Under Business and Professions Code Sections 5092 and 5093, and Repeal 13 – Applicants Who Applied for the Examination Prior to May 12, 2002, and to Add California Code of Regulations, Title 16, Sections 7.3 – Transition to Core Plus Discipline Uniform CPA Examination and 9.3 – Early Admission to the Uniform CPA Examination Under Business and Professions Code Section 5093.5.**

Ms. Center reported the purpose of this item was to provide the CBA the opportunity to consider public comments on and approve amended regulatory text for California Code of Regulations (CCR), title 16, section 7.1 and adopt



amended regulatory text for CCR, sections 6.7.1, 7.3, 8.2, 9.2, 9.2, 9.3. and 13 regarding early entry to the Uniform Certified Public Accountant Examination (CPA Exam) and CPA Evolution.

Ms. Center stated during the 45-day public comment period, the CBA received two written comments. She noted both comments were in support of extending the credit period to 30 months.

**It was moved by Ms. Hinds and seconded by Ms. Tu to:**

- **Approve the amendments to proposed regulatory text in CCR, title 16, division 1, section 7.1.**
- **Adopt staff recommended responses to received comments.**
- **Direct staff to take all steps necessary to complete the rulemaking file, including submitting it to the Director of the Department of Consumer Affairs and the Business, Consumer Services, and Housing Agency.**
- **Direct staff to notice the modified text as discussed for a 15-day public comment period. If, after the 15-day public comment period, no relevant timely adverse comments are received, adopt the amendments to sections 6.1, 7.1, 7.3, 8.2, 9.2, 9.3, and repeal section 13.**
- **Authorize the Acting Executive Officer to take all steps necessary to submit the rulemaking package to the Office of Administrative Law to complete the rulemaking process, including submitting to the Director of the Department of Consumer Affairs, the Business, Consumer Services, and Housing Agency, and making any technical or non-substantive changes to the proposed regulations as necessary.**

**Yes: Ms. Corrigan, Ms. Hinds, Mr. Jacobson, Mr. Lin, Mr. Rosenbaum, Ms. Salazar, Mr. Savoy, Ms. Tu, and Ms. Ward.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Latta and Mr. Pe.**

**The motion passed.**

XII. Report of the Enforcement Chief.

A. Enforcement Activity Report.

Ms. O'Connor provided an overview of this item.

XIII. Report of the Licensing Chief.

A. Licensing Activity Report.

Ms. Benedict provided an overview of this item.

XIV. Meeting Minutes.

A. Adoption of the May 18, 2023 California Board of Accountancy Meeting Minutes.

**It was moved by Ms. Tu and seconded by Ms. Corrigan to adopt the minutes of the May 18, 2023 CBA meeting, which included non-substantive edits that were noted after the minutes were received.**

**Yes: Ms. Corrigan, Mr. Jacobson, Mr. Lin, Mr. Rosenbaum, Ms. Salazar, Mr. Savoy, Ms. Tu, and Ms. Ward.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Hinds, Ms. Latta, and Mr. Pe.**

**The motion passed.**

B. Acceptance of the May 18, 2023 Legislative Committee Meeting Minutes.

C. Acceptance of the May 18, 2023 Committee on Professional Conduct Meeting Minutes.

D. Acceptance of the January 27, 2023 Enforcement Program Oversight Committee Meeting Minutes.

E. Acceptance of the May 4, 2023 Enforcement Advisory Committee Meeting Minutes.

F. Acceptance of the February 17, 2023 Peer Review Oversight Committee Meeting Minutes.

**It was moved by Ms. Tu and seconded by Ms. Ward to accept items XIV.B. through XIV.F., which included non-substantive edits that were noted after the minutes were received.**

**Yes: Ms. Corrigan, Mr. Jacobson, Mr. Lin, Mr. Rosenbaum, Ms. Salazar, Mr. Savoy, Ms. Tu, and Ms. Ward.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Hinds, Ms. Latta, and Mr. Pe.**

**The motion passed.**

XV. 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. Board of Examiners.

Ms. Salazar reported the Board of Examiners met virtually on June 20, 2023 and discussed the following topics:

- CPA Evolution readiness.
- The impact of artificial intelligence and how it impacts the CPA profession and the CPA Exam.
- Recruitment for volunteers to sit on the six different CPA Exam panels for CPA Evolution.

b. State Board Committee.

Ms. Corrigan reported the State Board Committee held an orientation for new members virtually on June 13, 2023.

B. National Association of State Boards of Accountancy.

1. Report of the National Association of State Boards of Accountancy Director-at-Large.

There was no report on this agenda item.

2. Report of the National Association of State Boards of Accountancy Pacific Regional Director.

Ms. Corrigan reported on June 14, 2023 she participated in a virtual planning meeting for the Western Regional meeting.

3. Report on Meetings of the National Association of State Boards of Accountancy Attended by a California Board of Accountancy Member or Staff.

a. Education Committee.

There was no report on this agenda item.

b. Relations With Member Boards Committee.

Ms. Corrigan reported the Relations with Member Boards Committee and the Board of Directors met in Napa, CA on July 21-22, 2023 and discussed the following topics:

- Results of the Eastern and Western Regional meetings.
- The upcoming launch of the Experience, Learn, and Earn (ELE) program designed to ease the path to CPA licensure.
- Bock testing that was being provided to firms and universities.
- AICPA facilitated access for peer review reports.
- Planning for the next set of Regional Calls.
- Planning for a Quick Poll to gather statistics regarding various boards organization and if they are independent, quasi-independent, or consolidated.
- The uptick in college enrollment.
- The consideration of 18,000 to 19,000 candidates who, because of COVID-19, had portions of the CPA Exam passed but did not complete the remaining portions of the exam.

c. Communications Committee.

There was no report on this agenda item.

d. Diversity Committee.

Ms. Salazar reported the Diversity Committee met virtually and discussed the NASBA Diversity, Equity, and Inclusion (DEI) training opportunity. She stated NASBA is planning to offer the DEI training on the fourth Tuesday of every month beginning in August. She noted NASBA launched a DEI webpage that had resources and information relevant to boards of accountancy and practitioners.

e. Nominating Committee.

There was no report on this agenda item.

4. Report of the Western Regional Meeting Held June 27-29, 2023.

Ms. Corrigan reported at the meeting her, and other members participated in sessions that included the following topics:

- New accountancy board member orientation.
- The 120-hour versus the 150-hour educational requirement for the CPA Exam.
- How to limit barriers to entry into the CPA profession.
- The launch in the Fall of the ELE program.
- Uniform Accountancy Act Modal Rule changes regarding the 18-month conditional credit that NASBA moved to 30-months.
- The CPA Exam pipeline.
- Board consolidation issues.
- Scheduling for CPE evolution.
- IT conversion for the for the new CPA Exam on target for September 1, 2023.

XVI. Report on the Legislative Committee and Committee on Professional Conduct.

A. Legislative Committee.

1. Report of the July 27, 2023 Legislative Committee Meeting.
2. California Board of Accountancy 2023 Legislative Tracking Chart, 2023 Legislative Calendar and Considerations for Taking Positions on Legislation.

This was a written report only.

3. Update, Discussion, and Possible Action on Legislation Which the California Board of Accountancy Has Taken a Position or Previously Acted Upon.
  - a. Senate Bill 372 – Department of Consumer Affairs: Licensee and Registrant Records: Name and Gender Changes.

Mr. Rosenbaum reported Senate Bill (SB) 372 addressed deadnaming, and how boards should display licensee name and/or gender changes on their website.

Mr. Rosenbaum stated at its May 2023 meeting the CBA did not take a position on this bill but did direct a letter be sent to the author's office expressing the CBA's consumer protection concerns with the April 20 version of the bill. He noted the bill was amended on June 28 and the amendments largely addressed the concerns the CBA expressed in its letter.

Mr. Rosenbaum stated SB 372 now provided that if a licensee was previously subject to an enforcement action referencing the individual's former name, the board is to post an online statement on its license lookup feature directing the public to contact the board for more information.

Mr. Rosenbaum stated SB 372 was currently in the Assembly Appropriations Committee.

The LC did not take any action on this item.

b. Senate Bill 544 – Bagley-Keene Open Meeting Act: Teleconferencing.

Mr. Rosenbaum reported SB 544 would amend the Bagley-Keene Open Meeting Act related to how a state body conducts a meeting by teleconference.

Mr. Rosenbaum stated SB 544 passed out of the Assembly Governmental Organization Committee and there are pending amendments that would be amended into the bill in mid-August before the bill is heard in the Assembly Appropriations Committee. He noted the amendments would add a repeal date of January 1, 2026 and requires a majority of a state body's members to be present in one location.

The LC did not take any action on this item.

c. Senate Bill 816 – Professions and Vocations.

Mr. Rosenbaum reported SB 816 contained, among other provisions, the CBA's fee increase proposals, which the CBA approved at its May meeting.

Mr. Rosenbaum stated SB 816 was amended on July 12, 2023, but the amendments do not relate to the CBA.

Mr. Rosenbaum noted Sb 816 was currently in the Assembly Appropriations Committee.

The LC did not take any action on this item.

d. Senate Bill 887 – Consumer Affairs.

Mr. Rosenbaum reported SB 887 has not been amended since the May meeting and was pending in the Assembly Appropriations Committee

The LC did not take any action on this item.

4. Review and Possible Consideration of Positions on Legislation the California Board of Accountancy is Monitoring.
  - a. Assembly Bill 469 – California Public Records Act Ombudsperson.
  - b. Assembly Bill 477 – Legislative Review of State Boards.
  - c. Assembly Bill 883 – Business Licenses: United States Department of Defense SkillBridge Program.
  - d. Assembly Bill 996 – Department of Consumer Affairs: Continuing Education: Conflict-of-Interest Policy.
  - e. Senate Bill 259 – Reports Submitted to Legislative Committees.
  - f. Senate Bill 279 – Administrative Regulations: Public Participation.
  - g. Senate Bill 447 – GO Biz.
  - h. Senate Bill 601 – Professions and Vocations: Contractors: Home Improvement Contracts: Prohibited Business Practices: Limitation of Actions.
  - i. Senate Bill 702 – Gubernatorial Appointments.
  - j. Senate Bill 802 – Licensing Boards: Disqualification from Licensure: Criminal Conviction.

Mr. Rosenbaum noted the bills in this agenda item are being monitored, and if any are amended in a way that directly impacts the CBA, an analysis will be prepared and presented at a future meeting.

No action was taken on this agenda item.

#### B. Committee on Professional Conduct.

1. Report of the July 27, 2023 Committee on Professional Conduct Meeting.
2. Discussion on the California Board of Accountancy's Selection of Peer Review Administrative Site Visit Attendees.

Ms. Corrigan reported the purpose of the item was to provide an update on the selection of peer review oversight attendees at the Peer Review Oversight Committee's annual Administrative Site Visit (ASV) to California's administering entity, CalCPA.

Ms. Corrigan stated staff proposed a temporary procedure for conducting the 2023 ASV that would also serve to provide useful information toward a long-term plan.

Ms. Corrigan noted Mr. Fox and Mr. Simitian spoke to the progress that CalCPA and CBA have made in finding a mutually agreeable resolution but expressed concern with the proposed procedure being used on a more permanent basis.

Ms. Corrigan stated staff would continue to work with CalCPA to conduct the 2023 ASV and would provide an update at the CBA's September 2023 meeting.

The CPC took no action on this item.

C. Enforcement Program Oversight Committee.

1. Report of the July 27, 2023 Enforcement Program Oversight Committee Meeting.
2. Discussion and Possible Action to Initiate a Rulemaking to Amend California Code of Regulations, Title 16, Section 98, Disciplinary Guidelines and Model Orders.

Ms. Tu reported the purpose of this item was to provide members the opportunity to review and approve proposed amendments to CCR, title 16, section 98 and revisions to the CBA *Disciplinary Guidelines and Model Orders (Disciplinary Guidelines)*.

**The EPOC recommended the CBA:**

- **Approve the proposed regulatory language for CCR, Title 16, section 98.**
- **Approve the revisions to the *Disciplinary Guidelines*.**
- **Direct staff to submit the proposed changes to the Director of the Department of Consumer Affairs for review.**
- **If no adverse comments are received, 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 if one is requested.**
- **If no request for hearing is made and no adverse comments are received during the 45-day comment period, authorize the Executive Officer to take all steps necessary to complete the rulemaking and adopt the proposed language for CCR, title 16, section 98, as noticed.**

**Yes: Ms. Corrigan, Mr. Jacobson, Mr. Lin, Mr. Rosenbaum, Ms. Salazar, Mr. Savoy, Ms. Tu, and Ms. Ward.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Hinds, Ms. Latta, and Mr. Pe.**



**The motion passed.**

3. Discussion and Possible Action to Initiate a Rulemaking to Add California Code of Regulations, Title 16, Section 99.3, Reinstatement of Surrendered Licenses via Written Record.

Ms. Tu reported the purpose of this item was to provide members the opportunity to review and approve proposed regulatory text to add section 99.3 to CCR, title 16, describing the procedure for reinstating surrendered licenses not resulting from an enforcement matter.

Ms. Tu noted the proposed regulation would conserve CBA resources, including costs associated with an Administrative Law Judge and Deputy Attorney General, and would lessen the time involved for the CBA and petitioner by eliminating the in-person hearing and relying instead on a written argument.

**The EPOC recommended the CBA:**

- **Approve the proposed language for section 99.3.**
- **Direct staff to submit the text to the Director of the Department of Consumer Affairs for review.**
- **If no adverse comments are received, 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 if one is requested.**
- **If no adverse comments are received during the 45-day comment period and no hearing is requested, authorize the Executive Officer to take all steps necessary and complete the rulemaking to adopt the proposed language for CCR, title 16, section 99.3, as noticed.**

**Yes: Ms. Corrigan, Mr. Jacobson, Mr. Lin, Mr. Rosenbaum, Ms. Salazar, Mr. Savoy, Ms. Tu, and Ms. Ward.**

**No: None.**

**Abstain: None.**

**Absent: Ms. Hinds, Ms. Latta, and Mr. Pe.**

**The motion passed.**

XVII. Closing Business.

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

There were no items requested for future meetings.

There being no further business to conduct, President Salazar adjourned the meeting at 10:07 a.m. on Friday, July 28, 2023.

\_\_\_\_\_ Katrina L. Salazar, CPA, President

\_\_\_\_\_ Joseph Rosenbaum, CPA, Secretary/Treasurer

Rebecca Reed, Board Relations Analyst, and Dominic Franzella, Acting Executive Officer, prepared the CBA meeting minutes. If you have any questions, please call (916) 561-1718.



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**CBA Item XIII.B.**  
 September 21-22, 2023

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

**MINUTES OF THE**  
**July 27, 2022**  
**QUALIFICATIONS COMMITTEE**

California Board of Accountancy  
 2450 Venture Oaks Way, Suite 420  
 Sacramento, CA 95833  
 Telephone: (916) 263-3680

Call to Order, Roll Call, Establishment of Quorum, and Opening Remarks.

Michael Williams, CPA, Qualifications Committee (QC) Chair, called to order the regularly scheduled meeting of the California Board of Accountancy (CBA) QC at 10:00 a.m. on July 27, 2022 at the CBA in Sacramento.

Chair Williams 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

Michael L. Williams, CPA, Chair  
 Timothy T. Jones, CPA, Vice-Chair  
 Jeffrey T. Baginski, CPA  
 Pradeep Budhiraja, CPA  
 Renard "Renny" Chao, CPA

July 27, 2022

10:00 a.m. – 11:11 a.m.  
 10:00 a.m. – 11:11 a.m.  
 10:00 a.m. – 11:11 a.m.  
 Absent  
 10:00 a.m. – 11:11 a.m.

Members

Brad Holsworth, CPA  
Angela Honzik, CPA  
Hanzhao Meng, CPA  
José Palma, CPA

July 27, 2022

Absent  
10:00 a.m. – 11:11 a.m.  
10:00 a.m. – 11:11 a.m.  
10:00 a.m. – 11:11 a.m.

CBA Member

Yen C. Tu

CBA Staff and Other Participants

Michelle Center, Licensing Chief  
Elizabeth Coronel, Strategic Business Analyst, Department of Consumer Affairs (DCA)  
Emmanuel Estacio, Information Technology Support Analyst  
Michael Lieberman, Initial Licensing Unit Manager  
Katrina Martinez, Licensing Coordinator  
Cesar Victoria, Television Specialist, DCA  
Wayne Wilson, Special Projects Analyst

I. Public Comments for Items Not on the Agenda.

No public comments were received.

II. Report of the Committee Chair (**Michael L. Williams, CPA**).

A. Welcome New Qualifications Committee Member Renard B. Chao, CPA.

Chair Williams introduced new QC member, Renny Chao, CPA, and provided a brief overview of their professional background.

B. Approval of the January 26, 2022, Qualifications Committee Minutes.

**It was moved by Timothy T. Jones and seconded by José Palma to approve the minutes of the January 26, 2022 QC meeting.**

**Yes: Angela Honzik, Timothy T. Jones, Hanzhoa Meng, José Palma, and Michael L. Williams.**

**No: None.**

**Abstain: Jeffrey T. Baginski and Renny Chao.**

**Absent: Pradeep Budhiraja and Brad Holsworth.**

No public comments were received.

**The motion passed.**

C. Approval of the Proposed 2023 Qualifications Committee Meeting Dates.

**It was moved by Jeffrey T. Baginski and seconded by Timothy T. Jones to approve the proposed 2023 QC meeting dates.**

**Yes: Jeffrey T. Baginski, Renny Chao, Angela Honzik, Timothy T. Jones, Hanzhoa Meng, José Palma, and Michael L. Williams.**

**No: None.**

**Abstain: None.**

**Absent: Pradeep Budhiraka and Brad Holsworth.**

No public comments were received.

**The motion passed.**

III. Report of the California Board of Accountancy Liaison (**Yen C. Tu**).

A. Report on the March 24-25, 2022, May 19-20, 2022, and July 21-22, 2022 California Board of Accountancy Meetings.

CBA Member, Yen C. Tu, provided an update to the QC members.

Member Tu noted the CBA will hold its next meeting in Sacramento on September 22-23, 2022.

No public comments were received.

IV. Report on Activities for the Initial Licensing Unit.

A. Licensing Activity Report (**Michael Lieberman, Manager, Initial Licensing Unit**).

Michael Lieberman provided an overview of the Licensing Activity Report covering July 1, 2021 through May 31, 2022.

No public comments were received.

B. Report on Qualifications Committee Subcommittee Meetings (**Michael Lieberman**).

Michael Lieberman summarized the outcomes of the virtual subcommittee meetings on January 26, 2022 and April 27, 2022.

No public comments were received.

C. Discussion Regarding Providing Input to the California Board of Accountancy's Consideration of the CPA Experience Requirements Taskforce on the Necessity and

Sufficiency of the Attest Experience Requirements for CPA Licensure (**Michelle Center, Chief, Licensing Division**).

Michelle Center provided an overview of the request for input from the Consideration of the CPA Experience Requirements Taskforce regarding the attest experience requirement.

Members engaged in a discussion regarding the attest experience requirement. The results of the discussion will be presented at the September 15, 2022 CPA Experience Requirements Taskforce Meeting by Michelle Center and Michael L. Williams.

No public comments were received.

V. Public Comment for Items Not on the Agenda.

No public comments were received.

Having no further business to conduct, the QC meeting adjourned at 11:11 a.m.

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Michael L. Williams, CPA, Chair  
Qualifications Committee

Prepared by: Katrina Martinez, Licensing Coordinator



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**CBA Item XIII.C.**  
 September 21-22, 2023

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

**MINUTES OF THE  
 May 12, 2023  
 PEER REVIEW OVERSIGHT COMMITTEE MEETING**

California Board of Accountancy  
 2450 Venture Oaks Way, Suite 420  
 Sacramento, CA 95833  
 Telephone: (916) 263-3680

Call to Order, Roll Call, Establishment of Quorum, and Opening Remarks.

Laura L. Ross, CPA, Peer Review Oversight Committee (PROC) Chair, called to order the regularly scheduled meeting of the California Board of Accountancy (CBA) PROC at 11:01 a.m. on May 12, 2023.

Chair Ross 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

Laura L. Ross, CPA, Chair  
 Fausto Hinojosa, CPA, Vice Chair  
 Jeffrey De Lyser, CPA  
 Nick Petersen, CPA  
 Sharon Selleck, CPA  
 Fiona Tam, CPA

May 12, 2023

11:01 a.m. to 11:24 a.m.  
 11:01 a.m. to 11:24 a.m.  
 11:01 a.m. to 11:24 a.m.  
 Absent  
 11:01 a.m. to 11:24 a.m.  
 11:01 a.m. to 11:24 a.m.

CBA Member

Yen C. Tu, CBA Liaison

CBA Staff

Sarah Benedict, License Renewal Manager  
Michelle Center, Chief, Licensing Division  
Emmanuel Estacio, Information Technology Support Analyst  
Amir Larian, Website Analyst  
Matthew Parsons, License Renewal Coordinator  
Deanne Pearce, Assistant Executive Officer

Other Participants

Judie Bucciarelli, Department of Consumer Affairs  
Cesar Victoria, Department of Consumer Affairs

I. Public Comments for Items Not on the Agenda

None.

II. Report of the Committee Chair (**Laura L. Ross, CPA**).

A. Approval of the February 17, 2023 PROC Meeting Minutes.

**It was moved by Member De Lyser and seconded by Member Hinojosa to approve the February 17, 2023 PROC meeting minutes.**

**Yes: Jeffrey De Lyser, Laura L. Ross, Fausto Hinojosa, Fiona Tam, Sharon Selleck.**

**No: None.**

**Abstain: None.**

**Absent: Nick Petersen.**

**The motion passed.**

III. Report of the California Board of Accountancy Liaison (**Yen C. Tu, CBA Liaison**).

CBA Liaison Tu provided an update to PROC members.

CBA Liaison Tu noted the CBA will hold its next meeting on May 18, 2023.

There were no public comments.

IV. Report on Peer Review Oversight Committee Oversight Activities Since February 17, 2023 and Future Activities (**Laura L. Ross, CPA**).



- A. Report on the California Society of Certified Public Accountants Report Acceptance Body Meetings, and the American Institute of Certified Public Accountants' Peer Review Board Open Session Meetings.

Member Tam provided an overview of this report.

There were no public comments.

- B. Report and Discussion on the Peer Review Oversight Committee Oversight of Out-of-State Administering Entities: Missouri Society of CPAs and the Louisiana Society of CPAs.

This was a written report only.

There were no public comments.

- 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.

Member Selleck provided an overview of this report.

There were no public comments.

- D. Assignment of Future Peer Review Oversight Committee Oversight Roles, Responsibilities, Activities and Assignments (**Laura L. Ross, CPA**).

Chair Ross highlighted upcoming PROC oversight activities and requested PROC members to participate and accept new assignments.

#### Peer Review-Related Updates for August 2023 PROC Meeting

- American Institute of Certified Public Accountants (AICPA) and National Association of State Boards of Accountancy (NASBA) Websites—Members Selleck and Petersen

#### Out-of-State Administering Entities

- New England Peer Review, Inc.—Member Hinojosa
- Missouri Society of CPAs—Member De Lyser

#### CalCPA Report Acceptance Body Meetings

- July 13, 2023—Member Tam

## CBA Meetings

- May 18, 2023–Chair Ross
- July 27-28, 2023–Chair Ross

There were no public comments.

## V. Report of the Licensing Chief (**Michelle Center, Chief, Licensing Division**).

- A. Report on Peer Review Statistical Data from the American Institute of Certified Public Accountants: Dated March 2, 2023.

Chief Center provided an overview of this report.

There were no public comments.

- B. Report on the American Institute of Certified Public Accountants Peer Review Program, National Peer Review Committee, 2021 Annual Report on Oversight, Issued December 16, 2022.

This was a written report only.

There were no public comments.

## VI. Closing Business (**Laura L. Ross, CPA**).

- A. Agenda Items for Future Peer Review Oversight Committee Meetings.

There were no public comments.

## VII. Adjournment

Having no further business to conduct, the PROC meeting adjourned at approximately 11:24 a.m.

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Laura L. Ross, CPA, Chair  
Peer Review Oversight Committee

Prepared by: Matthew Parsons, Renewal and Continuing Competency Unit Coordinator

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**CBA Item XIV.B.4.**  
September 21-22, 2023**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.

**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, thereby helping create consistency and uniformity amongst state boards of accountancy.

**Action(s) Needed**

The CBA will be requested to either approve or direct staff to make changes to the proposed responses.

**Background**

Staff has been informed that the Focus Questions are used 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 (**Attachment**) were prepared by CBA staff from the Licensing and Administration Divisions. The answers to the focus questions, which will be entered into an online survey, are due by October 13, 2023.

**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 either approve or direct staff to make changes to the proposed responses.

### **Attachment**

NASBA Focus Questions



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**Attachment**

**NASBA Focus Questions – Q3 2023**

**What is your first and last name?**

Dominic Franzella

**Which state is your jurisdiction?**

California

**CPA Exam**

**Is your board communicating directly with exam candidates regarding the new Uniform CPA Exam, or are you relying on communication from NASBA/AICPA?**

Yes - X

No

**Comment (if applicable):**

**Legislation**

**Are you aware of any current or upcoming legislation (or pressing issues) that NASBA should be aware of, especially in the 2024 legislative session?**

Yes - X

No

**Comment (if applicable):**

2023: SB 816 – CBA Fee Increase legislation.

2024: Sunset Review legislation.

**AICPA FSBA Program**

**Is your jurisdiction allowed to utilize the AICPA’s Facilitated State Board Access (FSBA) program?**

Yes - X

No

**Comment (if applicable):**

**CPA Designation**

**What is your board doing to promote the CPA designation?**

Included an article in the summer issue of the *CBA UPDATE* newsletter about proper use of the CPA designation. Producing a video and media campaign focusing on the importance and value of a CPA license.

**Questions for NASBA's leadership or Board of Directors:**

**Comments for NASBA's leadership or Board of Director's**

**When answering these questions, who had input from your board?**

Board Members

**Send me a copy of my responses.**