

Minutes of the February 2011 AEC Meeting



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

MINUTES OF THE
February 18, 2011
ACCOUNTING EDUCATION COMMITTEE (AEC) MEETING

California Board of Accountancy
 2000 Evergreen Street, Suite 250
 Sacramento, CA 95815
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I. Roll Call and Call to Order.

AEC Chair Ruben Davila, called the meeting of the AEC to order at 12:39 p.m. on Friday, February 18, 2011 at the California Board of Accountancy (CBA) office. Mr. Davila indicated that to ensure compliance with the Bagley-Keene Open Meeting Act, Section 11122.5(c)(6), if a majority of members of the full CBA are present at a committee meeting, members who are not members of that committee may attend the meeting only as observers. CBA members who are not committee members may not sit at the table with the committee, and they may not participate in the meeting by making statements or by asking questions of any committee members.

AEC Members

Ruben Davila, Chair	12:39 p.m. to 3:52 p.m.
Donald Driftmier, CBA Member	12:39 p.m. to 3:52 p.m.
Sherry Anderson	Not Present
Betty Chavis	12:39 p.m. to 3:52 p.m.
Thomas Dalton	12:39 p.m. to 3:52 p.m.
Michael Moore	12:39 p.m. to 3:52 p.m.
Gary Pieroni	12:39 p.m. to 3:52 p.m.
Sara Seyedin	12:55 p.m. to 3:52 p.m.
Xiaoli "Charlie" Yuan	Not Present

Staff and Legal Counsel

Rich Andres, Information Technology Staff
 Dominic Franzella, Manager, Licensing
 Deanne Pearce, Chief, Licensing Division
 Jenny Sheldon, Licensing Coordinator

Other Participants

Jason Fox, CalCPA
 Pilar Oñate-Quintana, KP Public Affairs
 Tiffany Rasmussen, KPMG
 Jeannie Tindel, CalCPA

- II. Approve Minutes of the September 3, 2010 AEC Meeting.

It was moved by Mr. Driftmier, seconded by Ms. Chavis, and unanimously carried by those present to approve the minutes (Attachment #1). Ms. Seyedin was not present at the time of the vote.

- III. Acceptance of Units Earned at College or University Extension Programs for Purposes of Meeting the Educational Requirements for CPA Licensure.

Ms. Pearce provided an oral report for this item. Ms. Pearce stated that staff continue to work on this item with DCA legal counsel and will report back once more information is available. Mr. Davila indicated that the reason for the research is to determine whether courses completed through an extension program and reflected on university transcripts fall under the university's accreditation.

- IV. Consideration of Recommending to the CBA Acceptance of a Specified Master's Degree to meet the 20 Units of Accounting Study Required for CPA Licensure Beginning January 1, 2014.

Ms. Sheldon presented the memorandum for this agenda item (**Attachment #2**). At the June 2010 AEC meeting members came to a general consensus to allow a Master of Accounting or Master of Taxation degree to meet the 20 units of accounting study. Ms. Sheldon reported that staff believe it would be prudent for members to consider formally recommending that the CBA sponsor legislation to specifically allow a specified master's degree to meet the 20 units of accounting study in order to eliminate any question as to the CBA's authority to effectuate such a regulation. Ms. Sheldon presented two options for draft statutory language and identified issues for consideration to the AEC with each of the two options. The language for each option is listed on page three of **Attachment #2**.

Members discussed the draft language and expressed that the option providing the CBA with the most flexibility would be the most favorable option.

Ms. Rasmussen commented that there are additional degrees that may be equivalent such as a Master's of Business Administration with an accounting emphasis, Master's of Forensic Accounting, or a Master's of Law degree with an emphasis in taxation.

Staff was directed to research the degrees mentioned by Ms. Rasmussen so members could evaluate if the degrees should be deemed substantially equivalent to the academic requirements of a Master's of Accounting or Master's of Taxation degree.

It was moved by Mr. Driftmier, seconded by Mr. Moore, and unanimously carried by those present to move forward with recommending the CBA sponsor legislation to allow a specified master's degree to meet the 20 units of accounting study.

Ms. Tindel suggested that members may wish to consider stating graduate degree rather than master's degree in order to allow a doctorate or juris doctorate degree in a related subject to qualify.

Staff was directed to include accounting-related graduate degrees in the research to be performed.

- V. Report of the Subcommittee's September 24th and December 21st Meetings and Proposal for the 20 Units of Accounting Study Required for CPA Licensure Beginning January 1, 2014.

Mr. Moore and Mr. Davila presented the memorandum for this agenda item (**Attachment #3**).

The AEC went through each recommendation outlined in the memorandum to determine continued agreement. The AEC revisited the discussion regarding the suggested requirement that all courses be completed at the upper division level, specifically in the area of communications courses.

Ms. Seyedin expressed concern that community colleges do not clearly specify upper division courses in the course catalog as she had previously thought, which may exclude community colleges and create barriers to entry and financial hardships to students. Ms. Seyedin recommended the regulatory language specifically state that upper division courses taken at community colleges are acceptable or remove the requirement that courses be completed at the upper division level. Staff clarified that if courses are not identified as upper division on the college transcript staff would be unable to accurately distinguish between upper and lower division courses when reviewing an application.

Staff was directed to perform research to determine how upper division courses are identified at community colleges to include reviewing community college course catalogs, articulation agreements, and contacting the Board of Governors of California Community Colleges.

Members did not vote on the subcommittee's recommendations but came to a general consensus to require all units be completed at the upper division level, require a minimum of six units be completed in accounting subjects and a maximum of 14 units in business-related subjects or other academic work relevant to accounting and business, allow a maximum of four units in internships or independent study, and accept a specified master's degree to meet the 20 units of accounting study.

Members discussed the subcommittee's proposal for defining the term "other academic work relevant to accounting and business." No comments were made regarding the proposed maximum of six units in skills-based courses.

Ms. Chavis recommended that the language portion of the definition be changed to include cultural studies. Mr. Driftmier agreed that cultural awareness is vital to business interactions. Members came to a general consensus that the language section should be amended to include cultural studies keeping the three unit cap. Staff was directed to research college course catalogs to determine how cultural courses are identified.

Mr. Davila moved the discussion to the area of industry-based courses, which are professional programs including engineering, architecture, real estate, etc. In discussing the difference between industry-based and knowledge-based courses members came to a general agreement that nearly all subject areas have industry applicability. Mr. Franzella asked for clarification on the difference between industry based and knowledge based. Mr. Davila stated that knowledge based and industry based are part of the same topic because knowledge based is a subset of industry based in that it has applicability to industry even though the course is not designed to address the industry application of the subject.

Members came to a general consensus that no unit limitation should be placed on industry-based courses due to the direct relationship to the accounting profession. Members also came to a general consensus that knowledge-based courses should be limited to three units due to the indirect nature of relationship to professional practice.

Ms. Tindel questioned if the industry-based course work will have a 14 unit limitation. Mr. Davila confirmed that industry-based courses would fall under the 14 unit limitation assigned to business-related subjects and "other academic work relevant to accounting and business."

VI. Information on Educational Documents to Meet the 20 Units of Accounting Study Required for CPA Licensure Beginning January 1, 2014.

Mr. Franzella presented the memorandum for this agenda item (**Attachment #4**). Mr. Franzella provided members with information on the CBA's transcript review process and identified areas for member consideration including the previously discussed inability to identify upper division coursework on community college transcripts, courses categorized as "other professional courses," and the ability to identify qualifying courses based on the regulatory language as proposed by the subcommittee.

Members discussed the information provided on transcripts. As was discussed under Agenda Item V, staff will perform further research regarding how upper division courses are identified at community colleges.

VII. Future Agenda Items and Meeting Dates.

Future meeting agenda items include all identified areas of research, information on the acceptability of courses completed at extension programs, and draft regulatory language.

Staff will contact members to determine availability for the next AEC meeting.

VIII. Public Comments

The CBA received three written comments on behalf of the AEC.
(Attachment #5).

No further public comments were received.

ADJOURNMENT.

There being no further business to be conducted, the meeting was adjourned at 3:52 p.m. on Friday, February 18, 2011.

Ruben Davila, Chair

Prepared by Jenny Sheldon, Licensing Coordinator.



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DEPARTMENT OF CONSUMER AFFAIRS
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AEC Agenda Item II.
 February 18, 2011

Draft

MINUTES OF THE
September 3, 2010
ACCOUNTING EDUCATION COMMITTEE (AEC) MEETING

Draft

California Board of Accountancy
 2000 Evergreen Street, Suite 250
 Sacramento, CA 95815
 Telephone: (916) 263-3680

ROLL CALL AND CALL TO ORDER.

Acting Chair Donald Driftmier, called the meeting of the AEC to order at 10:20 a.m. on Friday, September 3, 2010 at the California Board of Accountancy (CBA) office. Mr. Driftmier indicated that to ensure compliance with the Bagley-Keene Open Meeting Act, Section 11122.5(c)(6), if a majority of members of the full CBA are present at a committee meeting, members who are not members of that committee may attend the meeting only as observers. CBA members who are not committee members may not sit at the table with the committee, and they may not participate in the meeting by making statements or by asking questions of any committee members.

AEC Members

Ruben Davila, Chair	Not Present
Donald Driftmier, CBA Member	10:20 a.m. to 11:42 p.m.
Sherry Anderson	10:20 a.m. to 11:42 p.m.
Betty Chavis	10:20 a.m. to 11:42 p.m.
Thomas Dalton	10:20 a.m. to 11:42 p.m.
Michael Moore	10:20 a.m. to 11:42 p.m.
Gary Pieroni	Not Present
Sara Seyedin	Not Present
Xiaoli "Charlie" Yuan	Not Present

Staff and Legal Counsel

Rich Andres, Information Technology Staff
 Patti Bowers, Executive Officer
 Cindi Fuller, Licensing Coordinator
 Dominic Franzella, Manager, Licensing
 Deanne Pearce, Chief, Licensing Division
 Jenny Sheldon, Licensing Coordinator
 Matthew Stanley, Legislation/Regulation Analyst

Other Participants

Allyson Hill, KPMG LLP
 Ed Howard, CPIL
 Molly Isbell, KP Public Affairs
 Pilar Oñate-Quintana, KP Public Affairs
 Hal Schultz, CalCPA
 Jeannie Tindel, CalCPA

- II. Approve Minutes of the June 23, 2010 AEC Meeting.

It was moved by Mr. Moore, seconded by Ms. Chavis, and unanimously carried by those present to approve the minutes (Attachment #1).

- III. Information on the Acceptance of Units Earned at University or College Extension Programs.

Ms. Pearce provided an oral report for this item. Ms. Pearce stated that staff are working on this item with legal counsel and will report back once more information becomes available.

- IV. Consideration of Draft Regulatory Language for the 20 Units of Accounting Study.

Mr. Franzella presented the memorandum for this agenda item (**Attachment #2**). Mr. Franzella reported that at the June 23, 2010 AEC meeting, members came to a general consensus for a broad framework for the 20 units of accounting study. This framework required the 20 units to be completed at the upper division level or higher, a minimum of six units to be completed in accounting subjects as presently defined in CBA Regulations, a maximum of 14 units to be completed in business-related subjects as presently defined in CBA Regulations or other academic work relevant to accounting and business, and no more than four units to be completed in internships or independent study.

The framework also included a recommendation that completion of a Master's Degree in accounting or taxation should be deemed to fulfill the education requirements. Mr. Franzella reported that staff was advised by legal counsel this recommendation over stepped the statutory authority. Mr. Franzella noted the AEC could still make this recommendation to the CBA, but it would require a statutory change.

Mr. Franzella presented draft regulatory language based on the framework and definitions provided by the AEC and identified issues for consideration to the AEC with the broad subject areas presently proposed in the definition of other academic coursework relevant to accounting and business.

Members discussed the draft language and came to a consensus that creating a subcommittee of two members to meet with CBA staff to refine the draft regulatory language would be beneficial. The subcommittee will be comprised of Mr. Davila and Mr. Moore.

Mr. Howard provided extensive comments regarding his belief that the draft regulatory language is unlawful and potentially overly burdensome to students. Mr. Howard outlined three specific items of contention with the present draft – it allows courses that have no relationship to accounting or accounting practice; requires courses be completed at the upper division level or higher which would

be overly burdensome to economically disadvantaged students; and requires applicants to prove that a particular course relates to enhancing his or her skills as a CPA thereby placing applicants in an unfair position.

Mr. Howard made three suggestions – require the 20 units of accounting study be completed in business-related subjects as presently defined in CBA Regulations; describe in words the kind of skills that a CPA student should obtain from a course to limit over-inclusiveness; or isolate department-like words that are less obviously related to accounting and refine them with skills-emphasizing language.

Additionally, Mr. Howard expressed concern with staff counsel's opinion that the statute is insufficiently flexible to permit a Master's Degree in accounting or taxation to qualify as meeting the 20 units of accounting study. A full account of Mr. Howard's comments can be found in **Attachment #3**.

Mr. Driftmier stated that the idea of relevance is key because relevance will differ between types of practice and also the size of a firm. Mr. Moore indicated a need to strike a balance between the knowledge and skill set required for licensing and additional skills specific to types of industry such as biology and medicine.

Mr. Schultz referenced the August 4, 2010 public comment letter from the California Society of Certified Public Accountants' (CalCPA) Accounting Education Committee expressing agreement that 20 units of accounting study should be completed at the upper division level or higher. Mr. Schultz also expressed his belief that many upper division classes have lower division pre-requisites and that, in certain cases, the lower division class may deal more specifically with the kind of understandings that would be useful to a CPA candidate and that upper division classes may be more narrowly focused than what is necessary.

Mr. Schultz further stated that there are three E's for licensing – practical experience, the CPA exam, and a university education. The purpose of the exam is to measure the candidate's knowledge of what would be required to perform the tasks likely to be encountered in the first two years in the practice of public accounting. The reason for a college education is to create a person who is prepared for life-long learning and provide tools to be able to respond to those challenges. Therefore, education should be something much broader than what is tested by the CPA exam. If both education and the CPA exam are designed to prepare the entry-level person then the work is duplicative. Mr. Schultz stated that he is very in favor of allowing an appropriate masters degree to qualify for meeting the 20 units of accounting study for licensure and also expressed hope that the course requirements will reach beyond just business courses and add more flexibility.

Mr. Dalton stated that he is in favor of keeping the subject areas listed in the draft regulatory language under other academic work relevant to accounting and business but is not opposed to placing a unit limitation of specific subjects. Ms. Chavis stated that she is mostly opposed to placing limits on the number of units that can be completed in each of the identified subject areas.

V. Discussion Regarding the Impact on Applicants Completing Education at Universities or Colleges Outside California.

Ms. Sheldon presented the memorandum for this agenda item (**Attachment #4**). Ms. Sheldon reported that the new 20 units of accounting study would impact applicants for an initial CPA license and applicants who have been licensed in another state for less than four years. She noted staff identified 22 states in which applicants are likely to meet the education requirements for licensure in California by fulfilling the education requirements for licensure in the state where the applicant completed the education. For the remaining states, staff will provide outreach to make them aware of the upcoming education changes for California in the hope that the information will be shared with students.

VI. Discussion on Plan to Circulate Proposed Regulatory Language for the 20 Units of Accounting Study to Affected Stakeholders for Possible Input.

Ms. Pearce presented the memorandum for this agenda item (**Attachment #5**). This agenda item was prepared in response to members' request to circulate draft regulatory language to stakeholders prior to making a formal recommendation to the CBA. Ms. Pearce presented staff's recommendation that the draft language with a cover letter be sent to the CBA's interested parties list, including California colleges and universities, and a sampling of colleges and universities from neighboring states and those states with substantially different education requirements.

VII. Future Agenda Items and Meeting Dates.

Staff reminded members that CBA staff are unable to meet the second, third, and fourth Friday of each month. Ms. Bowers asked that members keep the first Friday of each month open for future meeting dates.

VIII. Public Comments

The CBA received a written comment on behalf of the AEC from CalCPA (**Attachment #8**).

No further public comments were received.

ADJOURNMENT.

There being no further business to be conducted, the meeting was adjourned at 11:42 a.m. on Friday, September 3, 2010.

Ruben Davila, Chair

Prepared by Jenny Sheldon, Licensing Coordinator.

Memorandum

AEC Agenda Item IV.
February 18, 2011

To : AEC Members
Date : February 8, 2011
Telephone : (916) 561-4339
Facsimile : (916) 263-3672
E-mail : jsheldon@cba.ca.gov

From : Jenny Sheldon, Coordinator
License Renewal/Continuing Competency Unit

Subject : Consideration of Recommending to the CBA Acceptance of a Specified Master's Degree to meet the 20 Units of Accounting Study Required for CPA Licensure Beginning January 1, 2014

At its June 2010 meeting, the Accounting Education Committee (AEC) deliberated the merits of allowing a Master of Accounting or Taxation to satisfy the required 20 units of accounting study. One of the primary purposes for exploring this issue centered on applicants who graduate from a college or university with a baccalaureate degree in an area or concentration other than business, accounting, finance, economics, etc., but then decide to become a CPA after graduation and enroll in a master's program. Upon completion of the master's program many of these students have in excess of the 48 units presently required for CPA licensure, but may lack the additional 20 units of accounting study that will be required beginning January 1, 2014.

As expressed in the legislative intent in Senate Bill (SB) 819 (Chapter 308, Statutes of 2009), one of the primary purposes for further defining the remaining 30 units is to fill the "hollow" units. AEC members have expressed confidence that students who complete a specified master's program have received a quality, well-thought out education that should be considered substantially equivalent to meeting the additional 20 units of accounting study. It was unanimously agreed upon by AEC members present at the June 2010 meeting that if legal authority exists to create a regulation to allow a specified master's degree to meet the 20 units of accounting study, such a recommendation would be presented to the CBA.

In preparation for the September 2010 AEC meeting, CBA staff explored the possibility that a specified master's degree might meet the 20 units of accounting study which will be established via regulation. At that meeting staff reported that it had requested a DCA legal counsel opinion whether the statute provides sufficient authority to implement this recommendation via regulation. Staff reported DCA legal counsel had opined that the recommendation would go beyond the scope of the statute.

After the September 2010 meeting, staff continued discussions regarding this topic with DCA Legal Office. Upon further review and consideration of the statute, the

Acceptance of a Master's Degree to Meet the 20 Units of Accounting Study

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DCA Legal Office now indicates it believes sufficient authority exists to allow a specified master's degree to meet the 20 units of accounting study.

Even with this new DCA Legal Office opinion, staff believe it may be prudent for the AEC to consider recommending that the CBA sponsor legislation to allow a specified master's degree to meet the 20 units of accounting study. The primary benefit of placing such language in statute will ensure that when the Office of Administrative Law (OAL) reviews the regulations formalizing the 20 units of accounting study, it will be clear that authority exists to effectuate such a regulation.

Although it was originally envisioned that the AEC would provide all of its recommendations for the accounting study to the CBA at one time, if members wish to pursue legislation, staff advise that the AEC make a formal recommendation to the CBA that it consider sponsoring legislation in the upcoming 2011 legislative year. If the AEC formally acts to make such a recommendation, the AEC Chair would provide the recommendation to the CBA at the March 2011 meeting. This will ensure sufficient time to have the statutory authority in place by the time the CBA embarks on the rulemaking process.

As members consider a formal recommendation to pursue legislation, the following should be considered:

- This change will have no effect on applicants' requirement to meet the existing 24 units of accounting subjects and 24 units of business-related subjects.
- Allowing a master's degree to meet the 20 units of accounting study will not impact applicants' requirement to meet the minimum 10 units of ethics study also required by B&P Code Section 5094.
- Based on comments received at the September 2010 AEC meeting, it appears both the Center for Public Interest Law and California Society of Certified Public Accountants Accounting Education Committee support the concept of allowing for a specified master's degree to meet the 20 units of accounting study. (At that time this recommendation was being considered solely as a regulation.)
- A spot bill has been drafted that could be used as a vehicle for the possible legislation, and further, provided all stakeholders support the proposed language, a possibility exists whereby the language could be included in an omnibus bill.

If the AEC elects to make a formal recommendation to the CBA on pursuing legislation, staff suggest the AEC take on the task of providing draft language for CBA consideration. Staff have identified two options members may wish to consider for the statutory language. The first option would be to specifically identify what types of master's degree will be acceptable to meet the 20 units of accounting

Acceptance of a Master's Degree to Meet the 20 Units of Accounting Study Page 3 of 3

study. The second option would be to allow for some flexibility in the language by allowing for specified master's degrees as opposed to stating a Master of Accounting or Taxation. Under **Option 1**, any addition to the list of acceptable master's degrees would require a statutory change, while under **Option 2**, the CBA will have the ability to expand the list of acceptable master's degrees via regulation

Option 1

Completion of master's degrees as specified in regulations promulgated under subdivision (c) of Section 5094.6 will be deemed equivalent to the completion of the 20 units of accounting study required by Section 5094(b).

The amendment to Section 5093(a)(2)(A) made by the act of adding this subdivision shall not be deemed an amendment of that section for purposes of Section 5092(e).

Option 2

Completion of a Masters in Accounting or Masters in Taxation is deemed equivalent to the completion of the 20 units of accounting study required by Section 5094(b).

The amendment to Section 5093(a)(2)(A) made by the act of adding this subdivision shall not be deemed an amendment of that section for purposes of Section 5092(e).

Staff request that the AEC consider both options presented in this memo and take formal action as to whether a recommendation to pursue a legislative change will be made to the CBA. Staff also request that if a vote on this item is favorable that formal action be made as to which language members wish to pursue. Since the AEC has reached a general consensus on recommending that a Master's of Accounting or Taxation be deemed to have met the 20 units of accounting study, and the subcommittee is continuing to concur with this recommendation as part of its proposal (**see Agenda Item V**), staff will continue to include the recommendation as part of any draft regulatory language.

Memorandum

AEC Agenda Item V.
February 18, 2011

To : AEC Members

Date : February 2, 2011

Telephone : (916) 561-1700

Facsimile : (916) 263-3675

From : Ruben Davila, Chair, Accounting Education Committee
Michael Moore, Member, Accounting Education Committee

Subject : Report of the Subcommittee's September 24th and December 21st Meetings and Proposal for the 20 Units of Accounting Study Required for CPA Licensure Beginning January 1, 2014

At the last Accounting Education Committee (AEC) meeting on September 3, 2010, staff provided members with draft regulatory language for the 20 units of accounting study (**Attachment #1**). The language staff prepared was based on discussions and guidance provided at the June 2010 meeting.

At the September 2010 meeting members heard testimony from Ed Howard, Senior Counsel, Center for Public Interest Law (CPIL), regarding CPIL's concerns on the draft language. In addition, members discussed ensuring that the language struck a balance between being overly broad and overly burdensome. After members deliberated on the draft language, it was decided that creating a subcommittee of two members to work with staff to refine the draft regulatory language would be beneficial.

The subcommittee has met twice since its formation in September. The first meeting occurred on September 24, 2010 via telephone. For this meeting, the subcommittee focused on providing an initial proposal for the 20 units of accounting study, with an emphasis on providing a framework for the term "other academic work relevant to accounting and business." During the meeting, we discussed some broad educational areas in which courses may fall that would meet the term "other academic work relevant to accounting and business," and provided information to staff on these areas (**Attachment #2**). Staff reviewed the information and provided feedback to the subcommittee.

The subcommittee held its second meeting on December 21, 2010 with Deanne Pearce, Licensing Division Chief, and Dominic Franzella, Licensing Manager. Prior to the meeting, staff provided the subcommittee a memorandum (**Attachment #3**) regarding a study undertaken by staff to review various course catalogues based on the broad educational areas identified as part of the first subcommittee meeting. This memorandum provided further context for subcommittee discussions.

Report of Subcommittee's Meetings and Proposal for the 20 Units of Accounting Study
Page 2 of 6

At the December 21, 2010 meeting, the subcommittee considered all previous AEC recommendations and continued our discussions regarding progressing toward developing a proposal for the 20 units of accounting study. Specifically, we discussed the following:

- The recommendation to require that all units be completed at an upper division level.
- The recommendation to require that a minimum of six units be completed in accounting subjects as defined by CBA Regulations Section 9.2, and a maximum of 14 units be applied in business-related subjects – as described in CBA Regulations Section 9.2 – and other academic work relevant to accounting and business.
- The recommendation to allow a maximum of four units in internships or independent study to qualify toward the 20 units of accounting study.
- The acceptance of a specified master's degree to meet the 20 units of accounting study.
- Defining the term “other academic work relevant to accounting and business.”
- A proposal for the 20 units of accounting study.

Recommendation to Require All Units be Completed at an Upper Division Level

This recommendation first arose at the AEC's April 2010 meeting at which time the committee came to a general consensus that coursework should be completed at an upper division level. The AEC further considered the recommendation at the June 2010 meeting and again came to the general consensus to require that the coursework be taken at an upper division level – mainly, to ensure the rigor of the coursework.

At the September meeting the AEC received public comment from CPIL and from Hal Schultz, on his own behalf, indicating that they believed there was value to allowing lower division courses to count. Mr. Howard noted CPIL's concern that this could be seen as overly burdensome because upper division course work is generally offered less and admits fewer students. Mr. Schultz expressed his belief that many upper division classes have lower division pre-requisites and that, in certain cases, the lower division class may deal more specifically with the kind of

Report of Subcommittee's Meetings and Proposal for the 20 Units of Accounting Study
Page 3 of 6

understandings that would be useful to a CPA candidate and that upper division classes may be more narrowly focused than what is necessary.

After consideration at the subcommittee meeting, we continue to recommend that the 20 units of accounting study be completed in upper division coursework. This continued recommendation is based on our belief, and which was voiced by the full AEC at the June 2010 meeting, that requiring upper division coursework ensures a high degree of rigor in the completed coursework. Additionally, the subcommittee believes that by requiring upper division coursework that most of the units that will be applied to the 20 units of accounting study will not come from students' general education requirements needed as part of their baccalaureate degree, thus ensuring that the AEC is providing units that work to address the "hollow 30."

Recommendation to Require That a Minimum of Six Units be Completed in Accounting Subjects, With a Maximum of 14 Units Being Applied in Business-Related Subjects or Other Academic Work Relevant to Accounting and Business.

The AEC put forth this recommendation at its June 2010 meeting. Provided below is the present CBA Regulations on accounting subjects and business-related subjects.

Accounting Subjects

For a course to count towards the 24-unit accounting subject requirement in CBA Regulations Section 9.2(b), the course subject matter must pertain to the following: accounting, auditing, financial reporting, external or internal reporting, financial statement analysis or taxation.

Business-Related Subjects

For a course to count towards the 24-unit business-related subject requirement in CBA Regulations Section 9.2(c), the course subject matter must pertain to the following: any accounting subjects in excess of the 24 units needed to fulfill the aforementioned accounting requirement, business administration, economics, finance, business management, marketing, computer science and information services, statistics, business communications, mathematics, business law, or business-related law courses offered by an accredited law school.

The subcommittee did revisit the proposed AEC recommendation discussing if different allotments to accounting or business-related subjects should be considered; however, the subcommittee continues to recommend a minimum of six units in accounting subjects and no more than 14 units in business-related subjects or other academic course work relevant to accounting and business.

Report of Subcommittee's Meetings and Proposal for the 20 Units of Accounting Study
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Recommendation to Allow a Maximum of Four Units in Internships or Independent Study to Qualify Toward the 20 Units of Accounting Study

The AEC recommended the limitation of four units for internship and independent study at the June 2010 meeting. The subcommittee only briefly discussed the topic at our December 21, 2010 meeting, and concurred with the initial recommendation.

Acceptance of a Specified Master's Degree to Meet the 20 Units of Accounting Study

This topic was originally discussed at the June 2010 meeting, with a general consensus reached that if allowable by statute, that the AEC would put forth such a recommendation to the CBA. The subcommittee continues to support this recommendation.

This topic will be discussed under **Agenda Item IV**.

Defining the Term "Other Academic Work Relevant to Accounting and Business"

As noted previously, the subcommittee met telephonically in late September and began discussions on providing a framework for other academic work relevant to accounting and business. This framework was forwarded to staff for review and input and provided a foundation for the previously referenced study undertaken by staff and for the December 21, 2010 meeting during which staff participated.

The primary focus of the December 2010 subcommittee meeting focused on developing a workable definition for the term "other academic work relevant to accounting and business." As members will no doubt recall, this term is the one that has proved the most difficult to define. At the meeting, the subcommittee established four broad educational areas that will hopefully help toward defining the term other academic work relevant to accounting and business – Skills Based, Language, Industry Based, and Knowledge Based.

For each educational area, the subcommittee and staff discussed the overall concept and possible unit limitations that could be placed on each area. Provided below is information on each of the four proposed broad educational areas.

Skills Based

Skills-based courses would be those courses that increase students' oral/verbal, written, and presentations skills, as well as increases students' ability to gather, critically analyze and assess, and reach conclusions. The subcommittee also

Report of Subcommittee's Meetings and Proposal for the 20 Units of Accounting Study
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considered Quantitative courses in mathematics such as statistics, geometry, trigonometry, etc, in addition to Information Technology courses such as computer science. Staff informed the subcommittee that both Quantitative and Information Technology courses, as discussed by the subcommittee, presently meet CBA Regulations Section 9.2(c) for business-related subjects (**see page 3**).

For the proposed Skills-based educational area, the subcommittee would recommend that a maximum of six semester units be allowed to meet the maximum of 14 semester units allowed under other academic work relevant to accounting and business.

Language

Although not an area that had been previously considered by the AEC, the subcommittee discussed the idea of allowing students' to receive accounting study credit for a portion of the units that could be applied to other academic coursework relevant to accounting and business in the area of language. With the continued globalization of the CPA profession having CPAs that possess language skills definitely appears to be a positive. Further, since the AEC will be recommending that the all courses for the accounting study be completed at an upper division level, students with language classes that would qualify for the accounting study units will have presumably demonstrated a proficiency in the language studied.

For the proposed language educational area, the subcommittee would recommend that a maximum of three semester units be allowed to meet the maximum of 14 semester units allowed under other academic work relevant to accounting and business.

Industry Based

Industry-based courses would be courses that provide students with practical, real-world information on the business, economic, and financial market within which a particular industry operates. For example, courses completed on medical care organizations, music industry, agricultural industry, etc, would apply to this educational area.

Given the close nexus that this educational area has with business applications, for the proposed Industry-based educational area, the subcommittee would recommend that no unit limitation be placed toward the maximum of 14 semester units allowed under other academic work relevant to accounting and business.

Report of Subcommittee's Meetings and Proposal for the 20 Units of Accounting Study
Page 6 of 6

Knowledge Based

The subcommittee will provide further information regarding the topic of Knowledge-based courses at the meeting.

Subcommittee's Proposal for the 20 Units of Accounting Study

- Require that the 20 units of accounting study be completed at an upper division level or higher.
- Require a minimum of six semester units be completed in accounting subjects as defined by CBA Regulations Section 9.2(b).
- Allow for a maximum of 14 semester units to be completed in business-related subjects (as defined by CBA Regulations Section 9.2(c)) or other academic work relevant to accounting or business.
- Define the term "other academic work relevant to accounting or business" by establishing four broad educational areas as follows: Skills based, Language, Industry based, and Knowledge based.
- Establish a maximum number of allowable semester units to be applied to Skills based (six), Language (three), and Knowledge based (six).
- Allow for a Master's Degree in Accounting or Taxation to qualify as having met the 20 units of accounting study.

Taking into consideration all of the previous recommendations made by the full AEC and discussions and recommendations being made by the subcommittee, the subcommittee requested that staff prepare draft regulatory language that would put into place these recommendations (**Attachment #4**).

The subcommittee understands that these recommendations offer a starting point for further discussion regarding defining the 20 units of accounting study. The subcommittee values input from other AEC members that would further refine and clarify the proposed recommendations and draft language. As members consider these recommendations, staff have also provided input from an implementation standpoint under **Agenda Item VI**.

The subcommittee will be available at the meeting to answer members' questions.

Attachments

Memorandum

Attachment #1

AEC Agenda Item IV.
September 3, 2010

To : AEC Members

Date : August 23, 2010

Telephone : (916) 561-4310

Facsimile : (916) 263-3672

E-mail : dfranzella@cba.ca.gov

From : Dominic Franzella, Manager
Renewal/Continuing Competency & Client Services Units

Subject : Consideration of Draft Regulatory Language for the 20 Units of Accounting Study

At the June 23, 2010 Accounting Education Committee (AEC) meeting, members continued deliberations on establishing a framework for the additional 20 units of accounting study that will be required for certified public accountant licensure beginning January 1, 2014. At the meeting the AEC made the below recommendations.

- The 20 units of accounting study must be completed at an upper division level or higher.
- A minimum of six units must be completed in accounting subjects as defined by Section 9.2(b) of the California Board of Accountancy (CBA) Regulations.
- A maximum of 14 units can be completed in business-related subjects (as defined by Section 9.2(c) of the CBA Regulations) or other academic work relevant to accounting and business.
- No more than four units completed in internships or independent studies can be counted towards the 20 unit accounting study requirement.
- Applicants documenting completion of a master of accounting or taxation should be deemed to have met the 20 units of accounting study.

Related to the last recommendation, staff informed members at the June 23, 2010 meeting that CBA legal counsel needed to opine on whether the statute provided enough flexibility to allow for the completion of a specified master's degree to meet the 20 units of accounting study. Unfortunately, CBA legal counsel has informed staff that given the specificity of the statute to require applicants to complete the 20 units of accounting study, the aforementioned recommendation would go beyond the scope of the statute.

Consideration of Draft Regulatory Language

Page 2 of 3

That said, if the AEC still believes the recommendation should be considered by the CBA, it can make the recommendation in conjunction with any proposed regulatory language submitted to the CBA for review. If the CBA concurs with an AEC recommendation to allow for a specific master's degree to meet the 20 units of accounting study, it could consider seeking a legislative change in an upcoming session.

In the attached document, staff have provided draft regulatory language which would effectuate the AEC's recommendations for the 20 units of accounting study, minus the recommendation regarding the master's degree. One area that still needs careful consideration is defining the term "other academic work relevant to accounting and business."

For the last meeting, AEC Chair Ruben Davila, provided a document in which he outlined a proposed definition for the term "other academic work relevant to accounting and business." Staff have included the proposed definition, but have made some minor revisions to transition the language into a regulatory format.

One of the more significant revisions staff made was removing the terms, "SEC regulations," "bankruptcy," "estate planning," and "mergers and acquisitions," as it appears applicants could claim these courses under the accounting and business-related subject areas already included in the regulations, so including them would be duplicative and unnecessary. If the AEC feels that inclusion of these courses is necessary, the courses can be included in the final language reviewed by the members.

In reviewing the proposed definition for "other academic work relevant to accounting and business," members may wish to consider the two issues below. The purpose for identifying these issues is to ensure that the final language adopted reflects the AEC's intention, and is sufficiently clear so that both staff and, more importantly, applicants understand the requirements for licensure.

First, the language presently proposed in Section 9.3(b)(1) may allow any courses completed at an upper division level or higher in subjects such as English, Biology, and Communications to qualify for the 20 units of accounting study. This would include courses such as the Metaphysical Poet, Plant Taxonomy, and Staging and Lighting Digital Video.¹ It would, however, require the applicant to substantiate how a course relates to enhancing his/her skills to practice public accounting.

Second, college and universities build most of their course offerings around skills that emphasize writing, research, and critical thinking. Applicants could attempt to

¹ Courses pulled from California State University, Sacramento's present course catalog offerings.

Consideration of Draft Regulatory Language
Page 3 of 3

claim just about any course due to the writing, research, and critical thinking components.

As members give consideration to the above-mentioned issues, it is important to remember that when the Legislature previously considered requiring 150 units for licensure it was concerned about having a “hollow” 30 units, as well as how the additional units could create barriers to entry. Members, thus, must strike a balance between being overly broad and overly burdensome.

On a final note, until such time as the Ethics Curriculum Committee makes its final recommendations on the 10 units of ethics, staff cannot predict how any of the proposed ethics recommendations will affect the draft regulatory language being provided to the AEC.

Based on discussions at the upcoming September 3, 2010 meeting, staff will include any edits, feedback, and further recommendations AEC members believe necessary to the proposed regulations. Staff will bring a final draft of the proposed regulations to the following AEC meeting.

Attachment

9.3 Education Required Under Business and Professions Code Section 5093 to Apply for a Certified Public Accountant License

(a) An applicant applying for licensure after December 31, 2013, in addition to meeting the 24 semester units of accounting subjects described in Section 9.2(b) and the 24 semester units of business-related subjects outlined in Section 9.2(c), shall, to the satisfaction of the Board, provide documentation to the completion of an additional 20 semester units of accounting study as described below.

(1) All units must be completed at a college or university level of upper division or higher, with a maximum of four semester units completed in internships or independent study.

(2) A minimum of six semester units must be completed in accounting subjects as described in Section 9.2(b).

(3) A maximum of 14 semester units may be completed in business-related subjects as described in Section 9.2(c), or may be completed in other academic work relevant to accounting and business as described in subsection (b) below.

(b) Other academic course work relevant to accounting and business shall provide an applicant with skills and knowledge enhancing his/her ability to practice public accounting and include the following:

(1) Courses completed in the following subjects: Communications, Journalism, Psychology, English, Biology, Medicine, Chemistry, Engineering, Architecture, and Real Estate.

(2) Courses which emphasize writing, research, critical thinking, negotiations, and logic.

(c) Satisfactory evidence as to educational qualifications shall take the form of certified transcripts of the applicant's college record, mailed directly to the Board from the educational institution; however, in unusual circumstances the Board may accept such other evidence as it deems appropriate and reasonably conclusive. For foreign education, in addition to certified transcripts of the applicant's college record, satisfactory evidence usually takes the form of an evaluation of educational credentials by a credentials evaluation service approved by the Board pursuant to Section 9.1.

(d) For purposes of this section, one quarter unit is equivalent to two-thirds of one semester unit.



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Attachment #2

SUBCOMMITTEE'S INITIAL PROPOSAL FOR THE 20 UNITS OF ACCOUNTING STUDY

Option 1

- (a) 6 units of accounting
- (b) 14 units of accounting or business

Option 2

- (a) 6 units of accounting
- (b) 14 units of accounting, business or accounting and business related
 - (1) Business or accounting related must clearly reflect the business and/or accounting applications in the course title and course description. Industrial and/or business applications and economic implications of the course subject matter must be central to course coverage.
 - (2) Business or accounting related would include skills critical to success in accounting and business. This would include:
 - (A) Communication skills: courses that are fundamentally centered on speech, presentation and/or writing. The course would offer these topics in a business related setting.
 - (B) Negotiation skills: courses primarily focused on developing and applying negotiation skills used in a business, industry or economic situations.
 - (C) Research and Analysis: courses primarily focused on developing research and analytical techniques applied to economics, business, or industry situations.
 - (D) Quantitative: courses that are primarily focused on developing analytical models used in research or analysis of economics, business, or industry situations.
 - (3) Business or accounting related would include science or technology courses that address specific business or economic issues related to the operations or application of the topic covered. These business or economic issues must clearly be articulated in the course title or description.

Option 3

- (a) 6 units of accounting
- (b) 14 units of accounting, business or accounting and business related
 - (1) Business or accounting related must clearly reflect the business and/or accounting applications in the course title and course description. Industrial and/or business applications and economic implications of the course subject matter must be central to course coverage.
 - (2) Business or accounting related would include skills critical to success in accounting and business. This would include:
 - (A) Communication skills: courses that are fundamentally centered on speech, presentation and/or writing that would typically be used in a business or industry environment.
 - (B) Negotiation skills: courses primarily focused on developing negotiation skills typically used in a business, industry or economic situations.
 - (C) Research and Analysis: courses primarily focused on developing research and analytical techniques that can be applied to economics, business, or industry situations.
 - (D) Quantitative: courses that are primarily focused on developing analytical models that may be used in research or analysis of economic, business, or industry situations.
 - (3) Business related include technology or science courses that address economic or business issues related to applications or operations associated with the course topic.

Option 4

- (a) 6 units of accounting
- (b) 14 units of accounting, business or accounting and business related
 - (1) Business or accounting related would cover subject matter that clearly have broad business and/or accounting applications. Course coverage must address industry and business practices and operational issues.
 - (2) Business or accounting related would include skills critical to success in accounting and business. This would include:
 - (A) Communication skills: courses that are fundamentally centered on speech, presentation and/or writing.
 - (B) Negotiation skills: courses primarily focused on developing negotiation skills.

- (C) Research and Analysis: courses primarily focused on developing research and analytical techniques that can be applied to economics, business, or industry situations.
- (D) Quantitative: courses that are primarily focused on developing analytical models that can be used in research or analysis of economic, business, or industry situations.
- (E) Courses covering technology or science that cover information that has widespread business, industry, or economic application.

Potential Issues:

- Potentially limit the number of units that could be taken in the broad based language in Options 3 and 4.
- Provide a petition process that allows the student in conjunction with a university official to address the accounting or business relationships in a course.

Memorandum

Attachment #3

To : Subcommittee Members
Date : November 5, 2010
Telephone : (916) 561-4310
Facsimile : (916) 263-3672
E-mail : dfranzella@cba.ca.gov

From : Dominic Franzella, Manager
Renewal/Continuing Competency & Client Services Units

Subject : College and University Course Catalog Review

The October 2010 Accounting Education Committee (AEC) meeting was postponed to allow the subcommittee sufficient time to review additional information. To aid subcommittee members in their decision making, staff performed an in depth review of one course catalog for each of the four main institutions of higher learning – community college, private college, California State University, and University of California.

The following colleges reviewed were selected with the intent of gaining an understanding of college and university course offerings throughout California.

- Taft College is a small community college located in a rural area in western Kern County with a student population of approximately 9,500.
- The University of California, Berkeley offers a wide range of degree options and is centrally located in the state.
- Saint Mary's College is a private, faith-based university with a student population of approximately 5,000.
- California State University, San Bernardino has a student population of approximately 17,500 and offers more than 70 degree programs.

In reviewing the four course catalogs staff paid close attention to the course titles and descriptions looking for key words and phrases that appear in the draft regulatory language presented at the June 2010 AEC meeting and the four language options provided to staff by the subcommittee. The draft language provided by the subcommittee stated that for business- or accounting-related courses, the course title and description must clearly reflect the business and/or accounting application. Since the majority of courses in the business department will likely qualify for credit under the existing definition of business subject matter, staff focused on courses in other departments paying particular attention to courses in the subject areas of communications, journalism, psychology, English, biology,

medicine, chemistry, engineering, architecture, and real estate as these subject areas were specifically identified by members as potentially providing business-related knowledge.

In reviewing the course catalogs staff identified many courses that seemed to have a business application without necessarily having clearly identifiable business terminology in the course title or description. Other courses had key business terminology in the course title and/or description but no apparent application to business or accounting. Staff also found a number of courses with key skills such as communications, critical thinking, writing, research, negotiation, and logic in the course title and/or description. Some of these courses appeared to have a business application but many did not have an obvious connection. This is important because students will likely search course titles and descriptions for key terms and phrases found in the regulatory language assuming the course is acceptable if those same terms and/or phrases are used in the course catalog.

Staff reviewed 1,400 pages of course catalogs and created the attached document (**Attachment 1**) to provide a sampling of courses from each college that illustrate the variances in course titling and descriptions across departments and subject matter. The following are brief examples of the types of observations made by staff in each of the categories identified on the attached list of course offerings.

Communications

Taft College offers a management course titled communications that covers various aspects of business communication. Though not offered in a communications department, a student could be confident in claiming this course for credit based on the course title and description. Alternately, the UC Berkeley communications department offers a course titled Structural Aspects of Biomaterials. This course is offered in an appropriate department but the course description fails to show a clear business application. CSU, San Bernardino offers a course in visual communications.

Should a distinction be made between oral and visual communications? Also, there are many courses where the term communications can be found in the course title and/or description, with no indication as to the degree of emphasis placed on communications. Is it reasonable to assume that if communications appears in the course title a considerable portion of the class will be focused on communications?

Journalism and English

It is common knowledge that writing is an inescapable component of nearly all courses in journalism and English. The variance is in the type of writing and the weight placed on it. For example, there are courses in composition, creative writing, expository writing, and business writing. Some course descriptions provide a minimum word count that will be required, while others do not specify. One

course description that best illustrates the uncertainty of emphasis is St. Mary's advanced composition course which states that course emphasis may vary.

Psychology, Biology, Medicine, and Chemistry

Just as writing is an inherent component of English courses, research and analysis are components of nearly all science courses. Though the course descriptions do not always use the terms research and/or analysis, staff were hard pressed to find courses where it was unclear if these were a component of the course. Finding a multitude of courses with an obvious connection to accounting and/or business was more difficult.

Taft College's biology course titled Introduction to Environmental Studies demonstrates a clear connection by covering the socioeconomic and political concerns of various environmental topics. Taft's biology department also offers a general botany course where students collect and identify local plant groups. While this course may have a business application, it is not an obvious one. UC Berkeley offers an integrative biology course titled Evaluating Scientific Evidence in Medicine that teaches students to gather, critically analyze, and present scientific and medical evidence. There is no doubt that these are valuable skills but how clearly does the ability to analyze and present medical evidence relate to the practice of public accountancy?

Engineering, Architecture, and Real Estate

Based on staff review of the engineering and real estate courses offered at the four colleges surveyed, there seems to be less ambiguity in the business application of these types of course. Courses covering architecture were much more problematic. UC Berkeley offers an architecture course titled The Secret Life of Buildings that is intended to prepare students for evaluating future building performance. The course may have a business application but it is not an overwhelmingly obvious one. Also, there are many art and history courses that review architecture from a visual and historical perspective. St. Mary's College even offers a travel abroad program to explore, among other things, the architecture of Spain. Staff is hard pressed to see a business application but the course description clearly places an emphasis on architecture.

Additional Courses with Key Terms

These courses are provided for informational purposes only as there is the potential for students to assume these courses qualify based on the key terms that appear in either the course title or description.

Potentially Applicable Courses

Staff came across courses in each catalog that seem as though they may have a legitimate business application even though the course title and description do not necessarily contain key terminology or are offered in departments not previously identified by members as acceptable. For example, both CSU San Bernardino's

and St. Mary's anthropology departments offer a course in museum studies and while neither of the course descriptions has an obvious business application there is a potential application as both of these courses provide students with an understanding of the inner workings of museum operations, which could be useful in an audit of this type of business. There are examples of this found in the health science and education area as well. Taft College offers a course on medical terminology that could be useful and CSU, San Bernardino offers a course titled Medical Care Organizations that provides students with knowledge of services, resources, and financial aspects of medical organizations.

Languages

The draft regulatory language was silent on the subject of language. It may be prudent to set some type of parameters for these courses, whether determined to be acceptable or unacceptable. In addition to the traditional language courses such as Spanish and French, there are also courses in the special education department that teach students how to communicate with the deaf.

Senior Thesis Research Project and Special Topics

These course examples are provided to highlight that there is not always a clear understanding of the topics to be covered in these types of courses even if the department is known.

Provided below are some issues, gleaned from our review, that the committee may wish to consider for the conference call on Wednesday.

- Students and staff may run into a problem of one person reading a course description and believing that the course has a clear business application while another person reading the same description and not seeing a clear application. Students may also assume that because a course is offered in an appropriate department it will automatically be accepted.
- If members maintain the proposed requirement that both the course title and description clearly reflect a business and/or accounting application, members may inadvertently exclude courses that provide skills valuable to the profession. Alternately, if members eliminate this dual requirement it may open the door to allow students to claim credit for courses entirely unrelated to the profession.
- Another item of consideration is courses that are not wholly devoted to the accounting and/or business aspect of a topic. For these courses members may want to consider whether full or partial credit is appropriate and, if partial credit is more appropriate, how to determine number of credits to be awarded.

As a whole, staff found that this process gave us considerable insight into how colleges and universities draft course descriptions and the wide array of course offerings available. It is our hope that with this information in hand, along with committee members' valuable insight, it will aid us as we once again embark on developing options for regulations. The overriding theme we took from this research was a need to refine any language to eliminate or substantially reduce the subjectivity in course approval.

We look forward to speaking with you on Wednesday and any feedback you may have.

Attachment

Course Examples

Communications

Taft College

- ***Communications 1510 - Mass Communication and the Individual***
This lecture course emphasizes consumer awareness of mass communication on all levels.
- ***Industrial Technology 1000 - Career Readiness in Industrial Technology***
This course will cover survival skills necessary to be successful in careers in industrial technology fields. Emphasis will be placed on industrial safety, applied mathematics in the workplace, job survival and readiness skills, communication, quality control, planning, and professional leadership. Field experiences to places of employment may be required.
- ***Management 1515 - Communication***
This course is designed to introduce the student to key elements in communication within business organizations. Topics will include verbal and nonverbal communication, listening skills and specific supervisory communication skills.
- ***Special Education 0255 - Communication with the Deaf***
This course provides the development of skills in the language of signs and finger spelling. Different levels of communication used by the deaf will be explored, such as gestures, facial expressions, and slang expressions. Recent trends in language will be used.

UC Berkeley

- ***Bio Engineering 117 - Structural Aspects of Biomaterials.***
This course covers the structure and mechanical functions of load bearing tissues and their replacements. Natural and synthetic load-bearing biomaterials for clinical applications are reviewed. Biocompatibility of biomaterials and host response to structural implants are examined. Quantitative treatment of biomechanical issues and constitutive relationships of tissues are covered in order to design biomaterial replacements for structural function. Material selection for load bearing applications including reconstructive surgery, orthopedics, dentistry, and cardiology are addressed. Mechanical design for longevity including topics of fatigue, wear, and fracture are reviewed. Case studies that examine failures of devices are presented. This course includes a teaching/design laboratory component that involves design analysis of medical devices and outreach teaching to the public community. Several problem-based projects are utilized throughout the semester for design analysis. In addition to technical content, this course involves rigorous technical writing assignments, oral communication skill development and teamwork.
- ***Chemical Engineering 185 - Technical Communication for Chemical Engineers***
Development of technical writing and oral presentation skills in formats commonly used by chemical engineers.

- ***Chemistry 100 – Communicating Chemistry***
For undergraduate and graduate students interested in improving their ability to communicate their scientific knowledge by teaching chemistry in elementary schools. The course will combine instruction in inquiry based chemistry teaching methods and learning pedagogy with 10 weeks of supervised teaching experience in a local school classroom. Thus, students will practice communicating scientific knowledge and receive mentoring on how to improve their presentations. Approximately three hours per week, including time spent in school classrooms.

CSU, San Bernardino

- ***Communications 204 – Introduction to Critical Communication Studies***
Survey of the history and study of rhetoric as it contributes to a critical understanding of the role of communication in society.
- ***Communications 225 – Fundamentals of Interpersonal Communications***
A skills development course designed to facilitate student's acquisition of basic face-to-face communication competencies such as building and maintaining communication climates, listening, perception, self-disclosure, and verbal and non-verbal communication.
- ***Communications 380 – Visual Communication***
Introduction to the principles and theory of visual literacy essential to understanding the social, cultural, and ethical layers of meaning in visual communication. Media and other images are examined in view of how they are constructed, processed and integrated with other forms of communication.
- ***Psychology 315 – Communication Processes***
Introduction to the nature of the helping process with emphasis on strategies of behavior change, interpersonal communication and basic helping skills.

St. Mary's College

- ***Communications 10 – Argument and Advocacy***
Communication scholar, Rod Hart, writes that advocacy "is the human creature's most natural way of changing the world. It is also the most civilized way of doing so. Bombs, torture, and mayhem change the world too, but those are primitive modalities and they lead to unstable outcomes. Symbolic influence is better. It lasts longer and it's less noisy." In this spirit, this course examines general principles of argument and advocacy as they relate to rhetorically creating change in different spheres of social life. Students will explore how the conventions of argument change – and how advocacy functions – in law, science, religion, and politics. Students will develop an understanding of argument and evaluation theories, while also embodying those theories by developing practical advocacy and critical appraisal strategies.
- ***Communications 100 – Communication Theory***
This course provides students with a review of major theories applicable to communication among individuals, within organizations, in politics and in the elite and mass media. Through readings and discussions of seminal core texts, students are encouraged to judge for themselves the strong and weak portions of alternative

concepts, models and theoretical concepts, as well as to evaluate the empirical methods from which these theories are derived.

- ***Communications 117 – Public Relations***

This course provides an in-depth understanding of the theories of public relations and the ways in which they are practiced throughout our society, both in the marketplace and in the political realm. Emphasis is on application of these theories in student-authored projects that focus on civic engagement in the community. This course affords students the opportunity to research, plan, execute, and evaluate a public relations campaign.

Journalism and English

Taft College

- ***English 100 – Interactive Writing and Grammar***

This course is a review the mechanics of written composition: sentence structure, punctuation and spelling. Paragraph and theme writing, reading for understanding, and vocabulary are included (minimum of 5000 words).

- ***English 1600 – Critical Thinking, Literature, and Composition***

This course focuses on critical thinking and composition through reading of essays, poetry, drama, and fiction. It introduces critical evaluation, develops techniques of analytical, critical and argumentative writing, explores inference, evidence, inductive and deductive reasoning, identification of assumptions, underlying conclusions and other terms of logical thinking, and continues expository writing (8,000 word minimum).

- ***English 1700 – Creative Writing***

This course involves the writing of imaginative literature, (short stories, short plays, poems and creative nonfiction), the discussion of techniques, and group evaluation of student writing by class members.

- ***Journalism 2005 – Journalism Practice***

These courses are for students with potential in Journalism to emphasize practical work in news gathering, writing, and editing. These courses are offered on a graded basis only.

UC Berkeley

- ***English 141 – Modes of Writing***

Writing in connection with reading in recent English literature and its continental background.

- ***Journalism 231 – Advanced Business Reporting***

Advanced reporting and writing of business, financial, and consumer affairs.

- ***Journalism 255 – Law and Ethics***

The first eight weeks will concentrate on First Amendment and media law, including libel and slander, privacy, free press/fair trial conflicts, and litigation arising from controversial reporting methods. The closing weeks will focus on ethical dilemmas

faced by reporters and editors. Using case studies, readings and guest lecturers, the course examines the murkier conflicts that don't necessarily make it to court but nevertheless force difficult newsroom decision-making.

CSU, San Bernardino

- ***English 106 – Accelerated Stretch Composition I***
Analysis and use of strategies for conducting research and critically reading and writing expository texts. Explores relationships among language, meaning, and context, and emphasizes writing as a recursive process and a means of critical thinking.
- ***English 306 – Expository Writing***
Advanced expository writing including documented research reports, summaries and analytical papers. Revision and rewriting will be required.

St. Mary's College

- ***English 5 – Argument and Research***
Students continue to develop the rhetorical and critical-thinking skills they need to analyze texts and to structure complex arguments. In addition, the course gives students practice in exploring ideas through library research and in supporting a thesis through appropriate use of sources. Students write and revise three or more essays, at least one of which is a substantial research essay that presents an extended argument.
- ***English 100 – Advanced Composition***
Designed to help hesitant writers who would like to become confident, and competent writers who would like to become masterful. Students read exemplary prose of various kinds and write, discuss, and revise their own essays. Emphasis—on the research paper, the critical essay, the personal essay, the journalistic article—may vary.

Psychology, Biology, Medicine, and Chemistry

Taft College

- ***Biology 2201 – General Botany***
This is a basic course in plant biology for all students of plant or animal science and serves as an introduction to the fundamental principles of biology as illustrated by plants. Emphasis is placed on the morphology, physiology, evolution, and ecology of the major plant groups. The laboratory portion provides laboratory exercises covering cytology, morphology, physiology, genetics, and ecology of the major plant groups. Fieldwork includes the collection and identification of local plant groups. The lab serves as an introductory laboratory course designed to survey the plant kingdoms. The lab includes the microscopy of plants, mitosis, life cycles, reproduction, cell structure, anatomy, adaptation, ecology, and identification of plant groups as well as local native and landscape plants.
- ***Biology 1503 – Introduction to Environmental Studies***
This is an interdisciplinary introduction to ecology through the study of contemporary environmental problems of renewable and nonrenewable resources. The

socioeconomic and political concerns of resource shortages, pollution, conservation, and management will be discussed.

- ***Chemistry 2250 – Quantitative Analysis***

This course is required for chemistry, economics, geology, and premedical and pre-dentistry majors. Theoretical principles and chromatographic laboratory techniques and skills involved in gravimetric and volumetric analysis are stressed in lecture and laboratory.

- ***Psychology 2200 – Elementary Statistics for the Behavioral and Social Sciences***

This course provides students with a solid foundation in statistics as used in psychological, sociological, and behavioral research. Students will develop a useable understanding of research design, the organization of data, measures of central tendency and variability, central tendency theory, descriptive and inferential statistics, parametric and nonparametric tests, and basic test assumptions.

- ***Psychology 1519 – Career/Life Planning***

The course focuses on values and the decision-making process. Students will systematically examine the various aspects of career alternatives. Personal awareness will be explored as it relates to career choice.

UC Berkeley

- ***Integrative Biology 119 – Evaluating Scientific Evidence in Medicine***

A course in critical analysis of medical reports and studies using recent controversial topics in medicine. Course will focus on information gathering, hypothesis testing, evaluating study design, methodological problems, mechanisms of bias, interpretation of results, statistics, and attribution of causation. Students participate in a mock trial as a way to demonstrate their abilities to gather, critically analyze, and present scientific and medical evidence.

- ***Integrative Biology 125 – Introduction to the Biomechanical Analysis of Human Movement***

Basic biomechanical and anatomical concepts of human movement and their application to fundamental movement patterns, exercise, and sport skills.

- ***Chemistry 15 – Analytical and Bioanalytical Chemistry***

An introduction to analytical and bioanalytical chemistry including background in statistical analysis of data, acid-base equilibria, electroanalytical potentiometry, spectrometric, and chromatographic methods of analysis and some advanced topics in bioanalytical chemistry such as micro-fluidics, bioassay techniques, and enzymatic biosensors.

- ***Chemistry 220B – Statistical Mechanics***

Principles of statistical mechanics and applications to complex systems.

- ***Psychology 101 – Research and Data Analysis in Psychology***

The course will concentrate on hypothesis formulation and testing, tests of significance, analysis of variance (one-way analysis), simple correlation, simple

regression, and nonparametric statistics, such as chi-square and Mann-Whitney U tests. Majors intending to be in the honors program must complete 101 by the end of their junior year.

- ***Psychology 180 – Industrial-Organizational Psychology***
Primarily for majors. Introduction to the field of industrial psychology, covering fundamental theory and concepts in personnel and social aspects in the field. Concerned with the processes involved in developing and maintaining organizations.

CSU, San Bernardino

- ***Biology 380 – Medical and Economic Biology***
Survey of medically and economically important plant species and families. Includes plants harmful and beneficial to humans, with emphasis on vascular species.
- ***Chemistry 345 – Modern Quantitative Analysis***
Gravimetric and volumetric analysis, chemical equilibria, and modern instrumental methods.
- ***Psychology 105 – Critical Thinking Through Problems Analysis***
Development of basic skills in critical thinking including identifying and understanding common fallacies, recognizing techniques of persuasion and propaganda, problem solving strategies, and applying skills of critical thinking to the complex issues of everyday life.
- ***Psychology 302 – Management and Organizational Behavior***
Introduction to management as it affects operations and the behavior of people in relation to the functional fields of administration. Selected behavioral concepts analyzed with respect to applications in management.

St. Mary's College

- ***Psychology 172 – Groups and Organizations***
Fundamental concepts of organizational theory as it applies to successful group functioning, with a focus on group structure and group processes, team building, group norms and group communication.
- ***Psychology 180 – Organizational Psychology***
Examines the major theoretical findings in the field concerning the relationship between the individual and the organization, including the study of motivation, leadership, decision making, power and politics, corporate culture, and organizational development.
- ***Biology 119 – Research Design and Biostatistics***
Principles of experimental design, sampling methodologies, data collection and analysis are discussed, along with practical applications of these areas in biological experimentation.

- ***Chemistry 20 – Concepts in Chemistry***

A course especially designed to acquaint the non-science student with science as a way of thinking and to introduce important chemical concepts and their relation to human activities.

Engineering, Architecture, and Real Estate

Taft College

- ***Math 2140 – Advanced Engineering Mathematics***

This course includes ordinary differential equations, vector spaces, linear transformations, Fourier series, numerical methods, Laplace transforms, and complex variables.

UC Berkeley

- ***Architecture 133 – Architecture of Globalization: Contested Spaces of Global Culture***

This seminar examines the relationship between architecture and the processes associated with globalization. The social and spatial changes connected to the global economic restructuring of the last four decades are explored in relation to distinctive national conditions and their connection to historical forces such as colonization and imperialism. Theoretical arguments about international urban political economy, uneven development, deindustrialization, and the growth of tourism and service industries, are grounded in specific urban and architectural contexts. Case studies explore issues such as urban entrepreneurship and the branding of cities and nation-states; heritage practices and the postcolonial politics of place; border cities, and the urbanism of transnational production; cities, terrorism, and the global architecture of security; critical regionalism, localism, and other responses to debates on place and placelessness. Readings and class discussions examine course themes in a comparative framework and consider their implications for architectural design, education, and professional practice.

- ***Architecture 244 – The Secret Life of Buildings***

This exploratory seminar addresses a secret life of buildings related to physical performance. Students examine architectural, lighting, and mechanical systems in existing buildings with attention to energy use, occupant well-being, and architectural spacemaking. The seminar applies a collection of measurement techniques, often involving novel approaches, to reveal operating patterns in the complex environment of contemporary buildings. The personal experience students gain in performing the evaluations contributes to the students experiential base at a formative time.

Analysis of data collected in the field and the comparison of these data to values given by simulation tools provides a foundation for understanding the more abstract tools and standards used by designers in practice. The juxtaposition of design intention and post-occupancy performance can be a powerful learning experience now, as well as preparation for evaluating building performance in the future.

- ***Engineering 117 – Methods of Engineering Analysis***

Methods of theoretical engineering analysis; techniques for analyzing partial differential equations and the use of special functions related to engineering systems.

- **Engineering 124 – Ethics and the Impact of Technology**
This course focuses on the changing nature of technology and the complex ethical issues that are emerging as a result. These new issues are arising in such areas as biotechnology, information technology, nanotechnology, and nuclear technology. The nature of these issues, their ethical, legal, and social ramifications, and what our society values in relation to these issues are discussed. Philosophy, religion, and the natural and social sciences will be explored in relation to these issues.

CSU, San Bernardino

- **Computer Science and Engineering 310 – Digital Logic**
Boolean algebra, flip-flops, combinational and sequential circuits, arithmetic-logic units, memory devices, and I/O peripherals. Laboratory experiments include bread-board assembly of finite state machine circuits, registers and arithmetic-logic processors.
- **Finance 380 – Principles of Real Estate**
Basic issues in real estate, including legal concepts, appraisal, financing, investment, brokerage, and management of real estate. This class also contributes toward the state requirements for pre-license education.
- **Finance 481 – Real Estate Practice**
Legal, marketing and financial aspects of running a real estate business. Focus will be on the practical application of real estate theory to the operation of the firm. Meets state requirements applicable toward the real estate broker license.

St. Mary's College

- **The Moving Museum: History, Art, and Architecture of Spain**
This travel course through Spain offers a thorough and intensive exploration of Spain's history, art, and architecture. A country that has undergone century after century of international activity and political change, travel in Spain affords students the opportunity to experience firsthand the richness that results from multicultural blending from a European perspective.

Additional Courses with Key Terms

Taft College

- **Dental Hygiene 1517 – Critical Thinking for Health Sciences**
The Critical Thinking for Health Sciences course is designed to improve students' reasoning process. Instruction consists of creating argument maps analyzing the validity of arguments, creating valid arguments, critiquing assumptions within arguments, distinguishing between induction and deduction, and in arriving at valid and supportable conclusions. Special emphasis is placed on reasoning and problem solving in health care.
- **Industrial Technology 1000 – Career Readiness in Industrial Technology**
This course will cover survival skills necessary to be successful in careers in industrial technology fields. Emphasis will be placed on industrial safety, applied mathematics in the workplace, job survival and readiness skills, communication,

quality control, planning, and professional leadership. Field experiences to places of employment may be required.

- ***Philosophy 1520 – Critical Thinking***

This course is designed to improve students' reasoning process. Instruction consists of creating argument maps, analyzing the validity of arguments, creating valid arguments, critiquing assumptions within arguments, distinguishing between induction and deduction, and in arriving at valid and supportable conclusions.

UC Berkeley

- ***American Studies 102 – Examining U.S. Cultures in Place***

This course examines how U.S. cultures are constructed, reinforced, and changed - particularly in reference to place and material culture. Qualitative and quantitative methods of analysis drawn from several disciplines will help students develop skills in cultural interpretation. Case studies may focus on a neighborhood, a city, or a region. Topics will vary from semester to semester.

- ***American Studies 172 – Business in Its Historical Environment***

This course will examine selected aspects of the history of American business. Included will be discussions of the evolution of the large corporation, the development of modern managerial techniques, and the changing relationship of business, government, and labor.

- ***Cognitive Science 140 – Quantitative Methods in Linguistics***

The goals of this course are a deepened understanding of linguistic research using quantitative analysis, and an ability to use such analyses in original research. A related goal of the course is to serve as an introduction to a powerful—and free—software package (called “R”) for statistical analysis and data visualization. This will be an intensive course in statistical analysis and data visualization. The statistical techniques covered include t-tests, chi-square tests, multiple linear regression, logistic regression, and mixed-effects (linear and logistic) regression. No prior experience with statistical analysis is assumed. By the end of this course, students will know the logic behind a wide range of statistical techniques and the practical skills required to carry out statistical analyses.

- ***Demography 275 – Economic Demography***

Economic consequences of demographic change in developing and developed countries including capital formation, labor markets, and intergenerational transfers. Economic determinants of fertility, mortality and migration.

CSU, San Bernardino

- ***Criminal Justice 311 – Research Methods in Criminal Justice***

Introduction to scientific methodology and research designs used to conduct basic and applied research in the criminal justice field. Emphasis on scientific operationalization, survey methodology, and concepts of evaluation design.

- ***Geography 303 – Introduction to Global Studies***

Examination of the causes and consequences of globalization, including climate change, migration, cultural conflicts, and economics.

St. Mary's College

- ***Communications 110 – Quantitative Methods***

An introduction to communication research approaches that allow us to generalize our understanding to specific instances. For example, we might wish to investigate the influence of mediated political message characteristics on voting behavior or how nonverbal cues influence the formation of romantic relationships. The course provides an overview of research designs, sampling, data collection, and data analysis for the empirical construction of these knowledge bases.

- ***Communications 116 – Advertising and Civic Engagement***

This course is designed to give students an understanding of both the theory and practice of advertising through the medium of civic engagement projects. The first half of the course will allow you to study the underlying theories of the practice of advertising; in the second half, students will have the opportunity to apply these theories as they generate and possibly implement advertising campaigns for on-campus clients.

- ***Performing Arts 141 – Production Management and Design for Dance***

In this class you will be taught the basics of lighting dance and the fundamental elements of managing and producing a dance concert. Students will learn to communicate with lighting designers, stage managers, and production crews; understand the elements of a dance production including budgeting, marketing and publicity, and curating a concert; and develop and execute lighting and costume designs. This course culminates in an all-student mainstage dance concert.

Potentially Applicable Courses

Taft College

- ***Art 1850 – Web Site Production***

This course is designed to prepare the student to develop, implement, and maintain websites based on client requirements. The student may opt to receive credit in Art 1850 or Computer Science 1850, not both.

- ***Art 1855 – Electronic Commerce***

Students participating in this course will learn how commerce works over the Internet, the latest trends, and effective web site marketing in this unique medium.

- ***Dental Hygiene 2241 – Practice and Financial Management***

This course covers office practice management, ethical and legal aspects of dentistry and dental hygiene, and business matters relating to dental hygiene practice.

- ***Health Education 1541 – Medical Terminology***

The focus of this course is learning the origin, correct spelling, pronunciation, meaning and current usage of common medical terms and their application to clinical records and reports. Specific emphasis is on root words, prefixes, suffixes,

stems, combining forms, medical abbreviations, symbols, and terms commonly used in patient's records and laboratory reports.

UC Berkeley

- ***City and Regional Planning 113 – Economic Analysis for Planning***
Introduction to economic concepts and thinking as used in planning. Micro-economic theory is reviewed and critiqued.
- ***City and Regional Planning 225 – Workshop in Regional Analysis***
This course covers economic base analysis, shift share techniques, input-output analysis, regional accounting, impact analysis, cluster analysis, and qualitative sectoral studies..
- ***Geography 110 – Economic Geography of the Industrial World***
Industrialization, urbanization, and economic growth in the global North. Locational patterns in manufacturing, retailing trade, and finance. Geographic dynamics of technical change, employment, business organization, resource use, and divisions of labor. Property, labor, and social conflict as geographic forces. Local, national, and continental rivalries in a global economy, and challenges to U.S. dominance.

CSU, San Bernardino

- ***Anthropology 375 – Museum Methods***
Introduction to the techniques of museum work, and to the history, theory and practice of museums. Includes curatorial methods, and the care, preservation, storage and exhibition of museum specimens.
- ***Art 345 – Gallery Management***
Fine art gallery practices including installation, packing and crating, special event coordination and conduct. Preparation of publications and publicity, art handling and security.
- ***Criminal Justice 370 – Wills, Estates and Trusts***
Study of law relating to the control and disposition of property inter vivos (between living persons) and after death, wills, intestate succession (descent and distribution), future interests and trusts, estates in land, principles of estate planning and administration of an estate.
- ***Health Science 360 – Medical Care Organizations***
Analysis of the organization of health and medical care services, resources, facilities, financial aspects, and other related topics.

St. Mary's College

- ***Anthropology 124 – Museum Studies***
Museum Studies is offered in cooperation with Saint Mary's Hearst Art Gallery and Museum, and as part of the Archaeology/Art and Art History split major. In this course students study the history of museums and the ethical issues involved in the collecting and exhibiting of cultural artifacts. The course gives students hands-on experience researching artifacts for inclusion in an exhibition, designing an exhibition at the Hearst Gallery, and designing and writing the explanatory wall text, posters,

and brochures for a show. Students also learn to serve as docents and to convey information about museum exhibitions to different audiences. Offered occasionally when an exhibition appropriate for student involvement is scheduled at the Hearst Art Gallery and Museum.

- ***Politics 121 – International Political Economy***

This course addresses the growing integration of national economies and financial systems worldwide and its consequence for national political institutions, policymaking, sovereignty, and democracy. The course will focus on the evolution of international trade theory and policies since 1945, trends in foreign direct investment and the 'securitization' revolution in international finance, and the evolution of transnational institutions (WTO, World Bank, IMF, etc.) and free trade mega-blocs (NAFTA-CAFTA, EU, etc.). Special focus is given to current and recent international financial crises and the impact of globalization on U.S. domestic economic policy, economic growth, income distribution, and the evolution of the corporate form of business. The course concludes with a review of the different responses and challenges to global economic integration today by environmentalist, worker-union, and other grass-roots 'civil society'-based organizations.

Languages

Taft College

- ***Special Education 0255 - Communication with the Deaf***

This course provides the development of skills in the language of signs and finger spelling. Different levels of communication used by the deaf will be explored, such as gestures, facial expressions, and slang expressions. Recent trends in language will be used.

Senior Thesis research Project and Special Topics

UC Berkeley

- ***Agricultural and Resource Economics H196 – Honors Research***

Supervised independent honors research specific to aspects of environmental economics and policy, followed by a oral presentation and a written report.

St. Mary's College

- ***Politics 197 – Special Study***

An independent study or research course for students whose needs are not met by the regular course offerings of the department.



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Attachment #4

**DRAFT REGULATORY LANGUAGE
FOR THE 20 UNITS OF ACCOUNTING STUDY**

Section __ Education Required Under Business and Professions Code Section 5093 to Apply for Certified Public Accountant License.

(a) An applicant applying for CPA licensure after December 31, 2013, in addition to meeting the 24 semester units of accounting described in Section 9.2(b) and the 24 semester units of business-related subjects described in Section 9.2(c), shall, to the satisfaction of the Board, provide documentation to the completion of an additional 20 semester units of accounting study as described in Section __ and 10 semester units of ethics study as described in Section __.

(b) Satisfactory evidence as to educational qualifications shall take the form of certified transcripts of the applicant's college record, mailed directly to the Board from the educational institution; however, in unusual circumstances the Board may accept such other evidence as it deems appropriate and reasonably conclusive. For foreign education, in addition to certified transcripts of the applicant's college record, satisfactory evidence usually takes the form of an evaluation of educational credentials by a credentials evaluation service approved by the Board pursuant to Section 9.1.

(c) For purposes of this section, one quarter unit is equivalent to two-thirds of one semester unit.

Section __ Accounting Study Required Under Business and Professions Code Section 5094.

(a) In order for an applicant to satisfy the accounting study requirement, he/she must meet the requirements described in either subsection (b) or (c).

(b) Documentation to the satisfaction of the Board conferral of a Master's Degree in Accounting or Master's Degree in Taxation.

(c) Completion of 20 semester units at a college or university level of upper division or higher as described below.

(1) A minimum of six semester units shall be completed in accounting subjects as described in Section 9.2(b).

(2) A maximum of 14 semester units may be applied in business-related subjects as described in Section 9.2(c) or in other academic work relevant to accounting and business as described in subsection (3) below.

(3) Other academic work relevant to accounting and business shall provide an applicant with skills and knowledge enhancing his/her ability to practice public accounting and may include the following:

(A) A maximum of six semester units in courses that increase an applicant's oral/verbal, written, and presentations skills, as well as increase his/her ability to gather, critically analyze and assess, and reach conclusions.

(B) A maximum of three semester units in courses in foreign language, to include sign language.

(C) Courses that provide applicants with information on the business, economic, and/or financial market within which a particular industry operates.

(D) Knowledge based

(4) A maximum of four semester units may be applied in internships or independent study.

Memorandum

AEC Agenda Item VI.
February 18, 2011

To : AEC Members

Date : February 7, 2011

Telephone : (916) 561-4310

Facsimile : (916) 263-3672

E-mail : dfranzella@cba.ca.gov

From : Dominic Franzella, Manager
Renewal & Continuing Competency Unit

Subject : Information on Educational Documents to Meet the 20 Units of Accounting Study
Required for CPA Licensure Beginning January 1, 2014

For purposes of assessing an applicant's educational qualifications for CPA licensure, the California Board of Accountancy (CBA) relies on certified transcripts sent directly to the CBA from the college/university, or foreign credential evaluations received directly from a CBA-approved Foreign Credential Evaluation Service.

For this memorandum, staff is providing an overview of the transcript/foreign credential evaluation process and topics to consider related to the subcommittee proposal for the 20 units of accounting study. The overview of the evaluation process will provide members with a context regarding how staff determine whether an applicant meets the present 24/24 accounting and business-related requirements. Following the overview, staff have provided topics to consider regarding how the process will evolve with the new 20 units of accounting study.

Overview of the Transcript/Foreign Credentials Evaluation Process

Step 1: Determine accrediting agency or body.

Step 2: Determine whether units earned are semester or quarter.

Step 3: Verify conferral of baccalaureate degree or higher.

Step 4: Circle units earned for all accounting-related courses if the title includes any of the following: accounting, assurance, attestation, auditing, bookkeeping, CPA review, external reporting, field assignment and reporting, financial statement analysis, financial reporting, financial reporting standard, internal reporting, peachtree, Quickbooks, Cost (e.g. costing, cost analysis, cost analysis management, etc.), tax, tax law, tax and local government, federal taxation, direct taxes, VITA, and any courses with the designator ACCY or ACCT.

Educational Documents to Meet the 20 Units of Accounting Study

Page 2 of 4

- Step 5: Checkmark units earned for all business-related courses in the following subject matter: business administration, business communications, business law, business management, management, computer science/information systems, economics, finance and financial management, forecasting, marketing, mathematics, statistics, and business-related law courses offered by an accredited law school.
- Step 6: Tally all accounting units, and if necessary, convert all quarter units to semester units.
- Step 7: Tally all business-related units, and if necessary convert all quarter units to semester units.

Issues to Consider Related to Subcommittee Proposal for the 20 Units of Accounting Study

The CBA will employ a substantially similar approach to evaluation of transcripts and foreign credentials under any proposal offered by either the Accounting Education Committee (AEC) or the Ethics Curriculum Committee. Specific to the proposal presently being offered to the AEC by the subcommittee under **Agenda Item V** (including the staff-prepared draft regulatory language provided for in **Attachment #4** to that agenda item), staff have identified some preliminary issues for members' consideration.

Upper Division Courses

As part of its proposal, the subcommittee continues to recommend that all units completed to fulfill the 20 units of accounting study be completed at an upper division or higher level. When evaluating transcripts for four-year colleges/universities, identifying what constitutes an upper division unit does not generally prove problematic; the same, however, does not hold true for community colleges.

It is staff's understanding, based on previous discussions at earlier meetings that community colleges do offer upper division courses. When staff reviewed a select number of community college transcripts (**Attachment #1**), staff saw nothing on the transcripts course numbering system sections that indicated those course numbers which would qualify as upper division. If staff cannot identify the course numbers that qualify for upper division, the applicant will not receive credit for those units toward the 20 units of accounting study.

Educational Documents to Meet the 20 Units of Accounting Study

Page 3 of 4

As just noted, in general for four-year colleges/universities, the course numbering system outlined on the reverse of the transcripts clearly indicates those courses taken at an upper division level or higher. There are, however, other categories that appear within the course numbering system that are questionable in terms of whether the applicant should receive upper division credit toward the 20 units of accounting study – e.g. “Other Professional Courses.” (See **Attachment #2.**)

Transferred Units

When an applicant completes units at a college/university, the units earned and transferred often appear in one of two formats. First, the college/university provides the name of the institution where the applicant earned the units and simply indicates the total number of acceptable transferrable units. Second, the college/university provides the name of the institution where the applicant earned the units and lists out the course titles and units earned, but does not list the course number.

In many instances, the applicant will rely solely upon the transcript from which he/she received his/her baccalaureate degree. Often times this proves sufficient in meeting the present 24/24 requirement for accounting and business-related courses and the 150-hour requirement. Staff is unsure if this will remain the same under the new 20 units of accounting study.

Identifying 20 Units of Accounting Study Based on the Proposed Regulation

Staff’s overall approach for evaluating transcripts or foreign credentials related to accounting and business-related courses will not change under the present 20 units of accounting study draft regulation, other than ensuring that the upper division units are met. For the definition presently being considered for the term “other academic work relevant to accounting and business,” staff will take an approach similar to the one presently employed for the accounting and business-related identification process.

CBA Regulations Sections 9.2(b) and (c) provide several key words staff use when identifying units on a transcript – accounting, taxation, financial reporting, finance, economics, mathematics, etc. For the proposed definition under consideration for the term “other academic work relevant to accounting and business,” staff would use a substantially similar approach. For example, for the definition of Skills-based courses, staff would look for courses with terms such as oral/verbal, presentation, writing, gather, analyze and assess, and conclusion. Similarly, for Industry-based courses, staff would look for courses with the word

Educational Documents to Meet the 20 Units of Accounting Study
Page 4 of 4

“industry” in the course title. (See draft regulatory language in **Agenda Item V, Attachment #4**, subsections (3)(A) and (C) respectively.)

This process for evaluation for the Skills- and Industry-based courses could conceivably impact an applicant by not providing him/her credit for units in one of these educational areas because the course title did not include words or terms such as those identified above. Presumably, an applicant could request that staff reconsider the course by submitting and supplying a course description which clearly provides the words or terms. This, however, would significantly slow down the application process for the applicant.

Under the subcommittee’s proposal outreach to both colleges/universities and potential applicants will be instrumental toward limiting the impact on topics identified by staff. Through the outreach process, the CBA will inform schools that updating the information on the transcript will substantially limit the possible deficiencies that may arise in trying to determine those units earned at an upper division level or higher. Along the same lines, informing schools of the need to clearly identify the course title will limit the possible deficiencies that may arise when reviewing course titles under the term “other academic work relevant to accounting and business.”

For applicants, staff will inform them of the need to request certified transcripts from all colleges/universities and not to rely on the transcripts reflecting transferred units. This may increase the volume of transcripts received, add an additional step for applicants, and possibly increase the review time; it should, however, supply the CBA staff with the necessary information to complete the educational review.

Attachments



Lake Tahoe Community College

One College Drive • South Lake Tahoe, CA 96150 • (530) 541-4660 • (530) 542-1781 fax • www.ltcc.edu

Accreditation and Calendar

Lake Tahoe Community College is a two-year public degree granting institution, fully accredited by the Western Association of Schools and Colleges. The College operates on a quarter calendar. An Associate in Arts Degree is conferred for ninety (90) quarter units, a 2.0 grade point average, and specified courses.

Explanation of Grades and Grade Points

A	Excellent	4 grade pts
B	Good	3 grade pts
C	Average	2 grade pts
D	Passing (less than satisfactory)	1 grade pt
F	Fail	0 grade pts
CR	Credit (at least satisfactory)*	0 grade pts
NC	No Credit (less than satisfactory)*	0 grade pts
P	Pass (at least satisfactory)**	0 grade pts
NP	No Pass (less than satisfactory)**	0 grade pts
I	Incomplete (units not counted in GPA)	0 grade pts
W	Withdrawal (units not counted in GPA)	0 grade pts
MW	Military Withdrawal (units not counted in GPA)	0 grade pts
IP	In Progress (units not counted in GPA)	0 grade pts
RD	Report Delayed (units not counted in GPA)	0 grade pts
AU	Audit (0 units)	0 grade pts

Family Rights and Privacy Act

This educational record has been released in accordance with the Family Educational Rights and Privacy Act of 1974 as amended. Information contained in these records may not be released to a third party without written consent of the student.

Course Coding

N = Non degree applicable

* Used prior to Summer 2009

** Used Summer 2009 and subsequent quarters

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National Association of State Boards of Accountancy

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MEMORANDUM

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

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

DATE: August 30, 2010

SUBJECT: California Board of Accountancy Accounting Education Committee Work

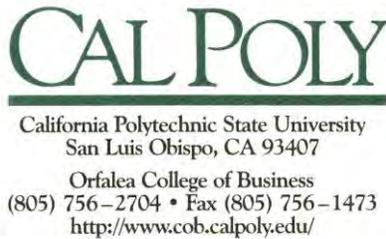
On behalf of NASBA's Education Committee, I reviewed the archived recordings of the meetings of CBA's Accounting Education Committee (AEC) and have read the September 3, 2010 meeting's agenda materials. We applaud your leadership and the committee members' dedication in carrying out their charge. We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

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

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

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

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



February 10, 2011

Jenny Sheldon, Coordinator
California Board of Accountancy

Dear Jenny:

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

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

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

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



California Polytechnic State University
San Luis Obispo, CA 93407

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

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

Sincerely,

Steven M. Mintz

Steven M. Mintz, PhD



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AEC Agenda Item VIII.
February 18, 2011

September 9, 2010

Deanne Pearce
Chief, Licensing Division
California Board of Accountancy

Dear Deanne:

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

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

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



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

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

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

Sincerely,

Steven M. Mintz

Steven M. Mintz, PhD