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| Image of students in the CPA pipeline |

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| **To: State CPA Society CEOs and Deputy CEOs, and State Board of Accountancy Executive Directors** The AICPA and NASBA are committed to working collaboratively to keep the CPA profession strong, respected, and relevant. As part of our commitment, we have been exploring solutions to strengthen the CPA pipeline while maintaining the rigorous entry requirements of a profession that serves the public interest. Every day, we hear from firms and employers about difficulty in recruiting and retaining high-quality staff. These challenges are driven by multiple factors, including declining birth rates and college enrollment, increasing higher education costs, the cost of exam prep, shifting generational expectations of work, and starting salaries out of alignment with market expectations. There are no quick solutions to these issues. That is why we must pull together to assess and address them. Recently, there have been serious discussions in a few states about rolling back the required 150 credit hours of higher education to 120 credit hours to ease entry into the CPA profession. Proponents argue that reducing the rigor of our entry requirements will greatly increase the volume of candidates. A rollback is far from a silver bullet. It does not address the many other contributing factors and is likely to fall far short of expectations for this reason. In fact, we have seen research showing the 150 hours requirement is low on the list of reasons individuals are not pursuing the CPA credential. **The AICPA and NASBA agree that the risks of changing the education requirement would far outweigh any benefits.**   A rollback risks accelerating the efforts of well-funded and well-connected think tanks aggressively seeking to challenge professional licensing, including the CPA. The anti-licensure movement has targeted CPAs in a multitude of states, and our ability to fight back has largely depended on the profession’s uniform approach to the education, exam, and experience requirements across the country. If we lose uniformity, the risk to CPA licensure will rise sharply and swiftly. Just as importantly, this could impact the support of the [Alliance for Responsible Professional Licensing](https://nam12.safelinks.protection.outlook.com/?url=https%3A%2F%2Ft.e2ma.net%2Fclick%2F7eng9d%2Fz8caaoj%2Fbm733p&data=05%7C01%7Ctrish%40mecpa.org%7C9726b09414354f407e8508dae82e0507%7Cdd5ed6efb14f491bb6e8977d05d2cff9%7C0%7C0%7C638077581611233851%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000%7C%7C%7C&sdata=cAD7k5ihKOcu%2FJ0onzNYiWUuybVGffFujJPTElZQxsQ%3D&reserved=0) (ARPL), which has greatly bolstered our reach and positioning to date.  Lowering the bar on quality and rigor to grow the CPA pipeline violates our commitment to act in the public’s best interest. This is especially true when you consider that there are other options that will have a quicker impact on attraction and volume without lowering quality or risking damage to both the profession’s reputation and mobility. Any state action that lowers requirements below the Uniform Accountancy Act (UAA) threshold would be detrimental to licensees and firms in that state, as it would no longer be a substantially equivalent state. Individual CPAs would lose mobility practice privileges and would be required to obtain licenses in other states. CPAs licensed with the lower requirements would be essentially landlocked in the state and would not be eligible for initial licensure in other states.  The AICPA, NASBA, state boards of accountancy, and state CPA societies invested heavily in achieving CPA mobility over a long period of time. Since then, we have achieved something few other professions have in place: uniform licensure requirements that enable firms and individual CPAs to practice across state lines based on substantial equivalency. In addition, we have elevated the CPA from being viewed as a trade to the status of a profession that has earned an extremely high level of respect and confidence. Reducing educational requirements will likely fuel criticism by national regulators and media currently challenging the profession about deficiencies in quality. Risking erosion to the profession’s reputation is not in anyone's best interests.  True and lasting change will not come from a single silver bullet. Intentional, thoughtful, and coordinated efforts across all states must be made to encourage talented people to become CPAs. In that spirit, the AICPA and NASBA are working diligently with other stakeholders to enhance the pipeline into the profession to identify and address any environmental barriers to entry, including attractiveness, cost, time, and reward. Through an integrated effort, we are promoting profession-wide, multi-stakeholder solutions to address challenges, attract more diverse candidates, and promote accounting and the CPA license as a purposeful and rewarding career. At the same time, we will continue to advocate for the rigorous education, exam, and experience requirements necessary to uphold the public interest and confidence placed in our work.  We look forward to continuing the conversations on the CPA pipeline with all of you. Please don’t hesitate to reach out if you are interested in having AICPA and NASBA representatives meet with your state board or society to answer questions and discuss these matters further. Together, we can develop a profession-wide pipeline solution fit for purpose — for everyone. It is only through our continued partnership and collaboration that we will get this done. Thank you, |

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| Ken L. BishopPresident & CEO, NASBA |

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| Barry MelanconPresident & CEO, AICPA |

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