

The Board of the Texas State Board of Public Accountancy is holding a meeting by online video conference call pursuant to §551.127 of the Open Meetings Act. The public may attend the meeting in-person at the office of the Board which is located at 505 E. Huntland Drive, Suite 370, Austin, Texas 78752. The Presiding Officer of the Board will be present at the 505 E. Huntland Drive location for the entirety of the meeting. In the alternative, the public may attend the meeting virtually using the following link.

Topic: Board Meeting

Time: Jan 18, 2024 10:00 AM Central Time (US and Canada)

<https://www.zoomgov.com/j/1601640252?pwd=SEJpNE9WdUJPenNGWGJNNUhiNGhqdz09>

Meeting ID: 160 164 0252

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Meeting ID: 160 164 0252

Texas State Board of Public Accountancy Meeting Schedule

	January 17, 2024			January 18, 2024
COMMITTEE	Qualifications	Rules	Executive	Board
TIME	10:00 AM	1:30 PM	2:00 PM	10:00 AM
PLACE	HYBRID	HYBRID	HYBRID	HYBRID
LIAISON	HILLER	HILL	TREACY/SCHWIMMER-STAGGS	TREACY

ADAMS ¹				✓
CRAWFORD ¹				✓
ESPINOZA-RILEY ¹			✓	✓
FOSHEE ¹	✓ (chair)	✓		✓
GANDHI ¹		✓		✓
GARCIA ¹		✓ (chair)	✓	✓
GRANT ¹			✓	✓
HARTMANN ²	✓			
HOLUP ¹			✓	✓
KOCH ¹	✓	✓	✓	✓
MERKET ¹				✓
NEUHOFF ¹				✓
PITMAN ²	✓			
SEEFELD ¹			✓ (chair)	✓ (chair)
SMITH ¹	✓	✓	✓	✓
VALLÉS-PANKRATZ ¹	✓			✓
WILLIS ²	✓			
WARREN ¹		✓		✓
ZOLTON ²	✓			

¹ Board Member

² Advisory Member

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
BOARD MEETING AGENDA
JANUARY 18, 2024

- I. CALL TO ORDER AND ROLL CALL – 10:00 A.M., JANUARY 18, 2024..... I-1**
- II. APPROVAL OF THE NOVEMBER 9, 2023 BOARD MEETING MINUTES II-1**
- III. PUBLIC COMMENT III-1**
- IV. CONSIDERATION OF REPORT AND RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE.....IV-1**
- A. Review and possible action on the Board’s financial statements
- B. Review and approval of the Board’s Equal Employment Opportunity Report – CY 2023
- C. Historically Underutilized Businesses (HUB) Expenditure Summary
- D. Review of NASBA/AICPA matters
- NASBA dates of interest
 - a. 29th Annual Conference for Board of Accountancy Legal Counsel
March 25 – 27, 2024, Nashville, TN
 - b. 42nd Annual Conference for Executive Directors and Board Staff
March 25 – 27, 2024, Nashville, TN
 - c. 2024 Western Regional Meeting June 25-27, 2024, Omaha, NE
 - d. 117th Annual Meeting October 27-30, 2024, Orlando, FL
- E. Review of general correspondence
- V. CONSIDERATION OF REPORT OF THE RULES COMMITTEE MEETING.....V-1**
- A. Discussion, consideration, and possible action concerning Board *Rule 501.62 (Other Professional Standards)*.
- B. Discussion, consideration, and possible action concerning Board *Rule 521.9 (Certificate Fee)*.
- C. Schedule next meeting.
- VI. CONSIDERATION OF REPORT AND RECOMMENDATIONS OF THE QUALIFICATIONS COMMITTEE MEETING.....VI-1**
- A. Report on the Applicant Reassessment Program.
- B. Report on the launch of the new CPA Exam format.

- C. Discussion, consideration and possible action on the EY Career Path Accelerator Program facilitated by Hult International Business School.
- D. Discussion, consideration and possible action on the update of the Board's Rules of Professional Conduct Exam as required for CPA certification.
- E. Review of correspondence from NASBA.

VII. CONSIDERATION OF REPORT AND RECOMMENDATIONS FROM THE BEHAVIORAL ENFORCEMENT COMMITTEEVII-1

October 18, 2023

- A. Dismissal – Voluntary Compliance
 - Investigation Nos. 23-06-11L & 23-06-12L
- B. Other – Status report

January 4, 2024

- A. Dismissals – Insufficient Evidence
 1. Investigation Nos. 23-10-12L & 23-10-13L
 2. Investigation Nos. 23-10-07L & 23-10-08L
 3. Investigation Nos. 23-09-05L & 23-09-06L
- B. Other – Status report

VIII. CONSIDERATION OF REPORT AND RECOMMENDATIONS FROM THE TECHNICAL STANDARDS REVIEW COMMITTEEVIII-1

September 27, 2023

- A. Dismissal – Insufficient Evidence
 - No. 22-09-44L
- B. Other – Status Report

November 29, 2023

- A. Dismissal – Insufficient Evidence
 - File No. 23-07-10L
- B. Modify – Scope Limitation
 - File No. 03-03-32L
- C. Other – Status report

IX. DISCUSSION, CONSIDERATION, AND POSSIBLE ACTION ON AGREED CONSENT ORDERS AND ADMINISTRATIVE DISCIPLINARY ACTIONS.....IX-1

A. Behavioral Enforcement Committee

1. Investigation Nos. 23-08-02L & 23-08-03L
2. Investigation Nos. 23-07-02L & 23-07-03L
3. Investigation Nos. 23-06-01L & 23-06-02L
4. Investigation Nos. 23-07-13L & 23-07-14L
5. Investigation No. 23-07-01L

Technical Standards Review Committee

- Investigation Nos. 23-05-02L & 23-05-03L

B. Administrative Disciplinary Actions

1. Investigation Nos. 23-08-10001 - 23-08-10070
2. Investigation Nos. 23-09-10001 - 23-09-10077
3. Investigation Nos. 23-08-10071 - 23-08-10247
4. Investigation Nos. 23-09-10078 - 23-09-10251
5. Investigation Nos. 23-08-10248 - 23-08-10276
6. Investigation Nos. 23-09-10252 - 23-09-10274

X. ADOPTION OF BOARD RULESX-1

1. 511.52 (*Recognized Institutions of Higher Education*)
2. 511.53 (*Evaluation of International Education Documents*)
3. 511.58 (*Definitions of Related Business Subjects to take the UCPAE*)
4. 511.59 (*Definition of 120 Semester Hours to take the UCPAE*)
5. 511.60 (*Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE*)
6. 511.80 (*Granting of Credit*)
7. 511.87 (*Loss of Credit*)
8. 511.164 (*Definition of 150 Semester Hours to Qualify for Issuance of a Certificate*)
9. 515.5 (*Reinstatement of a Certificate or License in the Absence of a Violation of the Board's Rules of Professional Conduct*)
10. 515.11 (*Licensing for Military Service Members, Military Veterans, and Military Spouses*) (*Repeal*)
11. 516.1 (*Definitions*) (*New*)
12. 516.2 (*Licensing for Military Service Members and Spouses*) (*New*)
13. 516.3 (*Licensing for Military Veterans*) (*New*)
14. 516.4 (*Accounting Practice Notification by Military Service Members and Spouses*) (*New*)

XI. REVIEW OF FUTURE MEETINGS/HEARING SCHEDULES.....XI-1

XII. ADJOURNMENTXII-1

<p style="text-align: center;">Agenda Item I Call to Order and Roll Call January 18, 2024</p>
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- I. **DISCUSSION:** The meeting will be called to order, *en banc*, by video conference or in-person at 10:00 a.m., January 18, 2024 in the Board's office, at which time the roll will be called.

RECOMMENDATION: None required

SUGGESTED MOTION: None required

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<p style="text-align: center;">Agenda Item II Approval of the November 9, 2023 Minutes January 18, 2024</p>
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- I. **DISCUSSION:** The enclosed minutes of the November 9, 2023 Board meeting were kept in accordance with established procedures and reflect the business conducted.

RECOMMENDATION: The staff recommends that the minutes of the November 9, 2023 Board meeting be approved as submitted/amended.

SUGGESTED MOTION: That the minutes of the November 9, 2023 Board meeting be approved as submitted/amended.

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Texas State Board of Public Accountancy

November 9, 2023

The Texas State Board of Public Accountancy met by video conference and in-person from 10:00 a.m. until 11:32 a.m. on November 9, 2023. A notice of this meeting containing all items on the agenda, in accordance with *Section 551.127* of the *Texas Government Code* and the Governor's suspension of certain provisions of *Section 551.127* of the *Government Code*, was filed with the Office of the Secretary of State at 2:58 p.m. on November 9, 2023. (TRD #2023-006267) (ATTACHMENT 1)

Board Members Present

Susan I. Adams, CPA
Kimberly D. "Kim" Crawford, CPA
Olivia Espinoza-Riley, CPA
Treasurer
Renee D. Foshee, Esq., CPA
Ray R. Garcia, CPA
Executive Committee
Member-at-Large
Jamie D. Grant
Executive Committee
Member-at-Large
Jill A. Holup
Executive Committee
Member-at-Large
Kevin J. Koch, CPA
Assistant Presiding Officer
Sherri B. Merket
Thomas M. Neuhoﬀ, CPA
Debra D. Seefeld, CPA
Presiding Officer
Sheila M. Vallés-Pankratz
Susan M. Warren, CPA

Members Absent

Himesh M. Gandhi, Esq.
Jeannette P. Smith, CPA
Secretary, excused

Others Present

Kenneth Besserman, Esq.
Richard F. Chesebro
Charles Cooley
Robert J. Egan
Dolores G. Egan
Marina Grau
Sean McVey
Jodi Ann Ray
Shalini R.
Jacob Roldan
Mark Vane

Staff Present

Paulette Beiter, Esq.
Marissa Brooks
Nicole Duran, CPA
Rhonda Fellner
Ann Hallam, PMP
J. Randel Hill, Esq.
Donna Hiller
John Moore, Esq.
Brian O'Neal
Thomas Payne
Julie Prien
Marisa Rios
Lorna Schwimmer-Staggs, CPA
Lori Shaw
Tony Shumway
William Treacy
Daniel Weaver

- I. Ms. Seefeld, Presiding Officer, called the meeting to order at 10:00 a.m. Mr. Treacy called roll and declared a quorum.

Ms. Seefeld, moved to excuse the absence of Jeannette P. Smith from the Board meeting. Mr. Koch seconded the motion and it passed unanimously.

- II. Ms. Seefeld, Presiding Officer, moved to approve the September 14, 2023 Board meeting minutes as presented. Ms. Espinoza-Riley seconded the motion and it passed unanimously.

- III. After a call for public comments, there were no comments from the public.

- IV. Ms. Seefeld, Presiding Officer, reported on the November 8, 2023 (video conference and in-person) Executive Committee meeting.

Members Present

Ray R. Garcia, CPA (in-person)
Jamie D. Grant
Jill A. Holup
Kevin J. Koch, CPA
(in-person)
Olivia Espinoza-Riley, CPA
(in-person)
Debra D. Seefeld, CPA
Committee Chair (in-person)

Member Absent

Jeannette P. Smith, CPA
excused

Others Present

Kenneth Besserman, Esq.
Jodi Ann Ray
Marina Grau

Staff Present

Nicole Duran, CPA
Ann Hallam, PMP
J. Randel Hill, Esq.
Donna Hiller
Brian O'Neal
Marisa Rios
Lorna Schwimmer-Staggs, CPA
Lori Shaw
William Treacy
Daniel Weaver

- A. Ms. Espinoza-Riley, Treasurer, presented the Board's financial statements. Mr. Koch moved to approve the Board's financial statements as presented. Ms. Warren seconded the motion and it passed unanimously.

B. Ms. Seefeld, reported on the following NASBA/AICPA matters:

1. Report on NASBA Annual Meeting
October 29 – November 1, 2023 – New York, NY
2. Ms. Seefeld, Presiding Officer, reported that Ms. Adams, Ms. Espinoza-Riley, Ms. Foshee, Ms. Seefeld, Ms. Smith, and Mr. Treacy all received NASBA committee appointments

C. Ms. Seefeld, reported on general correspondence coming to the Board's attention.

V. Mr. Garcia, Rules and Peer Review Committee Chair, reported on the November 8, 2023 (video conference and in-person) Joint Rules, Licensing, and CPE Committee meeting.

Members Present

Susan Adams, CPA
Connie Clark, CPA
Olivia Espinoza-Riley, CPA
Renee Foshee, CPA
Ray Garcia, CPA
Committee Chair
Kathy Kabell, CPA
Kevin Koch, CPA
Sherri Merket
Thomas Neuhoff, CPA
Rene Peña, CPA
Debra Seefeld, CPA
ex officio
Larry Stephens, CPA,
JD/LL.M
Susan Warren, CPA

Members Absent

Himesh Gandhi, Esq.
Jamie Grant
Jeannette P. Smith, CPA
excused

Others Present

S. Berger
Kenneth Besserman, Esq.
Elizabeth Brightwell, Esq.
Marina Grau
Frank McElroy, Esq.
Jodi Ann Ray

Staff Present

Paulette Beiter, Esq.
Marissa Brooks
Rhonda Fellner
J. Randel Hill, Esq.
Donna Hiller
John Moore, Esq.
Brian O'Neal
Marisa Rios
April Serrano
Lorna Schwimmer-Staggs, CPA
Lori Shaw
William Treacy
Daniel Weaver

A. Ms. Foshee moved that the Board authorize the executive director to publish the proposed amendments to Board *Rules 511.52 – Recognized Institutions of Higher Education, 511.53 - Evaluation of International Education Documents, 511.58 – Definitions of Related Business Subjects to take the UCPAE, 511.59 – Definition of 120 Semester Hours to take the UCPAE, 511.60 – Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE, 511.80 - Granting of Credit, 511.87 - Loss of Credit, and 511.164 – Definition of 150 Semester Hours to Qualify for Issuance of a Certificate*. Ms. Crawford seconded the motion and it passed unanimously. **(ATTACHMENT 2)**

B. Ms. Warren moved to adopt Board *Rule 511.57 – Qualified Accounting Courses to take the UCPAE*. Ms. Merket seconded the motion and it passed unanimously. **(ATTACHMENT 3)**

C. Ms. Foshee moved that the Board authorize the executive director to publish the proposed amendments to Board *Rule 515.5 - Reinstatement of a Certificate or License in the Absence of a Violation of the Board's Rules of Professional Conduct, 515.11 - Licensing for Military Service Members, Military Veterans, and Military Spouses, and new Chapter 516 – Military Service Members, Spouses and Veterans*. Ms. Crawford seconded the motion and it passed unanimously. **(ATTACHMENT 4)**

D. Ms. Espinoza-Riley, reported that the licensing committee discussed how the current *Act and Board Rules* (and the Uniform Accountancy Act) precludes the idea that a private equity firm could take ownership of a licensed CPA firm that provides attestation services. *Board Rules 513.10 - Firm License and 513.11 - Qualifications for Non-CPA Owners of Firm License Holders* articulates this position. These matters did not require Board action at this time.

E. Ms. Espinoza-Riley, informed the Board on the upcoming swearing-in ceremony being held December 9, 2023 at the Palmer Events Center in Austin, Texas. Invitations were sent to 681 new CPAs and 169 50-year honorees.

- F. Ms. Espinoza-Riley, presented the CPE Committee's recommendation to authorize the following courses to be listed on the Board Approved Ethics Courses list.

1. **Author/Instructor:** Allison M. McLeod, LL.M., CPA (TX# 063395)
Course Title: *A Back and Forth Discussion of CPA Ethics*
Sponsor Name: Allison M. McLeod, LL.M., CPA, A PLLC and multiple others
Texas Sponsor #: 009875 and multiple others

Ms. Foshee moved to authorize Course Title: *A Back and Forth Discussion of CPA Ethics* to be listed on the Board Approved Ethics Courses list. Ms. Adams seconded the motion and it passed unanimously.

2. **Author/Instructor:** Jennifer Smith, JD, CPA (TX# 088386)
Course Title: *Texas CPA Ethics: Maintaining the Highest Professional Standards*
Sponsor Name: WebCE
Texas Sponsor #: 006170

Mr. Garcia moved to authorize Course Title: *Texas CPA Ethics: Maintaining the Highest Professional Standards* to be listed on the Board Approved Ethics Courses list. Ms. Merket seconded the motion and it passed unanimously.

- G. Ms. Espinoza- Riley, reported that the CPE Committee discussed the proposed changes to the NASBA/AICPA – Statement on Standard for Continuing Professional Education (CPE) Programs. Current Board Chapter 523 – (*Continuing Professional Education*) uses common philosophy and language as the *Standards*, but does not specifically reference the *Standards* within the CPE program. Staff has reviewed the proposed *Standards* and does not have any specific rule changes to propose at this time. This matter did not require Board action at this time.
- H. Ms. Foshee moved to ratify the suspension of the registration of Global CPE as a provider of CPE courses in Texas. Mr. Grant seconded the motion and it passed unanimously.
- I. Mr. Hill, General Counsel, reported that the next Rules Committee Meeting will be January 17, 2024 at 1:30 p.m.

- VI. Ms. Foshee, Qualifications Committee Chair, reported on the following Qualifications Committee meetings:

September 13, 2023 (Video conference and in-person)

Members Present

Renee Foshee, Esq, CPA
Committee Chair
Kevin Koch, CPA
Marshall Pitman, Ph.D., CPA
Debra D. Seefeld, CPA
ex officio
Jeannette Smith, CPA
Veronda Willis, Ph.D., CPA

Members Absent

Caroline Hartmann, CPA
Sheila Vallés-Pankratz
Kathy Zolton, CPA

Others Present

Kenneth Besserman, Esq.
Kimberly Crawford, CPA
Ray Garcia, CPA
Maninder Kaur
Mary Valerie Reeves, CPA

Staff Present

Paulette Beiter, Esq.
Ann Hallam, PMP
Telisa Harwell
J. Randel Hill, Esq.
Donna Hiller
Brian O'Neal
Marisa Rios
Lori Shaw
William Treacy

Ms. Foshee reported on the results of the Applicant Reassessment Program which would offer a pathway for CPA Exam applicants who lost credit(s) on the CPA exam due to COVID or another extreme hardship occurrence. This proposal is similar to the NASBA Credit Relief Initiative. Board data reflects that, 1905 CPA Exam candidates have lost one or more credits after January 1, 2020.

September 22, 2023 (Video conference and in-person)

Members Present

Renee Foshee, CPA, Esq.
Committee Chair
Caroline Hartmann, CPA
Kevin Koch, CPA
Marshall Pitman, Ph.D., CPA
Debra Seefeld, CPA (ex officio)
Jeannette Smith, CPA
Veronda Willis, Ph. D., CPA
Sheila M. Vallés-Pankratz
Kathy Zolton, CPA

Others Present

Ken Besserman, Esq.
Tara Blasor, CPA
Marina Grau
Matthew Kientz
Jonathan Michael
Thomas Neuhoff, CPA
Julie Persellin
Jodi Ann Ray
Larry Stephens, CPA
Melanie Thompson, CPA
Sunita White

Staff Present

Paulette Beiter, Esq.
Telisa Harwell
J. Randel Hill, Esq.
Donna Hiller
Brian O'Neal
Marisa Rios
Lori Shaw
William Treacy

- A. Ms. Foshee reported that the committee reviewed Board *Rule 511.57 – Qualified Accounting Courses to take the UCPAE* and the committee referred to the Rules Committee for its consideration.
- B. Ms. Foshee reported that the committee reviewed Board *Rule 511.58 – Definition of Related Business Subjects to take the UCPAE*, the committee referred this rule to the Rules Committee for its consideration.
- C. Ms. Foshee reported that the committee reviewed the scholarship application and allocations to participating Texas educational institutions. Staff informed the committee that the schools would be emailed on November 15th to inquire if they would be using the allocation that was provided. Schools that do not plan on awarding the allocation may release the funds, and the Executive Director may make additional allocations to the schools that have used their initial allocation and have additional students who are eligible for an award.
- D. Ms. Foshee reported that the committee reviewed correspondence that was sent to applicants, posted on the Board's website, and on social media sites.
- E. Ms. Foshee reported the implementation of the education requirements in *the Public Accountancy Act -2023*. Staff reported that 161 individuals refilled the Application of Intent to be eligible to test under the education requirements that became effective on September 1, 2023.
- F. Ms. Foshee reported that Prometric has not provided information on the utilization of Texas test centers for the committee to consider.
- G. Ms. Foshee reported the committee reviewed NASBA's ELE program and no action was taken.
- H. Ms. Foshee reported that the committee considered the application and education submitted by applicant 0287395. It recommends that the applicant be informed that coursework completed at the South Texas College of Law may be considered if the educational institution can provide the Board with evidence of equivalency that it meets the requirements of SACS.
- I. Ms. Foshee reported that the committee considered the application and education submitted by applicant 0287623. It determined that coursework completed through A.C.E. and Straighterline did not meet the Board's requirements of Board *Rule 511.52* and the applicant should be informed. The committee also directed staff to amend the Board *Rules* to add Straighterline as an organization that shall not be used to meet the education requirements.
- J. Ms. Foshee reported the committee reviewed a statistical report on the applications received and approved along with scholarship data. No action is required.
- K. Ms. Foshee reported that the following committee members will serve on a Task Force to review the Board's *Rules of Professional Conduct Exam*: Marshall Pitman – Chair, Renee Foshee, Caroline Hartmann, Kevin Koch, and, Veronda Willis.
- L. Ms. Foshee reported the committee did not receive any information from NASBA that required committee action.

- VII. Ms. Vallés-Pankratz, Peer Assistance Oversight Committee Chair, presented the Quarterly Report, Performance Measures, and Financial Information from the TXCPA ACAN Program.
- VIII. Mr. Koch, reported on the following Behavioral Enforcement Committee meetings:

June 13th 2023 (Video conference and in-person)

Members Present

Susan I. Adams, CPA
Bennett Allison, CPA
Patricia C. Culver, CPA
Patrick Durio, CPA
Jill A. Holup
Phillip D. Johnson, CPA
Jeannette P. Smith, CPA
Committee Chair

Staff Present

Paulette Beiter, Esq.
J. Randel Hill, Esq.

A. Dismissals – Insufficient evidence

Ms. Foshee moved to dismiss the following investigations due to insufficient evidence of a violation of the *Act* or the *Rules*. Ms. Warren seconded the motion and it passed. The BEC committee members did not participate in the vote.

1. Investigation Nos. 23-03-07L¹ and 23-03-08L¹
2. Investigation Nos. 23-03-02L¹ and 23-03-03L¹

B. Other – The committee considered other matters during this meeting; however, these matters did not require Board action at this time.

October 18th 2023 (Video conference and in-person)

Members Present

Susan I. Adams, CPA
Bennett Allison, CPA
Patricia C. Culver, CPA
Patrick Durio, CPA
Phillip D. Johnson, CPA
Kevin J. Koch, CPA
Robert Ogle, CPA
Jeannette P. Smith, CPA
Committee Chair

Member Absent

Jill A. Holup

Staff Present

Paulette Beiter, Esq.
J. Randel Hill, Esq.

A. Dismissals – Insufficient evidence

Ms. Foshee moved to dismiss the following investigations due to insufficient evidence of a violation of the *Act* or the *Rules*. Ms. Crawford seconded the motion and it passed. The BEC committee members did not participate in the vote.

1. Investigation Nos. 23-08-04L¹ and 23-08-05L¹
2. Investigation Nos. 23-07-04L¹ and 23-07-05L¹
3. Investigation Nos. 23-06-03L¹ and 23-06-04L¹
4. Investigation No. 23-08-06L¹

B. Other – The committee considered eight other matters during this meeting; however, these matters did not require Board action at this time.

- IX. Mr. Garcia, Technical Standards Review Committee Chair, reported on the following committee meetings:

September 27, 2023

Members Present

Douglas Koval, CPA
Jamie Grant
Debra Seefeld, CPA
Ex Officio Committee Chair
Juliet Williams, CPA
Sheila Vallés-Pankratz

Members Recused

Kimberly Crawford, CPA
Ray R. Garcia, CPA
Dilliana Stewart, CPA
Susan Warren, CPA

Staff Present

J. Randel Hill, Esq.
John Moore, Esq.

A. Dismissals – Insufficient evidence with a letter of comment

Ms. Espinoza- Riley moved to dismiss the following investigations due to insufficient evidence of a violation of the *Act* or the *Rules*. Ms. Foshee seconded the motion and it passed. The TSR committee members did not participate in the vote.

- Investigation Nos. 22-09-04L; 22-09-05L; 22-09-08L; 22-09-18L; 22-09-20L; 22-09-21L; 22-09-23L; 22-09-28L; 22-09-34L; 22-09-35L; 22-09-37L; 22-09-38L; 22-09-39L; 22-09-46L; 22-09-47L

B. Dismissals – Insufficient evidence

Ms. Merket moved to dismiss the following investigations due to insufficient evidence of a violation of the *Act* or the *Rules*. Ms. Adams seconded the motion and it passed. The TSR committee members did not participate in the vote.

- Investigation Nos. 22-09-01L; 22-09-06L; 22-09-09L; 22-09-12L; 22-09-13L; 22-09-14L; 22-09-15L; 22-09-26L; 22-09-27L; 22-09-30L; 22-09-32L; 22-09-41L; 22-09-48L; 22-09-49L; 22-09-50L; 22-09-52L; 22-09-53L

C. Other - The committee considered 20 other matters during its meeting; however, these matters do not require Board action at this time.

September 27, 2023

Members Present

Kimberley Crawford, CPA
Ray R. Garcia, CPA
Committee Chair
Jamie D. Grant
Douglas Koval, CPA
Dillianna M. Stewart, CPA
Sheila Vallés-Pankratz
Juliet Williams, CPA
Susan Warren, CPA

Staff Present

J. Randel Hill, Esq.
John Moore, Esq.

- The committee considered five matters separately from other complaint investigations during this meeting; however, these matters did not require Board action at this time.

X. The Board took the following actions on agreed consent orders (ACOs), administrative disciplinary actions, and a Proposal for Decision:

A. AGREED CONSENT ORDERS (ACO) BEHAVIORAL ENFORCEMENT COMMITTEE (BEC)

Ms. Foshee moved to approve the following ACOs as presented. Mr. Garcia seconded the motion and it passed. The BEC Board members did not participate in the vote.

- Investigation No.:** 19-06-01L¹
Respondent: Jacob Joseph Roldan

Hometown: Santa Barbara, CA
Certificate No.: 099210

Respondent entered into an ACO with the Board whereby Respondent's certificate was conditionally reinstated and Respondent was placed on probated revocation for two years. In addition, Respondent must continue counseling/treatment and must participate in the Accountants Confidential Assistance Network.

Respondent's certificate was revoked by Board Order on November 14, 2019 after pleading no contest to the felony offense of Lewd Act Upon a Child under 18, and the misdemeanor offense of sexual battery.

TECHNICAL STANDARDS REVIEW COMMITTEE (TSR)

Mr. Koch moved to approve the following ACOs as presented. Ms. Foshee seconded the motion and it passed. The TSR Board members did not participate in the vote.

- | | |
|---|---|
| 1. Investigation No.: 22-12-06L²
Respondent: Ernst & Young LLP
Rule Violations: 501.73, 501.90(8)
Act Violation: 901.502(6) | Hometown: Dallas, TX
Firm Lic. No.: P04513 |
|---|---|

Respondent Firm entered into an ACO with the Board whereby Respondent Firm was Reprimanded and ordered to pay an administrative penalty of \$3,000,000 and administrative costs of \$4,171 within 30 days of the date of the Board Order.

Respondent Firm was the subject of a Securities and Exchange Commission (SEC) Order in Administrative Proceeding File No. 3-20911 styled ***In the Matter of: Ernst & Young LLP*** issued on June 28, 2022. The SEC Order censured the Respondent Firm and assessed a civil penalty of \$100,000,000. The SEC Order stated that a significant number of Ernst & Young LLP audit professionals, including Ernst & Young LLP audit professionals licensed as Texas CPAs, cheated on the ethics component of the Certified Public Accountant (CPA) Exam, as well as on a variety of other examinations required to maintain their CPA licenses. As this was ongoing, Ernst & Young LLP withheld this misconduct from SEC staff investigating potential cheating at the firm. Ernst & Young LLP audit professionals' repeated cheating on exams and the firm's misrepresentations to the SEC violated ethics and integrity standards and discredited the accounting profession.

- | | |
|--|---|
| 2. Investigation No.: 23-06-05L²
Respondent: Leslie Louise Jackson
Rule Violations: 501.90(2), 501.90(8), 501.90(13)
Act Violations: 901.502(6), 901.502(11) | Hometown: Bayfield, CO
Certificate No.: 053781 |
|--|---|

Respondent entered into an ACO with the Board whereby Respondent was Reprimanded and ordered to pay an administrative penalty of \$990 and administrative costs of \$786.52 within 30 days of the date of the Board Order.

Respondent violated the terms of an SEC Order by performing accounting work for a public company before her application for reinstatement before the SEC was considered by the SEC. Respondent also made a misrepresentation to the Board in her application for reinstatement of her certificate.

B. ADMINISTRATIVE DISCIPLINARY ACTIONS

Mr. Koch moved to approve the following Administrative Disciplinary Actions as presented. Ms. Warren seconded the motion and it passed unanimously.

- 1. Respondents: In the Matter of Disciplinary Action Against Certain Licensees for Nonpayment of Licensing and Late Fees for Three Consecutive License Periods**

The Respondents failed to pay their licensing fees for three consecutive license periods. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the certificate of each Respondent still not in compliance be revoked without prejudice. Each Respondent may regain his or her certificate by paying all license fees and late fees and by otherwise coming into compliance with the Act.

Respondents violated *Act Section 901.502(4) (failure to pay license fees for three consecutive years)*. (ATTACHMENT 5)

No Board committee considered these actions.

Investigation Numbers

1. 23-06-10001 - 23-06-10087
2. 23-07-10001 - 23-07-10073

2. Respondents: In the Matter of Disciplinary Action Against Certain License Holders for CPE Delinquencies

The Respondents failed to comply with CPE reporting requirements found in Chapter 523 of the *Rules* and *Act Section 901.411 (Continuing Professional Education)*. The Respondents, although provided with a preliminary report and having been notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the license of each Respondent still not in compliance be suspended for a period of three years, or until he or she complies with the licensing requirements of the *Act*, whichever is sooner. Additionally, staff recommends a \$100 penalty be imposed for each year a Respondent is not in compliance with the Board's CPE requirements. Respondents violated Board *Rules 501.94 (Mandatory CPE)* and *523.111 (Required CPE Reporting)*, and *Act Section 901.411*. (ATTACHMENT 6)

No Board committee considered these actions.

Investigation Numbers

3. 23-06-10088 - 23-06-10247
4. 23-07-10074 - 23-07-10233

3. Respondents: In the Matter of Disciplinary Action Against Certain Certificate Holders for Failure to Complete License Notice

The Respondents failed to complete their license renewal notices in accordance with Board *Rule 515.3 (License Renewals for Individuals and Firm Offices)*. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends the certificate of each Respondent not in compliance be revoked without prejudice until such time as the Respondent complies with the requirements of the *Rules* and the *Act*. Respondents violated *Act Section 901.502(12) (Violations of Board Rules)*. (ATTACHMENT 7)

No Board committee considered these actions.

Investigation Numbers

5. 23-06-10248 - 23-06-10264
6. 23-07-10234 - 23-07-10243

C. PROPOSAL FOR DECISION

Ms. Espinoza-Riley moved to ratify the recommendations of the Administrative Law Judge in their Proposal for Decision, with the additional recommendations made by the staff. Mr. Garcia seconded the motion and it passed unanimously.

- | | | | |
|---|----------------------------|--|---------------------------------|
| • | Investigation Nos.: | 23-06-05L & 22-06-06L¹ | Hometown: Georgetown, TX |
| | Respondents: | Richard Francis Chesebro | Certificate No.: 064497 |
| | | & Richard F. Chesebro, | Firm License No.: C08680 |
| | | CPA, PC | |
| | Rules Violations: | 501.74(a), 501.74(b) | |
| | Act Violations: | 901.502(6), 901.502(11) | |

The BEC found that Richard Francis Chesebro and Richard F. Chesebro, CPA, PC failed to complete an engagement. The BEC offered Respondents an ACO whereby Respondents would be reprimanded and would agree to refund \$2,000 to the Complainant and pay \$905.48 in administrative costs. Respondents did not accept the offer.

Pleadings were filed with the State Office of Administrative Hearings and after a hearing with all parties present held on July 10, 2023, the State Office of Administrative Hearings Administrative Law Judge (ALJ) found that Respondent violated Board *Rules 501.74(a) and (b)* as well as *Sections 901.502(6) and 901.502(11)* of the Public Accountancy Act. The ALJ recommended to the Board that Respondent receive a reprimand, refund the \$2,000 retainer he received to the Complainant, and pay \$2,743.87 in administrative costs.

The ALJ recommendation did not include the costs accrued in taking Mr. Chesebro's deposition. The Board reviewed the staff Memorandum Regarding Proposal for Decision asking that the Board include the costs of the deposition. The Board agreed with the staff recommendation and added \$1,108.75 to the administrative costs. The administrative costs was revised to total \$3,852.62.

XI. Ms. Foshee moved to adopt the following Board *Rules* as presented. Mr. Koch seconded the motion and passed unanimously. **(ATTACHMENT 8)**

1. *Section 511.57 (Qualified Accounting Courses to take the UCPAE)*
2. *Section 527.5 (Deficient Reviews)*

XII. Ms. Seefeld reviewed the meeting schedule for the year.

XIII. Ms. Seefeld adjourned the meeting at 11:32 a.m.

ATTEST:

Debra D. Seefeld, CPA, Presiding Officer

Jeannette P. Smith, CPA, Secretary

¹Ms. Adams, Ms. Holup, and Mr. Koch recused themselves from participating in this matter.

²Ms. Crawford, Mr. Garcia, Mr. Grant, Ms. Vallés-Pankratz, and Ms. Warren recused themselves from participating in this matter.

<p style="text-align: center;">Agenda Item III Public Comment January 18, 2024</p>

- I. **DISCUSSION:** Persons wishing to offer public comment to the Board will be given an opportunity to do so at this time.

RECOMMENDATION: None required

SUGGESTED MOTION: None required

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<p style="text-align: center;">Agenda Item IV Report of the Executive Committee January 17, 2024</p>

- A. Review and possible action on the Board's financial statements
- B. Review and approval of the Board's Equal Employment Opportunity Report – CY 2023
- C. Historically Underutilized Businesses (HUB) Expenditure Summary
- D. Review of NASBA/AICPA matters:
 - NASBA dates of interest:
 - a. 29th Annual Conference for Board of Accountancy Legal Counsel
March 25 – 27, 2024, Nashville, TN
 - b. 42nd Annual Conference for Executive Directors and Board Staff
March 25 – 27, 2024, Nashville, TN
 - c. 2024 Western Regional Meeting, June 25-27, 2024, Omaha, NE
 - d. 117th Annual Meeting, October 27-30, 2024, Orlando, FL
- E. Review of general correspondence

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<p style="text-align: center;">Agenda Item IV Report of the Executive Committee January 17, 2024</p>

A. Review and possible action on the Board's financial statements

DISCUSSION: Ms. Espinoza-Riley, Treasurer, will present the Board's financial statements.

RECOMMENDATION: The staff recommends that the Board's financial statements be approved as presented.

SUGGESTED MOTION: That the Board's financial statements be approved as presented.

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TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

Financial Overview

For the 3 Months Ending November 30, 2023

Annual Budget						
	Actual	Annual Budget	Variance	Percent Remaining	Target	Variance
Revenues - YTD	\$ 2,108,325	\$ 7,915,233	\$ 5,806,908	73.36%	75.00%	1.64%
Expenditures - YTD	\$ (1,652,082)	\$ (7,133,388)	\$ 5,481,306	76.84%	75.00%	1.84%
Net - YTD	456,243	781,845	\$ (325,602)	41.65%	75.00%	33.35%
Transfer Out - SDSI annual payment	\$ (175,836)	\$ (703,344)	\$ (527,508)	75.00%	75.00%	0.00%
Net Increase/(Reduction) in Fund Balance	\$ 280,407	\$ 78,501	\$ 201,906	-257.2%	75.00%	-332.20%
<p>Revenues: See <i>Revenue Budget Summary</i> for additional information</p> <ul style="list-style-type: none"> ● Revenue collected over budget by 1.64% <ul style="list-style-type: none"> ➔ Sponsor, exam, and other revenues are over budget. <p>Expenditures: See <i>Expenditure Budget Summary</i> for additional information</p> <ul style="list-style-type: none"> ● Expenditures under budget by 1.84% <ul style="list-style-type: none"> ➔ See <i>Expenditure Budget Summary</i> for discussion of budget items. 						

Revenues and Expenditures and Changes in Fund Balance				
	Current Year	Prior Year	Difference	% Difference
Beginning Fund Balance 9/01/2023	\$ 6,888,289	\$ 5,728,242		
Revenues	2,108,325	1,767,204	341,121	19.3%
Expenditures	(1,671,137)	(1,608,627)	62,510	3.9%
Other Financing Sources (Uses)	(176,056)	(176,267)	(211)	-0.1%
Ending Fund Balance 11/30/23	<u>\$ 7,149,421</u>	<u>\$ 5,710,552</u>		
Net increase/(reduction) in FB	\$ 261,132	\$ (17,690)		
Budgeted Ending Fund Balance	\$ 5,599,836	\$ 5,521,335		
* EXH II expenditures include FY 22 and 23 expenditures of \$21,873.90 and Encumbrances of \$2,818.90.				

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Performance Measures
For the 3 Months Ending November 30, 2023

Performance Measures:

	Sept. 23-Nov. 23	Dec. 23-Feb. 24	Mar. 24-May 24	June 24-Aug. 24				
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	YTD	Target	%	FY 23
Exam Related Measures:								
Individuals examined within one quarter	3,187				3,187	9,932	32%	9,488
Sections taken	4,250				4,250	13,903	31%	12,563
Average sections taken per individual per quarter	1.33				1.33	1.40	95%	1.32
Licensing Related Measures:								
Number of individuals licensed	78,206				not cumulative	78,490	100%	78,270
Number of business facilities licensed (firms) ^a	8,449				not cumulative	8,328	101%	8,509
Peer Review Related Measures:								
Number of accounting firms subject to peer review	1,837				not cumulative	1,700	108%	1,859
Number of Peer Reviews Conducted	118				118	566	21%	614
Percentage of accounting firms reviewed	6.4%				6.4%	33%	19%	33.0%
Percentage of accounting firms receiving favorable review	85.6%				85.6%	83.8%	102%	79.3%
Number of peer reviews examined by the Peer Review Oversight Board	118				118	566	21%	614
Sponsor Review Program Related Measures:								
Number of CPE Sponsors Reviewed	50				50	143	35%	116
Number of CPE Sponsors Subject to Review	442				not cumulative	418	106%	403
Enforcement Related Measures: ^b								
Administrative:								
Open violations, beginning	1,384				1,384			1,387
Violations opened	755				755			4,935
Violations closed	(1,047)				(1,047)			(4,909)
Previous quarter adjustment	(7)				(7)			(29)
Open violations, ending	1,085				1,085			1,384
Average time for complaint resolution (days)	136.2				136.2	125.1	109%	117.3
Disciplinary:								
Open violations, beginning	406				406			344
Violations opened	193				321			443
Violations closed	(187)				(211)			(277)
Previous quarter adjustment	(4)				(4)			(104)
Open violations, ending	408			-	512			406
Average time for complaint resolution (days)	156.0				156.0	207.9	75%	265.2

^a This measure is the number of Registered Accounting Firms not Practice Units. The number of Practice Units is used for estimating revenue because Firms may have more than one Practice Unit.

^b Case numbers are estimates based on best available data, subject to additional review of violation coding. Rule changes over time may affect coding.

Texas State Board of Public Accountancy
Revenue Budget Report
From September 1, 2023 - November 30, 2023

Account Title	Current Month's Revenue	YTD Revenue	Total Budget	Variance	% Budget Remaining	Versus Target
						75.00% F (U)
CPA License	\$ 521,653.00	\$ 1,507,878.25	\$ 5,738,522.09	4,230,643.84	73.7%	1.3%
CPE Sponsor Review	33,950.00	84,000.00	206,735.74	122,735.74	59.4%	15.6%
Firm Office License	53,687.95	181,251.95	816,352.28	635,100.33	77.8%	-2.8%
Late Payment Fees	31,083.50	90,437.06	364,078.28	273,641.22	75.2%	-0.2%
Application of Intent - Evaluation Fee	7,100.00	21,340.00	73,691.10	52,351.10	71.0%	4.0%
Transfer of Credit IN	100.00	900.00	4,057.03	3,157.03	77.8%	-2.8%
Exam Eligibility Fee - AUD	5,655.00	18,555.00	61,807.83	43,252.83	70.0%	5.0%
Exam Eligibility Fee - FAR	4,305.00	12,795.00	55,676.98	42,881.98	77.0%	-2.0%
Exam Eligibility Fee - REG	4,050.00	12,630.00	59,909.09	47,279.09	78.9%	-3.9%
Exam Eligibility Fee - BEC	6,375.00	36,015.00	22,646.64	(13,368.36)	-59.0%	134.0%
Exam Eligibility Fee - BAR	30.00	30.00	15,097.76	15,067.76	99.8%	-24.8%
Exam Eligibility Fee - ISC	15.00	15.00	15,097.76	15,082.76	99.9%	-24.9%
Exam Eligibility Fee - TCP	165.00	165.00	15,097.76	14,932.76	98.9%	-23.9%
Exam Fees	27,795.00	102,445.00	323,081.95	220,636.95	68.3%	6.7%
Certificate Fee	6,700.00	22,600.00	92,726.20	70,126.20	75.6%	-0.6%
Reciprocal Registration	6,000.00	15,000.00	74,051.66	59,051.66	79.7%	-4.7%
Temporary Practice	0.00	0.00	0.00	0.00	N/A	N/A
Direct Administrative Costs - Enforcement	7,442.57	8,654.69	41,829.28	33,174.59	79.3%	-4.3%
Voided Warrants	0.00	0.00	0.00	0.00	N/A	N/A
Transfer of Credit - OUT	880.00	2,520.00	9,187.34	6,667.34	72.6%	2.4%
Interest Income	27,683.60	82,009.42	200,000.00	117,990.58	59.0%	16.0%
Interest on Judgments	0.00	0.00	0.00	0.00	N/A	N/A
Sales of Lists/Miscellaneous Copies/NSF Fees	0.00	15.00	1,112.00	1,097.00	98.7%	-23.7%
Lettering of Replacement CPA Certificate	50.00	400.00	3,390.90	2,990.90	88.2%	-13.2%
AICPA Regrades	0.00	40.00	0.00	(40.00)	N/A	N/A
Reimbursements - 3rd Party (Reimbursements from TBAE IAC)	3,691.31	11,073.93	44,406.60	33,332.67	N/A	N/A
Other Collections	52,447.48	142,313.04	466,703.98	324,390.94	69.5%	5.5%
Total Revenue	\$ 720,616.93	\$ 2,108,325.30	\$ 7,915,474.32	\$ 5,807,149.02	73.4%	1.64%

Texas State Board of Public Accountancy
Expenditure Budget Report
From September 1, 2023 - November 30, 2023

Account Title	Current Month's Expenditures	YTD Expenditures	YTD Encumbrances	Total Budget	Budget Remaining	% Budget Remaining	% Variance vs. Target	\$ Variance vs. Target
							75.0% F (U)	
F0410 Debt Service - Interest	2,909.48	8,717.42	0.00	33,107.82	24,390.40	73.67%	-1.33%	(440.46)
L1001 Sal & Wages - Comp. Per Diem	1,200.00	1,200.00	0.00	18,900.00	17,700.00	93.65%	18.65%	3,525.00
S&W Salaries & Wages	278,396.27	817,853.66	0.00	3,727,653.28	2,909,799.62	78.06%	3.06%	114,059.66
M9000 Payroll Related Costs (IC)	88,310.56	265,256.51	0.00	1,051,473.76	786,217.25	74.77%	-0.23%	(2,388.07)
N2004 Prof Fees - Court Reporters	0.00	0.00	0.00	1,241.60	1,241.60	100.00%	25.00%	310.40
N2005 Prof Fees-Legal Svcs-OAG & OLC	210.00	2,940.00	0.00	262,500.00	259,560.00	98.88%	23.88%	62,685.00
N2007 Prof Fees - Fin/Acctg. Svcs.	0.00	0.00	0.00	34,545.42	34,545.42	100.00%	25.00%	8,636.36
N2008 Prof Fees - Expert Witnesses	11,816.25	11,816.25	0.00	263,245.91	251,429.66	95.51%	20.51%	53,995.23
N2009 Prof Fees - PROB	4,620.00	8,440.00	0.00	54,289.99	45,849.99	84.45%	9.45%	5,132.50
N2010 Prof Fees - SOAH	0.00	15,626.52	0.00	42,000.00	26,373.48	62.79% A1	-12.21%	(5,126.52)
N2011 Prof Fees - Computer	5,225.00	33,675.00	0.00	224,562.36	190,887.36	85.00%	10.00%	22,465.59
N2019 Prof Fees - Other	0.00	2,675.00	0.00	3,675.00	1,000.00	27.21%	-47.79%	(1,756.25)
N2022 PF - SRP - Review	1,718.75	11,374.75	0.00	9,059.79	(2,314.96)	-25.55% C	-100.55%	(9,109.80)
P2001 Travel-In State-Board Mbrs.	96.94	1,094.87	0.00	36,749.98	35,655.11	97.02%	22.02%	8,092.63
P2002 Travel-In State-Employees	87.53	290.49	0.00	4,492.11	4,201.62	93.53%	18.53%	832.54
P2003 Travel-In State-Adv Comm Mbrs	0.00	0.00	0.00	3,126.84	3,126.84	100.00%	25.00%	781.71
P2021 Travel-Out-of-State-Bd. Mbrs.	1,711.08	1,711.08	0.00	9,144.33	7,433.25	81.29%	6.29%	575.00
P2022 Travel-Out-of-State-Employees	3,162.69	4,611.71	0.00	10,275.40	5,663.69	55.12%	-19.88%	(2,042.86)
Q2001 Material & Supplies	6,583.85	22,551.41	457.34	67,630.61	44,621.86	65.98% B1	-9.02%	(6,101.10)
Q2005 Mats/Supp - Office Meter Post	0.00	10,000.00	0.00	63,087.25	53,087.25	84.15%	9.15%	5,771.81
Q2006 Mats/Supp - Bulk Rate Postage	0.00	0.00	0.00	1,000.00	1,000.00	100.00%	25.00%	250.00
Q2009 Mats/Suppl - Other Postage	0.00	0.00	0.00	300.00	300.00	100.00%	25.00%	75.00
R2001 Communication & Utilities	11,080.41	16,945.29	0.00	75,600.00	58,654.71	77.59%	2.59%	1,954.71
S2001 Repairs & Maint-Annual Confs.	2,321.04	59,174.20	0.00	91,284.79	32,110.59	35.18% B2	-39.82%	(36,353.00)
S2005 Repairs & Maintenance - Other	19,680.05	19,688.05	2,361.56	9,895.60	(12,154.01)	-122.82% D	-197.82%	(19,575.71)
T2001 Rentals & Leases-Furn/Eqpt	64.72	6,342.74	0.00	31,243.73	24,900.99	79.70%	4.70%	1,468.19
T2004 Rentals & Leases-Furn/Eqpt SIC	0.00	0.00	0.00	13,125.00	13,125.00	100.00%	25.00%	3,281.25
T2013 Rental & Leases-Other Space	1,621.29	3,228.48	0.00	12,078.60	8,850.12	73.27%	-1.73%	(208.83)
T2015 Rental & Leases - SIC	0.00	2,993.00	0.00	12,600.00	9,607.00	76.25%	1.25%	157.00
T2019 Debt Service Principal - RTU Lease	27,177.79	81,540.09	0.00	328,817.62	247,277.53	75.20%	0.20%	664.32
U2001 Printing & Reproduction	2,921.23	3,355.56	0.00	56,989.18	53,633.62	94.11%	19.11%	10,891.74
U2002 Printing of Board Report	1,716.79	1,716.79	0.00	12,172.49	10,455.70	85.90%	10.90%	1,326.33
W2001 OOE - Membership Fees	0.00	6,325.00	0.00	10,681.00	4,356.00	40.78%	-34.22%	(3,654.75)
W2003 OOE - Registration Fees	(730.00)	4,850.00	0.00	15,217.31	10,367.31	68.13%	-6.87%	(1,045.67)
W2005 OOE - Temporary Support Svcs	14,888.03	16,174.67	0.00	50,000.00	33,825.33	67.65%	-7.35%	(3,674.67)
W2007 OOE - Freight/Delivery Svc.	152.56	366.09	0.00	2,655.34	2,289.25	86.21%	11.21%	297.75
W2009 OOE - Convention Center Labor	0.00	0.00	0.00	4,200.00	4,200.00	100.00%	25.00%	1,050.00
W2013 OOE - Employee Awards	0.00	0.00	0.00	1,241.58	1,241.58	100.00%	25.00%	310.40
W2014 OOE - Witness Fees & Invest Cost	0.00	0.00	0.00	2,000.00	2,000.00	100.00%	25.00%	500.00
W2020 OOE - Other Fees & Charges	5,236.48	13,202.14	0.00	60,966.87	47,764.73	78.35%	3.35%	2,039.58
W2021 OOE - TX Online Processing Fees	33,069.98	50,669.50	0.00	190,182.91	139,513.41	73.36%	-1.64%	(3,123.77)
W2027 OOE - Statewide Cost Alloc. (IC)	2,017.25	6,051.75	0.00	24,206.98	18,155.23	75.00%	0.00%	(0.01)
W2028 OOE - SORM Assessments	0.00	2,552.42	0.00	8,974.35	6,421.93	71.56%	-3.44%	(308.83)
W2029 PUB - Public Assistance Pymts	134,253.00	134,253.00	0.00	140,965.65	6,712.65	4.76% A2	-70.24%	(99,011.59)
X5005 Capital Outlay-Computer	0.00	0.00	0.00	56,227.49	56,227.49	100.00%	25.00%	14,056.87
Report Total	\$ 661,519.02	\$ 1,649,263.44	\$ 2,818.90	\$ 7,133,387.94	5,481,305.60	76.84%	1.84%	

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Budget Variance Explanations
For the 3 Months Ending November 30, 2023

Ref.	Budget Item	Budget	Actual	Difference	Budget Remaining	Explanation
	Operating Budget	\$ 7,133,388	\$ 1,652,082	\$ 5,481,305.60	76.84%	budget remaining versus 75.0% target level
A1	Prof Fees - SOAH	\$ 42,000	\$ 15,626.52	\$ 26,373.48	62.79%	These expenditure categories are one-time payments at the beginning of the year.
A2	PUB - Public Assistance Pymts	\$ 140,966	\$ 134,253.00	\$ 6,712.65	4.76%	
B1	Material & Supplies	\$ 67,631	\$ 23,008.75	\$ 44,621.86	65.98%	These expenditure categories are higher due to including annual contracts paid early in the year.
B2	Repairs & Maint-Annual Confs.	\$ 91,285	\$ 59,174.20	\$ 32,110.59	35.18%	
C	PF - SRP - Review	\$ 9,060	\$ 11,374.75	\$ (2,314.96)	-25.55%	Variance due to decreased in-house reviews following a retirement and permanent staff reduction. In-house reviews increased after the first quarter, and expenditures for outsourced reviews are expected to stay low for the remainder of the year.
D	Repairs & Maintenance - Other	\$ 9,896	\$ 22,049.61	\$ (12,154.01)	-122.82%	Variance due to construction of a copy room.

Texas State Board of Public Accountancy
Exhibit A-1 - Balance Sheet - All General and Consolidated Funds
November 30, 2023

	Scholarship Fund		Operating Fund	
	(1000)	(0858)	(1009)	Total
	U/F (1002)	U/F (7106, 6106)	U/F (1009, 2858)	(EXH I)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash on Hand	\$ 1,300.00	\$ 360.00	\$ 22,184.14	\$ 23,844.14
Cash in Bank - Treasury Safekeeping Trust	\$ 3,500.00	-	2,626.49	6,126.49
Cash in State Treasury	\$ 22,204.17	60,671.25	1,007,855.29	1,090,730.71
Repurchase Agreement - Treasury Safekeeping Trust	\$ 3,076,333.78	1,003,242.81	6,506,033.12	10,585,609.71
Accounts Receivable	-	-	1,120.00	1,120.00
Due From Other Funds	-	-	100.00	100.00
Prepaid Item	-	-	-	-
Consumable Inventories	-	-	-	-
Total Current Assets	3,103,337.95	1,064,274.06	7,539,919.04	11,707,531.05
Non-Current Assets:				
Non-Current Refundable Deposits	-	-	37,009.76	37,009.76
Total Noncurrent Assets	-	-	37,009.76	37,009.76
Total Assets	\$ 3,103,337.95	\$ 1,064,274.06	\$ 7,576,928.80	\$ 11,744,540.81
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ -	\$ -	\$ 78,625.67	\$ 78,625.67
Payroll Payable	-	-	348,382.17	348,382.17
Refunds Payable	-	-	499.80	499.80
Due To Other Funds	\$ 100.00	-	-	100.00
Funds Held for Others	\$ 3,103,237.95	-	-	3,103,237.95
Total Current Liabilities	3,103,337.95	-	427,507.64	3,530,845.59
Non-Current Liabilities:				
Interfund Payables	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
Total Liabilities	3,103,337.95	-	427,507.64	3,530,845.59
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Committed:				
Board Policy Reserve	-	-	2,836,691.00	2,836,691.00
Board Policy Contingency Fund	-	-	2,250,000.00	2,250,000.00
Other	-	1,064,274.06	2,062,730.16	3,127,004.22
Total Fund Balances	-	1,064,274.06	7,149,421.16	8,213,695.22
Total Liabilities and Fund Balances	\$ 3,103,337.95	\$ 1,064,274.06	\$ 7,576,928.80	\$ 11,744,540.81

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

Texas State Board of Public Accountancy Exhibit A-2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All General and Consolidated Funds For the 3 Months Ending November 30, 2023

	Scholarship Fund		Operating Fund		Memorandum Only			
	General Revenue							
	(0858) U/F (7106, 6106)	(1009) U/F (1009, 2858)	Total (EXH II)	(0858) U/F (6106, 7106) FY 23	(1009) U/F (1009, 2858) FY 23	Total FY 23	Difference	
REVENUES								
Federal Grant Pass-through Revenue (GR)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Licenses, Fees & Permits :								
Licenses, Fees	\$ 170,200.94	1,901,182.26	\$ 2,071,383.20	169,098.79	1,640,063.32	1,809,162.11	262,221.09	A
Exam Fees	-	102,445.00	102,445.00	-	68,260.00	68,260.00	34,185.00	B
Other License, Fees & Permits	-	2,520.00	2,520.00	-	2,955.00	2,955.00	(435.00)	
Sales of Goods and Services	-	-	-	-	-	-	-	
Interest and Investment Income	14,352.70	82,009.42	96,362.12	8,001.94	40,087.09	48,089.03	48,273.09	C
Other	12,905.20	20,168.62	33,073.82	4,335.38	15,838.70	20,174.08	12,899.74	D
Total Revenues	197,458.84	2,108,325.30	2,305,784.14	181,436.11	1,767,204.11	1,948,640.22	357,143.92	
EXPENDITURES								
Salaries and Wages	-	831,265.35	831,265.35	-	819,100.15	819,100.15	12,165.20	
Payroll Related Costs	-	266,228.96	266,228.96	-	256,125.28	256,125.28	10,103.68	
Professional Fees and Services	-	86,787.52	86,787.52	-	69,805.15	69,805.15	16,982.37	E
Travel	-	8,766.67	8,766.67	-	9,843.80	9,843.80	(1,077.13)	F
Materials and Supplies	-	32,551.41	32,551.41	-	26,832.34	26,832.34	5,719.07	G
Communication and Utilities	-	16,994.95	16,994.95	-	15,947.30	15,947.30	1,047.65	
Repairs and Maintenance	-	78,862.25	78,862.25	-	34,279.81	34,279.81	44,582.44	H
Rentals & Leases	-	12,848.90	12,848.90	-	11,628.30	11,628.30	1,220.60	
Printing and Reproduction	-	7,294.67	7,294.67	-	1,742.40	1,742.40	5,552.27	I
Claims and Judgments	-	-	-	-	-	-	-	
Other Expenditures	-	105,028.30	105,028.30	-	141,417.77	141,417.77	(36,389.47)	J
State Pass Through Expenditures	243,448.02	-	243,448.02	263,259.51	-	263,259.51	(19,811.49)	
Intergovernmental Payments	100,941.00	-	100,941.00	84,309.00	-	84,309.00	16,632.00	
Public Assistance Payments	-	134,253.00	134,253.00	-	134,253.00	134,253.00	-	
Debt Service:								
Principal	-	81,540.09	81,540.09	-	77,926.64	77,926.64	3,613.45	
Interest	-	8,715.27	8,715.27	-	9,725.20	9,725.20	(1,009.93)	
Amortization	-	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	-	
Depreciation Expense	-	-	-	-	-	-	-	
Total Expenditures/Expenses	344,389.02	1,671,137.34	2,015,526.36	347,568.51	1,608,627.14	1,956,195.65	59,330.71	
Excess (Deficiency) of Revenues Over Expenditures	(146,930.18)	437,187.96	290,257.78	(166,132.40)	158,576.97	(7,555.43)	297,813.21	
OTHER FINANCING SOURCES (USES)								
Sale of Capital Assets	-	-	-	-	-	-	-	
Net Change in Reserve for Inventories	-	-	-	-	-	-	-	
Sale of Capital Assets	-	-	-	-	-	-	-	
Transfers In (Note 1.F.)	405,070.27	2,440,810.53	2,845,880.80	421,445.49	2,381,366.94	2,802,812.43	43,068.37	
Transfers Out (Note 1.F.)	(405,080.27)	(2,616,866.53)	(3,021,946.80)	(421,465.49)	(2,733,470.41)	(3,154,935.90)	132,989.10	
Gain (Loss) on Sale of Capital Assets	-	-	-	-	0.00	-	-	
Total Other Financing Sources and Uses	(10.00)	(176,056.00)	(176,066.00)	(20.00)	(352,103.47)	(352,123.47)	176,057.47	
SPECIAL ITEMS								
EXTRAORDINARY ITEMS								
Net Change in Fund Balances	(146,940.18)	261,131.96	114,191.78	(166,152.40)	(193,526.50)	(359,678.90)	473,870.68	
FUND FINANCIAL STATEMENT-FUND BALANCES								
Fund Balances--Beginning	1,211,214.24	6,888,289.20	8,099,503.44	1,218,622.17	5,728,242.19	6,946,864.36	1,152,639.08	
Fund Balances, 9/1/2023 as Restated	1,211,214.24	6,888,289.20	8,099,503.44	1,218,622.17	5,728,242.19	6,946,864.36	1,152,639.08	
Appropriations Lapsed	-	-	-	-	-	-	-	
Fund Balances-- November 30, 2023	\$ 1,064,274.06	\$ 7,149,421.16	\$ 8,213,695.22	\$ 1,052,469.77	\$ 5,534,715.69	\$ 6,587,185.46	\$ 1,626,509.76	

A License Fees are higher due to the individual licensee fee increase from \$75 to \$87.

B Exam fee revenue increases are due to a large influx of BEC exam eligibility fees in the first quarter, presumably in anticipation of the upcoming 2024 exam change.

C Interest Income is higher due to higher interest rates.

D Other revenue are higher due to higher scholarship reimbursements and Direct Administrative Costs.

E Professional fees and services were higher due to more computer programming services. Higher SRP Review Fees and Expert Witness Fees were offset by lower SOAH, OAG & OLC fees.

F Travel was lower due to lower in-state board member travel expenditures.

G Materials and Supplies are higher due to non-capitalized equipment and computer software purchases.

H Repairs and Maintenance are higher due to higher software maintenance costs and the construction of a copy room.

I Printing and Reproduction are higher due to printing of the revised Public Accountancy Act and more early printing of forms.

J Other Expenditures are lower due to a lower early SWCAP estimate based on last year's allocation accounting for the agency's move from a state-owned building.

The accompanying notes to the financial statements are an integral part of this statement.

UNAUDITED

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

SCHEDULE B

STATEMENT OF PENALTIES ASSESSED \ CONTRIBUTIONS

For the 3 Months Ending November 30, 2023

			ADMIN PENALTY	RTN CK FEES OVERPMT/INT	
		DAC			TOTAL
	STATUS	19160	37700	19920/31100	
BEGINNING BALANCE - September 1, 2022		\$6,474.80	\$9,927.60	\$69.57	\$16,471.97
ADD: Penalties Assessed \ Contributions:					
Trappio, Mark	Sep-23	425.60			425.60
Jackson, Leslie Louise	Oct-23	786.52	990.00		1,776.52
Fei Fei, Catherine Fang	Nov-23	778.79	1,000.00		1,778.79
Gramstad, John Ramon (01L)	Nov-23	935.20	2,500.00		3,435.20
Gramstad, John Ramon (13L)	Nov-23	778.79	1,000.00		1,778.79
Gardner, Edward Mitchell	Nov-23	778.79	1,000.00		1,778.79
Ernst & Young	Nov-23	4,171.00	3,000,000.00		3,004,171.00
TOTAL PENALTIES ASSESSED \ CONTRIBUTIONS		8,654.69	3,006,490.00	0.00	3,015,144.69
LESS: Payments Received:					
Trappio, Mark	Sep-23	PIF	(425.60)		(425.60)
Perry, Coe Marcus	Oct-23	PP		(1,050.00)	(1,050.00)
Houston, Charles	Oct-23	PP		(250.00)	(250.00)
Jackson, Leslie Louise	Oct-23	PIF	(786.52)	(990.00)	(1,776.52)
Houston, Charles	Nov-23	PP		(250.00)	(250.00)
Fei Fei, Catherine Fang	Nov-23	PIF	(778.79)	(1,000.00)	(1,778.79)
Gramstad, John Ramon (01L)	Nov-23	PIF	(935.20)	(2,500.00)	(3,435.20)
Gramstad, John Ramon (13L)	Nov-23	PIF	(778.79)	(1,000.00)	(1,778.79)
Gardner, Edward Mitchell	Nov-23	PIF	(778.79)	(1,000.00)	(1,778.79)
Ernst & Young	Nov-23	PIF	(4,171.00)	(3,000,000.00)	(3,004,171.00)
Fleming, Douglas	Nov-23	PP		(900.00)	(900.00)
TOTAL PAYMENTS RECEIVED			(8,654.69)	(3,008,940.00)	0.00
Adjustments:					
TOTAL ADJUSTMENTS			0.00	0.00	0.00
Referred to OAG Enforcement for Collection:					
TOTAL REFERRED TO ENFORCEMENT			0.00	0.00	0.00
ENDING BALANCE - November 30, 2023		\$6,474.80	\$7,477.60	\$69.57	\$14,021.97

Note: PIF = Paid in Full , PP = Partial Payment, and REF=Refund

¹Note: Full reinstatement for payment after referral to the OAG

Texas State Board of Public Accountancy
Accounting Student Scholarship Payments FY 24
State Universities

For the 3 Months Ending November 30, 2023

	FY 2024
BEGINNING FUND BALANCE - September 1, 2023	\$ 1,211,214.24
Total Scholarship Fund Revenue	\$ 197,458.84
State Pass Through Expenditures (EXH A-2)	
State University Payments:	
Angelo State University	\$ 7,800.00
Tarleton State University	\$ 5,000.00
Texas A&M University	\$ 63,200.00
Texas A&M University - San Antonio	\$ 1,000.00
Texas State University - San Marcos	\$ 13,865.97
Texas Tech University	\$ 24,000.00
University of Houston	\$ 33,382.05
University of Houston - Clear Lake	\$ 2,000.00
University of Houston - Downtown	\$ 4,500.00
University of North Texas at Dallas	\$ 2,000.00
University of Texas at Austin	\$ 54,700.00
University of Texas at Dallas	\$ 21,000.00
University of Texas at San Antonio	\$ 9,000.00
University of Texas at Tyler	\$ 2,000.00
Total State University Payments	\$ 243,448.02
State University Refunds:	
Total State University Refunds	-
State Pass Through Expenditures (EXH A-2)	\$ 243,448.02
Intergovernmental Payments (EXH A-2)	
Junior College/ Private University Payments:	
Austin Community College	\$ 5,000.00
Baylor University	\$ 45,200.00
Dallas Baptist University	\$ 5,081.00
Dallas County Community College District	\$ 4,760.00
Houston Community College System	\$ 2,000.00
Letourneau University	\$ 10,000.00
Lubbock Christian University	\$ 11,400.00
Our Lady of the Lake - San Antonio	\$ 3,000.00
Southern Methodist University	\$ 7,500.00
University of the Incarnate Word	\$ 5,000.00
Wayland Baptist University	\$ 2,000.00
Total Junior College/ Private University Payments:	\$ 100,941.00
Junior College/ Private Univ. Refunds:	
Total Junior College/ Private University Refunds:	\$ -
Intergovernmental Payments (EXH. A-2)	100,941.00
Other Financing Sources/Uses	
Transfers In	405,070.27
Transfers Out	(405,080.27)
Total Other Financing Sources/Uses (EXH. A-2)	\$ (10.00)
ENDING FUND BALANCE - November 30, 2023	\$ 1,064,274.06

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Professional Fee and Legal Contracts

		FY 2024			
Contract Number	Contractor	Contract Term	Budget	Contract Amount	FY 24 Hourly Rate
TSR CONSULTANTS			\$ 263,246		
24-005	Harper & Pearson Company, P.C.	09/01/23-08/31/24		\$50,000	\$350/\$175/\$110
24-004	Belen Briones, CPA	09/01/23-08/31/24		\$5,000	\$240
24-006	Peter Delvecchia, CPA			\$25,000	\$240/\$180/\$100
24-007	William Patrick Cantrell, CPA, JD			\$10,000	\$350/\$225/\$65
	Unallocated Budget		173,246		
	Total			\$90,000	
PEER REVIEW CONSULTANTS			\$ 54,290		
24-001	John Michael Waters, CPA	09/01/23-08/31/24		\$26,400	\$200
24-002	Robert Goldstein, CPA	09/01/23-08/31/24		\$26,400	\$200
24-003	Thomas Akin, CPA	09/01/23-08/31/24		\$26,400	\$200
	Unallocated Budget		(24,910)		
	Total			79,200	
OFFICE OF THE ATTORNEY GENERAL			\$ 15,000		
C-00688	Office of the Attorney General	09/01/23-08/31/24		\$15,000	
	Unallocated Budget		-		
	Total			\$15,000	
STATE OFFICE OF ADMIN HEARINGS			\$ 42,000		
360-24-457	SOAH	09/01/23-08/31/25		\$15,627	*
	Unallocated Budget		26,373		
	Total			\$15,627	
OAG Contracts: INDEPENDENT CONSULTANT CONTRACTS (SOAH Litigation)			\$ 247,500		
2023-457-0043	The Dove Firm PLLC - Chesebro	1/18/23-11/30/23		\$20,000	\$350/\$225
2024-457-0031	The Dove Firm PLLC	09/01/23-08/31/24		\$60,000	\$350/\$225
	Unallocated Budget		167,500		
	Total			\$80,000	
INTERNAL AUDIT			\$ 34,545		
	To be determined				
	Unallocated Budget		34,545		
	Total			\$0	
Total Budget			\$ 656,581		
Total Contracts				\$279,827	
Total Unallocated Budget			\$ 376,754		

*SOAH Contract is for \$31,253.04 for 2 years.

<p style="text-align: center;">Agenda Item IV Report of the Executive Committee January 17, 2024</p>

- B. Review and approval of the Board's Equal Employment Opportunity Report – CY 2023.

DISCUSSION: Ms. Seefeld, Presiding Officer, will present on the Board's Equal Employment Opportunity Report – CY 2023 for approval.

RECOMMENDATION: The staff recommends that the Board approve the Board's Equal Employment Opportunity Report – CY 2023 as presented.

SUGGESTED MOTION: That the Board approve the Board's Equal Employment Opportunity Report – CY 2023 as presented.

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TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Annual Affirmative Action/EEO Report
December 31, 2023

- A. Annual Affirmative Action/EEO Program Progress Report
The agency filled 5 positions from January 1, 2023 to December 31, 2023

Officials/Administration No vacancies in this category.

Professional 5 positions filled as follows (IR. (1) Qual (1) Acct. (4)):

Caucasian American	<u>1</u> Male	<u>2</u> Female
Hispanic American	<u>1</u> Male	<u> </u> Female
Asian	<u> </u> Male	<u> </u> Female
African American	<u> </u> Male	<u>1</u> Female

Para-Professional No vacancies in this category.

Technical No positions in this category.

Administrative Support No positions in this category.

- B. Annual Workforce Analysis – As of December 31, 2023 (State Civilian Workforce (SCW) Percentages from the Texas Commission on Human Rights indicated). See attached analysis.

	African American		Hispanic		Female	
	Agency	SCW	Agency	SCW	Agency	SCW
Officials/Administration	0%	8.6%	0%	25.2%	50.0%	40.2%
Professional	0%	10.6%	42.9%	23.0%	71.4%	53.0%
Administrative Support	0%	15.2%	0%	38.3%	0%	74.1%
Total Agency	0.0%		33.3%		66.7%	

- C. Annual Personnel Transaction Report - January 1, 2023 through December 31, 2023 (Resignations/Transfers to Other Agencies)

Official/Administration	<u> </u> Male	<u> </u> Female
Professional	<u>2</u> Male	<u>2</u> Female
Para-Professional	<u> </u> Male	<u> </u> Female
Technical	<u> </u> Male	<u> </u> Female
Administrative Support	<u> </u> Male	<u> </u> Female

- D. Annual Appeal and Grievance Status Report

The Board has no employee grievances pending. The Board has no civil action currently pending before either federal or state courts.

Officials/Administration – Includes Attorney IV, General Counsel IV, Director II, Director III, Director IV, and Executive Director.

Professional – Includes Accountant VI, Manager IV, Manager V, Staff Services Officer III, Program Specialist I, Program Specialist II, Program Specialist III, Program Specialist IV, Information Specialist IV, System Analyst VI, System analyst VII, Legal Assistant III, Program Supervisor III, Program Supervisor IV, and Program Supervisor V.

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<p style="text-align: center;">Agenda Item IV Report of the Executive Committee January 17, 2024</p>

C. Historically Underutilized Businesses (HUB) Expenditure Summary

DISCUSSION: Mr. Treacy and Ms. Schwimmer-Staggs, will report on the Board's Historically Underutilized Businesses (HUB) Expenditure Summary.

RECOMMENDATION: None by staff

SUGGESTED MOTION: None by staff

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TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

Percentage of HUB Expenditures Summary

	TSBPA		State-wide	Variance	
1998	16.62%	a	13.20%	3.42%	<i>favorable</i>
1999	16.37%	a	12.56%	3.81%	<i>favorable</i>
2000	18.75%	a	13.20%	5.55%	<i>favorable</i>
2001	28.53%	a	12.00%	16.53%	<i>favorable</i>
2002	31.63%	a	11.10%	20.53%	<i>favorable</i>
2003	31.59%	a	12.50%	19.09%	<i>favorable</i>
2004	22.37%	a	13.90%	8.47%	<i>favorable</i>
2005	18.84%		13.70%	5.14%	<i>favorable</i>
2006	22.42%		12.90%	9.52%	<i>favorable</i>
2007	21.36%		13.60%	7.76%	<i>favorable</i>
2008	13.54%	b	13.20%	0.34%	<i>favorable</i>
2009	21.40%		14.10%	7.30%	<i>favorable</i>
2010	12.52%	c	15.80%	-3.28%	<i>unfavorable</i>
2011	8.94%	d	14.46%	-5.52%	<i>unfavorable</i>
2012	7.77%	e	13.87%	-6.10%	<i>unfavorable</i>
2013	10.25%	f	13.42%	-3.17%	<i>unfavorable</i>
2014	14.45%		12.58%	1.87%	<i>favorable</i>
2015	14.53%	g	11.97%	2.56%	<i>favorable</i>
2016	35.58%		11.30%	24.28%	<i>favorable</i>
2017	50.32%		11.97%	38.35%	<i>favorable</i>
2018	37.85%		13.08%	24.77%	<i>favorable</i>
2019	34.21%		12.77%	21.44%	<i>favorable</i>
2020	19.44%		11.74%	7.70%	<i>favorable</i>
2021	21.52%		10.48%	11.04%	<i>favorable</i>
2022	35.35%		11.83%	23.52%	<i>favorable</i>
2023	40.69%		12.80%	27.89%	<i>favorable</i>

a TSBPA HUB expenditures as adjusted for Uniform CPA Examination Grading expenditures.

b FY 2008 TSBPA amount as adjusted for single information technology purchase.

c Lower HUB expenditures in FY 2010 due to reduced budget for internal audit services, elimination of microfilming due to implementation of digital imaging, use of state print shop for printing services.

d Lower HUB expenditures in FY 2011. Other Services category would increase if a qualified HUB vendor would register for HUB status. Total HUB expenditures would be 44.35%.

e Lower HUB expenditures in FY 2012. Other Services category would increase if a qualified HUB vendor would register for HUB status. Total HUB expenditures would be 29.54%.

f Lower HUB expenditures in FY 2013. Other Services category would increase if three eligible/qualified HUB vendors would register for HUB status. Total HUB expenditures would be 25.47%.

g FY 2015 TSBPA amount as adjusted for outside legal counsel expenditures.

HUBSUMV3 1-3-24

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<p style="text-align: center;">Agenda Item IV Report of the Executive Committee January 17, 2024</p>

D. Review of NASBA/AICPA matters:

DISCUSSION: Ms. Seefeld, Presiding Officer, will present the following NASBA/AICPA matters:

- NASBA dates of interest:
 - a. 29th Annual Conference for Board of Accountancy Legal Counsel
March 25 – 27, 2024, Nashville, TN
 - b. 42nd Annual Conference for Executive Directors and Board Staff
March 25 – 27, 2024, Nashville, TN
 - c. 2024 Western Regional Meeting, June 25-27, 2024, Omaha, NE
 - d. 117th Annual Meeting, October 27-30, 2024, Orlando, FL

RECOMMENDATION: None by Staff

SUGGESTED MOTION: None by Staff

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<p style="text-align: center;">Agenda Item IV Report of the Executive Committee January 17, 2024</p>

E. Review of general correspondence:

DISCUSSION: Ms. Seefeld, Presiding Officer, will review general correspondence coming to the Board's attention.

RECOMMENDATION: None by staff

SUGGESTED MOTION: None by staff

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11/18/23

To: TSBPA Exam/Qualifications
Subject: Scholarship Award

Good morning, TSBPA Staff.

I'm very appreciative of the scholarship award from TSBPA. I understand the policy and planning to take one or two sections of the CPA exam in Texas within 2024.

Thank you for your email.

Sincerely,

Nikki (Nhi) Nguyen
C.T. Bauer College of Business, University of Houston
C: (316) 461-9848 | E: nnguye79@cougarnet.uh.edu

Subject: Note of Appreciation

A new licensee sent this thank you note, commending our Qualifications department.

From: Jackie Vacek <jacqueline.vacek@gmail.com>

Sent: Wednesday, November 15, 2023 9:07 AM

To: Maria T. Graziani <MGraziani@tsbpa.texas.gov>

Subject: Re: Application for Issuance status

Thank you Maria,

It's been a pleasure working with your department over the last few years.

Every single person that I've talked to during this process has been so thorough, patient, and kind with all my questions (and delays!), and I'm so grateful for each and every one of you!

Sounds like he's excited.

From: Matthew Kientz <mkient1@my.wgu.edu>

Date: November 15, 2023 at 7:59:59 PM CST

To: "Jerry R. Hill" <JHill@tsbpa.texas.gov>

Subject: Re: CPA candidate

Hi Jerry,

Just thought I'd follow up and let you know that Illinois accepted my education to begin testing for the CPA exam! Pretty excited it went through so quickly and easily! Thanks for racing (sic) out and helping me!

Matthew

Subject: Applicant Reassessment Program

From: Patti Byars <patti.byars@gmail.com>
Sent: Tuesday, November 28, 2023 4:20 PM
To: Donna Hiller <DHiller@tsbpa.texas.gov>
Subject: Re: Texas Candidates for CPA at a disadvantage

Thank you so much! I am crying! This is the best news ever. Thank you so much for your time on this!!

Patti

On Tue, Nov 28, 2023 at 3:21 PM Donna Hiller <DHiller@tsbpa.texas.gov> wrote:

Hello Patti:

Your request for reinstatement of CPA exam credits was considered by the Executive Director. He has granted the reinstatement of the REG credit, that will be valid for 18 months. Please understand that on January 1, 2024, all active CPA exam credits will automatically be extended to 6-30-2025.

We wish you the best on completing the CPA exam.

Regards,

Donna Hiller

Subject: Applicant Reassessment Program

From: Zhaniya Nurseiit <znnurseiit@gmail.com>

Sent: Wednesday, November 29, 2023 10:41 AM

To: Donna Hiller <DHiller@tsbpa.texas.gov>

Subject: Re: Applicant Reassessment Program

Hi Donna,

Thank you so much for promptly considering my application for the reinstatement of the REG credit. I am very grateful for the approval of the reinstatement.

I am committed to diligently preparing for and successfully completing the CPA exam within the given time frame and will make the most of this opportunity.

Thank you once again!

Sincerely,
Zhaniya

On Tue, Nov 28, 2023 at 3:43 PM Donna Hiller <DHiller@tsbpa.texas.gov> wrote:

Hello Zhaniya:

Your request for reinstatement of CPA exam credits was considered by the Executive Director. He has granted the reinstatement of the REG credit, that will be valid for 18 months. Please understand that on January 1, 2024, all active CPA exam credits will automatically be extended to 6-30-2025.

We wish you the best on completing the CPA exam.

Regards,

Donna Hiller

From: Nune Mikaelyan <mcnune@gmail.com>
Sent: Wednesday, November 29, 2023 9:18 AM
To: Donna Hiller <DHiller@tsbpa.texas.gov>
Subject: Re: Applicant Reassessment Program

Thank you so very much. I want to express my sincere gratitude for your decision to extend the REG credit and, overall, for your understanding, support, and kindness, which are so invaluable to me as I am navigating through this process. I am committed to fulfilling all requirements and appreciate the flexibility provided by the extension. Once again, thank you for your consideration and support. With warm regards and best wishes on this holiday season Nune

On Tue, Nov 28, 2023 at 4:38 PM Donna Hiller <DHiller@tsbpa.texas.gov> wrote:

Hello Nune:

Your request for reinstatement of CPA exam credits was considered by the Executive Director. He has granted the reinstatement of the REG credit, that will be valid for 18 months. Please understand that on January 1, 2024, all active CPA exam credits will automatically be extended to 6-30-2025.

We wish you the best on completing the CPA exam.

Regards,

Donna Hiller

From: Steve Aoudou <steve.aoudou@gmail.com>

Sent: Friday, December 1, 2023 6:21 PM

To: Donna Hiller <DHiller@tsbpa.texas.gov>

Subject: Re: Applicant Reassessment Program

Hello Donna,

Thank you for taking your time to evaluate my application and for granting the reinstatement of my AUD and FAR credit.

My family and I celebrated when we found out that the credits were reinstated. It's been a long journey but this will definitely motivate me to reach my goal.

I hope you have an amazing weekend.

God bless,

On Thu, Nov 30, 2023 at 2:42 PM Donna Hiller <DHiller@tsbpa.texas.gov> wrote:

Hello Michel-Steve:

Your request for reinstatement of CPA exam credits was considered by the Executive Director. He has granted the reinstatement of the AUD and FAR credit, that will be valid for 18 months. Please understand that on January 1, 2024, all active CPA exam credits will automatically be extended to 6-30-2025.

We wish you the best on completing the CPA exam.

Regards,

Donna Hiller

From: Carson Brandt <cbrandt98@att.net>
Sent: Thursday, December 7, 2023 3:22 PM
To: Donna Hiller <DHiller@tsbpa.texas.gov>
Subject: Re: Applicant Reassessment Program

Hi Donna,

Again, thank you very much and please extend my appreciation to the executive director. This was fantastic news to receive. I hope you all have a Merry Christmas!

Best,
Carson Brandt

Sent from my iPhone

\

On Dec 7, 2023, at 1:58 PM, Donna Hiller <DHiller@tsbpa.texas.gov> wrote:

Hello Carson:

Your request for reinstatement of CPA exam credits was considered by the Executive Director. He has granted the reinstatement of the REG credit, that will be valid for 18 months. Please understand that on January 1, 2024, all active CPA exam credits will automatically be extended to 6-30-2025.

We wish you the best on completing the CPA exam.

Regards,
Donna Hiller

William Treacy

Dear Mr. Ward,

On behalf of Ms. Seefeld and myself we really appreciate your attendance at the SIC and your kind words below. We are glad that you found it worthwhile to come in from Richmond to spend part of your weekend with us.

Your suggestion for a more formal opening is a good one and it will be taken into consideration for future events. Thank you again for your participation.

Best regards,

WILLIAM TREACY, Executive Director

From: hookem1971@earthlink.net <hookem1971@earthlink.net>

Sent: Saturday, December 9, 2023 10:14 PM

To: TSBPA Executive dist list <Executive@tsbpa.texas.gov>

Subject: Swearing In Ceremony

Ms. Debra D. Seefeld, CPA

Mr. William Treacy, Executive Director

Dear Ms. Seefeld and Mr. Treacy;

I wanted to send a note to tell you what a meaningful ceremony both my wife and I thought the December Swearing In Ceremony was. It was an honor for me to participate in it as a fifty-year CPA. And at the same time to be part of the recognition of the newly licensed CPA's was privilege. Thank you for including the fifty-year CPAs in the program.

I did have one suggestion that I would like to make. It seems to me that it would be appropriate as part of the opening Ceremony to have the Pledge of Allegiance to the American Flag and the Texas Flag both be recited. I noticed that you had both Flags on the stage in place ready for recognition. I believe part of the oath for the new CPAs includes a pledge to uphold the Constitution of the United States. It seems to follow that these affirmations of loyalty to both Flags is a worthy thing and would also give the audience a chance to participate in the program.

Again thank you for a job well done.

Kind Regards,



Lane Ward, CPA

From: Irene Vazquez <ivazquez05@hotmail.com>

Sent: Monday, December 11, 2023 6:28 PM

To: Donna Hiller <DHiller@tsbpa.texas.gov>

Subject: Re: Applicant Reassessment Program

Thank you so much Donna. For everything. That document you sent me the other day was extremely helpful. Thank you for caring. It means a lot to me.

Happy holidays! You definitely have made mine.

Thanks

Irene

On Dec 11, 2023, at 2:59 PM, Donna Hiller <DHiller@tsbpa.texas.gov> wrote:

Hello Irene:

Your request for reinstatement of CPA exam credits was considered by the Executive Director. He has granted the reinstatement of the FAR credit, that will be valid for 18 months. Please understand that on January 1, 2024, all active CPA exam credits will automatically be extended to 6-30-2025.

We wish you the best on completing the CPA exam.

Regards,
Donna Hiller

Subject:

Martha Kuhl, Program Specialist - Exam Div.

Evening Ms. Martha!

The link for the exam was sent this morning, and I've just finished the Code of Conduct exam, and I PASSED!! Attached is a print out of my score. I'm sure you work magic behind the scenes and are able to access it, but it just feels more real, ha!

I remember the first time I thought about becoming a CPA. From the first week of class, I knew accounting was the path I wanted to pursue, but also didn't know what job or career I'd have. I was taking my foundations class, talking to my professor about my lifetime goals (I wanted a Masters degree by a certain age). He told me about the Masters program at Texas State and then started explaining what a certified public accountant was. The faculty & staff at Texas State have been my mentors from the beginning and guided my path the whole way, and I've done it! I hope I've made them proud, and hope to uphold the profession as a CPA!

Thank you so, so much for working with candidates, like me, to help us fulfill this dream!

Cheers,
Liesel

On Mon, Dec 11, 2023 at 9:28 AM Martha Kuhl <MKuhl@tsbpa.texas.gov> wrote:

Good morning Liesel,

Your CPA Application has been accepted. Watch for your automated email containing the link to the 'open book', 25 question Rules of Professional Conduct Exam. You should receive it in 24 to 48 hours. Check your Junk Mail in case it is routed there.

You are on your way. I look forward to logging in your final grade for this process!

My best wishes,

Martha

Martha Kuhl, Program Specialist

TEXAS STATE BOARD of PUBLIC ACCOUNTANCY

William Treacy

Subject: : December 9, 23' Ceremony

From: Patty Wright <patty@wrightcotax.com>

Sent: Tuesday, December 12, 2023 3:57 PM

To: Julie A. Prien <JPrien@tsbpa.texas.gov>

Subject: RE: December 9 Ceremony Info

Julie,

Please express my thanks to all concerned for the lovely reception last Saturday honoring both “the old and the new” CPAs. It was my pleasure and my honor to be one of the old! The ceremony for the new CPAs was well-done. Mr. Treacy is a treasure to the board. It was great to see the “new” walk across the stage and flash back to those days 50 years ago. I would never have dreamed I would be sitting on that stage 50 years later. Life is grand!

Sincerely,

Patty Wright
Fort Worth

William Treacy

Subject: 50 years as a CPA recognition

Original Message-----

From: Pat Evans <PEvans@schieffergroup.com>

Sent: Wednesday, December 13, 2023 3:48 PM

To: Julie A. Prien <JPrien@tsbpa.texas.gov>

Cc: Pat Evans <PEvans@schieffergroup.com>

Subject: 50 years as a CPA recognition

Dear Julie,

Reflecting on the ceremonies last week, my conclusion is that every CPA should witness, as I did, the new folks that are our CPAs of the future, both in public accounting practices and in industry/government. Thank you for this experience. I was impressed with the broad diversity of the people that received their certificates—men and women, African Americans, Hispanics, Asians, Middle Easterns and so on. They took great pride in this accomplishment and reflected joy as they strode across the stage.

After adjournment of the ceremonies, one new CPA came up to me and said that he thought that he was unique, in having a degree in Chemistry, and now being a CPA. He went on to say that he was glad to have company as my bio was read—as I have a Chemistry degree too. We laughed and shook hands. He will bring unique critical thinking to his work in whatever he chooses to do.

This was a very special milestone for my wife and me. Certainly one weighs his or her personal contributions to the profession, but it is so much more. The firms and people with whom you worked; the clients that made your career rich indeed (and that doesn't relate to what the clients paid); the ethical situations that strengthened you and the others supporting you; the communities that relied on your judgments in so many ways and so much more.

Thank you for this recognition. 50 years is indeed a long time. And in looking back, what a blessing!

Please thank Bill and the board members of the TSBPA.

My sincere appreciation for all the work that you do,

R. Pat Evans

Subject:

SIC 50 Year Licensed Honoree.

From: Donald Goldman <donald@ghncpas.com>**Sent:** Thursday, December 14, 2023 11:35 AM**To:** Julie A. Prien <JPrien@tsbpa.texas.gov>**Subject:** RE: Thank You!

Thank you so much for the invite. It was nice to meet you and the board members that I got to visit with. My family and I thoroughly enjoyed it. It was well done. Congratulations to you and your staff for pulling that off. It was good to see my old MAP friend, Don Clanton. I will encourage anyone who makes that achievement to attend the ceremony. I know some who chose not to. Their loss.

Donald

Subject: 50 year Honoree - SIC 12/9/23

From: James Eastham <eastham.j@gmail.com>

Sent: Thursday, December 14, 2023 11:40 AM

To: Julie A. Prien <JPrien@tsbpa.texas.gov>

Subject: Re: Thank You!

Dear Julie.

Thanks so much for honoring us. It was an amazing experience. There was so much talent gathered in that auditorium. I appending included.

Best wishes,

James.

Subject: 50 Year Honoree - SIC 12/9/23

From: jwbass@sbcglobal.net <jwbass@sbcglobal.net>

Sent: Thursday, December 14, 2023 12:43 PM

To: Julie A. Prien <JPrien@tsbpa.texas.gov>

Subject: Thank you

Thank you, Julie! I thought the presentation to the old people AND the presentation to the new CPAs were well done.
Greatly appreciated!

Jim

Jim Bass

jwbass@sbcglobal.net

214-244-7700

William Treacy

Subject: : Applicant Reassessment Program

From: Cindy Rubio <cindyrubiotx@gmail.com>

Sent: Monday, December 18, 2023 9:06 PM

To: Donna Hiller <DHiller@tsbpa.texas.gov>

Subject: Re: Applicant Reassessment Program

Dear Ms. Hiller,

Words cannot express my sincere gratitude for considering and granting the reinstatement of the AUD credit for the CPA exam.

Please extend my heartfelt thank you to the Executive Director for his decision. Please convey my gratitude to him for the reinstatement, which I will ensure to use wisely.

I am committed to completing the CPA exam and will do my best to make the most of this chance. Thank you once again for your support and understanding.

Best regards,
Cindy Son

On Dec 18, 2023, at 9:00 AM, Donna Hiller <DHiller@tsbpa.texas.gov> wrote:

Hello Cindy:

Your request for reinstatement of CPA exam credits was considered by the Executive Director. He has granted the reinstatement of the AUD credit, that will be valid for 18 months. Please understand that on January 1, 2024, all active CPA exam credits will automatically be extended to 6-30-2025.

We wish you the best on completing the CPA exam.

Regards,
Donna Hiller

hendrix
717 CHAPARRAL ROAD
SANGER, TEXAS
• 76266 •

MRS HILLER,

Thank you so much for all
your assistance. It is such
a big financial blessing to be a
the recipient of the TSBPA
Scholarship.

sincerely,

Danielle Hendrix

Subject: Applicant Reassessment Program

From: zach nicklas <zach_nicklas33@yahoo.com>

Sent: Tuesday, January 9, 2024 10:17 AM

To: Donna Hiller <DHiller@tsbpa.texas.gov>

Subject: Re: Applicant Reassessment Program

Good morning Mrs. Hiller,

That is amazing news. I am going to keep up my studying and put my focus towards passing these last two exams. I am within a few points of passing on both of them so I feel confident that I can pass them on my next two attempts.

I very much appreciate you, Mr. Treacy, and the rest of the board for everything y'all do and I hope to be in the ranks of Texas CPAs very soon.

Thank you very much!

Regards,

Zachary Nicklas

On Tuesday, January 9, 2024 at 09:50:32 AM CST, Donna Hiller <dhiller@tsbpa.texas.gov> wrote:

Hello Zachary:

Your request for reinstatement of CPA exam credits was considered by the Executive Director. He has granted the reinstatement of the BEC and REG credit, that will be valid until 6-30-2025.

We wish you the best on completing the CPA exam.

Regards,

Donna Hiller

Agenda Item V
Rules Committee Agenda
January 17, 2024 1:30 p.m.

- A. Discussion, consideration, and possible action concerning Board *Rule 501.62 (Other Professional Standards)*.
- B. Discussion, consideration, and possible action concerning Board *Rule 521.9 (Certificate Fee)*.
- C. Schedule next meeting.

Agenda Item V
Rules Committee Agenda
January 17, 2024
1:30 p.m.

- A. Discussion, consideration, and possible action concerning Board *Rule 501.62* (*Other Professional Standards*).

DISCUSSION: Although there is broad language in this rule that requires licensees to conform to professional standards that have similar authority recognized by the Board, even though those standards are not listed in the rule, for purposes of clarity it is recommended that the Statements on Standards for Forensic Services be specifically identified in the rule.

RECOMMENDATION: The committee recommends to the Board that it authorize the executive director to publish the revision as proposed in the *Texas Register* for public comment.

SUGGESTED MOTION: That the committee recommend that the Board authorize the executive director to publish the proposed revision in the *Texas Register* for public comment as proposed.

1 CHAPTER 501 RULES OF PROFESSIONAL CONDUCT
2 SUBCHAPTER B PROFESSIONAL STANDARDS
3 RULE §501.62 Other Professional Standards

4
5 A person in the performance of consulting services, accounting and review services,
6 any other attest service, financial advisory services, or tax services shall conform to the
7 professional standards applicable to such services. For purposes of this section, such
8 professional standards are considered to be interpreted by:

9 (1) AICPA issued standards, including but not limited to:

10 (A) Statements on Standards on Consulting Services (SSCS);

11 (B) Statements on Standards for Accounting and Review Services (SSARS);

12 (C) Statements on Standards for Attestation Engagements (SSAE);

13 (D) Statements on Standards for Tax Services (SSTS);

14 (E) Statements on Standards for Financial Planning Services (SSFPS); **or**

15 (F) Statements on Standards for Valuation Services (SSVS); **or**

16 **(G) Statements on Standards for Forensic Services (SSFS).**

17 (2) pronouncements by other professional entities having similar national or
18 international authority recognized by the board including but not limited to the
19 International Financial Reporting Standards (IFRS) promulgated by the International
20 Accounting Standards Board (IASB).

Agenda Item V
Rules Committee Agenda
January 17, 2024
1:30 p.m.

- B. Discussion, consideration, and possible action concerning Board *Rule 521.9* (*Certificate Fee*).

DISCUSSION: The proposed revision is for clarity so that an applicant for an initial license recognizes that the initial application fee is not refundable. Whether an application is approved or withdrawn, staff time is expended in reviewing an initial application for licensure.

RECOMMENDATION: The committee recommends to the Board that it authorize the executive director to publish the revision as proposed in the *Texas Register* for public comment.

SUGGESTED MOTION: That the committee recommend that the Board authorize the executive director to publish the proposed revision in the *Texas Register* for public comment as proposed.

1 CHAPTER 521 FEE SCHEDULE
2 RULE §521.9 Certificate Fee

3
4 (a) The fee for the initial issuance of a CPA certificate pursuant to the Act will be
5 established by the board. **The fee is nonrefundable.**

6 (b) A military service member or military veteran who is eligible for the issuance of the
7 CPA certificate is exempt from this fee.

8 (c) The exemption from the certificate fee must be evidenced by an active ID, state-
9 issued driver's license with a veteran designation or DD214.

Agenda Item V
Rules Committee Agenda
January 17, 2024
1:30 p.m.

C. Schedule next meeting.

Agenda Item VI
Qualifications Committee Agenda
January 17, 2024

- A. Report on the Applicant Reassessment Program.
- B. Report on the launch of the new CPA Exam format.
- C. Discussion, consideration and possible action on the EY Career Path Accelerator Program facilitated by Hult International Business School.
- D. Discussion, consideration and possible action on the update of the Board's Rules of Professional Conduct Exam as required for CPA certification.
- E. Review of correspondence from NASBA.

Agenda Item VI
Qualifications Committee Agenda
January 17, 2024

A. Report on the Applicant Reassessment Program

DISCUSSION: Staff will provide an update on the success of the Applicant Reassessment Program.

As of December 20, 2023, 89 applicants have requested and received reinstatement of one or more CPA Exam credits. Through the reinstatement of the credits, 11 applicants have completed the CPA Exam and are eligible to apply for the CPA certificate.

RECOMMENDATION: Information only. No action required.

SUGGESTED MOTION: Information only. No action required.

Agenda Item VI

Qualifications Committee Agenda

January 17, 2024

B. Report on the launch of the new CPA Exam format.

DISCUSSION: The new CPA Exam format is scheduled to launch on January 10, 2024. Staff will relay information on the launch when provided by NASBA.

RECOMMENDATION: Information only. No action required.

SUGGESTED MOTION: Information only. No action required.

Agenda Item VI

Qualifications Committee Agenda

January 17, 2024

- C. Discussion, consideration and possible action on the EY Career Path Accelerator Program facilitated by Hult International Business School.

DISCUSSION: At the May 18, 2022 Qualifications Committee meeting the members considered and accepted recognition of the EY Career Path Accelerator Program facilitated by Hult International Business School. The school is recognized by the New England Commission of Higher Education, and listed in Board *Rule 511.52 – Recognized Institutions of Higher Education*. Correspondence received from Hult (May 24, 2022) states:

...the credits from the EY Career Path Accelerator program are post-baccalaureate credits and not intended as undergraduate degree completion credits.

At that time, one Texas applicant who had earned a bachelor's degree from Texas State University was in the EY Program and taking courses at Hult to meet the 150-semester hour requirement.

Since then a second student submitted an Application of Intent and was enrolled at Hult through the EY program while completing coursework toward the bachelor's degree in accounting at Oklahoma State University. Copies of educational documents are provided for review along with an analysis of the coursework completed by the applicant in the Fall 2022 through Fall 2023 semesters.

Staff contacted Margie Beck, Program Lead and Student Advisor, about the EY Career Path Accelerator program and expressed concern over the number of courses being taken simultaneously through the OSU and Hult programs and the rigor of the Hult coursework. Correspondence from Ms. Beck is provided.

Staff requests the committee's guidance on the following:

- Recognition and acceptability of the EY program facilitated by Hult.
- If the EY program facilitated by Hult is accepted, are there parameters for recognizing the program and courses. (e.g. Pre-degree, post degree)
- Is additional information needed from EY or Hult on the rigor of the course content and required assessments.

RECOMMENDATION: Defer to the Committee.
SUGGESTED MOTION: Defer to the Committee.

CTN 0285978

	Oklahoma State University	Credits	University of Phoenix	Credits	Hult International Business School	Credits
Fall 2022	Intermediate Accounting II	3			Data Integration	1
	Financial Management	3			Data Visualization	1
	Legal & Regl Environ Business	3				
	Information Assurance Management	3				
Spring 2023	Acct Sys & Data Analytic Tools	3			Sustainability	1
	Advanced Accounting	3			Leading with Purpose	1
	External Auditing	3			Digital	1
	Ethics for Public Accountants	3			Internship	3
	Strategic Management	3			Collaboration & Teaming	2
	Intro to Music	3				
Fall 2023	Federal Income Tax	3	Contemporary Auditing I	3	CPA Fall Capstone	5
	Medical Term Health Prof	2	Advanced Topics in Accounting Research	3		
	Intro to Coffee & Tea	1				
	Int'l Wine & Culture	3				
	Commercial Transactions	3				
	Medical Botany	3				
Bachelor's Degree conferred on 12-15-2023						

02-15-2023

RECEIVED TSP
23 JUL 20 PM 1:17

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322 Student Union | Stillwater, Oklahoma 74078-3012

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Issued To:

Qualifications Division Texas State Board of Public Accounta
505 E. Huntland Drive, Suite 380
Austin, TX 78752-3757

17-JUL-2023

Page 1

DOB
Last 4 SSN

Level: Undergraduate

Latest Curriculum

BS in Business Administration

College: Spears School of Business

Major: Accounting

SUBJ NO.

COURSE TITLE

CRED GRD

PTS R

Institution Information continued:

Ehrs: 13.00 GPA-Hrs: 13.00 QPts: 49.00 GPA: 3.769

Dean's Honor Roll

SUBJ NO. COURSE TITLE CRED GRD PTS R

TRANSFER CREDIT ACCEPTED BY THE INSTITUTION:

Spring 2019 University of Texas Austin

MATH 1813 Preparation for Calculus (A) 3.00 B
Ehrs: 3.00 GPA-Hrs: 3.00 QPts: 9.00 GPA: 3.000

Summer 2019 Ap (Credit By Exam)

POIS 1413 American Government 3.00 CBE-P
Ehrs: 3.00 GPA-Hrs: 0.00 QPts: 0.00 GPA: 0.000

Summer 2020 Ap (Credit By Exam)

MATH 2144 Calculus I (A) 4.00 CBE-P
Ehrs: 4.00 GPA-Hrs: 0.00 QPts: 0.00 GPA: 0.000

Fall 2019 San Antonio College

ENGL 1113 Composition I 3.00 A
Ehrs: 3.00 GPA-Hrs: 3.00 QPts: 12.00 GPA: 4.000

Spring 2020 San Antonio College

ENGL 1213 Composition II 3.00 A
Ehrs: 3.00 GPA-Hrs: 3.00 QPts: 12.00 GPA: 4.000

INSTITUTION CREDIT:

Fall 2020
BADM 1111 Business First Year Seminar 1.00 A 4.00
EEE 2023 Intro to Entrepreneurship 3.00 A 12.00
HDFS 2433 Relations Devt & Marriage (S) 3.00 A 12.00
HIST 1403 Survey of American History 3.00 A 12.00
LL 1113 The World Through Film (HI) 3.00 A 12.00

***** CONTINUED ON NEXT COLUMN *****

Spring 2021

ACCT 2003 Survey of Accounting 3.00 B 9.00
GEOL 1013 Exploring Earth (LN) 3.00 A 12.00
GWST 2123 Intro to Gender Studies (DH) 3.00 A 12.00
MSIS 2103 Bus Data Sci Tech 3.00 A 12.00
STAT 2023 Elem Stat Bus & Econ (A) 3.00 A 12.00
Ehrs: 15.00 GPA-Hrs: 15.00 QPts: 57.00 GPA: 3.800
Dean's Honor Roll

Summer 2021

ACCT 3003 Foundational Accounting Skills 3.00 A 12.00
Ehrs: 3.00 GPA-Hrs: 3.00 QPts: 12.00 GPA: 4.000

Fall 2021

BADM 2111 Career Plan for Bus. Success 1.00 A 4.00
ECON 2003 Microeconomics Principle Bus. 3.00 A 12.00
GEOL 3513 Earthquakes & Disasters (N) 3.00 A 12.00
MGMT 3013 Fundamentals of Management (S) 3.00 A 12.00
MKTG 3213 Marketing (S) 3.00 A 12.00
Ehrs: 13.00 GPA-Hrs: 13.00 QPts: 52.00 GPA: 4.000
President's Honor Roll

Spring 2022

ACCT 3103 Intermediate Accounting I 3.00 A 12.00
BADM 3111 Professional Development Bus. 1.00 A 4.00
BADM 3113 Practical & Interpersonal Skill 3.00 A 12.00
BCOM 3113 Written Communication 3.00 A 12.00
FIN 3113 Finance 3.00 A 12.00
HDFS 2113 Lifespan Human Dev (S) 3.00 A 12.00
MSIS 3223 Prin of Data Analytics 3.00 A 12.00
Ehrs: 19.00 GPA-Hrs: 19.00 QPts: 76.00 GPA: 4.000
President's Honor Roll

AN OFFICIAL SIGNATURE IS WHITE WITH A GRAY BACKGROUND

REJECT DOCUMENT IF SIGNATURE BELOW IS DISTORTED

This officially sealed and signed transcript is printed on gray SCRIP-SAFE® security paper with the name of the university printed in white type across the face of the document. When photocopied the word COPY should appear. A raised seal is not required. A BLACK ON WHITE OR COLOR COPY SHOULD NOT BE ACCEPTED.



Rita Gearhart Peaster, University Registrar

TRANSCRIPT GUIDE PRINTED ON BACK

OKLAHOMA STATE UNIVERSITY

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322 Student Union | Stillwater, Oklahoma 74078-1024

Official Transcript

17-JUL-2023

Page: 2

DOB
Last 4 SSN

Level: Undergraduate

SUBJ NO. COURSE TITLE CRED GRD PTS R

Institution Information Continued:

Summer 2022

ACCT 3203	Cost Accounting	3.00 A	12.00
ECON 2203	Intro to Macro Econ	3.00 A	12.00
MKTG 4550	Problems in Marketing: Doing Business in Greece	3.00 A	12.00
Ehrs: 9.00	GPA-Hrs: 9.00	Qrts: 36.00	GPA: 4.000

***** TRANSCRIPT TOTALS *****

	Earned Hrs	GPA Hrs	Points	GPA
TOTAL INSTITUTION	102.00	102.00	396.00	3.882
TOTAL TRANSFER	16.00	9.00	33.00	3.667

OVERALL 118.00 111.00 429.00 3.865

***** END OF TRANSCRIPT *****

Fall 2022

ACCT 3113	Intermediate Accounting II	3.00 A	12.00
FIN 4333	Financial Management	3.00 B	9.00
LSB 3213	Legal & Regl Envir Bus	3.00 A	12.00
MSIS 4123	Info Assurance Management	3.00 B	9.00
Ehrs: 12.00	GPA-Hrs: 12.00	Qrts: 42.00	GPA: 3.500

Dean's Honor Roll

Spring 2023

ACCT 3603	Acct Sys & Data Analytic Tools	3.00 A	12.00
ACCT 4133	Advanced Accounting	3.00 A	12.00
ACCT 4503	External Auditing	3.00 A	12.00
ACCT 4553	Ethics for Public Accountants	3.00 A	12.00
MGMT 4513	Strategic Management	3.00 A	12.00
MUSI 2573	Intro to Music (H)	3.00 A	12.00
Ehrs: 18.00	GPA-Hrs: 18.00	Qrts: 72.00	GPA: 4.000

President's Honor Roll

Fall 2023

IN PROGRESS WORK

ACCT 3013	Federal Income Taxation	3.00	IN PROGRESS
HHP 2802	Med Term Health Prof	2.00	IN PROGRESS
HTM 3301	Intro Coffee & Tea	1.00	IN PROGRESS
HTM 4723	Int'l Wine & Culture	3.00	IN PROGRESS
LSB 4323	Commercial Transactions	3.00	IN PROGRESS
PBIO 3273	Medical Botany (N)	3.00	IN PROGRESS
In Progress Credits	15.00		

***** CONTINUED ON NEXT COLUMN *****

AN OFFICIAL SIGNATURE IS WHITE WITH A GRAY BACKGROUND

REJECT DOCUMENT IF SIGNATURE BELOW IS DISTORTED

This officially sealed and signed transcript is printed on gray SCRIP-SAFE® security paper with the name of the university printed in white type across the face of the document. When photocopied the word COPY should appear. A raised seal is not required. A BLACK ON WHITE OR COLOR COPY SHOULD NOT BE ACCEPTED.



Rita Gearhart Peaster, University Registrar

TRANSCRIPT GUIDE PRINTED ON BACK

02-15-2023

R212-12121

17285010



University of Phoenix®

Date Issued: 12/05/2023
 Record of: [REDACTED]
 Student Number: [REDACTED] / ***_**_****
 Birthdate: [REDACTED]
 Enrollment Status: Withdrawn
 Effective Date: 11/16/2023

Registrar's Office
 4035 S. Riverpoint Parkway
 Phoenix, AZ 85040
 (800) 866-3919

SENT TO:
 TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
 US

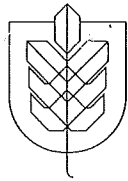
Mo/Year	Course ID	Course Title	Grade	Credits Attempted	Credits Earned	Quality Points	Rep
UNIVERSITY OF PHOENIX							
09/2023	ACC/491	Contemporary Auditing I	A	3.00	3.00	12.00	
10/2023	ACC/497	Advanced Topics in Accounting Research	B+	3.00	3.00	9.99	
<div> <div>AR2</div> <div> <div>GPA</div> <div>Credits Attempted</div> <div>Credits Earned</div> <div>Quality Points</div> </div> </div>							
Total Cumulative Credits:					6.00		
UOPX Cumulative: 3.67				6.00	6.00	21.99	
ND Program GPA :							

*****End of Transcript*****

02-15-2023

ADZ EVAL

0285975



HULT
INTERNATIONAL
BUSINESS SCHOOL

TRANSCRIPT PRINTED: November 27, 2023

Student Name: I
Student ID:
Degree Name: EY Career Path Accelerator - 15 Credits
Conferral Date: 11/09/2023

no degree
conferred
D

Degree Earned: No

Term Information:

Term: EYCPA Fall 2022					
Course Title	Course Code	Final Grade	Attempted Credits	Earned Credits	
Data Integration	EYC-0002	P	1.0	1.0	
Data Visualization	EYC-0001	P	1.0	1.0	
Attempted Credits		Earned Credits	Attempted For GPA	GPA Points	GPA
Term Totals	2	2	0	0	0.00
Cumulative Totals	2	2	0	0	0.00

Term: EYCPA Fall 2023					
Course Title	Course Code	Final Grade	Attempted Credits	Earned Credits	
CPA Fall Capstone	CAP-4999	P	5.0	5.0	
Attempted Credits		Earned Credits	Attempted For GPA	GPA Points	GPA
Term Totals	5	5	0	0	0.00
Cumulative Totals	15	15	0	0	0.00

Term: EYCPA Spring 2023					
Course Title	Course Code	Final Grade	Attempted Credits	Earned Credits	
Sustainability	EYC-0011	P	1.0	1.0	
Leading with Purpose	EYC-0005	P	1.0	1.0	
Digital	EYC-0004	P	1.0	1.0	
Internship	EYC-0006	P	3.0	3.0	
Collaboration and Teaming	EYC-0008	P	2.0	2.0	
Attempted Credits		Earned Credits	Attempted For GPA	GPA Points	GPA
Term Totals	8	8	0	0	0.00
Cumulative Totals	10	10	0	0	0.00

Transcript Totals:

	Attempted Credits	Earned Credits	Attempted For GPA	GPA Points	GPA
Transfer Institution TO TAL	0	0			
	15	15	0	0	
	15	15	0	0	

This is a post-bac program.



Hult International Business School is a non-profit educational organization registered in the Commonwealth of Massachusetts, recognized by the U.S. Department of Education, and accredited by the New England Commission of Higher Education (NECHE) to award U.S. degrees.

The School is accredited by the Association to Advance Collegiate Schools of Business (AACSB), the European Quality Improvement System (EQUIS), and the Association of MBAs (AMBA).

U.K. based students are awarded a joint U.S. and U.K. degree through the strategic alliance between Hult and Ashridge. The U.K. degree is awarded by the Ashridge (Bonar Law Memorial) Trust and is shown on the Diploma.

For additional accreditation information please visit hult.edu/accreditation.

Grading Policy

Grade Point Average (GPA)

A cumulative GPA is a weighted average computed by multiplying the point value corresponding to the letter grade received for each course by number of credits for each course, totaling these figures, then dividing by the sum of total earned credits.

Grade Scheme (including GPA computation)

Grade	GPA
A	4.00
B	3.00
C	2.00
D	1.00
F	0.00

Alt. Scheme (2017-2018)

HP
P
NP
-
F

Grade Scheme (not included in GPA computation)

I	Incomplete
W	Withdrawn
P	Pass
T	Transfer Credit

Course Credits

All credits listed are U.S. Semester Credits. In consideration of the joint U.S./U.K. degree, Hult applies a conversion of 1 U.S. credit = 5 U.K. credits

Dean's List

Each term, students who complete a minimum of 12 credits and achieve a cumulative GPA of 3.60 are formally named on the Dean's List for that term.

Graduating with Distinction

Students who receive a cumulative GPA of 3.60 or higher and have not been determined ineligible from graduating with distinction due to an Honor Code violation, will receive their degree "with Distinction".

Contact Us

Website: www.hult.edu

Signed

Antonella Della Corte
Global Registrar

12/19/2023

Hi Donna,

It was so nice to speak with you last week! As a follow up to our conversation, I wanted to address your concerns about the timing of when students complete the courses as part of the EY Career Path Accelerator program and provide some additional information. To confirm, the credits in this program are post-baccalaureate level and students complete the courses in parallel with their undergraduate degree program. The purpose of the program was to eliminate the need of adding an additional year of school for those interested in this pathway and to accelerate their entry into the profession by earning their 150 credits sooner.

Students complete courses either asynchronously with exam windows during school breaks (summer and winter), during their EY winter or summer internships, or with live learning that occurs on the weekends. The program design allows students to spread out their coursework so they can handle the academic rigor of both their undergraduate degree programs and still earn the graduate credits they need to meet their state's education requirement for CPA licensure.

Let me know if you have any questions. I'm cc'ing Ellen Glazerman on this message as well as we are both available to attend the upcoming Board meeting in mid-January if you think that would be beneficial.

Thanks again. I hope you have a wonderful holiday season!

Margie



Margie Beck | Program Lead and Student Advisor, EY Career Path Accelerator | University Relations

Ernst & Young, LLP

Office: 213-977-3989 | Margie.Beck@ey.com

My pronouns are: she/her/hers

Website: www.ey.com

Agenda Item VI

Qualifications Committee Agenda

January 17, 2024

- D. Discussion, consideration and possible action on the update of the Board's Rules of Professional Conduct Exam as required for CPA certification.

DISCUSSION: The Task Force created to consider the Board's Rules of Professional Conduct Exam (RPCE) was provided information along with the question bank. Staff is available to facilitate meetings and provide additional information that may be helpful to the Task Force.

Marshall Pitman, chair of the Task Force may provide an update on the progress of their work. Due to the security of the Rules of Professional Conduct Exam, only a high-level report may be offered.

RECOMMENDATION: Information only. No action is required.

SUGGESTED MOTION: Information only. No action is required.

Agenda Item VI

Qualifications Committee Agenda

January 17, 2024

E. Review of correspondence from NASBA.

DISCUSSION: Correspondence received from NASBA that requires the committee's consideration, will be presented.

RECOMMENDATION: Information only. No action is required.

SUGGESTED MOTION: Information only. No action is required.

Donna Hiller

From: William Treacy
Sent: Wednesday, December 27, 2023 9:34 AM
To: Donna Hiller
Subject: FW: 23Q4 December 27th Score Release

For the Jan. QC agenda?

Best regards,

Bill

WILLIAM TREACY, Executive Director
TEXAS STATE BOARD of PUBLIC ACCOUNTANCY
(512) 305-7801 | www.tsbpa.texas.gov



From: Chris Mays <cmays@nasba.org>
Sent: Tuesday, December 26, 2023 3:19 PM
Cc: Patricia Hartman <phartman@nasba.org>; DJ Johns <djohns@nasba.org>
Subject: 23Q4 December 27th Score Release

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Executive Directors and Board Staff:

Today, December 26, 2023, NASBA received and processed the following scores from the AICPA:

6084	AUD
16265	BEC
3339	FAR
4087	REG
17	IQEX
1061	AUD Intl
3144	BEC Intl
694	FAR Intl
688	REG Intl

Based on your jurisdiction setup, numeric scores and score notice forms will be release to the boards and/or candidates within the next 48 hours.

Due to high testing volume and the additional analysis required for the written communication tasks, there were approximately 900 scores, majority BEC, that were not released today by the AICPA. These scores are scheduled for released within the next ten business days. We will keep you updated on the exact score release dates.

If you have any questions, please contact me directly.

Thank you,

Chris Mays
Associate Director, Client Services
NASBA
(615)880-4265

12/27/23
12:37:31

Section Score Ratification, Update Report
Date Ratified = 12/27/2023

PAGE 71

SSN	Ctrl #	Name	Appl ID	Sec	Section ID	Date CSR Received	Adv Score	Ratified Score	CR	Date CPR Received	Error
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Total AUD Scores Ratified :	502	Score Total:	35,831.00	Credit Total:	232	CPR Total:	0
Total BEC Scores Ratified :	1,084	Score Total:	71,391.00	Credit Total:	337	CPR Total:	0
Total FAR Scores Ratified :	281	Score Total:	18,698.00	Credit Total:	94	CPR Total:	0
Total REG Scores Ratified :	348	Score Total:	24,646.00	Credit Total:	185	CPR Total:	0
Total Scores Ratified :	2,215	Score Total:	150,566.00	Credit Total:	848	CPR Total:	0

NASBA Report - CPA Exam Results - December 5, 2023

Three Quarters

2023 National	Candidates	100,320	
	Sections	129,826	
	% Passed	51.0%	
	Bachelor's Degrees	66,686	66.5%
	Advanced Degrees	23,428	23.4%
	Enrolled/Other	10,206	10.2%

AUD	BEC	FAR	REG
32,538	38,512	34,308	24,468
47.0%	57.0%	42.9%	59.1%

Three Quarters			
Texas	Candidates	7,414	
	Sections	9,948	
	% Passed	52.8%	
	Bachelor's Degrees	3,452	46.6%
	Advanced Degrees	2,279	30.7%
	Enrolled/Other	1,683	22.7%

AUD	BEC	FAR	REG
2,429	2,985	2,547	1,987
49.3%	58.0%	45.8%	58.7%

2022 National	Candidates	67,337	
	Sections	157,301	
	% Passed	51.7	
	Bachelor's Degrees	107,541	68.4%
	Advanced Degrees	33,081	21.0%
	Enrolled/Other	16,679	10.6%

AUD	BEC	FAR	REG
31,473	26,459	37,703	27,260
42,278	32,798	48,169	34,056
47.9%	59.9%	43.8%	59.8%

Texas	Candidates	4,825	
	Sections	12,251	
	% Passed	54.6%	
	Bachelor's Degrees	5,924	48.4%
	Advanced Degrees	3,617	29.5%
	Enrolled/Other	2,710	22.1%

AUD	BEC	FAR	REG
2,397	2,121	2,747	2,234
3,261	2,580	3,616	2,794
51.4%	65.0%	45.3%	60.6%

2021 National	Candidates	72,270	
	Sections	172,610	
	% Passed	52.5%	
	Bachelor's Degrees	119,244	9.1%
	Advanced Degrees	34,137	19.8%
	Enrolled/Other	19,229	11.1%

AUD	BEC	FAR	REG
36,749	30,821	39,653	29,456
49,091	37,097	50,017	36,405
48.0%	61.9%	44.5%	59.8%

Texas	Candidates	5,237	
	Sections	13,193	
	% Passed	54.7%	
	Bachelor's Degrees	6,529	49.5%
	Advanced Degrees	3,719	28.2%
	Enrolled/Other	2,945	22.3%

AUD	BEC	FAR	REG
2,695	2,482	2,941	2,304
3,598	3,045	3,685	2,865
52.1%	60.6%	46.8%	62.0%

<p style="text-align: center;">Agenda Item VII Behavioral Enforcement Committee Meeting October 18, 2023</p>

The Behavioral Enforcement Committee met on Wednesday, October 18, 2023, by video conference and in person, at 10:00 a.m.

Members Present

Jeannette P. Smith, CPA
Committee Chair
Susan I. Adams, CPA
Kevin J. Koch, CPA
Bennett Allison, CPA
Patrick Durio, CPA
Phillip D. Johnson, CPA
Robert Ogle CPA

Member Absent

Jill A. Holup

Staff Present

Paulette Beiter, Esq.
J. Randel (Jerry) Hill, Esq.

A. AFTER GIVING THESE MATTERS DUE CONSIDERATION, THE COMMITTEE RECOMMENDS THESE MATTERS BE DISMISSED BASED UPON VOLUNTARY COMPLIANCE WITH THE ACT AND THE RULES:

- **Investigation Nos. 23-06-11L & 23-06-12L:** Respondents allegedly failed to respond to a client regarding the receipt of a Maryland tax assessment and filed returns on the wrong forms. **(Board approval required)**

B. OTHER: The committee considered several other matters during its meeting; however, no action is required.

<p style="text-align: center;">Agenda Item VII Behavioral Enforcement Committee Meeting January 4, 2024</p>
--

The Behavioral Enforcement Committee met on Thursday, January 4, 2024, by video conference, at 10:00 a.m.

Members Present

Jeannette P. Smith, CPA
Committee Chair
Susan I. Adams, CPA
Jill A. Holup
Kevin J. Koch, CPA
Bennett Allison, CPA
Patrick Durio, CPA
Phillip D. Johnson, CPA
Robert Ogle, CPA

Staff Present

Paulette Beiter, Esq.
J. Randel (Jerry) Hill, Esq.
John Moore, Esq.

A. AFTER GIVING THESE MATTERS DUE CONSIDERATION, THE COMMITTEE RECOMMENDS THESE MATTERS BE DISMISSED BASED UPON INSUFFICIENT EVIDENCE OF A VIOLATION OF THE ACT OR THE RULES:

- 1. Investigation Nos. 23-10-12L & 23-10-13L:** Respondents allegedly failed to provide a copy of an amended return for approval and were unable to explain discrepancies in the amended return. **(Board approval required)**
- 2. Investigation Nos. 23-10-07L & 23-10-08L:** Respondents allegedly filed an extension under the wrong EIN resulting in a failure to file penalty. **(Board approval required)**
- 3. Investigation Nos. 23-09-05L & 23-09-06L:** Respondents allegedly made errors in a client's books resulting in the need for an amended return. **(Board approval required)**

B. OTHER: The committee considered several other matters during its meeting; however, no action is required.

<p style="text-align: center;">Agenda Item VIII Technical Standards Review Committee September 27, 2023</p>
--

The Technical Standards Review Committee met on September 27, 2023, by video conference.

Debra Seefeld: Ex Officio Committee Chair

Members Present

Debra Seefeld, CPA
Ex Officio Committee Chair
Jamie Grant
Sheila Vallés-Pankratz
Douglas Koval, CPA
Juliet Williams, CPA

Members Recused

Ray R. Garcia, CPA
Dilliana Stewart, CPA
Kimberly Crawford, CPA
Susan Warren, CPA

Staff Present

J. Randel (Jerry) Hill, Esq.
John Moore, Esq.

A. AFTER GIVING THIS MATTER DUE CONSIDERATION, THE COMMITTEE RECOMMENDED THAT THE INVESTIGATION BE DISMISSED DUE TO INSUFFICIENT EVIDENCE OF A VIOLATION OF THE ACT AND RULES:

- **Investigation No: 22-09-44L:** Respondent allegedly sent, requested, received, or used answer keys to internal training courses. **(Board approval required)**

B. OTHER: The committee considered 20 other matters during its meeting; however, these matters do not require Board action at this time.

Agenda Item VIII
Technical Standards Review Committee
November 29, 2023

The Technical Standards Review Committee met on Wednesday, November 29, 2023, by video conference beginning at 10:00 a.m.

Members Present

Ray R. Garcia, CPA
Committee Chair
Kimberly Crawford, CPA
Jamie Grant
Dilliana Stewart, CPA
Susan Warren, CPA
Juliet Williams, CPA

Members Absent

Sheila Vallés-Pankratz
Douglas Koval, CPA

Staff Present

J. Randel (Jerry) Hill, Esq.
John Moore, Esq.

A. AFTER GIVING THIS MATTER DUE CONSIDERATION, THE COMMITTEE RECOMMENDS IT BE DISMISSED WITHOUT PREJUDICE BASED ON INSUFFICIENT EVIDENCE OF A VIOLATION OF THE ACT OR THE BOARD'S RULES:

- **Investigation No. 23-07-10L:** Respondent allegedly failed to meet professional standards in the audit of financial statements for a public company. **(Board approval required)**

B. AFTER GIVING THIS MATTER DUE CONSIDERATION, THE COMMITTEE RECOMMENDS THAT THE LIMITATION OF SCOPE ON THE RESPONDENT BE MODIFIED TO ALLOW THE RESPONDENT TO PERFORM ATTEST SERVICES FOR NON-GOVERNMENTAL ENTITIES:

- **Investigation No. 03-03-32L:** Respondent's certificate and license were previously reinstated with a limitation of scope prohibiting him from performing attest services. **(Board approval required)**

C. OTHER: The committee considered seven other matters during its meeting; however, these matters do not require Board action at this time.

Agenda Item IX
Consideration of Agreed Consent Orders &
Administrative Disciplinary Actions
January 18, 2024

A. AGREED CONSENT ORDERS

Behavioral Enforcement Committee

1. Investigation Nos. 23-08-02L & 23-08-03L
2. Investigation Nos. 23-07-02L & 23-07-03L
3. Investigation Nos. 23-06-01L & 23-06-02L
4. Investigation Nos. 23-07-13L & 23-07-14L
5. Investigation No. 23-07-01L

Technical Standards Review Committee

- Investigation Nos. 23-05-02L & 23-05-03L

B. ADMINISTRATIVE DISCIPLINARY ACTIONS

1. Investigation Nos. 23-08-10001 - 23-08-10070
2. Investigation Nos. 23-09-10001 - 23-09-10077
3. Investigation Nos. 23-08-10071 - 23-08-10247
4. Investigation Nos. 23-09-10078 - 23-09-10251
5. Investigation Nos. 23-08-10248 - 23-08-10276
6. Investigation Nos. 23-09-10252 - 23-09-10274

peer review. The pre-issuance reviewer chosen by the Respondents must be approved by the Chair of the Technical Standards Review Committee.

Respondents failed to meet generally accepted auditing standards and generally accepted accounting principles in an audit of a not for profit corporation. Respondents also issued audited financial statements for clients while the Respondent firm was not properly enrolled in the American Institute of Certified Public Accountants Peer Review Program.

Respondents violated Board *Rules 501.60* regarding auditing standards; *501.61* regarding accounting principles; and *527.4* regarding enrollment and participation in a peer review program; as well as *Act Sections 901.159* regarding peer review; *901.502(6)* regarding a violation of the *Rules of Professional Conduct*; and *901.502(11)* regarding conduct indicating lack of fitness to serve the public as a professional accountant.

The TSR Committee considered this matter at its meeting on September 27, 2023. Board members Ray R. Garcia, CPA; Jamie Grant; Sheila Vallés-Pankratz; Susan Warren, CPA; and Kimberly Crawford, CPA were present.

B. ADMINISTRATIVE DISCIPLINARY ACTIONS

1. Respondents: In The Matter of Disciplinary Action Against Certain Licensees for Nonpayment of Licensing and Late Fees for Three Consecutive License Periods

The Respondents failed to pay their licensing fees for three consecutive license periods. Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the certificate of each Respondent still not in compliance be revoked without prejudice. Each Respondent may regain his or her certificate by paying all license fees and late fees and by otherwise coming into compliance with the *Act*. Respondents violated *Act Section 901.502(4)* (*failure to pay license fees for three consecutive years*). No Board committee considered these actions.

1. Investigation Nos. 23-08-10001 - 23-08-10070

2. Investigation Nos. 23-09-10001 - 23-09-10077

2. Respondents: In The Matter of Disciplinary Action Against Certain License Holders for CPE Delinquencies

The Respondents failed to comply with CPE reporting requirements found in Chapter 523 of the *Rules* and *Act Section 901.411* (*Continuing Professional Education*). The Respondents, although provided with a preliminary report and having been notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends that the license of each Respondent still not in compliance be suspended for a period of three years, or until he or she complies with the licensing requirements of the *Act*, whichever is sooner. Additionally, staff recommends a \$100 penalty be imposed for each year a Respondent is not in compliance with the Board's CPE requirements. Respondents violated Board *Rules*

501.94 (*Mandatory CPE*) and 523.111 (*Required CPE Reporting*), and Act Section 901.411. No Board committee considered these actions.

3. Investigation Nos. 23-08-10071 - 23-08-10247

4. Investigation Nos. 23-09-10078 - 23-09-10251

3. Respondents: In The Matter of Disciplinary Action Against Certain Certificate Holders for Failure to Complete License Notice

The Respondents failed to complete their license renewal notices in accordance with Board Rule 515.3 (*License Renewals for Individuals and Firm Offices*).

Respondents, although properly notified of the proposed disciplinary action and their right to a hearing on the matter, failed to request a hearing. Staff recommends the certificate of each Respondent not in compliance be revoked without prejudice until such time as the Respondent complies with the requirements of the *Rules* and the *Act*. Respondents violated Act Section 901.502(12) (*Violations of Board Rules*). No Board committee considered these actions.

5. Investigation Nos. 23-08-10248 - 23-08-10276

6. Investigation Nos. 23-09-10252 - 23-09-10274

<p style="text-align: center;">Agenda Item X Consideration of Adoption of Board Rules January 18, 2024</p>

DISCUSSION: The rules listed below were proposed for amendment on first reading at the November 9, 2023 meeting.

RECOMMENDATION: The staff recommends that the proposed rules be adopted as presented on second reading.

SUGGESTED MOTION: That the proposed rules listed below be adopted as presented on second reading.

1. 511.52 (*Recognized Institutions of Higher Education*)
2. 511.53 (*Evaluation of International Education Documents*)
3. 511.58 (*Definitions of Related Business Subjects to take the UCPAE*)
4. 511.59 (*Definition of 120 Semester Hours to take the UCPAE*)
5. 511.60 (*Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE*)
6. 511.80 (*Granting of Credit*)
7. 511.87 (*Loss of Credit*)
8. 511.164 (*Definition of 150 Semester Hours to Qualify for Issuance of a Certificate*)
9. 515.5 (*Reinstatement of a Certificate or License in the Absence of a Violation of the Board's Rules of Professional Conduct*)
10. 515.11 (*Licensing for Military Service Members, Military Veterans, and Military Spouses*) (*Repeal*)
11. 516.1 (*Definitions*) (*New*)
12. 516.2 (*Licensing for Military Service Members and Spouses*) (*New*)
13. 516.3 (*Licensing for Military Veterans*) (*New*)
14. 516.4 (*Accounting Practice Notification by Military Service Members and Spouses*) (*New*)

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Adopted Amendment

511.52. Recognized Institutions of Higher Education.

(a) The board recognizes institutions of higher education that offer a baccalaureate or higher degree, that either:

(1) are accredited by one of the following organizations:

(A) Middle States Commission on Higher Education (MSCHE);

(B) Northwest Commission on Colleges and Universities (NWCCU);

(C) Higher Learning Commission (HLC);

(D) New England Commission of Higher Education (NECHE);

(E) Southern Association of Colleges and Schools, Commission on Colleges (SACS);
and

(F) WASC Senior College and University Commission; or

(2) provide evidence of meeting equivalent accreditation requirements of SACS.

(b) The board is the final authority regarding the evaluation of an applicant's education and has received assistance from the reporting institution in the State of Texas, the University of Texas at Austin, in evaluating:

(1) an institution of higher education;

(2) organizations that award credits for coursework taken outside of a traditional academic environment and shown on a transcript from an institution of higher education;

(3) assessment methods such as credit by examination, challenge exams, and portfolio assessment; and

(4) non-college education and training.

(c) The following organizations and assessment methods may not be used to meet the requirements of this chapter:

(1) American Council on Education (ACE);

(2) Prior Learning Assessment (PLA);

(3) Defense Activity for Non-Traditional Education Support (DANTES);

(4) Defense Subject Standardized Test (DSST); and

(5) StraighterLine.

(d) The board may accept courses completed through an extension school, a correspondence school or continuing education program provided that the courses are offered and accepted by the board approved educational institution for a business baccalaureate or higher degree conferred by that educational institution.

(e) Except as provided in subsection (d) of this section, extension and correspondence schools or programs and continuing education courses do not meet the criteria for recognized institutions of higher education.

(f) The requirements related to recognized community colleges are provided in §511.54 of this chapter (relating to Recognized Texas Community Colleges).

(g) The board may recognize a community college that offers a baccalaureate degree in accounting or business, provided that the applicant is admitted to a graduate program in accounting or business offered at a recognized institution of higher education that offers a graduate or higher degree.

Adopted Amendment

511.53. Evaluation of International Education Documents.

- (a) It is the responsibility of the board to confirm that education obtained at colleges and universities outside of the United States (international education) is equivalent to education earned at board-recognized institutions of higher education in the U.S.
- (b) The board shall use, at the expense of the applicant, the services of the University of Texas at Austin, Graduate and International Admissions Center, to validate, review, and evaluate international education documents submitted by an applicant to determine if the courses taken and degrees earned are substantially equivalent to those offered by the board-recognized institutions of higher education located in the U.S. The evaluation shall provide the following information to the board:
- (1) Degrees earned by the applicant that are substantially equivalent to those conferred by a board-recognized institution of higher education in the U.S. that meets §511.52 of this chapter (relating to Recognized Institutions of Higher Education);
 - (2) The total number of semester hours or quarter hour equivalents earned that are substantially equivalent to those earned at U.S. institutions of higher education and that meet §511.59 of this chapter (relating to Definition of 120 Semester Hours to take the UCPAE);
 - (3) The total number of semester hours or quarter hour equivalents earned in accounting coursework that meets §511.57 of this chapter (relating to Qualified Accounting Courses to take the UCPAE) or §511.60 of this chapter (relating to Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE);
 - (4) An analysis of the title and content of courses taken that are substantially equivalent to courses listed in §511.57 or §511.60 of this chapter; and
 - (5) The total number of semester hours or quarter hour equivalents earned in business coursework that meets §511.58 of this chapter (relating to Definitions of Related Business Subjects to take the UCPAE).
- (c) The University of Texas at Austin, Graduate and International Admissions Center, may use the American Association of Collegiate Registrars and Admissions Officers (AACRAO) material, including the Electronic Database for Global Education (EDGE), in evaluating international education documents.
- (d) Other evaluation or credentialing services of international education are not accepted by the board.
- (e) Credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

- (1) American College Education (ACE);
- (2) Prior Learning Assessment (PLA);
- (3) Defense Activity for Non-Traditional Education Support (DANTES);
- (4) Defense Subject Standardized Test (DSST); and
- (5) StraighterLine.

Adopted Amendment

511.58. Definitions of Related Business Subjects to take the UCPAE.

(a) Related business courses are those business courses that a board recognized institution of higher education accepts for a business baccalaureate or higher degree by that educational institution.

(b) An individual who holds a baccalaureate or higher degree from a recognized educational institution as defined by §511.52 of this chapter (relating to Recognized Institutions of Higher Education) may take related business courses from four-year degree granting institutions, or recognized community colleges, provided that all such institutions are recognized by the board as defined by §511.52 or §511.54 of this chapter (relating to Recognized Texas Community Colleges). Related business courses taken at a recognized community college are only the courses that the board has reviewed and approved to meet this section.

(c) The board will accept no fewer than 24 semester credit hours of upper level courses (for the purposes of this subsection, economics and statistics at any college level will count as upper division courses) as related business subjects (without repeat), taken at a recognized educational institution shown on official transcripts or accepted by a recognized educational institution for purposes of obtaining a baccalaureate degree or its equivalent, in the following areas.

(1) No more than 6 credit semester hours taken in any of the following subject areas may be used to meet the minimum hour requirement:

(A) business law, including study of the Uniform Commercial Code;

(B) economics;

(C) management;

(D) marketing;

(E) business communications;

(F) statistics and quantitative methods;

(G) information systems or technology; and

(H) other areas related to accounting.

(2) No more than 9 credit semester hours taken in any of the following subject areas may be used to meet the minimum hour requirement:

(A) finance and financial planning; and

(B) data analytics, data interrogation techniques, cyber security and/or digital acumen in the accounting context, whether taken in the business school or in another college or university program, such as the engineering, computer science, information systems, or math programs (while data analytic tools may be used in the course, application of the tools should be the primary objective of the course).

(d) The board requires that a minimum of 2 upper level semester credit hours in accounting communications or business communications with an intensive writing curriculum be completed. The semester hours may be obtained through a standalone course or offered through an integrated approach. If the course content is offered through integration, the university must advise the board of the course(s) that contain the accounting communications or business communications content. The course may be used toward the 24 semester credit hours of upper level business courses listed in subsection (c)(1) of this section.

(e) Credit for hours taken at recognized institutions of higher education using the quarter system shall be counted as 2/3 of a semester hour for each hour of credit received under the quarter system.

(f) Related business courses completed through and offered by an extension school, correspondence school, or continuing education program of a board recognized educational institution may be accepted by the board, provided that the courses are accepted for a business baccalaureate or higher degree conferred by that educational institution.

(g) The board may review the content of business courses and determine if they meet the requirements of this section.

(h) Credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

(1) American College Education (ACE);

(2) Prior Learning Assessment (PLA);

(3) Defense Activity for Non-Traditional Education Support (DANTES);

(4) Defense Subject Standardized Test (DSST); and

(5) StraighterLine.

Adopted Amendment

511.59. Definition of 120 Semester Hours to take the UCPAE.

(a) To be eligible to take the UCPAE, an applicant must hold at a minimum a baccalaureate degree, conferred by a board-recognized institution of higher education as defined by §511.52 of this chapter (relating to Recognized Institutions of Higher Education), and have completed the board-recognized coursework identified in this section:

(1) no fewer than 21 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter (relating to Qualified Accounting Courses) or §511.60 of this chapter (relating to Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE);

(2) no fewer than 24 semester hours or quarter-hour equivalents of upper level related business courses, as defined by §511.58 of this chapter (relating to Definitions of Related Business Subjects to take the UCPAE); and

(3) academic coursework at an institution of higher education as defined by §511.52 of this chapter, when combined with paragraphs (1) and (2) of this subsection meets or exceeds 120 semester hours.

(b) An individual holding a baccalaureate degree conferred by a board-recognized institution of higher education, as defined by §511.52 of this chapter, and who has not completed the requirements of this section shall meet the requirements by taking coursework in one of the following ways:

(1) complete upper level or graduate courses at a board recognized institution of higher education as defined in §511.52 of this chapter that meets the requirements of subsection (a)(1) and (2) of this section; or

(2) enroll in a board recognized community college as defined in §511.54 of this chapter (relating to Recognized Texas Community Colleges) and complete board approved accounting or business courses that meet the requirements of subsection (a)(1) and (2) of this section. Only specified accounting and business courses that are approved by the board will be accepted as not all courses offered at a community college are accepted.

(c) The following courses, courses of study, certificates, and programs may not be used to meet the 120-semester hour requirement:

(1) any CPA review course offered by an institution of higher education or a proprietary organization;

(2) remedial or developmental courses offered at an educational institution; and

(3) credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

(A) American College Education (ACE);

(B) Prior Learning Assessment (PLA);

(C) Defense Activity for Non-Traditional Education Support (DANTES);

(D) Defense Subject Standardized Test (DSST); and

(E) StraighterLine.

(d) The hours from a course that has been repeated will be counted only once toward the required 120 semester hours.

Adopted Amendment

511.60. Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE.

(a) An applicant shall meet the board's accounting course requirements in one of the following ways:

(1) Hold a baccalaureate or higher degree from a board-recognized institution of higher education as defined by §511.52 of this chapter (relating to Recognized Institutions of Higher Education) and present valid transcript(s) from board-recognized institution(s) that show degree credit for no fewer than 21 semester credit hours of upper division accounting courses as defined in subsection (e) of this section; or

(2) Hold a baccalaureate or higher degree from a board-recognized institution of higher education as defined by §511.52 of this chapter, and after obtaining the degree, complete the requisite 21 semester credit hours of upper division accounting courses, as defined in subsection (e) of this section, from four-year degree granting institutions, or accredited community colleges, provided that all such institutions are recognized by the board as defined by §511.52 of this chapter, and that the accounting programs offered at the community colleges are reviewed and accepted by the board.

(b) Credit for hours taken at board-recognized institutions of higher education using the quarter system shall be counted as 2/3 of a semester credit hour for each hour of credit received under the quarter system.

(c) The board will accept no fewer than 21 semester credit hours of accounting courses from the courses listed in subsection (e)(1) - (14) of this section. The hours from a course that has been repeated will be counted only once toward the required 21 semester hours. The courses must meet the board's standards by containing sufficient business knowledge and application to be useful to candidates taking the UCPAE. A board-recognized institution of higher education must have accepted the courses for purposes of obtaining a baccalaureate degree or its equivalent, and they must be shown on an official transcript.

(d) A non-traditionally-delivered course meeting the requirements of this section must have been reviewed and approved through a formal, institutional faculty review process that evaluates the course and its learning outcomes and determines that the course does, in fact, have equivalent learning outcomes to an equivalent, traditionally delivered course.

(e) The subject-matter content should be derived from the UCPAE Blueprints and cover some or all of the following:

(1) financial accounting and reporting for business organizations that may include:

(A) up to nine semester credit hours of intermediate accounting;

(B) advanced accounting; or

- (C) accounting theory;
 - (2) managerial or cost accounting (excluding introductory level courses);
 - (3) auditing and attestation services;
 - (4) internal accounting control and risk assessment;
 - (5) financial statement analysis;
 - (6) accounting research and analysis;
 - (7) up to 12 semester credit hours of taxation (including tax research and analysis);
 - (8) financial accounting and reporting for governmental and/or other nonprofit entities;
 - (9) up to 12 semester credit hours of accounting information systems, including management information systems ("MIS"), provided the MIS courses are listed or cross-listed as accounting courses, and the institution of higher education accepts these courses as satisfying the accounting course requirements for graduation with a degree in accounting;
 - (10) up to 12 semester credit hours of accounting data analytics, provided the institution of higher education accepts these courses as satisfying the accounting course requirements for graduation with a degree in accounting (while data analytics tools may be taught in the courses, application of the tools should be the primary objective of the courses);
 - (11) fraud examination;
 - (12) international accounting and financial reporting;
 - (13) at its discretion, the board may accept up to three semester credit hours of accounting course work with substantial merit in the context of a career in public accounting, provided the course work is predominantly accounting or auditing in nature but not included in paragraphs (1) - (12) of this subsection (for any course submitted under this provision, the Accounting Faculty Head or Chair must affirm to the board in writing the course's merit and content); and
 - (14) at its discretion, the board may accept up to three semester credit hours of independent study in accounting selected or designed by the student under faculty supervision (the curriculum for the course shall not repeat the curriculum of another accounting course that the student has completed).
- (f) The board requires that a minimum of two semester credit hours in research and analysis relevant to the course content described in subsection (e)(6) or (7) of this section be completed. The semester credit hours may be obtained through a discrete course or offered through an integrated approach. If the course content is offered

through integration, the institution of higher education must advise the board of the course(s) that contain the research and analysis content.

(g) The following types of introductory courses do not meet the accounting course definition in subsection (e) of this section:

- (1) elementary accounting;
- (2) principles of accounting;
- (3) financial and managerial accounting;
- (4) introductory accounting courses; and
- (5) accounting software courses.

(h) Any CPA review course offered by an institution of higher education or a proprietary organization shall not be used to meet the accounting course definition.

(i) CPE courses shall not be used to meet the accounting course definition.

(j) Accounting courses completed through an extension school of a board recognized educational institution may be accepted by the board provided that the courses are accepted for a business baccalaureate or higher degree conferred by that educational institution.

(k) Credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

- (1) American College Education (ACE);
- (2) Prior Learning Assessment (PLA);
- (3) Defense Activity for Non-Traditional Education Support (DANTES);
- (4) Defense Subject Standardized Test (DSST); and
- (5) StraighterLine.

Adopted Amendment

511.80. Granting of Credit.

(a) The board shall grant credit to an applicant for the satisfactory completion of a section of the UCPAE provided the applicant earns a passing score on the section as determined by board rule. The credit shall be valid for 30 months from the actual date of notification of passing score results. The 30 months may be temporarily extended by the executive director, in accordance with §901.307(b) of the Act (relating to Grading Examination), in order to provide for uniformity with other state regulatory authorities or for reasonably unforeseeable or uncontrollable events.

(b) An applicant must pass the remaining sections within the next 30 months. Should an applicant's exam credit be invalidated due to the expiration of 30 months without earning credit on the remaining sections, the applicant remains qualified to take the examination.

(c) An applicant receiving and retaining credit for every section on the UCPAE, within a 30-month period, shall be considered by the board to have completed the examination and may make application for certification as a CPA.

(d) Effective January 1, 2024, an applicant under this section shall have 36 months from the time all test sections are passed to meet the education requirements of §511.164 of this chapter (relating to Definition of 150 Semester Hours to Qualify for Issuance of a Certificate) or the credit for all test sections will expire.

(e) Effective January 1, 2024, an applicant who has an active credit on a section of the UCPAE shall have earned credit on the newly structured UCPAE as follows:

(1) credit on auditing and attestation (AUD) shall transition to auditing and attestation (AUD);

(2) credit on financial accounting and reporting (FAR) shall transition to financial accounting and reporting (FAR);

(3) credit on regulation (REG) shall transition to taxation and regulation (REG); and

(4) credit on business environment and concepts (BEC) shall not transition to a specific discipline as there is not an equivalent section, however, credit will be retained in lieu of a discipline.

(f) Effective January 1, 2024, the Board shall grant credit to an applicant for the satisfactory completion of the following sections of the UCPAE provided the applicant earns a passing score on the section as determined by board rule. The credit shall be valid for 30 months from the actual date of notification of passing score results:

(1) auditing and attestation (AUD);

(2) financial accounting and reporting (FAR);

(3) taxation and regulation (REG); and

(4) one of the following discipline sections:

(A) business analysis and reporting (BAR);

(B) information systems and controls (ISC); or

(C) tax compliance and planning (TCP).

(g) An applicant who has received and retained credit for any or all sections on the UCPAE may transfer such credits to another licensing jurisdiction if the applicant pays in advance a transfer fee set by board rule as identified in §521.7 of this title (relating to Fee for Transfer of Credits).

(h) If the UCPAE is restructured by the AICPA, the board shall determine the manner in which active credit earned prior to the restructure for a subject is integrated into the new UCPAE.

(i) Credits earned between January 1, 2020 and January 1, 2024 that are no longer valid may be considered for reinstatement for not more than 18 months from the date that reinstatement occurs. The following conditions are required:

(1) the applicant was impacted by an unforeseeable and uncontrollable event; and

(2) the applicant provides documentation to substantiate the unforeseeable and uncontrollable event.

(j) Interpretive Comment: For the purpose of this section unforeseeable and uncontrollable events include, but are not limited to, the health of the applicant, accidents limiting the applicant, military service, natural disasters, or acts of God.

Adopted Amendment

511.87. Loss of Credit.

(a) An applicant having earned credit under this Act or a prior Act and who has two testing quarters remaining before the expiration of credits earned shall be notified prior to each UCPAE of these facts.

(b) An applicant failing to receive credit for all sections within the time limitation of this Act shall be notified that credits have expired.

(c) The expiration of credits shall not hinder an applicant from reapplying for the examination.

(d) Credits earned between January 1, 2020 and January 1, 2024 that are no longer valid may be considered for reinstatement for not more than 18 months from the date that reinstatement occurs. The following conditions are required:

(1) the applicant was impacted by an unforeseeable and uncontrollable extreme hardship event; and

(2) the applicant provides documentation to substantiate the unforeseeable and uncontrollable event.

(e) An extreme hardship event that limits the applicant is defined as:

(1) a serious illness of an applicant or member of the immediate family, which includes a spouse, child, sibling or parent;

(2) death of an immediate family member;

(3) accidents that impacts the applicant;

(4) military service of the applicant; or

(5) natural disasters that impacts the applicant.

Adopted Amendment

511.164. Definition of 150 Semester Hours to Qualify for Issuance of a Certificate.

(a) To qualify for the issuance of a CPA certificate, an applicant must hold at a minimum a baccalaureate degree, conferred by a board-recognized institution of higher education as defined by §511.52 of this chapter (relating to Recognized Institutions of Higher Education), and have completed the board-recognized coursework identified in this section:

(1) no fewer than 27 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter (relating to Qualified Accounting Courses to take the UCPAE) or §511.60 of this chapter (relating to Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE) to include a minimum of two semester credit hours in research and analysis;

(2) no fewer than 24 semester hours or quarter-hour equivalents of upper level related business courses, as defined by §511.58 of this chapter (relating to Definitions of Related Business Subjects to take the UCPAE);

(3) a three semester hour board-approved standalone course in accounting or business ethics. The course must be taken at a recognized educational institution and should provide students with a framework of ethical reasoning, professional values, and attitudes for exercising professional skepticism and other behavior in the best interest of the public and profession. The ethics course shall:

(A) include the ethics rules of the AICPA, the SEC, and the board;

(B) provide a foundation for ethical reasoning, including the core values of integrity, objectivity, and independence; and

(C) be taught by an instructor who has not been disciplined by the board for a violation of the board's rules of professional conduct, unless that violation has been waived by the board; and

(4) academic coursework at an institution of higher education as defined by §511.52 of this chapter, when combined with paragraphs (1) - (3) of this subsection meets or exceeds 150 semester hours, of which 120 semester hours meets the education requirements defined by §511.59 of this chapter (relating to Definition of 120 Semester Hours to take the UCPAE). An applicant who has met paragraphs (1) - (3) of this subsection may use a maximum of 9 total semester credit hours of undergraduate or graduate independent study and/or internships as defined in §511.51(b)(4) or §511.51(b)(5) of this chapter (relating to Educational Definitions) to meet this paragraph. The courses shall consist of:

(A) a maximum of three semester credit hours of independent study courses; and

(B) a maximum of six semester credit hours of accounting/business course internships.

(b) The following courses, courses of study, certificates, and programs may not be used to meet the 150 semester hour requirement:

(1) any CPA review course offered by an institution of higher education or a proprietary organization;

(2) remedial or developmental courses offered at an educational institution; and

(3) credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirement of this chapter:

(A) American College Education (ACE);

(B) Prior Learning Assessment (PLA);

(C) Defense Activity for Non-Traditional Education Support (DANTES);

(D) Defense Subject Standardized Test (DSST); and

(E) StraighterLine.

(c) The hours from a course that has been repeated will be counted only once toward the required semester hours.

Adopted Amendment

515.5. Reinstatement of a Certificate or License in the Absence of a Violation of the Board's Rules of Professional Conduct.

- (a) An individual whose license has been expired for 90 days or less may renew the license by paying to the board a renewal fee that is equal to 1 1/2 times the normally required renewal fee.
- (b) An individual whose license has been expired for more than 90 days but less than one year may renew the license by paying to the board a renewal fee that is equal to two times the normally required renewal fee.
- (c) An individual whose license has been expired for at least one year but less than two years may renew the license by paying to the board a renewal fee that is equal to three times the normally required renewal fee.
- (d) An individual whose license has been expired for two years or more may obtain a license by paying all renewal fees including late fees.
- (e) An individual whose license has been suspended or certificate revoked for the voluntary non-payment of the annual license fees, the voluntary non-completion of the annual license renewal, or the voluntary non-completion of the board required CPE may be administratively reinstated by complying with the board's CPE requirements pursuant to Chapter 523 of this title (relating to Continuing Professional Education) and providing the board the individual's required fingerprints if not previously submitted; and
 - (1) by paying all renewal fees including late fees; or
 - (2) upon showing of good cause, entering into an Agreed Consent Order that reinstates the certificate and permits the issuance of a conditional license with the agreement to pay all required fees by a certain date.
- (f) An individual who was revoked under §901.502(3) or (4) of the Act (relating to Grounds for Disciplinary Action), has moved to another state, and is currently licensed and has been in practice in the other state for the two years preceding the date of submitting a complete application may obtain a new license without reexamination by:
 - (1) providing the board with a complete application including evidence of the required licensure;
 - (2) demonstrating that the out of state license is no more than 90 days beyond the normal expiration date of the license;
 - (3) paying the board a fee that is equal to two times the normally required renewal fee for the license; and
 - (4) meeting the other requirements for licensing.

(g) If the certificate, license, or registration was suspended, or revoked for non-payment of annual license fees, failure to complete the annual license renewal, or failure to comply with §501.94 of this title (relating to Mandatory Continuing Professional Education), upon written application the executive director will decide on an individual basis whether the renewal fees including late fees must be paid for those years and whether any fee exemption is applicable.

(h) A military service member, military veteran or military spouse may obtain a license in accordance with the provisions of Chapter 516 of this title (relating to Military Service Members, Spouses and Veterans).

(i) Interpretive Comment: Effective September 1, 2015, when calculating the renewal fee provided for in subsections (a) - (d) of this section, the professional fee that was required by §901.406 and §901.407 of the Act (relating to Fee Increase and Additional Fee) will no longer be included in the renewal fee. However, when calculating any renewal fees accrued prior to September 1, 2015, the professional fee that was required by §901.406 and §901.407 of the Act will be included in the renewal fee.

Adopted Repeal

515.11. Licensing for Military Service Members, Military Veterans, and Military Spouses.

~~(a) This section applies to all board licensing requirements, other than the examination requirement, for the issuance of a license to a military service member, military veteran or military spouse as applicable for the practice of public accountancy in this state.~~

~~(b) The following definitions apply to the licensing of service members, military veterans and military spouses:~~

~~—(1) "Active duty" means current full-time military service in the armed forces of the United States or active duty military service as a member of the Texas military forces, as defined by §437.001 of the Texas Government Code (relating to Definitions), or similar military service of another state.~~

~~—(2) "Armed forces of the United States" means the army, navy, air force, space force, coast guard, or marine corps of the United States or a reserve unit of one of those branches of the armed forces.~~

~~—(3) "Military service member" means a person who is on active duty.~~

~~—(4) "Military spouse" means a person who is married to a military service member.~~

~~—(5) "Military veteran" means a person who has served on active duty and who was discharged or released from active duty.~~

~~(c) A military service member, military veteran or military spouse may obtain a license if the applicant for licensure:~~

~~—(1) holds a current license issued by another jurisdiction that has licensing requirements that are substantially equivalent to the licensing requirements in this state; or~~

~~—(2) within the five years preceding the application date held a license in this state.~~

~~(d) The executive director may waive any prerequisite to obtaining a license for an applicant described in subsection (c) of this section after reviewing the applicant's credentials. The board may not give credit if the applicant holds a restricted license issued by another jurisdiction or has an unacceptable criminal history according to Chapter 53 of the Texas Occupations Code (relating to Consequences of Criminal Conviction).~~

~~(e) The board will process a license, as soon as practical, to a military service member, military veteran or military spouse and issue a non-provisional license when the board determines the applicant is qualified in accordance with board rules.~~

~~(f) The board will notify the license holder of the requirements for renewing the license in writing or by electronic means and the term of the license.~~

~~(g) In lieu of the standard method(s) provided in §511.161 of this title (relating to Qualifications for Issuance of a Certificate) for obtaining a license, a military service member, military veteran or military spouse may be licensed and the executive director may consider, other methods that demonstrate the applicant is qualified to be licensed.~~

~~(h) The board, pursuant to §511.123 of this title (relating to Reporting Work Experience), requires a minimum of one year of work experience and the board shall credit verified military service, training or education that is relevant toward this experience requirement as described in §511.122(c)(3)(D) of this title (relating to Acceptable Work Experience).~~

~~(i) The board shall, with respect to a military service member or military veteran, apply credit toward the licensing requirement for verified military service, training, or education. The board may not substitute credit for the examination requirement.~~

Adopted New

516.1. Definitions.

The following words and terms, when used in Title 22, Part 22 of the Texas Administrative Code relating to the Texas State Board of Public Accountancy, shall have the following meanings:

(1) "Active duty" means current full-time military service in the armed forces of the United States or active duty military service as a member of the Texas military forces, as defined by §437.001 of the Texas Government Code (relating to Definitions), or similar military service of another state.

(2) "Armed forces of the United States" means the army, navy, air force, space force, coast guard, or marine corps of the United States or a reserve unit of one of those branches of the armed forces.

(3) "Military service member" means a person who is on active duty.

(4) "Military spouse" means a person who is married to a military service member.

(5) "Military veteran" means a person who has served on active duty and who was discharged or released from active duty.

(6) "Restrictive license" includes the following or its equivalent:

(A) an individual license that does not permit the attest service practice;

(B) an individual's retired or disabled license that limits an individual's authority to practice public accountancy;

(C) an individual's non-public industry license or authorization to practice; or

(D) a license that limits the scope of the individual's right to practice public accountancy.

Adopted New

516.2. Licensing for Military Service Members and Spouses.

(a) A military service member or military spouse may obtain a license if the applicant for licensure:

(1) through the fingerprinting process, has been deemed to have an acceptable criminal history according to Chapter 53 of the Texas Occupations Code (relating to Consequences of Criminal Conviction); and

(2) holds a current license with no restrictions issued by another jurisdiction that has licensing requirements that are substantially equivalent to the licensing requirements in this state; or

(3) within the five years preceding the application date held a license in this state.

(b) The executive director may:

(1) waive any prerequisite to obtaining a license for an applicant described in subsection (a) of this section after reviewing the applicant's credentials; or

(2) consider, other methods that demonstrate the applicant is qualified to be licensed.

(c) The board will:

(1) process a military service member or military spouse's license application, as soon as practical but no more than 30 days from the date of receipt of the application, and issue a non-provisional license when the board determines the applicant is qualified in accordance with board rules;

(2) waive the license application and examination for a military service member or military spouse applicant:

(A) whose military service, training or education substantially meets all the requirements for a license; or

(B) who holds a current license issued by another jurisdiction that has licensing requirements that are substantially equivalent to this agency's requirements; and

(3) notify the license holder of the requirements for renewing the license in writing or by electronic means and the term of the license.

Adopted New

516.3. Licensing for Military Veterans.

(a) A military veteran may obtain a license if the applicant for licensure:

(1) through the fingerprinting process, has been deemed to have an acceptable criminal history according to Chapter 53 of the Texas Occupations Code (relating to Consequences of Criminal Conviction); and

(2) holds a current license with no restrictions issued by another jurisdiction that has licensing requirements that are substantially equivalent to the licensing requirements in this state; or

(3) within the five years preceding the application date held a license in this state.

(b) The executive director may:

(1) waive any prerequisite to obtaining a license for an applicant described in subsection (a) of this section after reviewing the applicant's credentials; or

(2) consider other methods that demonstrate the applicant is qualified to be licensed.

(c) The board will:

(1) process a military veteran's license application, as soon as practical but no more than 30 days from the date of receipt of the application, and issue a non-provisional license when the board determines the applicant is qualified in accordance with board rules;

(2) waive the license application and examination for a military veteran applicant:

(A) whose military service, training or education substantially meets all the requirements for a license; or

(B) who holds a current license issued by another jurisdiction that has licensing requirements that are substantially equivalent to this agency's requirements; and

(3) notify the license holder of the requirements for renewing the license in writing or by electronic means and the term of the license.

Adopted New

516.4. Accounting Practice Notification by Military Service Members and Spouses.

(a) This section applies to all board regulated public accountancy practice requirements, other than the examination requirement, by a military service member or military spouse not requiring a license.

(b) A military service member or military spouse:

(1) may practice accounting in Texas during the period the military service member or military spouse is stationed at a military installation in Texas for a period not to exceed the third anniversary of the date the military service member or military spouse receives confirmation of authorization to practice by the board, if the military service member or military spouse:

(A) notifies the board of an intent to practice public accountancy in this state;

(B) submits proof of residency in this state along with a copy of their military identification card;

(C) receives from the board confirmation that the board has verified the license in the other jurisdiction and that the other jurisdiction has licensing requirements that are substantially equivalent to the board's licensing requirements; and

(D) receives confirmation of authorization to practice public accountancy in Texas from the board;

(2) may not practice in Texas with a restricted license issued by another jurisdiction nor practice with an unacceptable criminal history according to Chapter 53 of the Texas Occupations Code (relating to Consequences of Criminal Conviction); and

(3) shall comply with all other laws and regulations applicable to the practice of public accountancy in this state including, but not limited to, providing attest services through a licensed accounting firm.

(c) The board, in no less than 30 days following the receipt of notice of intent, will provide confirmation of authorization to practice to a military service member or military spouse, who has satisfied the board's rules.

(d) In the event of a divorce or similar event that affects a person's status as a military spouse, the spouse may continue to engage in the business or occupation under the authority of this section until the third anniversary of the date the spouse received the confirmation described by subsection (b)(1)(D) of this section.

<p style="text-align: center;">Agenda Item XI Review of Future Meetings/Hearing Schedules January 18, 2024</p>

- I. **DISCUSSION:** Schedule of dates for 2024 Board and committee meetings, hearings, and other activities are attached for your information.
- II. **RECOMMENDATION:** None by staff
- III. **SUGGESTED MOTION:** None by staff

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<p style="text-align: center;">Agenda Item XII Adjournment January 18, 2024</p>
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- I. **DISCUSSION:** The presiding officer will entertain a motion to adjourn.
- II. **RECOMMENDATION:** None required
- III. **SUGGESTED MOTION:** None required