

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: Nov 7, 2024 10:00 AM Central Time (US and Canada)

<https://www.zoomgov.com/j/1616509873?pwd=XGM8CjFOwxaVgdhpRe4A3RbJ53KmYC.1>

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Texas State Board of Public Accountancy Meeting Schedule

	November 6, 2024	November 7, 2024
COMMITTEE	Executive	Board
TIME	1:30 PM	10:00 AM
PLACE	IN-PERSON/VIRTUAL	IN-PERSON/VIRTUAL
LIAISON	TREACY/SCHWIMMER-STAGGS	TREACY

ADAMS ¹		✓
COATES ¹		✓
CRAWFORD ¹		✓
ESPINOZA-RILEY ¹	✓	✓
FOSHEE ¹	✓	✓
GANDHI ¹		✓
GARCIA ¹	✓	✓
GRANT ¹	✓	✓
HOLUP ¹		✓
MERKET ¹		✓
NEUHOFF ¹		✓
SEEFELD ¹	✓ (chair)	✓ (chair)
SMITH ¹	✓	✓
TRIPPON ¹		✓
VALLÉS-PANKRATZ ¹		✓
WARREN ¹		✓

¹ Board Member

² Advisory Member

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

BOARD MEETING AGENDA

NOVEMBER 7, 2024

I.	CALL TO ORDER AND ROLL CALL – 10:00 A.M., NOVEMBER 7, 2024.....	I-1
II.	APPROVAL OF THE SEPTEMBER 19, 2024 BOARD MEETING MINUTES.....	II-1
III.	PUBLIC COMMENT.....	III-1
IV.	CONSIDERATION OF REPORT AND RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE MEETING .IV-1	IV-1
	A. Review and possible action on the Board’s financial statements	
	B. Consideration of professional service contracts	
	C. Report on NASBA/AICPA matters:	
	1. Report on the NASBA 117 th Annual Meeting October 27-30, 2024 - Orlando, FL	
	2. NASBA Committee Assignments	
	D. Review of general correspondence	
	E. Preview of Ad Hoc Licensure Pathways Committee Reports	
V.	CONSIDERATION OF REPORT AND RECOMMENDATIONS OF THE PEER REVIEW COMMITTEE MEETING.....	V-1
	A. Discussion on the publication and selection process for the Peer Review Oversight Board members	
	B. Discussion, consideration and possible action regarding the evaluation and scoring of responses to the Request for Qualifications published in the Electronic State Business Daily beginning on July 31, 2024 for selection to the Peer Review Oversight Board created in Board <i>Rule 527.7</i>	
VI.	PEER ASSISTANCE MID-YEAR REPORT.....	VI-1
	• Report of recent activities	
VII.	CONSIDERATION OF REPORT AND RECOMMENDATIONS FROM THE QUALIFICATIONS COMMITTEE MEETING.....	VII-1
	A. Report from the Task Force concerning the <i>Rules of Professional Conduct</i> Exam as required for CPA certification	
	B. Report on the implementation of the Examination Fee Financial Aid (EFFA) program	
	C. Opportunity to receive comments from Texas accounting educators concerning the proposed CPA Competency-Based Experience Pathway	

- D. Discussion, consideration and possible action on the proposed CPA Competency-Based Experience Pathway
- E. Discussion, consideration and possible action on the proposed Uniform Accountancy Act changes
- F. Presentation on the STEM program at Lamar University
- G. Report on the Texas Community College Internship program requirements
- H. Discussion, consideration and possible action on the AICPA apprenticeship program
- I. Discussion, consideration and possible action on the Southern New Hampshire University Ethics course
- J. Statistical report
- K. Review of correspondence

VIII. CONSIDERATION OF REPORT AND RECOMMENDATION FROM THE AD HOC LICENSURE PATHWAYS COMMITTEE MEETING.....VIII-1

- A. Representatives of the TXCPA provided an update on their discussions regarding an alternative Pathway to Licensure
- B. Representatives of higher education had an opportunity to offer comments on the Uniform Accountancy Act Exposure Draft
- C. In anticipation of legislative changes to the Texas *Public Accountancy Act* regarding another pathway to licensure, the TSBPA staff is proposing a simple and concise revision to the Texas *Public Accountancy Act*
- D. Discussion, consideration, and possible action on the CPA Competency-Based Experience Pathway September 12th, 2024 Exposure Draft and the September 30th, 2024 Uniform Accountancy Act Exposure Draft

IX. REPORT OF THE LICENSING DEPARTMENT.....IX-1

- Update on the January 25, 2025 Swearing-in Ceremony

X. CONSIDERATION OF REPORT AND RECOMMENDATIONS FROM THE BEHAVIORAL ENFORCEMENT COMMITTEE MEETINGS.....X-1

August 7, 2024

- A. Voluntary Compliance
 - Investigation Nos. 24-05-12L, 24-05-13L & 24-05-14L
- B. Other - Status Report

October 17, 2024

- A. Dismissals
 - 1. Investigation Nos. 24-06-01L & 24-06-02L

	2. Investigation Nos. 24-08-08L & 24-08-09L	
	3. Investigation Nos. 24-06-04L & 24-06-05L	
	4. Investigation Nos. 24-08-10L & 24-08-11L	
	5. Investigation Nos. 24-06-10L & 24-06-11L	
	B. Other – Status Report	
XI.	CONSIDERATION OF REPORT AND RECOMMENDATIONS FROM THE TECHNICAL STANDARDS REVIEW COMMITTEE MEETINGS.....	XI-1
	<u>September 25, 2024</u>	
	A. Dismissals	
	<ul style="list-style-type: none"> Investigation Nos. 22-09-02L; 22-09-03L; 22-09-07L; 22-09-10L; 22-09-11L; 22-09-16L; 22-09-17L; 22-09-19L; 22-09-22L; 22-09-24L; 22-09-25L; 22-09-29L; 22-09-31L; 22-09-33L; 22-09-36L; 22-09-40L; 22-09-42L; 22-09-43L; 22-09-45L; and 22-09-51L 	
	B. Other – Status Report	
	<u>October 2, 2024</u>	
	<ul style="list-style-type: none"> Other - Status Report 	
	<u>October 24, 2024</u>	
	<ul style="list-style-type: none"> Agency Referral Training 	
XII.	DISCUSSION, CONSIDERATION, AND POSSIBLE ACTION ON PROPOSED AGREED CONSENT ORDERS AND ADMINISTRATIVE DISCIPLINARY ACTIONS.....	XII-1
	A. <u>Behavioral Enforcement Committee</u>	
	<ul style="list-style-type: none"> Investigation No. 24-07-06L 	
	B. <u>Administrative Disciplinary Actions</u>	
	1. Investigation Nos. 24-06-10001 - 24-06-10095	
	2. Investigation Nos. 24-07-10001 - 24-07-10071	
	3. Investigation Nos. 24-06-10096 - 24-06-10267	
	4. Investigation Nos. 24-07-10072 - 24-07-10246	
	5. Investigation Nos. 24-06-10268 - 24-06-10278	
	6. Investigation Nos. 24-07-10247 - 24-07-10268	
XIII.	REVIEW OF FUTURE MEETINGS/HEARING SCHEDULES.....	XIII-1
XIV.	ADJOURNMENT.....	XIV-1

Agenda Item I
Call to Order and Roll Call
November 7, 2024

- I. **DISCUSSION:** The meeting will be called to order, *en banc*, by video conference or in-person at 10:00 a.m., November 7, 2024 in the Board's office, at which time the roll will be called.

RECOMMENDATION: None required.

SUGGESTED MOTION: None required.

<p style="text-align: center;">Agenda Item II Approval of the September 19, 2024 Minutes November 7, 2024</p>
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- I. **DISCUSSION:** The enclosed minutes of the September 19, 2024 Board meeting were kept in accordance with established procedures and reflect the business conducted.

RECOMMENDATION: The staff recommends that the minutes of the September 19, 2024 Board meeting be approved as submitted/amended.

SUGGESTED MOTION: That the minutes of the September 19, 2024 Board meeting be approved as submitted/amended.

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Texas State Board of Public Accountancy

September 19, 2024

The Texas State Board of Public Accountancy met by video conference and in-person from 10:00 a.m. until 11:05 a.m. on September 19, 2024. A notice of this meeting containing all items on the agenda, in accordance with *Section 551 of the Texas Government Code* was filed with the Office of the Secretary of State at 2:04 p.m. on September 10, 2024. (TRD #2024-005315) (**ATTACHMENT 1**)

Board Members Present

Susan I. Adams, CPA
Christopher "Grant" Coates
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
Thomas M. Neuhoﬀ, CPA
Debra D. Seefeld, CPA
Presiding Officer
Jeannette P. Smith, CPA
Secretary/Assistant
Presiding Officer
James "Jim" Trippon, CPA
Sheila M. Vallés-Pankratz
Susan M. Warren, CPA

Members Absent

Jill A. Holup
Excused
Sherri B. Merket
Excused

Others Present

Kenneth Besserman, Esq.
Ginger DeLatte
Ben Lansford
Connie Lamirand
Sean McVey
Jodi Ann Ray
Amy Troutman

Staff Present

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

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

Ms. Smith moved to excuse the absence of Jill A. Holup and Sherri B. Merket from the Board meeting. Ms. Espinoza-Riley seconded the motion and it passed unanimously.

- II. Ms. Warren moved to approve the July 11, 2024 Board meeting minutes as presented. Ms. Adams 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 September 18, 2024 (video conference and in-person) Executive Committee meeting.

Members Present

Olivia Espinoza-Riley, CPA
(In-person)
Ray R. Garcia, CPA
Jamie D. Grant
Debra D. Seefeld, CPA
Presiding Officer
(In-person)
Jeannette P. Smith, CPA

Member Absent

Jill A. Holup
Excused

Others Present

Kenneth Besserman, Esq.
Thomas M. Neuhoﬀ, CPA
Jodi Ann Ray

Staff Present

Marissa Brooks
Nicole Duran, CPA
Rhonda Fellner
J. Randel Hill, Esq.
Donna Hiller
John Moore, Esq.
Brian O'Neal
Marisa Rios
Lorna Schwimmer-Staggs, CPA
Lori Shaw
Tony Shumway
William Treacy

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

B. Ms. Espinoza-Riley presented the Board's other financial matters:

1. Ms. Espinoza-Riley presented the Board's Fee Schedule for FY 2025, with the fees previously included as part of the approved FY 2025 budget, as well as implementation of tiered firm late fees discussed in prior meeting. Ms. Adams moved to approve the Board's Fee Schedule for FY 2025. Mr. Garcia seconded the motion and it passed unanimously.
2. Ms. Espinoza-Riley presented the lists of approved FY 2024 contracts and Mr. Hill presented FY 2025 contracts. No action required.

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

1. NASBA dates of interest
 - 117th Annual Meeting October 27-30, 2024, Orlando, FL
2. NASBA CEO Daniel Dustin Appoints Four to Leadership Team

D. Ms. Seefeld presented the Committee and Board meeting dates for calendar year 2025 and reminded Board members about what constitutes an excused absence.

E. Ms. Vallés-Pankratz moved to approve a request for Cascos and Associates, PC to continue operating as a CPA firm under Board *Rule 513.16 (Death or Incapacitation of Firm Owner)*. Ms. Smith seconded the motion and it passed unanimously.

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

V. Ms. Adams, Constructive Enforcement Committee Chair, reported on the September 11, 2024 (video conference and in-person) joint Constructive Enforcement Committee and Licensing Committee meeting.

Members Present

Susan I. Adams, CPA
CEC Committee Chair
(In-Person)
Connie B. Clark, CPA
Olivia Espinoza-Riley, CPA
Licensing Committee Chair
(In-Person)
Renee D. Foshee Esq., CPA
Kathy Kabell, CPA
Thomas M. Neuhoff, CPA
Rene D. Peña, CPA
Debra Seefeld, CPA
Presiding Officer
(In-Person)
Jeannette P. Smith, CPA

Members Absent

Jamie D. Grant
Sherri B. Merket

Others Present

Frank McElroy

Staff Present

Paulette Beiter, Esq.
Marissa Brooks
Jay Franco
Kiana Goldman
Ann Hallam, PMP
J. Randel Hill, Esq.
Donna Hiller
Kyle McGaw
Marisa Rios
Lori Shaw
William Treacy

A. Ms. Adams, reported that the staff presented background information and historical context for the Unauthorized Practice of Public Accountancy (UPPA) program and the committee discussed current Constructive Enforcement Committee processes.

B. Ms. Adams, reported that the committee reviewed several issues: unlicensed firms offering accounting services, CPAs offering and/or performing accounting services in unlicensed firms, CPA firms disclosing their association with an unlicensed firm providing accounting services (Board *Rule 518.5*), and CPAs using their CPA credential in association with an unlicensed firm (Board *Rule 501.81*). No action required.

Ms. Espinoza Riley, Licensing Committee Chair, noted the committee recommended Board staff continue to enforce the UPPA program under current compliance standards and review Board *Rule 501.81(c)*.

- VI. Ms. Smith, Behavioral Enforcement Committee chair, reported on the August 7, 2024 (video conference and in-person) Behavioral Enforcement Committee meeting:

Members Present

Susan I. Adams, CPA
Bennett Allison, CPA
Patrick Durio, CPA
Phillip D. Johnson, 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

Mr. Neuhoff 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 above listed BEC committee members did not participate in any discussion or the vote.

1. Investigation No. 24-05-05L¹
2. Investigation Nos. 24-05-10L¹ and 24-05-11L¹
3. Investigation Nos. 24-06-06L¹ and 24-06-07L¹
4. Investigation No. 24-05-09L¹
5. Investigation Nos. 24-07-04L¹ and 24-07-05L¹

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

- VII. Mr. Garcia, Technical Standards Review Committee Chair, reported on the July 24, 2024 (video conference and in-person) Technical Standards Review committee meeting:

Members Present

Kimberly Crawford, CPA
Ray R. Garcia, CPA
Committee Chair
Douglas Koval, CPA
Dilliana Stewart, CPA
Sheila Vallés-Pankratz
Juliet Williams, CPA

Members Absent

Jamie Grant
Susan Warren, CPA

Staff Present

J. Randel Hill, Esq.
John Moore, 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. Espinoza-Riley seconded the motion and it passed. The above listed TSR committee members did not participate in any discussion or the vote.

- Investigation Nos. 24-05-01L² and 24-05-02L²

B. Other - The committee considered other matters during its meeting; however, no action is required.

- VIII. The Board took the following actions on agreed consent orders (ACOs), and administrative disciplinary actions.

A. **Agreed Consent Orders:**

Ms. Foshee moved to approve the following ACOs as presented. Mr. Grant seconded the motion and it passed unanimously.

Behavior Enforcement Committee

1. Investigation Nos.:	23-09-02L¹ & 23-09-03L¹	Hometown:	Humble, TX
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Respondents:	Christopher Michael Brown & Christopher M. Brown, CPA	Certificate No.:	080460
Rule Violations:	501.74(b), 501.93	Firm License No.:	T07965
Act Violations:	901.502(6), 901.502(11)		

Respondents entered into an ACO with the Board whereby Respondents' certificate and license, and firm license were revoked, however, the revocation was stayed and Respondents were placed on probation for two years. In addition, Respondent Brown must pay \$1,331.41 in administrative costs within 30 days of the date of the Board Order, and assist the Complainant in resolving any issues that may arise with the Internal Revenue Service (IRS) regarding the returns at issue.

Respondents failed to address and resolve an issue for a client whose company returns, prepared and filed by Respondent Brown, were rejected by the IRS. In addition, Respondent Brown failed to timely respond to Board communications.

2. Investigation No.:	24-03-02L¹	Hometown:	Burleson, TX
Respondent:	Benjamin Wade Johns	Certificate No.:	093379
Rule Violation:	501.74(b)		
Act Violation:	901.502(6)		

Respondent entered into an ACO with the Board whereby Respondent was reprimanded and ordered to pay an administrative penalty of \$1,000 and \$1,083.68 in administrative costs within 30 days of the date of the Board Order.

Respondent failed to complete and file a client's tax return in a timely manner.

3. Investigation Nos.:	24-02-02L¹ & 24-02-03L¹	Hometowns:	Grand Prairie & Lancaster, TX
Respondents:	Ricky Jerome Simmons & Rick J. Simmons CPA, P.C.	Certificate No.:	070321
		Firm License No.:	C09111
Rule Violations:	501.74(b), 501.90(13)		
Act Violation:	901.502(6)		

Respondents entered into an ACO with the Board whereby Respondents were reprimanded and ordered to pay an administrative penalty of \$1,000 and \$951.69 in administrative costs within 60 days of the date of the Board Order. In addition, Respondent shall complete eight hours of continuing professional education (CPE) in the area of practice before the IRS, as well as eight hours of CPE in the area of IRAs and retirement plans. Respondents must reimburse Complainants \$12,407.09 for penalties assessed against Complainant by the IRS within 60 days of the date of the Board Order.

Respondents inaccurately reported a 1099R distribution as nontaxable on a client's tax return resulting in penalties being assessed against the client. In addition, Respondent Simmons mislead his clients into believing the matter could be resolved in their favor and that an insurance claim to address the matter had been filed with his carrier.

4. Investigation No.:	24-03-01L¹	Hometown:	Lufkin, TX
Respondent:	Allen Daniel Lyons	Certificate No.:	085557
Rule Violations:	501.74(b), 501.90(2), 501.90(10)		
Act Violations:	901.502(6), 901.502(11)		

Respondent entered into an ACO with the Board whereby Respondent was reprimanded. In addition, Respondent must reimburse the complainant \$5,000, pay \$969.63 in administrative costs, and take eight hours of CPE in the area of controller services and four hours of CPE in the area of ethics.

Respondent failed to prepare, in some instances, payroll and unemployment tax returns for his employer, to submit forms 1094-C and 1095-C for his employer, and to assist in the completion of 401(k) compliance audits for his employer.

Ms. Foshee moved to approve the following ACOs as presented. Mr. Neuhoft seconded the motion and it passed unanimously.

Technical Standards Review Committee

1. Investigation Nos.:	23-11-12L² & 23-11-13L²	Hometown:	Houston, TX
Respondent:	Marcum LLP	Firm License No.:	P05687

Rule Violation: 501.90(7)
Act Violation: 901.502(6)

Respondent entered into an ACO with the Board whereby Respondent was reprimanded and assessed an administrative penalty of \$450,000 and administrative costs of \$5,059.74 to be paid within 30 days of the date of the Board Order.

Respondent was sanctioned by the Securities and Exchange Commission and the Public Company Accounting Oversight Board (PCAOB) for its systematic failure of quality control and for its failure to meet professional standards in numerous audits. Respondent was censured, assessed a civil money penalty totaling \$13 million, and required to take remedial action.

2. **Investigation No.:** 23-12-06L² **Hometown:** Webster, TX
Respondent: RP & Company CPA'S PLLC **Firm License No.:** C05439
Rule Violations: 501.60, 501.61, 527.4
Act Violations: 901.159, 901.502(6), 901.502(11)

Respondent entered into an ACO with the Board whereby Respondent was reprimanded and assessed an administrative penalty of \$15,000 and administrative costs of \$652.68 to be paid within 30 days of the date of the Board Order. Respondent was placed on limited scope prohibiting performing audits, compilations, and reviews. Respondent is required to obtain an accelerated peer review and upon receipt of a rating of pass, would be allowed to perform reviews and compilations with a pre-issuance review by a pre-issuance reviewer approved by the Chair of the TSR Committee. In addition, Respondent is required to notify all clients within 30 days of the date of the Board Order of any audits, compilations and reviews that were performed while the Respondent was not properly licensed and enrolled in a peer review program. Respondent is also required to remediate the invalid engagements within 60 days of the date of the Board Order by either reimbursing engagement fees paid to them by their client, or with the client's permission and pursuant to the limited scope conditions set forth in this order, reissuing the audit, review or compilation with a pre-issuance review.

Respondent failed to complete peer reviews after being enrolled in the AICPA Peer Review Program and while being dropped from that program on several occasions from 2016 to 2023. Respondent issued audits, compilations and reviews without completing a peer review between 2016 and 2023.

3. **Investigation Nos.:** 24-05-03L² & 24-05-04L² **Hometowns:** Round Rock & Austin, TX
Respondents: Chukwu Lewechi Iheke & Chuks L. Iheke **Certificate No.:** 093664
Accountancy Corporation **Firm License No.:** C07267
Rule Violations: 501.60, 501.61, 501.90(6)
Act Violations: 901.502(6), 901.502(11)

Respondents entered into an ACO with the Board whereby Respondents were reprimanded and placed on limited scope requiring pre-issuance review of any audits, compilations and reviews until the limitation is lifted by the Board. In addition, Respondents would be assessed an administrative penalty of \$2,500 and administrative costs of \$652.68 to be paid within 30 days of the date of the Board Order.

Respondent Iheke surrendered his license to the California Board of Accountancy in settlement of an enforcement action against him. Respondent allegedly was grossly negligent in an audit engagement with a California company, allegedly issued false and materially misleading financial statements, was allegedly repeatedly negligent in the engagement by departing from Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards, allegedly failed to obtain sufficient and appropriate audit documentation, and allegedly failed to obtain a peer review.

4. **Investigation No.:** 23-12-05L² **Hometown:** Houston, TX
Respondent: Victor Mokuolu CPA PLLC **Firm License No.:** C10829
Rule Violations: 501.60, 501.90(7)
Act Violations: 901.502(6), 901.502(9)

Respondent entered into an ACO with the Board whereby Respondent was reprimanded, assessed an administrative penalty of \$15,000 and administrative costs of \$811.57 to be paid within 30 days of the date of the Board Order, and required to provide the Board with a copy of its written compliance required under the PCAOB order within 30 days of submission to the PCAOB.

Respondent was sanctioned by the PCAOB for failing to timely file six required Form AP's with the PCAOB. Respondent was censured, assessed a \$30,000 civil money penalty, and required to take remedial action.

B. Administrative Disciplinary Actions:

Ms. Warren moved to approve the following Administrative Disciplinary Actions as presented. Ms. Adams 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 2)**

No Board committee considered these actions.

Investigation Numbers

1. 24-04-10001 - 24-04-10090
2. 24-05-10001 - 24-05-10068

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 3)**

No Board committee considered these actions.

Investigation Numbers

3. 24-04-10091 - 24-04-10265
4. 24-05-10069 - 24-05-10211

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 4)**

No Board committee considered these actions.

Investigation Numbers

5. 24-04-10266 - 24-04-10283
6. 24-05-10212 - 24-05-10230

- IX. Ms. Foshee moved to adopt the following Board *Rules* as presented. Ms. Espinoza-Riley seconded the motion and it passed unanimously. **(ATTACHMENT 5)**

1. *Section 511.161 (Qualifications for Issuance of a Certificate)*
 2. *Section 520.1 (Authority and Purpose)*
 3. *Section 520.2 (Definitions)*
 4. *Section 520.3 (Institutions)*
 5. *Section 520.4 (Eligible Students for the Accounting Students Scholarship Program)*
 6. *Section 520.5 (Award Amount and Uses for the Accounting Students Scholarship Program)*
 7. *Section 520.6 (Allocations for the Accounting Students Scholarship Program)*
 8. *Section 520.7 (Disbursements to Institutions for the Accounting Students Scholarship Program)*
 9. *Section 520.8 (Retroactive Disbursements for the Accounting Students Scholarship Program)*
 10. *Section 520.11 (Eligible Applicants for Examination Fee Financial Aid (EFFA) Program) (New Rule)*
 11. *Section 520.12 (Award Amounts and Uses Through the Examination Fee Financial Aid (EFFA) Program) (New Rule)*
 12. *Section 520.13 (Documentation for the Examination Fee Financial Aid (EFFA) Program) (New Rule)*
- X. Ms. Crawford moved to approve the following new slate of officers and Executive Committee member-at-large. Ms. Warren seconded the motion and it passed unanimously.
- | | |
|----------------------------|-------------------------------------|
| Jeannette P. Smith, CPA | Assistant Presiding Officer |
| Olivia Espinoza-Riley, CPA | Treasurer |
| Renee Foshee, Esq., CPA | Secretary |
| Jamie Grant | Executive Committee member-at-large |
| Ray Garcia, CPA | Executive Committee member-at-large |
- XI. Mr. Garcia, Ad Hoc Licensure Pathways Committee Chair, reported on the following Ad Hoc Licensure Pathways committee meetings:

August 20, 2024 (Video conference and in-person)

Members Present

Renee D. Foshee, Esq., CPA
(In-Person)
Ray G. Garcia, CPA
Committee Chair
(In-Person)
Jamie D. Grant
Thomas M. Neuhoﬀ, CPA
Debra D. Seefeld, CPA
Ex Officio
Jeannette P. Smith, CPA

Others Present

Kenneth Besserman, Esq.
Dan Dustin, CPA
Jodi Ann Ray
Marta Zaniewski

Staff Present

Marissa Brooks
J. Randel Hill, Esq.
Ann Hallam, PMP
Donna Hiller
Kyle McGaw
Brian O'Neal
Marisa Rios
Lorna Schwimmer-Staggs, CPA
Lori Shaw
William Treacy

- Mr. Garcia reported that the committee received updates on licensure pathways, mobility, and defining competencies from Dan Dustin (NASBA) and Marta Zaniewski (AICPA/CIMA). Jodi Ann Ray (TXCPA) discussed a statewide pipeline strategy and changes to the UAA process, while Kenneth Besserman (TXCPA) mentioned potential legislative bills for 2025.

September 12, 2024 (Video conference and in-person)

Members Present

Renee D. Foshee, Esq., CPA
(In-person)
Ray R. Garcia, CPA
Committee Chair
Jamie D. Grant
Thomas M. Neuhoﬀ, CPA
Debra D. Seefeld, CPA
Acting Committee Chair
Ex Officio
(In-person)
Jeannette P. Smith, CPA

Others Present

Kent Absec
Kenneth Besserman, Esq.
Donald Deis
Ginger DeLatte
Mohan Kurvilla
Joshua LeBlanc
Shicoyia Morgan
Jodi Ann Ray

Staff Present

Marissa Brooks
Paulette Beiter, Esq.
Nicole Duran, CPA
J. Randel Hill, Esq.
Donna Hiller
Kyle McGaw
John Moore, Esq.
Brian O'Neal
Marisa Rios
Lorna Schwimmer-Staggs, CPA
Lori Shaw

Tony Shumway
William Treacy

- A. Mr. Garcia reported that the committee discussed the proposed legislation drafted by the TXCPA to be filed in the next legislative session. Jodi Ann Ray from TXCPA discussed the organization's approach concerning Mobility, Licensure Pathways, other states' approaches to Licensure Pathways, and Substantial Equivalency. The committee aims to ensure that the proposed legislation includes the necessary guardrails and safeguards to protect the public interest.
 - B. Mr. Garcia reported that the committee received a summary of the Texas CPA Licensure Survey 2024. Ms. Schwimmer-Staggs presented the statistical analysis of the answers provided by CPAs. Ms. Hiller presented the statistical analysis of the answers provided by educators. Ms. Brooks presented the overall results of the entire survey concerning automatic mobility.
 - C. The committee will reconvene to discuss the Exposure Draft on the CPA Competency-Based Experience Pathway and the impending changes to the Uniform Accountancy Act. The committee intends to prepare a report on the drafts to the November Board meeting for the Board's approval. The date of the next committee meeting is to be determined.
- XII. Ms. Seefeld reviewed the meeting schedule for the year.
- XIII. Ms. Espinoza-Riley moved to adjourn, Ms. Smith seconded the motion, the meeting adjourned 11:05 a.m.

ATTEST:

Debra D. Seefeld, CPA, Presiding Officer

Renee Foshee, Esq., CPA, Secretary

¹Ms. Adams, Ms. Holup, and Ms. Smith 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 November 7, 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.

<p style="text-align: center;">Agenda Item IV Report of the Executive Committee November 7, 2024</p>

- A. Review and possible action on the Board's financial statements.
- B. Consideration of professional service contracts.
- C. Review of NASBA/AICPA matters:
 - 1. Report on 117th Annual Meeting, October 27-30, 2024, Orlando, FL.
 - 2. NASBA Committee Assignments.
- D. Review of general correspondence.
- E. Preview of Ad Hoc Licensure Pathways Committee Reports.

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<p style="text-align: center;">Agenda Item IV Report of the Executive Committee November 7, 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 Fiscal Year Ended August 31, 2024

Annual Budget						
	Actual	Annual Budget	Variance	Percent Remaining	Target	Variance
Revenues - YTD	\$ 8,398,000	\$ 7,915,233	\$ (482,767)	-6.10%	0.00%	6.10%
Expenditures - YTD	\$ (6,007,475) *	\$ (7,133,388)	\$ 1,125,913	15.78%	0.00%	15.78%
Net - YTD	2,390,525	781,845	\$ 1,608,680	-205.75%	0.00%	205.75%
Transfers In (Out)**	(642,317)	\$ (703,344)	\$ (61,027)	8.68%	0.00%	-8.68%
Net Increase/(Reduction) in Fund Balance	\$ 1,748,208	\$ 78,501	\$ 1,669,707	-2127.0%	0.00%	-2126.99%
<p>Revenues: See <i>Revenue Budget Summary</i> for additional information</p> <ul style="list-style-type: none"> ● Revenue collected over budget by 6.10% <ul style="list-style-type: none"> ➔ Sponsor, firm, penalty, and other collections are over budget - see Revenue Budget Report <p>Expenditures: See <i>Expenditure Budget Summary</i> for additional information</p> <ul style="list-style-type: none"> ● Expenditures under budget by 15.78% <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	8,398,000	7,532,542	865,458	11.5%
Expenditures	(6,028,415) *	(5,669,151)	359,264	6.3%
Other Financing Sources (Uses)**	(642,317)	(703,344)	(61,027)	-8.7%
Ending Fund Balance 8/31/24	\$ 8,615,557	\$ 6,888,289		
net increase/(reduction) in FB	\$ 1,727,268	\$ 1,160,047		
Budgeted Ending Fund Balance	\$ 5,915,635	\$ 5,056,358		
<p>* EXH II expenditures include FY 22 and 23 expenditures of \$22,360.40. Budget expenditures include encumbrances of \$1,420.09.</p> <p>** Transfers in (out)/other financing sources (uses) include the quarterly SDSI payments and net interest owed to the operating fund from the professional fee fund.</p>				

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Performance Measures
For the Fiscal Year Ended August 31, 2024

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	3,187	2,949	1,887	2,689	6,505	9,932	65% a	9,488
Sections taken	4,250	3,412	2,515	3,299	13,476	13,903	97%	12,563
Average sections taken per individual	1.33	1.16	1.33	1.23	2.07	1.40	148% a	1.32
Licensing Related Measures:								
Number of individuals licensed	78,206	78,506	78,525	78,297	not cumulative	78,490	100%	78,270
Number of business facilities licensed (firms) b	8,449	8,436	8,403	8,354	not cumulative	8,328	100%	8,509
Peer Review Related Measures:								
Number of accounting firms subject to peer review	1,837	1,802	1,787	1,746	not cumulative	1,700	103%	1,859
Number of Peer Reviews Conducted	118	186	120	141	565	566	100%	614
Percentage of accounting firms reviewed	6.4%	10.3%	6.7%	8.0%	32.4%	33%	98%	33.0%
Percentage of accounting firms receiving favorable review	85.6%	82.8%	80.0%	83.7%	83.0%	83.8%	99%	79.3%
Number of peer reviews examined by the Peer Review Oversight Board	118	186	120	141	565	566	100%	614
Sponsor Review Program Related Measures:								
Number of CPE Sponsors Reviewed	50	33	36	32	151	143	106%	116
Number of CPE Sponsors Subject to Review	442	430	403	398	not cumulative	418	95%	403
Enforcement Related Measures:								
Administrative:								
Open violations, beginning	1,384	1,085	1,320	1,075	1,384			1,387
Violations opened	755	789	764	835	3,137			4,935
Violations closed	(1,047)	(554)	(1,006)	(511)	(3,114)			(4,909)
Previous quarter adjustment	(7)	-	(3)	(2)	(10)			(29)
Open violations, ending	1,085	1,320	1,075	1,397	1,397			1,384
Average time for complaint resolution (days)	136.2	146.4	145.8	142.5	142.2	125.1	114%	117.3
Disciplinary:								
Open violations, beginning	406	408	450	461	406			344
Violations opened	193	152	122	134	600			443
Violations closed	(187)	(112)	(110)	(90)	(494)			(277)
Previous quarter adjustment	(4)	2	(1)	(1)	(8)			(104)
Open violations, ending	408	450	461	504	504			406
Average time for complaint resolution (days)	156.0	77.7	115.2	90.6	119.4	207.9	57%	265.2

a Targets for individuals examined and average sections taken per individual are based on individuals being counted multiple times for testing in multiple quarters. The year-to-date numbers eliminate these duplicates.

b 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.

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

d Cases opened and closed categories include adjustments for reclassification of cases and report timing. Due to the timing of some case reporting, year-to-date numbers may not match quarterly totals.

Texas State Board of Public Accountancy
Revenue Budget Report
From September 1, 2023 - August 31, 2024

Account Title	Current Month's Revenue	YTD Revenue	Total Budget	Variance	% Budget Remaining	Versus Target
						0.00% F (U)
CPA License	\$ 539,608.67	\$ 5,947,100.72	\$ 5,738,522.09	(208,578.63)	-3.6%	3.6%
CPE Sponsor Review	16,600.00	237,950.00	206,735.74	(31,214.26)	-15.1%	15.1%
Firm Office License	81,163.53	909,281.90	816,352.28	(92,929.62)	-11.4%	11.4%
Late Payment Fees	31,684.00	394,192.36	364,078.28	(30,114.08)	-8.3%	8.3%
Application of Intent - Evaluation Fee	7,960.00	81,160.00	73,691.10	(7,468.90)	-10.1%	10.1%
Transfer of Credit IN	300.00	3,260.00	4,057.03	797.03	19.6%	-19.6%
Exam Eligibility Fee - AUD	7,050.00	62,430.00	61,807.83	(622.17)	-1.0%	1.0%
Exam Eligibility Fee - FAR	9,405.00	73,830.00	55,676.98	(18,153.02)	-32.6%	32.6%
Exam Eligibility Fee - REG	6,180.00	53,985.00	59,909.09	5,924.09	9.9%	-9.9%
Exam Eligibility Fee - BEC	(15.00)	36,000.00	22,646.64	(13,353.36)	-59.0%	59.0%
Exam Eligibility Fee - BAR	645.00	7,860.00	15,097.76	7,237.76	47.9%	-47.9%
Exam Eligibility Fee - ISC	825.00	7,695.00	15,097.76	7,402.76	49.0%	-49.0%
Exam Eligibility Fee - TCP	1,230.00	9,015.00	15,097.76	6,082.76	40.3%	-40.3%
Exam Fees	33,580.00	335,235.00	323,081.95	(12,153.05)	-3.8%	3.8%
Certificate Fee	8,370.00	72,170.00	92,726.20	20,556.20	22.2%	-22.2%
Reciprocal Registration	6,700.00	58,000.00	73,850.29	15,850.29	21.5%	-21.5%
Temporary Practice	0.00	0.00	0.00	0.00	N/A	N/A
Direct Administrative Costs - Enforcement	2,222.86	24,150.03	41,829.28	17,679.25	42.3%	-42.3%
Voided Warrants	0.00	565.00	0.00	(565.00)	N/A	N/A
Transfer of Credit - OUT	800.00	9,000.00	9,147.07	147.07	1.6%	-1.6%
Interest Income	33,951.67	358,039.79	200,000.00	(158,039.79)	-79.0%	79.0%
Interest on Judgments	0.00	5,940.13	0.00	(5,940.13)	N/A	N/A
Sales of Lists/Miscellaneous Copies/NSF Fees/Other	45.00	198.00	1,112.00	914.00	82.2%	-82.2%
Lettering of Replacement CPA Certificate	150.00	1,250.00	3,390.90	2,140.90	63.1%	-63.1%
AICPA Regrades	0.00	520.00	0.00	(520.00)	N/A	N/A
Reimbursements - 3rd Party (Reimbursements from TBAE IAC)	3,802.22	44,406.63	44,406.60	(0.03)	N/A	N/A
Other Collections	56,041.75	574,239.58	466,462.34	(107,777.24)	-23.1%	23.1%
Total Revenue	\$ 758,677.95	\$ 8,397,999.56	\$ 7,915,232.68	\$ (482,766.88)	-6.1%	6.10%

Texas State Board of Public Accountancy
Expenditure Budget Report
From September 1, 2023 - August 31, 2024

Account Title		Current Month's Expenditures	YTD Expenditures	YTD Encumbrances	Total Budget	Budget Remaining	% Budget Remaining	% Variance vs. Target	\$ Variance vs. Target
								0.0%	
								F (U)	
F0410	Debt Service - Interest	2,641.87	33,170.13	0.00	33,107.82	(62.31)	-0.19%	-0.19%	(62.31)
L1001	Sal & Wages - Comp. Per Diem	0.00	2,400.00	0.00	18,900.00	16,500.00	87.30%	87.30%	16,500.00
S&W	Salaries & Wages	291,404.18	3,287,161.17	0.00	3,727,653.28	440,492.11	11.82%	11.82%	440,492.11
M9000	Payroll Related Costs (IC)	90,036.55	1,073,040.91	0.00	1,051,473.76	(21,567.15)	-2.05%	-2.05%	(21,567.15)
N2004	Prof Fees - Court Reporters	0.00	0.00	0.00	1,241.60	1,241.60	100.00%	100.00%	1,241.60
N2005	Prof Fees-Legal Svcs-OAG & OLC	0.00	2,940.00	0.00	262,500.00	259,560.00	98.88%	98.88%	259,560.00
N2007	Prof Fees - Fin/Acctg. Svcs.	0.00	0.00	0.00	34,545.42	34,545.42	100.00%	100.00%	34,545.42
N2008	Prof Fees - Expert Witnesses	0.00	12,461.50	0.00	263,245.91	250,784.41	95.27%	95.27%	250,784.41
N2009	Prof Fees - PROB	3,620.00	45,516.69	0.00	54,289.99	8,773.30	16.16%	16.16%	8,773.30
N2010	Prof Fees - SOAH	0.00	15,626.52	0.00	42,000.00	26,373.48	62.79%	62.79%	26,373.48
N2011	Prof Fees - Computer	23,789.35	228,858.22	1,346.49	224,562.36	(5,642.35)	-2.51%	-2.51%	(5,642.35)
N2019	Prof Fees - Other	0.00	2,675.00	0.00	3,675.00	1,000.00	27.21%	27.21%	1,000.00
N2022	PF - SRP - Review	0.00	16,374.75	0.00	9,059.79	(7,314.96)	-80.74%	-80.74%	(7,314.96)
P2001	Travel-In State-Board Mbrs.	(29.28)	5,096.34	0.00	36,749.98	31,653.64	86.13%	86.13%	31,653.64
P2002	Travel-In State-Employees	1,491.32	3,136.88	0.00	4,492.11	1,355.23	30.17%	30.17%	1,355.23
P2003	Travel-In State-Adv Comm Mbrs	(33.28)	299.13	0.00	3,126.84	2,827.71	90.43%	90.43%	2,827.71
P2021	Travel-Out-of-State-Bd. Mbrs.	0.00	6,091.11	0.00	9,144.33	3,053.22	33.39%	33.39%	3,053.22
P2022	Travel-Out-of-State-Employees	0.00	10,993.00	0.00	10,275.40	(717.60)	-6.98%	-6.98%	(717.60)
Q2001	Material & Supplies	1,909.43	135,112.67	73.60	67,630.61	(67,555.66)	-99.89%	-99.89%	(67,555.66)
Q2005	Mats/Supp - Office Meter Post	(6,881.07)	43,118.93	0.00	63,087.25	19,968.32	31.65%	31.65%	19,968.32
Q2006	Mats/Supp - Bulk Rate Postage	(224.55)	(1,279.06)	0.00	1,000.00	2,279.06	227.91%	227.91%	2,279.06
Q2009	Mats/Suppl - Other Postage	0.00	0.00	0.00	300.00	300.00	100.00%	100.00%	300.00
R2001	Communication & Utilities	7,018.28	81,083.00	0.00	75,600.00	(5,483.00)	-7.25%	-7.25%	(5,483.00)
S2001	Repairs & Maint-Annual Conts.	(14,634.95)	56,278.80	0.00	91,284.79	35,005.99	38.35%	38.35%	35,005.99
S2005	Repairs & Maintenance - Other	(9,646.18)	21,182.33	0.00	9,895.60	(11,286.73)	-114.06%	-114.06%	(11,286.73)
T2001	Rentals & Leases-Furn/Eqpt	2,150.68	26,230.17	0.00	31,243.73	5,013.56	16.05%	16.05%	5,013.56
T2004	Rentals & Leases-Furn/Eqpt SIC	0.00	8,611.50	0.00	13,125.00	4,513.50	34.39%	34.39%	4,513.50
T2013	Rental & Leases-Other Space	1,021.84	12,633.21	0.00	12,078.60	(554.61)	-4.59%	-4.59%	(554.61)
T2015	Rental & Leases - SIC	(1,742.00)	8,755.00	0.00	12,600.00	3,845.00	30.52%	30.52%	3,845.00
T2019	Debt Service Principal - RTU Lease	28,347.25	328,816.56	0.00	328,817.62	1.06	0.00%	0.00%	1.06
U2001	Printing & Reproduction	236.15	15,715.17	0.00	56,989.18	41,274.01	72.42%	72.42%	41,274.01
U2002	Printing of Board Report	2,500.42	8,405.40	0.00	12,172.49	3,767.09	30.95%	30.95%	3,767.09
W2001	OOE - Membership Fees	550.00	7,560.00	0.00	10,681.00	3,121.00	29.22%	29.22%	3,121.00
W2003	OOE - Registration Fees	125.00	14,614.00	0.00	15,217.31	603.31	3.96%	3.96%	603.31
W2005	OOE - Temporary Support Svcs	0.00	34,084.77	0.00	50,000.00	15,915.23	31.83%	31.83%	15,915.23
W2007	OOE - Freight/Delivery Svc.	0.00	926.53	0.00	2,655.34	1,728.81	65.11%	65.11%	1,728.81
W2009	OOE - Convention Center Labor	0.00	3,105.00	0.00	4,200.00	1,095.00	26.07%	26.07%	1,095.00
W2013	OOE - Employee Awards	0.00	243.59	0.00	1,241.58	997.99	80.38%	80.38%	997.99
W2014	OOE - Witness Fees & Invest Cost	0.00	0.00	0.00	2,000.00	2,000.00	100.00%	100.00%	2,000.00
W2020	OOE - Other Fees & Charges	(3,779.92)	44,425.73	0.00	60,966.87	16,541.14	27.13%	27.13%	16,541.14
W2021	OOE - TX Online Processing Fees	16,352.63	199,484.79	0.00	190,182.91	(9,301.88)	-4.89%	-4.89%	(9,301.88)
W2027	OOE - Statewide Cost Alloc. (IC)	0.00	0.00	0.00	24,206.98	24,206.98	100.00%	100.00%	24,206.98
W2028	OOE - SORM Assessments	0.00	3,146.54	0.00	8,974.35	5,827.81	64.94%	64.94%	5,827.81
W2029	PUB - Public Assistance Pymts	0.00	134,253.00	0.00	140,965.65	6,712.65	4.76%	4.76%	6,712.65
X5005	Capital Outlay-Computer	0.00	73,705.63	0.00	56,227.49	(17,478.14)	-31.08%	-31.08%	(17,478.14)
Report Total		\$ 435,319.72	\$ 6,006,054.61	\$ 1,420.09	\$ 7,133,387.94	1,125,913.24	15.78%	15.78%	

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Budget Variance Explanations
For the Fiscal Year Ended August 31, 2024

Ref.	Budget Item	Budget	Actual	Difference	Explanation	
	Operating Budget	\$ 7,133,388	\$ 6,007,475	\$ 1,125,913.24	15.78%	budget remaining versus 0% target level
A	PF - SRP - Review	\$ 9,060	\$ 16,374.75	\$ (7,314.96)	-80.74%	Variance due to decreased in-house reviews in the first quarter following a retirement and permanent staff reduction. In-house reviews increased after the first quarter, keeping expenditures for outsourced reviews low for the remainder of the year.
B	Material & Supplies	\$ 67,631	\$ 135,186.27	\$ (67,555.66)	-99.89%	Variance due to purchases for a network upgrade, of a cubicle/desk, and of computer equipment, such as APC Back-UPS, and desktop upgrades.
C	Communication & Utilities	\$ 75,600	\$ 81,083.00	\$ (5,483.00)	-7.25%	Variance due to increased TEX-An telecommunication services costs following addition of rack space.
D	Repairs & Maintenance - Other	\$ 9,896	\$ 21,182.33	\$ (11,286.73)	-114.06%	Variance due to construction of a copy room and purchase of a server warranty.
E	Capital Outlay-Computer	\$ 56,227	\$ 73,705.63	\$ (17,478.14)	-31.08%	Variance due to purchase of a new Storage Area Network (SAN).

Texas State Board of Public Accountancy

Exhibit I - Combined Balance Sheet/Statement of Net Position – Governmental Funds

August 31, 2024

	Governmental Fund Types				
	General Funds (EXH A-1)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Position
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash on Hand	\$ 21,387.20	\$ 21,387.20	\$ -	\$ -	\$ 21,387.20
Cash in Bank - Treasury Safekeeping Trust	8,699.36	8,699.36			8,699.36
Cash in State Treasury	360,789.94	360,789.94			360,789.94
Repurchase Agreement - Treasury Safekeeping	9,627,856.98	9,627,856.98			9,627,856.98
Accounts Receivable	1,243.51	1,243.51			1,243.51
Due From Other Funds - TTSTF (Note A)	121,197.22	121,197.22			121,197.22
Due From Other Agencies	2,000.00	2,000.00			2,000.00
Prepaid Item	97,698.82	97,698.82			97,698.82
Consumable Inventories	-	-			-
Total Current Assets	10,240,873.03	10,240,873.03	-	-	10,240,873.03
Non-Current Assets:					
Capital Assets:					
Depreciable or Amortizable					
Furniture and Equipment			385,206.93		385,206.93
Less Accumulated Depreciation			(286,289.69)		(286,289.69)
Vehicles, Boats, and Aircraft			16,348.14		16,348.14
Less Accumulated Depreciation			(16,348.14)		(16,348.14)
Capital Lease - Right to Use			3,367,839.30		3,367,839.30
Less Accumulated Amortization			(1,092,270.01)		(1,092,270.01)
Other Capital Assets					-
Other Non-Current Assets	52,262.53	52,262.53			52,262.53
Total Non-Current Assets	52,262.53	52,262.53	2,374,486.53	-	2,426,749.06
Total Assets	\$ 10,293,135.56	\$ 10,293,135.56	\$ 2,374,486.53	\$ -	\$ 12,667,622.09
LIABILITIES AND FUND BALANCES					
Liabilities:					
Current Liabilities:					
Payables From:					
Accounts Payable	60,293.40	60,293.40			60,293.40
Payroll Payable	360,666.43	360,666.43			360,666.43
Refunds Payable	-	-			-
Due To Other Funds - TTSTF (Note A)	121,197.22	121,197.22			121,197.22
Funds Held for Others	65,668.01	65,668.01			65,668.01
Right to Use Lease Obligations				344,045.98	344,045.98
Right to Use Lease - Cumulative Accrued Interest				2,526.96	2,526.96
Employees Compensable Leave	-	-		306,298.51	306,298.51
Total Current Liabilities	607,825.06	607,825.06	-	652,871.45	1,260,696.51
Non-Current Liabilities:					
Right to Use Lease Obligations	-	-		2,076,790.65	2,076,790.65
Employees Compensable Leave	-	-		270,500.67	270,500.67
Total Non-Current Liabilities	-	-	-	2,347,291.32	2,347,291.32
Total Liabilities	607,825.06	607,825.06	-	3,000,162.77	3,607,987.83
FUND FINANCIAL STATEMENT-FUND BALANCES					
Fund Balances (Deficits):					
Nonspendable	149,961.35	149,961.35			149,961.35
Committed:					
Board Policy Reserve	2,836,691.00	2,836,691.00			2,836,691.00
Board Policy Contingency Fund	2,250,000.00	2,250,000.00			2,250,000.00
Other	4,448,658.15	4,448,658.15			4,448,658.15
Total Fund Balances	9,685,310.50 *	9,685,310.50	-	-	9,685,310.50
Total Liabilities and Fund Balances	\$ 10,293,135.56	\$ 10,293,135.56			
GOVERNMENT-WIDE STATEMENT-NET POSITION					
Net Position:					
Net Investment in Capital Assets			2,374,486.53		2,374,486.53
Restricted					
Unrestricted				(3,000,162.77)	(3,000,162.77)
Total Net Position			\$ 2,374,486.53 *	\$ (3,000,162.77) *	\$ 9,059,634.26 *

* Column totals should agree to Exhibit II column totals.

Texas State Board of Public Accountancy
Exhibit A-1 - Balance Sheet - All General and Consolidated Funds
August 31, 2024

	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	\$ 300.00	\$ 170.00	\$ 20,917.20	\$ 21,387.20
Cash in Bank - Treasury Safekeeping Trust	\$ 500.00	90.00	8,109.36	8,699.36
Cash in State Treasury	\$ -	-	360,789.94	360,789.94
Repurchase Agreement - Treasury Safekeeping Trust	\$ 125,895.34	993,385.33	8,508,576.31	9,627,856.98
Accounts Receivable	-	-	1,243.51	1,243.51
Due From Other Funds	\$ -	-	121,197.22	121,197.22
Due From Other Agencies	\$ -	2,000.00	-	2,000.00
Prepaid Item	\$ -	-	97,698.82	97,698.82
Consumable Inventories	-	-	-	-
Total Current Assets	126,695.34	995,645.33	9,118,532.36	10,240,873.03
Non-Current Assets:				
Non-Current Prepaid Items	-	-	15,252.77	15,252.77
Non-Current Refundable Deposits	-	-	37,009.76	37,009.76
Total Noncurrent Assets	-	-	52,262.53	52,262.53
Total Assets	\$ 126,695.34	\$ 995,645.33	\$ 9,170,794.89	\$ 10,293,135.56
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ -	\$ -	\$ 60,293.40	\$ 60,293.40
Payroll Payable	-	-	360,666.43	360,666.43
Refunds Payable	-	-	-	-
Due To Other Funds	\$ 61,027.33	-	60,169.89	121,197.22
Funds Held for Others	\$ 65,668.01	-	-	65,668.01
Total Current Liabilities	126,695.34	-	481,129.72	607,825.06
Non-Current Liabilities:				
Interfund Payables	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
Total Liabilities	126,695.34	-	481,129.72	607,825.06
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Nonspendable	-	-	149,961.35	149,961.35
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	-	995,645.33	3,453,012.82	4,448,658.15
Total Fund Balances	-	995,645.33	8,689,665.17	9,685,310.50
Total Liabilities and Fund Balances	\$ 126,695.34	\$ 995,645.33	\$ 9,170,794.89	\$ 10,293,135.56

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

Texas State Board of Public Accountancy
Exhibit II - Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances/Statement of Activities – Governmental Funds
For the 12 Months Ended August 31, 2024

	General Funds (EXH A-2)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES					
Federal Grant Pass-through Revenue (GR)	-	-			-
License, Fees & Permits					
License Fees	8,281,202.68	8,281,202.68			8,281,202.68
Exam Fees	335,235.00	335,235.00			335,235.00
Other License, Fees & Permits	9,000.00	9,000.00			9,000.00
Interest and Investment Income	408,747.67	408,747.67			408,747.67
Other	100,626.99	100,626.99			100,626.99
Total Revenues	9,134,812.34	9,134,812.34	-	-	9,134,812.34
EXPENDITURES					
Salaries and Wages	3,302,272.86	3,302,272.86		41,100.40	3,343,373.26
Payroll Related Costs	1,074,013.36	1,074,013.36			1,074,013.36
Professional Fees and Services	324,692.68	324,692.68			324,692.68
Travel	26,661.48	26,661.48			26,661.48
Materials and Supplies	176,952.54	176,952.54			176,952.54
Communication and Utilities	81,132.66	81,132.66			81,132.66
Repairs and Maintenance	77,461.13	77,461.13			77,461.13
Rentals & Leases	56,514.56	56,514.56			56,514.56
Printing and Reproduction	26,342.89	26,342.89			26,342.89
Other Expenditures	312,486.78	312,486.78			312,486.78
State Pass Through Expenditures	623,490.85	623,490.85			623,490.85
Intergovernmental Payments	328,890.84	328,890.84			328,890.84
Public Assistance Payments	134,253.00	134,253.00			134,253.00
Debt Service:					-
Principal	328,816.56	328,816.56		(328,816.56)	-
Interest	33,108.88	33,108.88		(343.21)	32,765.67
Capital Outlay	73,705.63	73,705.63	(73,705.63)		-
Depreciation Expense			28,798.77		28,798.77
Amortization Expense			364,090.00		364,090.00
Total Expenditures/Expenses	6,980,796.70	6,980,796.70	319,183.14	(288,059.37)	7,011,920.47
Excess (Deficiency) of Revenues Over Expenditures	2,154,015.64	2,154,015.64	(319,183.14)	288,059.37	2,122,891.87
OTHER FINANCING SOURCES (USES)					
Increase In Obligations - Leases				-	-
Sale of Capital Assets	-	-			-
Inc (Dec) in Net Position Due to Interagency Transfer			-		-
Transfers In (Note 1.F.)	7,806,026.46	7,806,026.46			7,806,026.46
Transfers Out (Note 1.F.)	(8,448,343.13)	(8,448,343.13)			(8,448,343.13)
Total Other Financing Sources and Uses	(642,316.67)	(642,316.67)	-	-	(642,316.67)
Net Change in Fund Balances/Net Position	1,511,698.97	1,511,698.97	(319,183.14)	288,059.37	1,480,575.20
FUND FINANCIAL STATEMENT-FUND BALANCES					
Fund Balances--Beginning	8,099,503.44	8,099,503.44			8,099,503.44
Restatements	74,108.09	74,108.09			74,108.09
Fund Balances, September 1, 2023, as Restated	8,173,611.53	8,173,611.53	-	-	8,173,611.53
Fund Balances-- August 31, 2024	\$ 9,685,310.50 *	\$ 9,685,310.50 *	\$ (319,183.14)	\$ 288,059.37	\$ 9,654,186.73
GOVERNMENT-WIDE STATEMENT-NET POSITION					
Net Assets/Change in Net Position		9,685,310.50	(319,183.14)	288,059.37	9,654,186.73
Net Position--Beginning			2,693,669.67	(3,288,222.14)	(594,552.47)
Restatements					-
Net Position, September 1, 2023, as Restated			2,693,669.67	(3,288,222.14)	(594,552.47)
Net Position-- August 31, 2024			\$ 2,374,486.53 *	\$ (3,000,162.77) *	\$ 9,059,634.26

*Column totals should agree to Exhibit I column totals

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 12 Months Ended August 31, 2024

	General Revenue			Memorandum Only				
	(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	\$ 662,312.70	7,618,889.98	\$ 8,281,202.68	669,175.53	6,887,178.42	7,556,353.95	724,848.73	A
Exam Fees	-	335,235.00	335,235.00		318,050.00	318,050.00	17,185.00	B
Other License, Fees & Permits	-	9,000.00	9,000.00		9,063.00	9,063.00	(63.00)	
Sales of Goods and Services	-	-	-		-	-	-	
Interest and Investment Income	50,707.88	358,039.79	408,747.67	43,454.16	232,692.77	276,146.93	132,600.74	C
Other	23,792.20	76,834.79	100,626.99	13,258.38	85,557.45	98,815.83	1,811.16	D
Total Revenues	736,812.78	8,397,999.56	9,134,812.34	725,888.07	7,532,541.64	8,258,429.71	876,382.63	
EXPENDITURES								
Salaries and Wages	-	3,302,272.86	3,302,272.86		3,224,147.54	3,224,147.54	78,125.32	
Payroll Related Costs	-	1,074,013.36	1,074,013.36		1,047,731.88	1,047,731.88	26,281.48	
Professional Fees and Services	-	324,692.68	324,692.68		209,706.16	209,706.16	114,986.52	E
Travel	-	26,661.48	26,661.48		27,243.27	27,243.27	(581.79)	
Materials and Supplies	-	176,952.54	176,952.54		166,132.49	166,132.49	10,820.05	F
Communication and Utilities	-	81,132.66	81,132.66		66,750.99	66,750.99	14,381.67	G
Repairs and Maintenance	-	77,461.13	77,461.13		60,128.39	60,128.39	17,332.74	H
Rentals & Leases	-	56,514.56	56,514.56		57,596.61	57,596.61	(1,082.05)	
Printing and Reproduction	-	26,342.89	26,342.89		13,526.37	13,526.37	12,816.52	I
Claims and Judgments	-	-	-		-	-	-	
Other Expenditures	-	312,486.78	312,486.78		310,453.15	310,453.15	2,033.63	
State Pass Through Expenditures	623,490.85	-	623,490.85	477,596.00	-	477,596.00	145,894.85	
Intergovernmental Payments	328,890.84	-	328,890.84	255,700.00	-	255,700.00	73,190.84	
Public Assistance Payments	-	134,253.00	134,253.00		134,253.00	134,253.00	-	
Debt Service:								
Principal	-	328,816.56	328,816.56		314,385.51	314,385.51	14,431.05	
Interest	-	33,108.88	33,108.88		37,095.27	37,095.27	(3,986.39)	
Capital Outlay	-	73,705.63	73,705.63		-	-	73,705.63	
Total Expenditures/Expenses	952,381.69	6,028,415.01	6,980,796.70	733,296.00	5,669,150.63	6,402,446.63	578,350.07	
Excess (Deficiency) of Revenues Over Expenditures	(215,568.91)	2,369,584.55	2,154,015.64	(7,407.93)	1,863,391.01	1,855,983.08	298,032.56	
OTHER FINANCING SOURCES (USES)								
Sale of Capital Assets	-	-	-		-	-	-	
Net Change in Reserve for Inventories	-	-	-		-	-	-	
Transfers In (Note 1.F.)	954,501.69	6,851,524.77	7,806,026.46	721,836.00	6,354,536.01	7,076,372.01	729,654.45	
Transfers Out (Note 1.F.)	(954,501.69)	(7,493,841.44)	(8,448,343.13)	(721,836.00)	(7,057,880.01)	(7,779,716.01)	(668,627.12)	
Gain (Loss) on Sale of Capital Assets	-	-	-		0.00	-	-	
Total Other Financing Sources and Uses	-	(642,316.67)	(642,316.67)	-	(703,344.00)	(703,344.00)	61,027.33	J
SPECIAL ITEMS								
							-	
EXTRAORDINARY ITEMS								
							-	
Net Change in Fund Balances	(215,568.91)	1,727,267.88	1,511,698.97	(7,407.93)	1,160,047.01	1,152,639.08	359,059.89	
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	
Restatements	-	74,108.09	74,108.09				74,108.09	
Fund Balances, 9/1/2023 as Restated	1,211,214.24	6,962,397.29	8,173,611.53	1,218,622.17	5,728,242.19	6,946,864.36	1,226,747.17	
Fund Balances-- August 31, 2024	\$ 995,645.33	\$ 8,689,665.17	\$ 9,685,310.50	\$ 1,211,214.24	\$ 6,888,289.20	\$ 8,099,503.44	\$ 1,585,807.06	

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

B Exam fee revenues are higher due to an increase in AOI fees and exam eligibility fees received, presumably as a result of the 2024 exam change.

C Interest Income is higher due to higher interest rates as well as a larger overnight repurchase agreement pool.

D Other Revenues are higher due to a significant increase in 3rd party scholarship reimbursements.

E Professional Fees and Services are higher due to a significant increase in computer programming services and the use of IT staff augmentation in FY2024.

F Materials and Supplies are higher due to the purchases for a network upgrade, of a cubicle/desk, and of computer equipment, such as APC Back-UPS, and desktop upgrades.

G Communications and Utilities are higher due to an increase in TEX-AN telecommunication services costs due to addition of rack space.

H Repairs and Maintenance are higher due to an increase in IT-related equipment and software maintenance contracts and construction of a copy room.

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

J Other Financing Sources are higher due to significant interest earned in fund 1002, owed to fund 2858.

IV-13

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

Texas State Board of Public Accountancy
Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities
Agency Funds
August 31, 2024

	Beginning Balance September 1, 2023	Additions	Deductions	Ending Balance August 31, 2024
UNAPPROPRIATED RECEIPTS				
General Revenue Fund (0001) U/F (0002)				
ASSETS				
Current				
Cash on Hand	\$ 100.00	\$ 19,890.00	\$ 19,690.00	\$ 300.00
Cash in Bank - Trust	\$ 850.00	8,100.00	8,450.00	500.00
Cash in State Treasury	-	3,146,151.68	3,146,151.68	-
Repurchase Agreement - Treasury Safekeeping	\$ 82,888.02	10,546,749.08	10,503,741.76	125,895.34
Due From Other Funds	\$ -	-	-	-
Total Assets	<u>\$ 83,838.02</u>	<u>\$ 13,720,890.76</u>	<u>\$ 13,678,033.44</u>	<u>\$ 126,695.34</u>
LIABILITIES				
Current				
Payables	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	\$ 100.00	61,027.33	100.00	61,027.33
Funds Held for Others	83,738.02	13,659,863.43	13,677,933.44	65,668.01
Total Liabilities	<u>\$ 83,838.02</u>	<u>\$ 13,720,890.76</u>	<u>\$ 13,678,033.44</u>	<u>\$ 126,695.34</u>
Local Jurisdictions Sales Tax (0882) U/F (0882)				
ASSETS				
Current				
Cash on Hand	\$ -	\$ -	\$ -	\$ -
Cash in State Treasury	-	-	-	-
Short Term Investments	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Current				
Payables	\$ -	\$ -	\$ -	\$ -
Funds Held for Others	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Current				
Cash on Hand	\$ 100.00	\$ 19,890.00	\$ 19,690.00	\$ 300.00
Cash in Bank - Trust	\$ 850.00	8,100.00	8,450.00	500.00
Cash in State Treasury	-	3,146,151.68	3,146,151.68	-
Repurchase Agreement - Treasury Safekeeping	82,888.02	10,546,749.08	10,503,741.76	125,895.34
Due From Other Funds	-	-	-	-
Total Assets	<u>\$ 83,838.02</u>	<u>\$ 13,720,890.76</u>	<u>\$ 13,678,033.44</u>	<u>\$ 126,695.34</u>
LIABILITIES				
Current				
Payables	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	\$ 100.00	61,027.33	100.00	61,027.33
Funds Held for Others	\$ 83,738.02	13,659,863.43	13,677,933.44	65,668.01
Total Liabilities	<u>\$ 83,838.02</u>	<u>\$ 13,720,890.76</u>	<u>\$ 13,678,033.44</u>	<u>\$ 126,695.34</u>

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

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

For the 12 Months Ending August 31, 2024

	FY 2024
BEGINNING FUND BALANCE - September 1, 2023	\$ 1,211,214.24
Total Scholarship Fund Revenue	\$ 736,812.78
State Pass Through Expenditures (EXH A-2)	
State University Payments:	
Angelo State University	\$ 10,400.00
Stephen F. Austin State University	\$ 16,300.00
Tarleton State University	\$ 16,300.00
Texas A&M University	\$ 63,200.00
Texas A&M University - Corpus Christi	\$ 9,000.00
Texas A&M University - San Antonio	\$ 1,000.00
Texas State University	\$ 42,370.00
Texas Tech University	\$ 51,300.00
Texas Woman's University	\$ 11,700.00
University of Houston	\$ 71,900.00
University of Houston - Clear Lake	\$ 20,700.00
University of Houston - Downtown	\$ 22,000.00
University of North Texas	\$ 51,600.00
University of North Texas at Dallas	\$ 8,000.00
University of Texas at Arlington	\$ 7,884.00
University of Texas at Austin	\$ 72,700.00
University of Texas at Dallas	\$ 69,000.00
University of Texas at El Paso	\$ 30,000.00
University of Texas at San Antonio	\$ 9,000.00
University of Texas Rio Grande Valley	\$ 38,300.00
University of Texas at Tyler	\$ 6,000.00
Total State University Payments	\$ 628,654.00
State University Refunds:	
University of Houston - Downtown	\$ (1,500.00)
Texas A&M University	\$ (1,663.15)
University of Houston - Clear Lake	\$ (2,000.00)
Total State University Refunds	(5,163.15)
State Pass Through Expenditures (EXH A-2)	\$ 623,490.85
Intergovernmental Payments (EXH A-2)	
Junior College/ Private University Payments:	
Alamo Colleges District	\$ 1,200.00
Austin Community College	\$ 7,250.00
Abilene Christian University	\$ 12,000.00
Baylor University	\$ 55,200.00
Dallas Baptist University	\$ 15,200.00
Dallas College	\$ 8,139.00
Houston Baptist University	\$ 6,000.00
Houston Community College System	\$ 8,000.00
Letourneau University	\$ 10,000.00
Lone Star College System	\$ 8,000.00
Lubbock Christian University	\$ 15,600.00
Our Lady of the Lake - San Antonio	\$ 3,000.00
Southern Methodist University	\$ 47,242.84
Texas Christian University	\$ 42,000.00
Texas Lutheran University	\$ 7,134.00
Texas Wesleyan University	\$ 8,400.00
Trinity University	\$ 26,000.00
University of Dallas	\$ 11,125.00
University of the Incarnate Word	\$ 11,000.00
Wayland Baptist University	\$ 4,000.00
William Marsh Rice University	\$ 22,400.00
Total Junior College/ Private University Payments:	\$ 328,890.84

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

For the 12 Months Ending August 31, 2024

	FY 2024
Junior College/ Private Univ. Refunds:	
Total Junior College/ Private University Refunds:	\$ -
Intergovernmental Payments (EXH. A-2)	328,890.84
Other Financing Sources/Uses	
Transfers In	954,501.69
Transfers Out	(954,501.69)
Total Other Financing Sources/Uses (EXH. A-2)	\$ -
ENDING FUND BALANCE - August 31, 2024	\$ 995,645.33

UNAUDITED

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

SCHEDULE B

STATEMENT OF PENALTIES ASSESSED \ CONTRIBUTIONS

For the 12 Months Ending August 31, 2024

		DAC	ADMIN PENALTY	RTN CK FEES OVERPMT/INT	TOTAL
	STATUS	19160	37700	19950/31100	
BEGINNING BALANCE - September 1, 2023		\$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
Burgess, Shannon Scott	Dec-23	914.65	10,000.00		10,914.65
Chesebro, Richard Francis	Dec-23	3,852.62			3,852.62
Havard, Kathy	Feb-24	700.58			700.58
Cascos, Carlos Humberto	Feb-24	697.11			697.11
Haynes, Jerry Charles	Feb-24	931.93	6,500.00		7,431.93
Insogna, Charles Angelo Chase	Feb-24		500.00		500.00
Ferguson, Nathan Edward	Mar-24	786.52	2,500.00		3,286.52
Hald, Timothy Whittridge	Apr-24	935.20	1,000.00		1,935.20
Fitts, James	Apr-24	689.58	20,000.00		20,689.58
Nesmith, Shawn David	Apr-24	1,151.66	5,000.00		6,151.66
Kelly, Mark Charles	May-24	942.93	20,000.00		20,942.93
Stepp, Ronald Erwin	Jun-24	819.70	25,000.00		25,819.70
Brown, Calvin	Jul-24	850.00			850.00
Iheke, Chukwu Lewechi	Aug-24	652.68	2,500.00		3,152.68
Williams, Ericka Jeanean	Aug-24	705.64	5,000.00		5,705.64
Lamb, Gregory Lance	Aug-24	864.54	2,500.00		3,364.54
TOTAL PENALTIES ASSESSED \ CONTRIBUTIONS		24,150.03	3,106,990.00	0.00	3,131,140.03

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)
Houston, Charles	Dec-23	PP		(250.00)	(250.00)
Fleming, Douglas	Dec-23	PIF		(677.95)	(677.95)
Burgess, Shannon Scott	Dec-23	PIF	(914.65)	(10,000.00)	(10,914.65)
Chesebro, Richard Francis	Dec-23	PIF	(3,852.62)		(3,852.62)
Perry, Coe Marcus	Dec-23	PP		(750.00)	(750.00)
Houston, Charles	Jan-24	PP		(250.00)	(250.00)
Kathy Havard	Feb-24	PIF	(700.58)		(700.58)
Cascos, Carlos Humberto	Feb-24	PIF	(697.11)		(697.11)
Haynes, Jerry Charles	Feb-24	PIF	(619.33)		(619.33)
Perry, Coe Marcus	Feb-24	PP		(750.00)	(750.00)
Insogna, Charles Angelo Chase	Feb-24	PIF		(500.00)	(500.00)
Houston, Charles	Mar-24	PP		(250.00)	(250.00)
Perry, Coe Marcus	Mar-24	PP		(750.00)	(750.00)
Ferguson, Nathan Edward	Mar-24	PIF	(786.52)	(2,500.00)	(3,286.52)
Houston, Charles	Apr-24	PP		(250.00)	(250.00)
Hald, Timothy Whittridge	Apr-24	PP	(500.00)		(500.00)
Fitts, James	Apr-24	PIF	(689.58)	(20,000.00)	(20,689.58)
Nesmith, Shawn David	Apr-24	PP	(513.00)		(513.00)
Haynes, Jerry Charles	Apr-24	PP	(312.60)	(926.07)	(1,238.67)
Houston, Charles	May-24	PP		(250.00)	(250.00)
Kelly, Mark Charles	May-24	PP	(942.93)	(7,057.07)	(8,000.00)

UNAUDITED

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

SCHEDULE B

STATEMENT OF PENALTIES ASSESSED \ CONTRIBUTIONS

For the 12 Months Ending August 31, 2024

				ADMIN PENALTY	RTN CK FEES OVERPMT/INT	
				19160	37700	19950/31100
				STATUS	TOTAL	
Payments Received (cont'd):						0.00
Nesmith, Shawn David	May-24	PP	(513.00)			(513.00)
Haynes, Jerry Charles	May-24	PP		(619.34)		(619.34)
Stepp, Ronald Erwin	Jun-24	PIF	(819.70)	(25,000.00)		(25,819.70)
Houston, Charles	Jun-24	PP		(250.00)		(250.00)
Hald, Timothy Whittridge	Jun-24	PIF	(435.20)	(1,000.00)		(1,435.20)
Kelly, Mark Charles	Jun-24	PP		(1,000.00)		(1,000.00)
Nesmith, Shawn David	Jun-24	PP	(125.66)	(387.34)		(513.00)
Haynes, Jerry Charles	Jun-24	PP		(619.34)		(619.34)
Kelly, Mark Charles	Jul-24	PP		(1,000.00)		(1,000.00)
Nesmith, Shawn David	Jul-24	PP		(513.00)		(513.00)
Haynes, Jerry Charles	Jul-24	PP		(619.34)		(619.34)
Houston, Charles	Jul-24	PP		(250.00)		(250.00)
Brown, Calvin	Jul-24	PP	(850.00)			(850.00)
Kelly, Mark Charles	Aug-24	PP		(1,000.00)		(1,000.00)
Iheke, Chukwu Lewechi	Aug-24	PIF	(652.68)	(2,500.00)		(3,152.68)
Williams, Ericka Jeanean	Aug-24	PP	(705.64)	(1,994.36)		(2,700.00)
Nesmith, Shawn David	Aug-24	PP		(513.00)		(513.00)
Haynes, Jerry Charles	Aug-24	PP		(619.34)		(619.34)
Lamb, Gregory Lance	Aug-24	PIF	(864.54)	(2,500.00)		(3,364.54)
TOTAL PAYMENTS RECEIVED				(24,150.03)	(3,094,486.15)	0.00 (3,118,636.18)
Adjustments:						
TOTAL ADJUSTMENTS				0.00	0.00	0.00 0.00
Referred to OAG Enforcement for Collection:						
TOTAL REFERRED TO ENFORCEMENT				0.00	0.00	0.00 0.00
ENDING BALANCE - August 31, 2024				\$6,474.80	\$22,431.45	\$69.57 \$28,975.82

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

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

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
Professional Fee and Legal Contracts

		FY 2025			FY 25 Hourly Rate
Contract Number	Contractor	Contract Term	Budget	Contract Amount	
TSR CONSULTANTS			\$ 272,460		
25-004	Harper & Pearson Company, P.C.	09/01/24-08/31/25		\$50,000	\$350/\$175/\$110
24-005	Peter Delvecchia, CPA	09/01/24-08/31/25		\$25,000	\$240/\$180/\$100
25-006	William Patrick Cantrell, CPA, JD	09/01/24-08/31/25		\$10,000	\$350/\$225/\$65
	Unallocated Budget		187,460		
	Total			\$85,000	
PEER REVIEW CONSULTANTS			\$ 56,190		
25-001	John Michael Waters, CPA	09/01/24-12/31/24**		\$26,400	\$200
25-002	Robert Goldstein, CPA	09/01/24-12/31/24**		\$26,400	\$200
25-003	Thomas Akin, CPA	09/01/24-12/31/24**		\$26,400	\$200
	Unallocated Budget		(23,010)		
	Total			79,200	
OFFICE OF THE ATTORNEY GENERAL			\$ 15,000		
TBD	Office of the Attorney General	09/01/24-08/31/25		\$15,000	
	Unallocated Budget		-		
	Total			\$15,000	
STATE OFFICE OF ADMIN HEARINGS			\$ 15,627		
360-24-457	SOAH	09/01/23-08/31/25		\$15,627	*
	Unallocated Budget		0		
	Total			\$15,627	
OAG Contracts: INDEPENDENT CONSULTANT CONTRACTS (SOAH Litigation)			\$ 256,688		
	Unallocated Budget		256,688		
	Total			\$0	
INTERNAL AUDIT			\$ 35,755		
	To be determined				
	Unallocated Budget		35,755		
	Total			\$0	
Total Budget			\$ 651,720		
Total Contracts				\$194,827	
Total Unallocated Budget			\$ 456,893		

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

**The 3 contracts being recommended to the Board for the Board's consideration are for the period 9-1-24 through 12-31-24. At the November Board meeting the Board will be asked to consider continuing the 3 PROB contracts for the period 1-1-25 through 8-31-25. The Comptroller's Procurement and Contract Management Guide requires state agencies to re-procure at least every four years for contracts exceeding \$25,000. Four years will elapse for these 3 proposed contracts on December 31, 2024 which accounts for the need for 3 new RFQs and 3 PROB contracts for the remainder of FY 25. The maximum contract amount for each contract will not exceed \$26,400 for the 12 months ending 8-31-25.

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<p style="text-align: center;">Agenda Item IV Report of the Executive Committee November 7, 2024</p>

B. Consideration of professional service contracts.

DISCUSSION: Ms. Espinoza-Riley, Treasurer, may move to approve the following professional service contracts.

FY 2025:

Peer Review Oversight Board¹:

1. Tom Akin, CPA	1/1/25 – 8/31/25	\$11,600
2. John Michael Waters, CPA	1/1/25 – 8/31/25	\$11,600
3. Robert Goldstein, CPA	1/1/25 – 8/31/25	\$21,600

RECOMMENDATION: None by staff.

SUGGESTED MOTION: None by staff.

¹ Extension of existing contracts effective September 1, 2024

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<p style="text-align: center;">Agenda Item IV Report of the Executive Committee November 7, 2024</p>

C. Review of NASBA/AICPA matters:

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

1. Report on 117th Annual Meeting, October 27-30, 2024, Orlando, FL.
2. NASBA Committee Assignments.

RECOMMENDATION: None by staff.

SUGGESTED MOTION: None by staff.

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National Association of State Boards of Accountancy

150 Fourth Avenue North ♦ Suite 700 ♦ Nashville, TN 37219-2417 ♦ Tel 615/880-4200 ♦ Fax 615/880-4290 ♦ Web www.nasba.org

October 10, 2024

Renee Foshee, JD, CPA
2882 Paso del Robles
San Marcos, TX 78666

Dear Renee:

Thank you for your willingness to serve NASBA by being a member of the 2024-25 Legislative Support Committee. We are looking forward to a progressive and productive committee year. The committee's charge is to:

Develop legislative support strategies and tactics to assist the Director of Legislative and Governmental Affairs in supporting Boards of Accountancy on legislative matters.

Your committee chair is Katrina Salazar, CGMA, CPA and your primary committee liaison is John W. Johnson. Should you have any questions, please contact John, by email at jjohnson@nasba.org or by telephone at (615) 880-4232.

The committee selection and structure process has resulted in the consideration of certain factors related to the period of service (three years with the exception for special expertise and experience); definition of diversity (expanded to include states, regions, and firm size); structure and size (generally reduced to contribute to efficiency) and certain changes in members. We are also focused on a new leadership development program.

As Chair-Elect and President and CEO of NASBA, we are looking forward to working with you throughout this next committee year. We, as always, appreciate you spending your valuable time as a NASBA committee member.

Sincerely,

A handwritten signature in black ink that reads "Daniel J. Dustin".

Daniel J. Dustin, CPA
President & CEO

A handwritten signature in black ink that reads "Maria E. Caldwell".

Maria E. Caldwell, CPA
Chair-Elect



National Association of State Boards of Accountancy

150 Fourth Avenue North ♦ Suite 700 ♦ Nashville, TN 37219-2417 ♦ Tel 615/880-4200 ♦ Fax 615/880-4290 ♦ Web www.nasba.org

October 10, 2024

William Treacy
Texas State Board of Public Accountancy
Austin, TX 78752-3757

Dear Bill:

Thank you for your willingness to serve NASBA by being a member of the 2024-25 International Qualifications Appraisal Board. We are looking forward to a progressive and productive committee year. The committee's charge is to:

As directed by the Executive Committee, survey and assess professional practice standards and qualifications in specified countries and recommend the feasibility of recognition of credentialed non-US professionals to the Board of Directors.

Your committee chair is Sharon A. Jensen, CPA and your primary committee liaison is Patricia Hartman. Should you have any questions, please contact Pat, by email at phartman@nasba.org or by telephone at (615) 880-4273.

The committee selection and structure process has resulted in the consideration of certain factors related to the period of service (three years with the exception for special expertise and experience); definition of diversity (expanded to include states, regions, and firm size); structure and size (generally reduced to contribute to efficiency) and certain changes in members. We are also focused on a new leadership development program.

As Chair-Elect and President and CEO of NASBA, we are looking forward to working with you throughout this next committee year. We, as always, appreciate you spending your valuable time as a NASBA committee member.

Sincerely,

Daniel J. Dustin, CPA
President & CEO

Maria E. Caldwell, CPA
Chair-Elect



National Association of State Boards of Accountancy

150 Fourth Avenue North ♦ Suite 700 ♦ Nashville, TN 37219-2417 ♦ Tel 615/880-4200 ♦ Fax 615/880-4290 ♦ Web www.nasba.org

October 18, 2024

William Treacy
Texas State Board of Public Accountancy
505 E. Huntland Dr, Suite 380
Austin, TX 78752-3757

Dear Bill:

On behalf of NASBA's Board of Directors and its member boards, I want to thank you for the time and effort you gave to the work on the Professional Licensure Task Force for the 2023-2024 committee year.

We appreciate your service and dedication during this time-consuming process in meeting the task force charge: "Consider new concepts for the CPA licensure that may be included in the UAA to update the current licensure model." The work of the task force culminated with not only the release of an exposure draft of the CPA Competency-Based Experience Pathway document, but also a UAA exposure draft that amends the UAA and Model Rules to include this new licensure model. Your task force helped continue NASBA's mission to "enhance the effectiveness and advance the common interests of the Boards of Accountancy".

Thank you for your part in making NASBA a responsive and respected organization.

Sincerely,

A handwritten signature in black ink that reads "Stephanie M. Saunders".

Stephanie M. Saunders, CPA
NASBA Chair

cc: John W. Johnson



National Association of State Boards of Accountancy

150 Fourth Avenue North ♦ Suite 700 ♦ Nashville, TN 37219-2417 ♦ Tel 615/880-4200 ♦ Fax 615/880-4290 ♦ Web www.nasba.org

October 18, 2024

William Treacy
Texas State Board of Public Accountancy
505 E. Huntland Dr, Suite 380
Austin, TX 78752-3757

Dear Bill:

On behalf of NASBA's Board of Directors and its member boards, I want to thank you for the time and effort you gave to the work of the International Qualifications Appraisal Board for the 2023-2024 committee year. We are sure next year's committee members will build on what you and others achieved this year.

We appreciate your participation in helping NASBA meet its mission to "enhance the effectiveness and advance the common interests of the Boards of Accountancy" through its committee activities. Committee members freely giving their time to attend meetings, participate in conference calls, research issues, and create plans for action are what made NASBA's committees successful this year. Whether your committee was able to meet in at least one live meeting or only virtually this past year, all committees have had a tremendous year, and we have collectively achieved things that will advance the relevance and influence of the Boards for years to come.

Thank you for your part in making NASBA a responsive and respected organization.

Sincerely,

A handwritten signature in black ink that reads "Stephanie M. Saunders".

Stephanie M. Saunders, CPA
NASBA Chair

cc: Patricia Hartman



National Association of State Boards of Accountancy

150 Fourth Avenue North ♦ Suite 700 ♦ Nashville, TN 37219-2417 ♦ Tel 615/880-4200 ♦ Fax 615/880-4290 ♦ Web www.nasba.org

October 18, 2024

Debra D. Seefeld, CPA
442 Davis Mountain Cir
Georgetown, TX 78633

Dear Debra:

On behalf of NASBA's Board of Directors and its member boards, I want to thank you for the time and effort you gave to the work of the Audit Committee for the 2023-2024 committee year. We are sure next year's committee members will build on what you and others achieved this year.

We appreciate your participation in helping NASBA meet its mission to "enhance the effectiveness and advance the common interests of the Boards of Accountancy" through its committee activities. Committee members freely giving their time to attend meetings, participate in conference calls, research issues, and create plans for action are what made NASBA's committees successful this year. Whether your committee was able to meet in at least one live meeting or only virtually this past year, all committees have had a tremendous year, and we have collectively achieved things that will advance the relevance and influence of the Boards for years to come.

Thank you for your part in making NASBA a responsive and respected organization.

Sincerely,

A handwritten signature in black ink that reads "Stephanie M. Saunders".

Stephanie M. Saunders, CPA
NASBA Chair

cc: Troy A. Walker, CPA

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<p style="text-align: center;">Agenda Item IV Report of the Executive Committee November 7, 2024</p>

D. 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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Subject:

Qualification Outreach - Donna Hiller

Dear Mrs. Hiller,

I hope you had a safe and smooth trip back home last night. It was a pleasure meeting you in person yesterday at our campus.

The event was a great success, and our students gained valuable insights. As a CPA candidate myself, I also found the information extremely helpful.

Thank you so much for making the trip to speak with our students about the CPA exam requirements.

I'm pleased to share that I have now been appointed as the official representative for the TSBPA Liaison Office here at UHD.

I look forward to working with you in the future.

Best regards,

Hanife Ann Topal, Ph.D.

Lecturer - Accounting & International Business Department
Marilyn Davies College of Business
University of Houston-Downtown
Shea Street Building - Lecturer Suite 310L
(713) 226-5226 * FAX: (713) 223-7422
E-mail: topalh@uhd.edu * www.uhd.edu

From: Jennifer Sicking <jennifer.sicking@kha.cpa>
Sent: Saturday, October 19, 2024 9:25 AM
To: William Treacy; Adams, Susan I - CPA, CGMA
Cc: Andrews, Becky; Seetharaman, Ananth; Scott Wrenn
Subject: Thank you from the UNT Acct Advisory Board

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

Bill,

We wanted to take a moment to thank you and Donna Hiller for meeting with us Friday. The data you shared was insightful and gave us much to think about regarding the challenges we're facing. We all agreed it's a complex issue, and addressing it will likely require some adjustments from all stakeholders. Thanks again for your time and for helping us gain a deeper understanding of the situation.

Only my best,

Jennifer Sicking, CPA, PFS

KHA Accountants, PLLC | Tax Services | Partner

CONSULTING · TAX · ASSURANCE

jennifer.sicking@kha.cpa

4880 Long Prairie Rd, Ste 100, Flower Mound, TX 75028 | p · 972.221.2500 | f · 972.436.8887 | ext.103

Please note that Erin Brown manages my inbox and may respond to emails directly.

Confidentiality Notice. This email and any files transmitted with it may contain privileged and confidential information and is intended solely for the use of the intended recipient. If you are not the intended recipient you are notified that disclosing, copying, distributing, or taking any action in reliance on the contents of this information is strictly prohibited. If you have received this email in error, please notify us immediately by replying to this message and deleting the message from your system.

<p style="text-align: center;">Agenda Item IV Report of the Executive Committee November 7, 2024</p>

E. Preview of the Ad Hoc Licensure Pathways Committee Draft Reports.

DISCUSSION: Ms. Seefeld, Presiding Officer, will present the Ad Hoc Licensure Pathways Committee draft reports.

RECOMMENDATION: None by staff.

SUGGESTED MOTION: None by staff.

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DRAFT

Dan Dustin, CPA, President & CEO
NASBA
150 Fourth Ave, North, Suite 700
Nashville, TN 37219

Susan S. Coffey, CPA, CGMA
CEO – Public Accounting
AICPA
1345 6th Avenue 27th Floor
New York, New York 10105

Dear Mr. Dustin and Ms. Coffey,

The Texas State Board of Public Accountancy reviewed the AICPA and NASBA Exposure Draft on the CPA Competency-Based Experience Pathway. They engaged stakeholders from TXCPA, Texas practitioners, and accounting educators to discuss its impact. The Board appreciates everyone who helped develop and respond to the proposal.

The proposal seeks responses to 16 questions. While the Board finds merit in parts of the report, it cannot endorse the proposal as it stands. The Board supports an alternative pathway but not the CPA Competency-Based Experience Pathway as outlined. They believe it adds a burdensome administrative layer for evaluators, firms, and regulators. Though the skills assessed are valuable, they are inherent to the candidates' work and add little to the experience process or profession. The Board desires more detailed definitions and a clearer implementation roadmap for firms.

The Board stresses the need for more information and slowing down the legislative process for boards of accountancy in order to identify and eliminate any unintended consequences that may result from expeditiously delivering an alternate pathway to the CPA designation. The Board is concerned with the urgency of the changes along with the administrative burdens that would occur by moving too quickly on the proposal.

The Board opposes the work experience requirement for the 1+1 pathway. Including a supervising CPA to assess an applicant's professional and technical competencies adds administrative complexity and potential legal liability for the evaluator and organization. While CPAs can evaluate technical skills, they may lack the expertise to judge professional competency from a public protection standpoint. The proposed structure of completing 2,000 hours of professional services over five years doesn't address the CPA pipeline issue.

Texas accounting educators raised concerns about the timing of the change and its impact on CPA exam preparedness and public service. They are still adjusting coursework for the January 2024 exam changes, and the alternate pathway would require further changes to degree plans. Continuous adjustments cause unrest among faculty and students, potentially leading some to reconsider their plans for graduate or accounting degrees.

The Board appreciates the effort in developing the proposal and encourages the AICPA and NASBA to continue engaging with accountancy boards, CPAs, and educators across all jurisdictions to create a clear and implementable alternate pathway to CPA licensure. Future proposals should reduce barriers for students and future CPAs.

Upon careful consideration, the Board has determined it cannot endorse the Competency Based Experience Pathway at this time. Consequently, as the Uniform Accountancy Act Exposure Draft is intrinsically linked to this pathway, the Board will abstain from providing commentary on the draft. We recognize the interconnected nature of these two proposals and believe our position on one necessarily affects our stance on the other.

Best regards,
Texas State Board of Public Accountancy

Debra Seefeld, CPA
Presiding Officer

Ray Garcia, CPA
Chair, Ad Hoc Licensure Pathway Committee

Introduction



Response Form

The AICPA and NASBA value the views of all stakeholders and are seeking comments on the questions on the CPA Competency-Based Experience Pathway Exposure Draft. The comment period for this exposure draft ends **December 6, 2024**.

You will have the option to respond directly to the individual questions posed in the Exposure Draft on pages 3-4, or attach a prepared response. If you respond directly to the individual questions, there will be an option to provide general comments

at the end of the survey.

General comments are most helpful when they refer to specific paragraphs or sections, include the rationale for the comments, and, when appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in the exposure draft, it would be helpful for the joint committee to be made aware of this viewpoint as well.

Click the arrow to continue.

The following survey responses or prepared response represent:

- ☐ The official response of a state board of accountancy, state CPA society, or regulator.
- ☐ The official response of a firm, business, or other organization.
- ☐ The official response of an academic entity (e.g, university, program, or academic organization).
- ☐ My individual opinion and points of view.
- ☐ Other

Enter your demographic information below.

Your organization's
(or your name if you
are responding in
your personal
capacity)

Name(s) of
person(s)
responsible for this
response (or leave
blank if same as
above)

Name(s) of
contact(s) for this
response (or leave
blank if same as
above)

Title of individual
respondent

State or territory

Email address of
primary respondent

Other information

You may provide a prepared response to the exposure draft questions in an uploaded document, or respond directly to the individual questions. If responding to the questions, there will be an option to provide general comments at the end of the survey. If you would like to submit your prepared response in an uploaded document, please indicate below and upload the document as instructed next.

- ☐ I will submit the responses in a prepared document.
- ☐ I will respond directly to the individual questions in this survey form.

You elected to submit a prepared response. Attach document below.

Exposure draft questions

You have elected to respond to the questions in this form. The questions are copied from pages 3-4 of the Exposure Draft, with space provided for you to explain your responses, if desired.

Question 1: Is the proposed Pathway understandable?

☐ Yes

☒ No

Please provide additional feedback for your response to **question 1.**

[Please see Other Comments.](#)

Question 2: Is the proposed framework relevant and applicable to the work of candidates applying for licensure?

- ☐ Yes
- ☒ No

Please provide additional feedback for your response to **question 2.**

Please see Other Comments.

Question 3: Does the framework sufficiently describe the competencies, performance indicators, and tasks you would expect?

	Yes	No
Competencies	<input type="radio"/>	<input checked="" type="radio"/>
Performance Indicators for professional competencies	<input type="radio"/>	<input checked="" type="radio"/>
Tasks for technical competencies	<input type="radio"/>	<input checked="" type="radio"/>

Please provide additional feedback for your responses in **question 3.**

Please see Other Comments.

Question 4: Does the framework include sufficient example performance indicators and tasks to ensure adequate certification of the required competencies?

Yes

No

Example performance indicators for professional competencies

☐☒

Example tasks for technical competencies

☐☒

Please provide additional feedback for your responses in **question 4**.

Please see Other Comments.

Question 5(a): Is it clear that the performance indicators and tasks are examples of what a candidate may do to exhibit the competencies?

☐ Yes

☒ No

Question 5(b): Is it clear that candidates may use different performance indicators or tasks to adequately exhibit the competencies?

☐ Yes

☒ No

Please provide additional feedback for your responses to **questions 5(a) and (b).**

[Please see Other Comments.](#)

Question 6: Component 1 (Defined Competencies) discusses how the professional and technical competencies are related. Is it clear that the professional and the technical competencies must work in tandem?

☐ Yes

☒ No

Please provide additional feedback for your response to **question 6.**

[Please see Other Comments.](#)

Question 7: Component 2 (Process for Evaluating and Certifying Competencies) outlines the requirements for a CPA evaluator to certify candidate experience. Are these requirements sufficiently rigorous?

☐ Yes

☒ No

Please provide additional feedback for your response to **question 7**.

[Please see Other Comments.](#)

Question 8: Component 2(e) outlines a three-year certification requirement for CPA evaluators. Do you agree with this requirement? If not, why?

☐ Yes

☒ No

Please provide additional feedback for your response to **question 8**.

[Please see Other Comments.](#)

Question 9: Component 2(f) outlines a board of accountancy possible request when a CPA evaluator refuses to certify a qualified candidate's competency to the board of accountancy. What does your board of accountancy require of licensees who refuse to certify a candidate's work experience for general experience?

[Please see Other Comments.](#)

Question 10: Component 3 (Timing and Transition Provisions) proposes a maximum of five years to complete the pathway. Should there be a maximum time frame?

- ☐ Yes
- ☐ No

Please provide additional feedback for your response to **question 10**.

Please see Other Comments.

Question 11: Component 3 proposes credit for prior work experience. Should there be a maximum time frame for this look-back period?

- ☐ Yes
- ☐ No

Please provide additional feedback for your response to **question 11**.

Please see Other Comments.

Support

Question 12: What type of legislative support and time would state boards of accountancy need to implement the framework?

[Please see Other Comments.](#)

Question 13: What other types of support, administratively, would boards of accountancy, employers, and candidates need to implement the framework?

[Please see Other Comments.](#)

Question 14: If the pathway is adopted, should NASBA create an electronic tracking system to automatically report completion of the CPA Competency-Based Experience Pathway to the boards of accountancy?

- ☐ Yes
- ☐ No
- ☐ Uncertain

Please provide additional feedback for your response

to **question 14.**

Please see Other Comments.

Question 15: Would your board utilize a NASBA electronic tracking system if developed?

- ☐ Yes
- ☐ No
- ☐ Unknown
- ☐ Not applicable

Question 15: If not, would your board create its own reporting mechanism?

- ☐ Yes
- ☐ No
- ☐ Unknown at this time

Please provide additional feedback for your response to **question 15.**

Please see Other Comments.

Other Comments

Question 16: Provide any other comments that you may have.

The Board does support an alternate pathway, but does not support the concept of the CPA Competency-Based Experience Pathway as presented in the exposure draft. The Board believes that it would add an administrative burden that would be cumbersome for the evaluators, firms and regulatory authorities. The skills that the framework aims to measure in candidates are valuable, but they are necessary functions of the work candidates would be hired to perform. The framework, therefore, seems to add little value to the either the experience requirement process or the profession. The Board would like to see more robust definitions and explanations throughout the framework and a more detailed roadmap for the firms that would be implementing the process.

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Agenda Item V

Report of the Peer Review Committee Meeting

October 15, 2024

The Peer Review Committee met on October 15, 2024 at 11:04 a.m. in-person and via videoconference. The following Committee members and Board staff were present for the meeting:

Attended:

Kimberly D. Crawford, CPA (Board)
Ray R. Garcia, CPA (Chair)
Robert M. McAdams, CPA (Advisory, audio only)
Ben Peña, CFE, CVA, CPA (Advisory)
Debra D. Seefeld, CPA (*Ex-Officio*)
Jeannette P. Smith, CPA (Board)

Staff:

William Treacy
Marissa Brooks
J. Franco
Ann Hallam, PMP
J. Randel Hill, Esq.
Brian O'Neal
Marisa Rios

Absent:

Laura Lambert, CPA (Advisory)

The committee members represented a quorum and the following items were discussed and considered:

- A. Staff provided an overview of the publication and selection process for the Peer Review Oversight Board members.
- B. The committee considered the Request for Qualifications published in the Electronic State Business Daily beginning on July 31, 2024 for selection to the Peer Review Oversight Board created in Board *Rule 527.7*. Upon a first by Mr. Peña and a second by Ms. Smith, the committee approved recommending to the Board that it authorize the staff to negotiate the terms of a contract with each of the three respondents.

Mr. Peña suggested staff consider revising Board *Rule 527.7* to be more inclusive.

The meeting adjourned at 11:13 a.m.

<p style="text-align: center;">Agenda Item VI Peer Assistance Oversight Committee</p>

The Peer Assistance Oversight Committee monitors and oversees the peer assistance program, the TXCPA's Accountants Confidential Assistance Network (ACAN). Included is an update regarding recent activities.

**TXCPA Peer Assistance Program
Performance Measures
As Outlined in TSBPA contract
Attachment A
For the Three Months Ended May 31, 2024**

1. TSBPA Referrals – 3 Candidate, 2 Pledge Letters
2. Other Contacts - 8
3. Number of persons receiving services – 40
4. TSBPA Exam Candidates referrals receiving services – 22
5. TSBPA Licensees receiving services – 18
6. Number of persons completing the ACAN Monitoring/Mentoring Program – 2
7. Number of ACAN Volunteers – 30

**TXCPA Peer Assistance Program
Financial Information
For the Quarter ending May 31, 2024**

<u>For the Three Months Ended</u>				YTD
Summary of Expenses	11/30/23	2/28/24	5/31/24	Total
Personnel	\$ 29,256	\$ 30,296	\$ 31,627	\$ 91,179
Network Training Meeting	26,750			26,750
Meetings and Travel	650	165	553	1,368
Other	1,405	4,445	4,058	9,908
TOTALS	\$ 58,061	\$ 34,906	\$ 36,238	\$129,205

**TXCPA Peer Assistance Program
Quarterly Report
For the Three Months Ended May 31, 2024**

SUMMARY OF ACTIVITIES

1. ACO Mentoring

ACAN volunteers provided mentoring services for 39 individuals under an Agreed Consent Order. Mentors provided guidance, received attendance records, and produced quarterly reports sent to TSBPA.

2. ACAN support group meetings

We conducted 59 ACAN support group meetings convened exclusively via zoom. Our schedule remains the same, offering evening groups weekly on Monday, Tuesday and Thursday, and noon groups on Tuesday and Friday. The Tuesday noon group convenes the first and third Tuesday of the month and is restricted to women only. The Friday noon group is weekly and open to everyone.

3. ACAN Confidential Phone Line

TXCPA hosted the confidential toll-free phone line on behalf of the ACAN program, monitored daily to ensure responsive assistance. One of the calls this quarter was from a non-CPA who was concerned about a CPA spouse. We were able to connect the caller to an ACAN mentor who was able to provide suggested action steps and extend an invitation for the CPA to attend ACAN support group.

4. TSBPA Peer Assistance Oversight Committee

TXCPA Peer Assistance Program Director participated in the TSBPA Peer Assistance Oversight Committee meeting on May 15. The Program Director delivered to the committee an overview of the Program and presented reports on program activities and the annual training meeting. Program activities report included information on support group meetings, outreach activities, compliance documentation review, financial reporting, and a request to increase the amount of the annual grant award.

5. Peer Assistance Committee

The Committee continued their rolling annual review of program components. We noted that Texas Administrative Code Title 26, Part 1, Chapter 8 had no updates, so all existing program descriptions and policies are current and in compliance.

6. Annual Training Meeting

The ACAN network will gather in South Padre Island September 19-20 for their annual gathering and education sessions. We plan to build on some of the wellness and mental health training we provided last year and develop appropriate support group(s) around these issues.

7. Wellness

The Peer Assistance program has been asked to deliver wellness education sessions to the TXCPA chapters in East Texas and in Midland/Odessa.

**TXCPA Peer Assistance Program
Performance Measures
As Outlined in TSBPA contract
Attachment A
For the Three Months Ended August 31, 2024**

1. TSBPA Referrals – 1 Licensee, 4 Candidates, 7 Pledge Letters
2. Other Contacts - 8
3. Number of persons receiving services – 42
4. TSBPA Exam Candidates referrals receiving services – 24
5. TSBPA Licensees receiving services – 18
6. Number of persons completing the ACAN Monitoring/Mentoring Program – 5
7. Number of ACAN Volunteers – 30

**TXCPA Peer Assistance Program
Financial Information
For the Quarter ending August 31, 2024**

<u>For the Three Months Ended</u>					YTD
<u>Summary of Expenses</u>	<u>11/30/23</u>	<u>2/28/24</u>	<u>5/31/24</u>	<u>8/31/24</u>	<u>Total</u>
Personnel	\$ 29,246	\$ 30,296	\$ 31,627	\$ 5,058	\$ 96,227
Network Training Meeting	26,750				26,750
Meetings and Travel	650	165	553		1,368
Other	1,405	4,445	4,058		9,908
TOTALS	<u>\$ 58,051</u>	<u>\$ 34,906</u>	<u>\$ 36,238</u>	<u>\$ 5,058</u>	<u>\$134 253</u>

**TXCPA Peer Assistance Program
Quarterly Report
For the Three Months Ended August 31, 2024**

SUMMARY OF ACTIVITIES

1. TSBPA referrals to ACAN

This quarter one licensee and four CPA-candidates were referred to ACAN by TSBPA to be interviewed by program mentors and introduced to the ACAN group meetings.

2. ACO Mentoring

ACAN volunteers provided mentoring services for 42 individuals under an Agreed Consent Order. Mentors provided guidance, accountability, received attendance records, and produced quarterly reports which were sent to TSBPA.

3. ACAN Support Groups

We conducted 58 ACAN support group meetings convened exclusively via zoom. The support groups are offered evenings on Monday, Tuesday, and Thursdays; at noon every Friday; and at noon on the 1st and 3rd Tuesday of the month.

4. ACAN Confidential Phone Line

TXCPA hosted the confidential toll-free phone line on behalf of the ACAN program, monitored daily to ensure responsive assistance.

5. Peer Assistance Annual Meeting

The Peer Assistance annual meeting will take place September 19-22 in South Padre Island, TX. The Peer Assistance committee will convene, and members of the Accountants Confidential Assistance Network (ACAN) will gather for support group meetings, training on Peer Assistance program procedures, and education on addiction and recovery topics. The group will develop plans to expand the committee and discuss progress on delivering mental health and wellness support to Texas CPAs. The education component of the annual meeting is offered on Friday afternoon and on Saturday morning. This year will have presentations from Michelle Fontenot, JD, M.Ed., and Paul Jacobs, JD, Directors with the Texas Lawyers Assistance Program (TLAP); David Tejada, M.Ed., LPC-S, Executive and Clinical Director with Origins Recovery Centers; Jose Martinez, RN with Origins Recovery Centers; and from John McShane, JD who has long facilitated a TLAP support group for attorneys with depression.

AGENDA ITEM VII

Qualifications Committee Report

October 16, 2024

The Qualifications Committee met on October 16, 2024, at 9:05 a.m. Those in attendance, either virtually or at the Board's offices are listed. Renee Foshee, committee chair was present in the Board's offices and conducted the meeting.

Members Present

Renee Foshee, CPA, Esq. (chair)
Marshall Pitman, PhD, CPA
Jeannette Smith, CPA
Sheila Valles-Pankratz
Veronda Willis, PhD, CPA
Kathy Zolton, CPA

Staff Present

Paul Arredondo
Paulette Beiter, Esq.
Marissa Brooks
Ann Hallam
Telisa Harwell
Jerry Hill, Esq.
Donna Hiller – liaison
Brian O'Neal
Marisa Rios
Lori Shaw
William Treacy

Guests in Attendance

Abe Carr - West Texas A&M University
Amy Holmes - Trinity University
April Poe – University of the Incarnate Word
Ashley Newton - University of Oklahoma
Ben Lansford - Rice University
Bill Pasewark - Texas Tech University
Brittany Hammond - Texas A&M University
Casey Kyllonen - Texas A&M University
Cassy Henderson - Sam Houston State University
Celinda Moore - Texas Tech University
Dallin O Smith - West Texas A&M University
David Clark - West Texas A&M University
Gin Chong - Prairie View A&M University
Greg Sommers - Southern Methodist University
Jaime Guerrero
Jason Hyde
Jason Tasset - University of Texas – Austin
Jodi Ann Ray- Texas Society of CPAs
John Masselli - Texas Tech University
Joseph Buchanan
Katie Harris - Sam Houston State University

Kenneth Besserman - Texas Society of CPAs
Kent Absec - NASBA
Lanita Ray – Dallas College
Larry Stephens - Austin Community College
Liu Zishang - University of Houston – Downtown
Logan Kendrick - TDC
Lori Tatsch - Dallas College
Marilyn Dement - University of Houston – Downtown
Marina Grau - Houston Community College
Mina Pizzini - Texas State University
Patty Wyatt – Texas Society of CPAs
Philip Morris - Sam Houston State University
Renee Olvera - Texas Christian University
Sarah Rodriguez
Sheryl Jimerson
Shicoyia Morgan- Texas Society of CPAs
Terri Herron - University of Montana
Tim Morrison - Notre Dame University
Tracie Miller - Franklin University

Caroline Hartmann was absent from the meeting. The following items were discussed and considered:

- A. Report from the Task Force concerning the Rules of Professional Conduct Exam as required for CPA certification.

Marshall Pitman, who chairs the Task Force reported that the members had reviewed all questions related to the Rules of Professional Conduct Exam, drafted new questions and the Board's staff and attorneys are reviewing the work. Information only. No action is required.

- B. Report on the implementation of the Examination Fee Financial Aid (EFFA) program. Staff reported that information about the EFFA program was available on the Board's website and had been communicated through various social media platforms. Information only. No action is required.

- C. Opportunity to receive comments from Texas accounting educators concerning the proposed CPA Competency-Based Experience Pathway.

The committee received written comments on the proposed CPA Competency-Based Experience Pathway from the following educators

- April Poe – University of the Incarnate Word
- Trevor England – Sam Houston State University
- Pamela Baker – Texas Woman's University
- Sunita White – Trinity University
- Renee Olvera – Texas Christian University
- Joe Dulin, University of Oklahoma
- Lawrence Murphy Smith – Texas A&M University – Corpus Christi
- Kathy Zolton – University of Texas – Dallas

There were a number of guests and educators who attended the meeting and offered oral comments. The committee thanked the participants for their comments and for attending the meeting.

- Greg Sommers – Southern Methodist University
- Tracie Miller – Franklin University
- Mini Pizzini – Texas State University
- Renee Olvera – Texas Christian University
- John Masselli – Texas Tech University
- Katie Harris – Sam Houston State University
- Amy Holmes – Trinity University
- Larry Stephens – Austin Community College
- Logan Kendrick – TDC
- Jody Ann Ray - TXCPA

- D. Discussion, consideration and possible action on the proposed CPA Competency-Based Experience Pathway.

The committee discussed the proposed Competency-Based Experience Pathway and offered the following comments.

- There was agreement in principle with the proposal for the alternate pathway. Chair Foshee dissented and does not agree with the proposal.
 - The committee has concerns about the concept of the CPA evaluator who will sign off on the one year of competency-based work experience.
 - The members expressed a desire to receive additional information along with the positions of other boards of accountancy to avoid any unintended-consequences that may result from the implementation of the approval of the proposal before further study had been completed.
 - The committee was aware that the Ad Hoc Licensing Pathway (AHLP) Committee would be drafting a response to the proposal for the Board's consideration at the upcoming November 7, 2024 meeting. The Qualifications Committee's comments would be provided to the AHLP.
- E. Discussion, consideration and possible action on the proposed Uniform Accountancy Act changes.
The committee did not offer a recommendation on the proposed changes to the Uniform Accountancy Act.
- F. Presentation on the STEM program at Lamar University.
The committee tabled a discussion about the STEM program at Lamar University for presentation at a future meeting.
- G. Report on the Texas Community College Internship program requirements.
The committee received information provided by the Texas Higher Education Coordinating Board about acceptable internships that could be offered at community colleges. The committee recommends that the five Texas Community Colleges recognized by the Board be notified that they may develop an accounting internship program similar to those offered at degree-granting institutions. The proposed internship program should be provided to the Committee for consideration.
- H. Discussion, consideration and possible action on the AICPA apprenticeship program.
The committee considered the information in the Journal of Accountancy about a U.S. Apprenticeship Program for entry level accounting and finance associates. Information only. No action is required.
- I. Discussion, consideration and possible action on the Southern New Hampshire University Ethics course.
The committee considered and did not accept the Southern New Hampshire University course ACC 696 – Situational Ethics in Accounting to meet the Board's three-semester hour ethics course requirement. If the university decides to include the Texas Boards Rules of Conduct in its curriculum, the committee may reconsider the course.
- J. Statistical report.
Staff provided statistical information comparing Exam data for FY 23 and FY 24. Additional reports were provided that compared the applicants who were qualified to take the CPA exam under the 2003 Act in FY 23 and FY 24. The exam results of Texas candidate who tested using the new exam format were provided. Information only. No action is required.

K. Review of Correspondence.

- a. The committee considered and did not approve a request from Emily Devane to accept the CPA Exam credits earned as a candidate of the Alaska Board of Accountancy. Ms. Devane had not completed the Texas education requirements prior to testing through the Alaska Board. *Sec. 901.258 Transfer of Exam Credits Between States* in the *Public Accountancy Act* defines the requirements that must be met. Staff was instructed to respond to Ms. Devane.
- b. The committee considered and approved a request from Larry Stephens, chair of the Department of Accounting at Austin Community College to offer ACNT 1374 – Survey of Taxation beginning in the Spring 2025 semester.

There being no other business to come before the committee, the meeting adjourned at 11:16 AM. A date for the next meeting has not been set.

Tested - January 1, 2023 through August 31, 2023

	Totals	
	Tested	Passed
AUD	1368	617
BEC	1530	777
FAR	1630	710
REG	942	474

By Degree - 2003 Act										
Bachelors			Masters				No Degree <150			
Tested	Passed		Tested	Passed			Tested	Passed		
717	299	41.70%	483	235	48.65%		168	83	49.40%	
771	362	46.95%	589	300	50.93%		170	115	67.65%	
813	326	40.10%	628	270	42.99%		189	114	60.32%	
484	225	46.49%	356	194	54.49%		102	55	53.92%	

Tested - January 1, 2024 through August 31, 2024

	Totals	
	Tested	Passed
AUD	845	366
FAR	979	347
REG	1000	563

By Degree - 2003 Act										
Bachelors			Masters				No Degree <150			
Tested	Passed		Tested	Passed			Tested	Passed		
459	186	40.52%	299	137	45.82%		87	43	49.43%	
551	176	31.94%	335	129	38.51%		93	42	45.16%	
484	266	54.96%	436	238	54.59%		80	59	73.75%	

Qualification Codes Legend

2003 Act

2003 B	baccalaureate degree, 150 semester hours credit (SHC), 30 SHC in upper level accounting – including research 24 SHC in upper level business – including communications 3 SHC Board-approved ethics
2003 M	master's degree, 150 semester hours credit (SHC), 30 SHC in upper level accounting – including research 24 SHC in upper level business – including communications 3 SHC Board-approved ethics
2003 W5YR	five-year degree program – baccalaureate degree requirements met and degree to be conferred simultaneously with the master's degree 150 semester hours credit (SHC), 30 SHC in upper level accounting – including research 24 SHC in upper level business – including communications 3 SHC Board-approved ethics

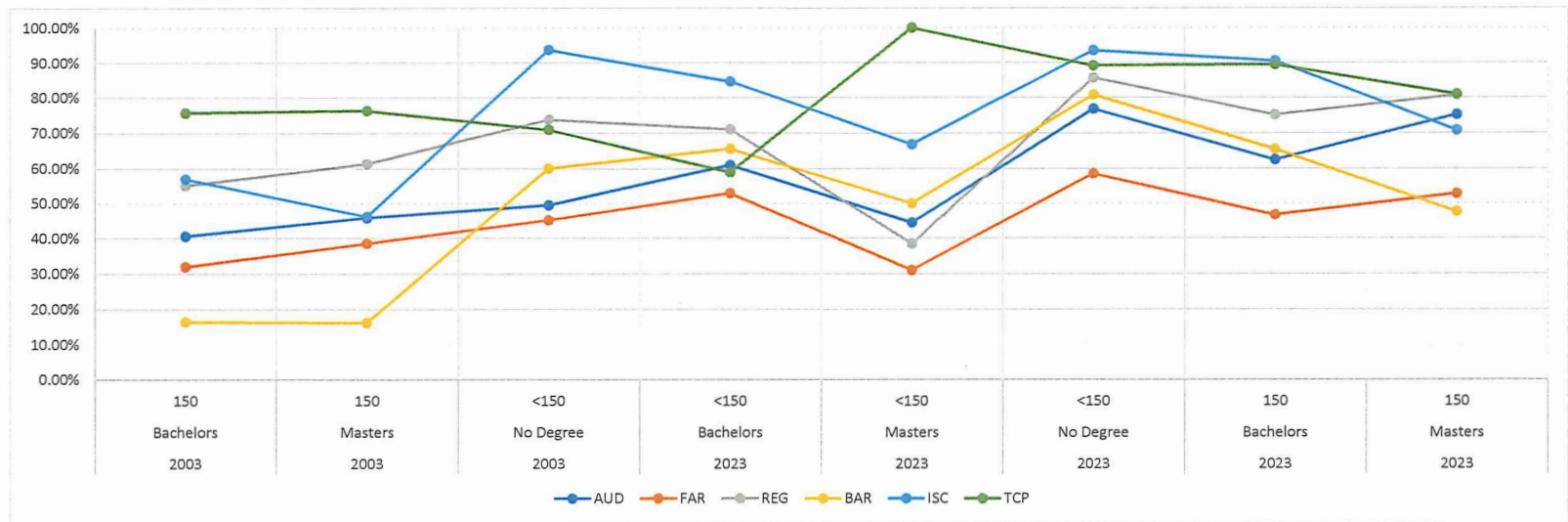
2023 Act

2023 B	baccalaureate degree, 120 semester hours credit (SHC), 21 SHC in upper level accounting 24 SHC in upper level business – including communications
2023 M	master's degree, 120 semester hours credit (SHC), 21 SHC in upper level accounting 24 SHC in upper level business – including communications
2023 W5YR	five-year degree program – baccalaureate degree requirements met and degree to be conferred simultaneously with the master's degree 120 semester hours credit (SHC), 21 SHC in upper level accounting 24 SHC in upper level business – including communications
2023 B W150	baccalaureate degree, 150 semester hours credit (SHC), 27 SHC in upper level accounting – including research 24 SHC in upper level business – including communications 3 SHC Board-approved ethics
2003 M W150	master's degree, 150 semester hours credit (SHC), 27 SHC in upper level accounting – including research 24 SHC in upper level business – including communications 3 SHC Board-approved ethics

Texas CPA Exam Results - 9/16/2024

Tested - January 10, 2024 through September 10, 2024

	Totals		By Degree - 2003 Act						By Degree - 2023 Act									
	Tested	Passed	Bachelors		Masters		No Degree <150		Bachelors <150		Masters <150		No Degree <150		Bachelors +150		Masters +150	
			Tested	Passed	Tested	Passed	Tested	Passed	Tested	Passed	Tested	Passed	Tested	Passed	Tested	Passed	Tested	Passed
AUD	953	495	459	186	299	137	87	43	166	101	18	8	249	191	85	53	56	42
FAR	1051	443	551	176	335	129	93	42	229	121	25	9	291	170	105	49	93	49
REG	964	666	484	266	312	191	80	59	155	110	13	5	238	204	68	51	57	46
BAR	275	116	97	16	68	11	5	3	29	19	2	1	47	38	26	17	21	10
ISC	354	267	95	54	39	18	16	15	52	44	3	2	109	102	21	19	17	12
TCP	357	276	135	102	101	77	24	17	17	10	3	3	37	33	19	17	21	17



Agenda Item VIII
Report of the Ad Hoc Licensure Pathways Committee Meeting
October 15, 2024

The Ad Hoc Licensure Pathways Committee met by video conference and in-person from 9:00 a.m. until 10:54 a.m. on October 15, 2024. Notice of the meeting, containing all items on the agenda, was filed in accordance with Section 551 of the Texas Government Code, with the Office of the Secretary of State at 9:27 a.m. on October 7, 2024. (TRD #2024-2024-005861) (**ATTACHMENT 1**)

Members Present

Renee D. Foshee, Esq., CPA
(In-Person)
Ray Garcia, CPA
Committee Chair
Jamie D. Grant
Thomas M. Neuhoﬀ, CPA
Debra D. Seefeld, CPA
Ex Officio
Jeannette P. Smith, CPA

Others Present

Kenneth Besserman, Esq.
Kristen Bigbee, CPA
Leslie Blix, Ph.D
Kristen Cook, Ph.D
Kylee Dacy, CPA
Ronny Daigle, Ph.D., CPA
Ginger DeLatte, CPA
Trevor England, Ph.D., CPA
Katie Harris, CPA
Cassy Henderson, Ph.D.
R. Logan Kendrick, CPA
Tracie Miller, CPA
Celinda Moore, CPA
Shicoyia Morgan
Philip Morris, Ph.D., CPA
Rosie Morris Ph.D., CPA
Lindsey Mudge, CPA
Bill Pasewark, Ph.D., CPA
Julie Persellin, Ph.D
Jodi Ann Ray
Shani Robinson, Ph.D., CPA
Sunita White, CPA

Staff Present

Marissa Brooks
Paulette Beiter, Esq.
Ann Hallam, PMP
J. Randel Hill, Esq.
Donna Hiller
Brian O’Neal
Marisa Rios
Lori Shaw
Lorna Schwimmer-Staggs, CPA
William Treacy

- A. Ms. Ray, President/CEO TXCPA, updated the committee on mobility and the pathway issues being considered in most of the states. Ms. Ray highlighted impacts on current licensees, including possible Safe Harbor language, and setting standards for new licensees.

The committee raised concerns regarding the urgency of changes, administrative burdens, the need for more information on other states' practices, as well as the need for greater clarity on pathway and mobility issues, before deciding if legislation is immediately needed.

- B. Educators and practitioners addressing the committee had mixed reactions to the Competency Based Experience exposure draft. While some supported the alternate pathway proposal, the majority had reservations about the need for the change and the impact it would have. The educators were concerned about having to further adjust coursework, as they were already adjusting for the new CPA exam. They

stressed the need for more information and more time, emphasizing the balance between educational requirements and accessible licensure pathways.

- C. In anticipation of possible legislative changes to the Texas Public Accountancy Act and another pathway to licensure, the TSBPA staff discussed proposing a simple and concise revision to the Texas Public Accountancy Act.
- D. The committee reviewed and discussed two key exposure drafts: the CPA Competency-Based Experience Pathway and the Uniform Accountancy Act. Comments were solicited from those listed under the Others Present category in the minutes. Opinions varied on the alternative pathway, with some members showing qualified support and others raising concerns.

The committee members did not support the 1 + 1 option as an alternative pathway. The committee members felt that the 1 + 1 would add an administrative burden to the evaluator and the possibility of legal liability for those attesting to the competency of the candidate's experience. Members emphasized the need for more detailed information, clearer terms, and strong guardrail measures. One member expressed concern regarding the potential negative consequences of having an alternative pathway.

The committee voted in favor of an alternative pathway, stressed the need for more information and slowing down the legislative process until the results of both NASBA/AICPA Exposure Drafts are available. Ms. Foshee dissented and expressed opposition to having an alternative pathway. Mr. Grant had to leave the meeting and did not vote.



TEXAS STATE BOARD
of PUBLIC ACCOUNTANCY

William Treacy, Executive Director

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DRAFT

Dan Dustin, CPA, President & CEO
NASBA
150 Fourth Ave, North, Suite 700
Nashville, TN 37219

Dear Mr. Dustin:

The Texas State Board of Public Accountancy reviewed the AICPA and NASBA Exposure Draft on the CPA Competency-Based Experience Pathway. They engaged stakeholders from TXCPA, Texas practitioners, and accounting educators to discuss its impact. The Board appreciates everyone who helped develop and respond to the proposal.

The proposal seeks responses to 16 questions. While the Board finds merit in parts of the report, it cannot endorse the proposal as it stands. The Board supports an alternative pathway but not the CPA Competency-Based Experience Pathway as outlined. They believe it adds a burdensome administrative layer for evaluators, firms, and regulators. Though the skills assessed are valuable, they are inherent to the candidates' work and add little to the experience process or profession. The Board desires more detailed definitions and a clearer implementation roadmap for firms.

The Board stresses the need for more information and slowing down the legislative process for boards of accountancy in order to identify and eliminate any unintended consequences that may result from expeditiously delivering an alternate pathway to the CPA designation. The Board is concerned with the urgency of the changes along with the administrative burdens that would occur by moving too quickly on the proposal.

The Board opposes the work experience requirement for the 1+1 pathway. Including a supervising CPA to assess an applicant's professional and technical competencies adds administrative complexity and potential legal liability for the evaluator and organization. While CPAs can evaluate technical skills, they may lack the expertise to judge professional competency from a public protection standpoint. The proposed structure of completing 2,000 hours of professional services over five years doesn't address the CPA pipeline issue.

Texas accounting educators raised concerns about the timing of the change and its impact on CPA exam preparedness and public service. They are still adjusting coursework for the January 2024 exam changes, and the alternate pathway would require further changes to degree plans. Continuous adjustments cause unrest among faculty and students, potentially leading some to reconsider their plans for graduate or accounting degrees.

The Board appreciates the effort in developing the proposal and encourages the AICPA and NASBA to continue engaging with accountancy boards, CPAs, and educators across all jurisdictions to create a clear and implementable alternate pathway to CPA licensure. Future proposals should reduce barriers for students and future CPAs.

Best regards,
Texas State Board of Public Accountancy

Debra Seefeld, CPA
Presiding Officer

Ray Garcia, CPA
Chair, Ad Hoc Licensure Pathway Committee

Introduction



NASBA

Exposure Draft

CPA Competency-Based Experience Pathway

Issued September 12, 2024

Comments are requested by December 6, 2024

Response Form

The AICPA and NASBA value the views of all stakeholders and are seeking comments on the questions on the CPA Competency-Based Experience Pathway Exposure Draft. The comment period for this exposure draft ends **December 6, 2024**.

You will have the option to respond directly to the individual questions posed in the Exposure Draft on pages 3-4, or attach a prepared response. If you respond directly to the individual questions, there will be an option to provide general comments

at the end of the survey.

General comments are most helpful when they refer to specific paragraphs or sections, include the rationale for the comments, and, when appropriate, make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in the exposure draft, it would be helpful for the joint committee to be made aware of this viewpoint as well.

Click the arrow to continue.

The following survey responses or prepared response represent:

- ☐ The official response of a state board of accountancy, state CPA society, or regulator.
- ☐ The official response of a firm, business, or other organization.
- ☐ The official response of an academic entity (e.g, university, program, or academic organization).
- ☐ My individual opinion and points of view.
- ☐ Other

Enter your demographic information below.

Your organization's
(or your name if you
are responding in
your personal
capacity)

Name(s) of
person(s)
responsible for this
response (or leave
blank if same as
above)

Name(s) of
contact(s) for this
response (or leave
blank if same as
above)

Title of individual
respondent

State or territory

Email address of
primary respondent

Other information

You may provide a prepared response to the exposure draft questions in an uploaded document, or respond directly to the individual questions. If responding to the questions, there will be an option to provide general comments at the end of the survey. If you would like to submit your prepared response in an uploaded document, please indicate below and upload the document as instructed next.

- ☐ I will submit the responses in a prepared document.
- ☐ I will respond directly to the individual questions in this survey form.

You elected to submit a prepared response. Attach document below.

Exposure draft questions

You have elected to respond to the questions in this form. The questions are copied from pages 3-4 of the Exposure Draft, with space provided for you to explain your responses, if desired.

Question 1: Is the proposed Pathway understandable?

☐ Yes

☒ No

Please provide additional feedback for your response to **question 1.**

[Please see Other Comments.](#)

Question 2: Is the proposed framework relevant and applicable to the work of candidates applying for licensure?

☐ Yes

☒ No

Please provide additional feedback for your response to **question 2.**

[Please see Other Comments.](#)

Question 3: Does the framework sufficiently describe the competencies, performance indicators, and tasks you would expect?

Yes

No

Competencies

☐

☒

Performance Indicators for professional competencies

☐

☒

Tasks for technical competencies

☐

☒

Please provide additional feedback for your responses in **question 3.**

Please see Other Comments.

Question 4: Does the framework include sufficient example performance indicators and tasks to ensure adequate certification of the required competencies?

Yes

No

Example performance indicators for professional competencies

☐☒

Example tasks for technical competencies

☐☒

Please provide additional feedback for your responses in **question 4**.

Please see Other Comments.

Question 5(a): Is it clear that the performance indicators and tasks are examples of what a candidate may do to exhibit the competencies?

☐ Yes

☒ No

Question 5(b): Is it clear that candidates may use different performance indicators or tasks to adequately exhibit the competencies?

- ☐ Yes
- ☒ No

Please provide additional feedback for your responses to **questions 5(a) and (b).**

[Please see Other Comments.](#)

Question 6: Component 1 (Defined Competencies) discusses how the professional and technical competencies are related. Is it clear that the professional and the technical competencies must work in tandem?

- ☐ Yes
- ☒ No

Please provide additional feedback for your response to **question 6.**

[Please see Other Comments.](#)

Question 7: Component 2 (Process for Evaluating and Certifying Competencies) outlines the requirements for a CPA evaluator to certify candidate experience. Are these requirements sufficiently rigorous?

☐ Yes

☒ No

Please provide additional feedback for your response to **question 7**.

[Please see Other Comments.](#)

Question 8: Component 2(e) outlines a three-year certification requirement for CPA evaluators. Do you agree with this requirement? If not, why?

☐ Yes

☒ No

Please provide additional feedback for your response to **question 8**.

[Please see Other Comments.](#)

Question 9: Component 2(f) outlines a board of accountancy possible request when a CPA evaluator refuses to certify a qualified candidate's competency to the board of accountancy. What does your board of accountancy require of licensees who refuse to certify a candidate's work experience for general experience?

[Please see Other Comments.](#)

Question 10: Component 3 (Timing and Transition Provisions) proposes a maximum of five years to complete the pathway. Should there be a maximum time frame?

- ☐ Yes
- ☐ No

Please provide additional feedback for your response to **question 10**.

[Please see Other Comments.](#)

Question 11: Component 3 proposes credit for prior work experience. Should there be a maximum time frame for this look-back period?

- ☐ Yes
- ☐ No

Please provide additional feedback for your response to **question 11**.

[Please see Other Comments.](#)

Support

Question 12: What type of legislative support and time would state boards of accountancy need to implement the framework?

[Please see Other Comments.](#)

Question 13: What other types of support, administratively, would boards of accountancy, employers, and candidates need to implement the framework?

[Please see Other Comments.](#)

Question 14: If the pathway is adopted, should NASBA create an electronic tracking system to automatically report completion of the CPA Competency-Based Experience Pathway to the boards of accountancy?

- ☐ Yes
- ☐ No
- ☐ Uncertain

Please provide additional feedback for your response

to **question 14.**

Please see Other Comments.

Question 15: Would your board utilize a NASBA electronic tracking system if developed?

- ☐ Yes
- ☐ No
- ☐ Unknown
- ☐ Not applicable

Question 15: If not, would your board create its own reporting mechanism?

- ☐ Yes
- ☐ No
- ☐ Unknown at this time

Please provide additional feedback for your response to **question 15.**

Please see Other Comments.

Other Comments

Question 16: Provide any other comments that you may have.

The Board does support an alternate pathway, but does not support the concept of the CPA Competency-Based Experience Pathway as presented in the exposure draft. The Board believes that it would add an administrative burden that would be cumbersome for the evaluators, firms and regulatory authorities. The skills that the framework aims to measure in candidates are valuable, but they are necessary functions of the work candidates would be hired to perform. The framework, therefore, seems to add little value to the either the experience requirement process or the profession. The Board would like to see more robust definitions and explanations throughout the framework and a more detailed roadmap for the firms that would be implementing the process.

<p style="text-align: center;">Agenda Item IX Report on Licensing Department Programs November 7, 2024</p>

- Update on the January 25, 2025 Swearing-in Ceremony.

The Board will hold its next Swearing-in Ceremony on January 25, 2025 at the Palmer Events Center in Austin. The Licensing Division extended an invitation to 607 new CPAs, and 220 fifty-year honorees. Board members wishing to attend and participate in the ceremony are asked to notify Mr. Treacy at your earliest convenience.

Outstanding candidates to be recognized in January:

Patrick Walter Poe*

Ernst & Young LLP - Houston
University of Mississippi
Master of Accountancy

Jinglei Peng

BDO USA PC - Houston
UT- Austin
Bachelor of Business Administration

Benjamin Edward Ramsay

Deloitte & Touche LLP - Houston
Texas A&M University- College Station
Master in Financial Management

Grant Jeffrey Heckenkemper

L&H CPAs Advisors - Dallas
Oklahoma State University
Master in Accounting

Anthony Carol Pogue

ATKG Advisors LLC – Laredo
Texas A&M International University
Master of Professional Accountancy

Edwin O'Neal Johnson Jr.

Baker Tilly US LLP - Plano
UT- Arlington
Master in Accounting

Conner Michael Callahan

Deloitte & Touche LLP – Houston
UT- Austin
Master in Professional Accounting

Adam Robert Dalton

Deloitte Tax LLP - Dallas
Brigham Young University
Master in Accounting

Mark Allen Thompson

Deloitte Tax LLP – Houston
Texas A&M University- College Station
Master in Financial Management

Minze Ouyang

Ernst & Young LLP - Houston
UT- Austin
Master in Professional Accounting

Diego Vazquez De Anda

Deloitte Tax LLP - Dallas
Southern Methodist University
Bachelor of Business Administration

*Elijah Watt Sells Award recipient

Agenda Item X
Behavioral Enforcement Committee
August 7, 2024

The Behavioral Enforcement Committee met on August 7, 2024, by video conference and in-person, at 10:00 a.m.

Members Present

Jeannette P. Smith, CPA
Committee Chair
Susan Adams, 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 THEY BE DISMISSED BASED UPON VOLUNTARY COMPLIANCE WITH THE ACT AND THE RULES:

- **Investigation Nos. 24-05-12L, 24-05-13L & 24-05-14L:** Respondents allegedly did not file returns in a timely manner and prepared inaccurate returns, wrongly attributing a client's entire national profit to each state rather than allocating it proportionally. **(Board action required)**

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

Agenda Item X
Behavioral Enforcement Committee
October 17, 2024

The Behavioral Enforcement Committee met on October 17, 2024, by video conference, at 10:00 a.m.

Members Present

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

Staff Present

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

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

- 1. Investigation Nos. 24-06-01L & 24-06-02L:** Respondents allegedly failed to respond to phone calls and provided no services despite having been paid. **(Board action required)**
- 2. Investigation Nos. 24-08-08L & 24-08-09L:** Respondents allegedly provided inaccurate information to a client regarding IRA contributions. **(Board action required)**
- 3. Investigation Nos. 24-06-04L & 24-06-05L:** Respondents allegedly failed to respond to requests to return documents and sent a threatening text to a client. **(Board action required)**
- 4. Investigation Nos. 24-08-10L & 24-08-11L:** Respondents allegedly failed to advise a client to make her SEP IRA contribution by April 15th. **(Board action required)**
- 5. Investigation Nos. 24-06-10L & 24-06-11L:** Respondents allegedly failed to provide documents requested by a client and failed to file an extension for the client but filed an extension for the client's soon to be former spouse. **(Board action required)**

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

Agenda Item XI

Technical Standards Review Committee

September 25, 2024

The Technical Standards Review Committee met on Wednesday, September 25, 2024 by video conference beginning at 2:00 p.m.

Members Present

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

Members Absent

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

Staff Present

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

- **AFTER GIVING THESE MATTERS DUE CONSIDERATION, THE COMMITTEE RECOMMENDS THEY BE DISMISSED WITHOUT PREJUDICE BASED ON INSUFFICIENT EVIDENCE OF A VIOLATION OF THE ACT OR THE BOARD'S RULES:**
 - **Investigation Nos: 22-09-02L; 22-09-03L; 22-09-07L; 22-09-10L; 22-09-11L; 22-09-16L; 22-09-17L; 22-09-19L; 22-09-22L; 22-09-24L; 22-09-25L; 22-09-29L; 22-09-31L; 22-09-33L; 22-09-36L; 22-09-40L; 22-09-42L; 22-09-43L; 22-09-45L; and 22-09-51L:** Respondents allegedly sent, requested, received or used answer keys to internal training courses. **(Board approval required)**

<p style="text-align: center;">Agenda Item XI Technical Standards Review Committee October 2, 2024</p>

The Technical Standards Review Committee met on Wednesday, October 2, 2024, by video conference beginning at 11:30 a.m.

Members Present

Ray R. Garcia, CPA
Committee Chair
Kimberly Crawford, CPA
Sheila Vallés-Pankratz
Susan Warren, CPA
Douglas Koval, CPA
Dilliana Stewart, CPA
Juliet Williams, CPA

Staff Present

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

- **OTHER:** The committee considered four matters during its meeting; however, these matters do not require Board action at this time.

Agenda Item XI
Technical Standards Review Committee
Agency Referral Training

October 24, 2024

On October 24, 2024, the Texas State Board of Public Accountancy hosted a training session for state agencies designed to help those state agencies that receive reports from CPA firms to better recognize whether the reports they receive are professionally and competently prepared and meet the requirements of professional standards. The Board has conducted such trainings in the past which were well received.

The training agenda was as follows:

- The Purpose of the Texas Public Accountancy Act;
- Common Problems in Audits, Compilations, and Reviews;
- Licensing and Peer Review Requirements;
- The Board's complaint process;
- Resources for State Agencies; and
- A Roundtable Discussion with an opportunity for Questions.

Presentations were made by Ray R. Garcia, CPA, William Treacy, Executive Director, Jerry Hill, General Counsel, Peter DeVecchia, CPA and John Moore, TSR Committee Liaison and Staff Attorney.

The training was both in-person and virtual. There were 48 attendees registered representing 15 state agencies.

The Board will be conducting similar trainings in the future.

Agenda Item XII
Consideration of Agreed Consent Orders &
Administrative Disciplinary Actions
November 7, 2024

A. AGREED CONSENT ORDERS

Behavioral Enforcement Committee

- Investigation No. 24-07-06L

B. ADMINISTRATIVE DISCIPLINARY ACTIONS

1. Investigation Nos. 24-06-10001 - 24-06-10095
2. Investigation Nos. 24-07-10001 - 24-07-10071
3. Investigation Nos. 24-06-10096 - 24-06-10267
4. Investigation Nos. 24-07-10072 - 24-07-10246
5. Investigation Nos. 24-06-10268 - 24-06-10278
6. Investigation Nos. 24-07-10247 - 24-07-10268

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. 24-06-10096 - 24-06-10267

4. Investigation Nos. 24-07-10072 - 24-07-10246

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. 24-06-10268 - 24-06-10278

6. Investigation Nos. 24-07-10247 - 24-07-10268

<p style="text-align: center;">Agenda Item XIII Review of Future Meetings/Hearing Schedules November 7, 2024</p>

- I. **DISCUSSION:** Schedule of dates for 2024/25 Board and committee meetings, hearings, and other activities are attached for your information.

RECOMMENDATION: None by staff.

SUGGESTED MOTION: None by staff.

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<p style="text-align: center;">Agenda Item XIV Adjournment November 7, 2024</p>
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I. **DISCUSSION:** The presiding officer will entertain a motion to adjourn.

RECOMMENDATION: None required.

SUGGESTED MOTION: None required.