

The Rules Committee, Licensing Committee, and CPE Committee of the Texas State Board of Public Accountancy are holding a joint 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 Chair of the Rules Committee and the Peer Review Committee 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: Joint Rules, Licensing, and CPE Committee Meeting  
Time: Nov 8, 2023 01:30 PM Central Time (US and Canada)

<https://www.zoomgov.com/j/1619898441?pwd=eGw4UC8xWm8vWjJSSUJ5cU5sVldSZz09>

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**Agenda Item V**  
**Joint Rules, Licensing, and CPE Committee Agenda**  
**November 8, 2023**  
**1:30 p.m.**

- A. Discussion, consideration, and possible action concerning proposed revisions to Board Rules 511.52 – *Recognized Institutions of Higher Education*, 511.53 – *Evaluation of International Education Documents*, 511.58 – *Definitions of Related Business Subjects to take the UCPAE*, 511.59 – *Definition of 120 Semester Hours to take the UCPAE*, 511.60 – *Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE*, 511.80 - *Granting of Credit*, 511.87 - *Loss of Credit*, and 511.164 – *Definition of 150 Semester Hours to Qualify for Issuance of a Certificate*.
- B. Discussion, consideration, and possible action concerning the proposed adoption of amendments to Board Rule 511.57 – *Qualified Accounting Courses to take the UCPAE*.
- C. Discussion, consideration, and possible action concerning proposed revisions to Board Rule 515.5 - *Reinstatement of a Certificate or License in the Absence of a Violation of the Board's Rules of Professional Conduct*, 515.11 - *Licensing for Military Service Members, Military Veterans, and Military Spouses*, and new Chapter 516 – *Military Service Members, Spouses and Veterans*.
- D. Discussion, consideration, and possible action on private equity ownership.
- E. Update on December 9, 2023 Swearing-in Ceremony.
- F. Discussion, consideration, and possible action on two ethics course submittals.
- G. Discussion, consideration, and possible action in regards to the proposed changes to the NASBA/AICPA - Statement on Standards for Continuing Professional Education (CPE) Programs.
- H. Discussion, consideration, and possible action regarding the suspension of Global CPE's registration authorizing it to provide continuing professional education to Texas licensees.
- I. Schedule next meeting.



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- A. Discussion, consideration, and possible action concerning proposed revisions to Board Rules 511.52 – *Recognized Institutions of Higher Education*, 511.53 – *Evaluation of International Education Documents*, 511.58 – *Definitions of Related Business Subjects to take the UCPAE*, 511.59 – *Definition of 120 Semester Hours to take the UCPAE*, 511.60 – *Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE*, 511.80 - *Granting of Credit*, 511.87 - *Loss of Credit*, and 511.164 – *Definition of 150 Semester Hours to Qualify for Issuance of a Certificate*.

**DISCUSSION:**

**511.52 & 511.53**

There are business entities and other organizations that offer courses which do not meet the minimum standards to be approved by the board to sit for the Uniform CPA Exam. The proposed rule revisions in these two rule revisions identify a specific entity that offers courses that have been evaluated and determined to not meet minimum standards to be used as credit to sit for the Uniform CPA Exam.

**511.58, 511.59 & 511.60**

The revision for each of these rules propose to identify course work from an organization that the board will not accept for purposes of qualifying to take the Uniform CPA Exam.

**511.80 & 511.87**

Events occur beyond the control of individuals attempting to become licensed CPAs which interfere with the individual's ability to take or pass the Uniform CPA Exam. The proposed rule revisions would recognize unavoidable and unforeseeable events that create hardships to individuals deserving of a fair opportunity to become CPAs.

**511.164**

The revision proposes to require at least two hours of course work in research and analysis in order to be certified as a CPA. This is an existing provision that has been relocated to this rule to make it a requirement for certification and not to sit for the exam at 120 hours.

The revision also proposes to identify coursework completed at an identified business entity that may not qualify an applicant seeking to sit for the CPA exam.

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

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

1 CHAPTER 511 ELIGIBILITY  
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS  
3 RULE §511.52 Recognized Institutions of Higher Education

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- 4
- 5 (a) The board recognizes institutions of higher education that offer a baccalaureate or  
6 higher degree, that either:
- 7 (1) are accredited by one of the following organizations:
- 8 (A) Middle States Commission on Higher Education (MSCHE);  
9 (B) Northwest Commission on Colleges and Universities (NWCCU);  
10 (C) Higher Learning Commission (HLC);  
11 (D) New England Commission of Higher Education (NECHE);  
12 (E) Southern Association of Colleges and Schools, Commission on Colleges (SACS);  
13 and  
14 (F) WASC Senior College and University Commission; or
- 15 (2) provide evidence of meeting equivalent accreditation requirements of SACS.
- 16 (b) The board is the final authority regarding the evaluation of an applicant's education  
17 and has received assistance from the reporting institution in the State of Texas, the  
18 University of Texas at Austin, in evaluating:
- 19 (1) an institution of higher education;  
20 (2) organizations that award credits for coursework taken outside of a traditional  
21 academic environment and shown on a transcript from an institution of higher  
22 education;  
23 (3) assessment methods such as credit by examination, challenge exams, and portfolio  
24 assessment; and  
25 (4) non-college education and training.
- 26 (c) The following organizations and assessment methods may not be used to meet the  
27 requirements of this chapter:
- 28 (1) American Council on Education (ACE);  
29 (2) Prior Learning Assessment (PLA);  
30 (3) Defense Activity for Non-Traditional Education Support (DANTES); **and**  
31 (4) Defense Subject Standardized Test (DSST); **and** ;  
32 **(5) StraighterLine.**

- 1 (d) The board may accept courses completed through an extension school, a  
2 correspondence school or continuing education program provided that the courses are  
3 offered and accepted by the board approved educational institution for a business  
4 baccalaureate or higher degree conferred by that educational institution.
- 5 (e) Except as provided in subsection (d) of this section, extension and correspondence  
6 schools or programs and continuing education courses do not meet the criteria for  
7 recognized institutions of higher education.
- 8 (f) The requirements related to recognized community colleges are provided in §511.54  
9 of this chapter (relating to Recognized Texas Community Colleges).
- 10 (g) The board may recognize a community college that offers a baccalaureate degree in  
11 accounting or business, provided that the applicant is admitted to a graduate program in  
12 accounting or business offered at a recognized institution of higher education that offers  
13 a graduate or higher degree.

1 CHAPTER 511 ELIGIBILITY  
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS  
3 RULE §511.53 Evaluation of International Education Documents  
4

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- 5 (a) It is the responsibility of the board to confirm that education obtained at colleges and  
6 universities outside of the United States (international education) is equivalent to  
7 education earned at board-recognized institutions of higher education in the U.S.
- 8 (b) The board shall use, at the expense of the applicant, the services of the University of  
9 Texas at Austin, Graduate and International Admissions Center, to validate, review, and  
10 evaluate international education documents submitted by an applicant to determine if  
11 the courses taken and degrees earned are substantially equivalent to those offered by  
12 the board-recognized institutions of higher education located in the U.S. The evaluation  
13 shall provide the following information to the board:
- 14 (1) Degrees earned by the applicant that are substantially equivalent to those conferred  
15 by a board-recognized institution of higher education in the U.S. that meets §511.52 of  
16 this chapter (relating to Recognized Institutions of Higher Education);
- 17 (2) The total number of semester hours or quarter hour equivalents earned that are  
18 substantially equivalent to those earned at U.S. institutions of higher education and that  
19 meet §511.59 of this chapter (relating to Definition of 120 Semester Hours to take the  
20 UCPAE);
- 21 (3) The total number of semester hours or quarter hour equivalents earned in  
22 accounting coursework that meets §511.57 of this chapter (relating to Qualified  
23 Accounting Courses to take the UCPAE) or §511.60 of this chapter (relating to Qualified  
24 Accounting Courses Prior to January 1, 2024 to take the UCPAE);
- 25 (4) An analysis of the title and content of courses taken that are substantially equivalent  
26 to courses listed in §511.57 or §511.60 of this chapter; and
- 27 (5) The total number of semester hours or quarter hour equivalents earned in business  
28 coursework that meets §511.58 of this chapter (relating to Definitions of Related  
29 Business Subjects to take the UCPAE).
- 30 (c) The University of Texas at Austin, Graduate and International Admissions Center,  
31 may use the American Association of Collegiate Registrars and Admissions Officers



- 1 (AACRAO) material, including the Electronic Database for Global Education (EDGE), in  
2 evaluating international education documents.
- 3 (d) Other evaluation or credentialing services of international education are not  
4 accepted by the board.
- 5 (e) Credits awarded for coursework taken through the following organizations and  
6 shown on a transcript from an institution of higher education may not be used to meet  
7 the requirements of this chapter:
- 8 (1) American College Education (ACE);  
9 (2) Prior Learning Assessment (PLA);  
10 (3) Defense Activity for Non-Traditional Education Support (DANTES); **and**  
11 (4) Defense Subject Standardized Test (DSST); **and** !  
12 **(5) StraighterLine.**

1 CHAPTER 511 ELIGIBILITY  
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS  
3 RULE §511.58 Definitions of Related Business Subjects to take the UCPAE  
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- 5 (a) Related business courses are those business courses that a board recognized  
6 institution of higher education accepts for a business baccalaureate or higher degree by  
7 that educational institution.
- 8 (b) An individual who holds a baccalaureate or higher degree from a recognized  
9 educational institution as defined by §511.52 of this chapter (relating to Recognized  
10 Institutions of Higher Education) may take related business courses from four-year  
11 degree granting institutions, or recognized community colleges, provided that all such  
12 institutions are recognized by the board as defined by §511.52 or §511.54 of this  
13 chapter (relating to Recognized Texas Community Colleges). Related business courses  
14 taken at a recognized community college are only the courses that the board has  
15 reviewed and approved to meet this section.
- 16 (c) The board will accept no fewer than 24 semester credit hours of upper level courses  
17 (for the purposes of this subsection, economics and statistics at any college level will  
18 count as upper division courses) as related business subjects (without repeat), taken at  
19 a recognized educational institution shown on official transcripts or accepted by a  
20 recognized educational institution for purposes of obtaining a baccalaureate degree or  
21 its equivalent, in the following areas.
- 22 (1) No more than 6 credit semester hours taken in any of the following subject areas  
23 may be used to meet the minimum hour requirement:
- 24 (A) business law, including study of the Uniform Commercial Code;
  - 25 (B) economics;
  - 26 (C) management;
  - 27 (D) marketing;
  - 28 (E) business communications;
  - 29 (F) statistics and quantitative methods;
  - 30 (G) information systems or technology; and
  - 31 (H) other areas related to accounting.

- 1 (2) No more than 9 credit semester hours taken in any of the following subject areas  
2 may be used to meet the minimum hour requirement:
- 3 (A) finance and financial planning; and  
4 (B) data analytics, data interrogation techniques, cyber security and/or digital acumen in  
5 the accounting context, whether taken in the business school or in another college or  
6 university program, such as the engineering, computer science, information systems, or  
7 math programs (while data analytic tools may be used in the course, application of the  
8 tools should be the primary objective of the course).
- 9 (d) The board requires that a minimum of 2 upper level semester credit hours in  
10 accounting communications or business communications with an intensive writing  
11 curriculum be completed. The semester hours may be obtained through a standalone  
12 course or offered through an integrated approach. If the course content is offered  
13 through integration, the university must advise the board of the course(s) that contain  
14 the accounting communications or business communications content. The course may  
15 be used toward the 24 semester credit hours of upper level business courses listed in  
16 subsection (c)(1) of this section.
- 17 (e) Credit for hours taken at recognized institutions of higher education using the quarter  
18 system shall be counted as  $\frac{2}{3}$  of a semester hour for each hour of credit received  
19 under the quarter system.
- 20 (f) Related business courses completed through and offered by an extension school,  
21 correspondence school, or continuing education program of a board recognized  
22 educational institution may be accepted by the board, provided that the courses are  
23 accepted for a business baccalaureate or higher degree conferred by that educational  
24 institution.
- 25 (g) The board may review the content of business courses and determine if they meet  
26 the requirements of this section.
- 27 (h) Credits awarded for coursework taken through the following organizations and  
28 shown on a transcript from an institution of higher education may not be used to meet  
29 the requirements of this chapter:
- 30 (1) American College Education (ACE);  
31 (2) Prior Learning Assessment (PLA);

- 1 (3) Defense Activity for Non-Traditional Education Support (DANTES); and
- 2 (4) Defense Subject Standardized Test (DSST); and !
- 3 **(5) StraighterLine.**

1 CHAPTER 511            ELIGIBILITY  
2 SUBCHAPTER C        EDUCATIONAL REQUIREMENTS  
3 RULE §511.59        Definition of 120 Semester Hours to take the UCPAE

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

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

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

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

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

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

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

- 1 (c) The following courses, courses of study, certificates, and programs may not be used  
2 to meet the 120-semester hour requirement:
- 3 (1) any CPA review course offered by an institution of higher education or a proprietary  
4 organization;
  - 5 (2) remedial or developmental courses offered at an educational institution; and
  - 6 (3) credits awarded for coursework taken through the following organizations and shown  
7 on a transcript from an institution of higher education may not be used to meet the  
8 requirements of this chapter:
    - 9 (A) American College Education (ACE);
    - 10 (B) Prior Learning Assessment (PLA);
    - 11 (C) Defense Activity for Non-Traditional Education Support (DANTES); **and**
    - 12 (D) Defense Subject Standardized Test (DSST); **and** ;
    - 13 **(E) StraighterLine.**
- 14 (d) The hours from a course that has been repeated will be counted only once toward  
15 the required 120 semester hours.

1 CHAPTER 511 ELIGIBILITY  
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS  
3 RULE §511.60 Qualified Accounting Courses Prior to January 1, 2024 to take  
4 the UCPAE

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5  
6 (a) An applicant shall meet the board's accounting course requirements in one of the  
7 following ways:

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

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

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

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

31 (d) A non-traditionally-delivered course meeting the requirements of this section must  
32 have been reviewed and approved through a formal, institutional faculty review process

1 that evaluates the course and its learning outcomes and determines that the course  
2 does, in fact, have equivalent learning outcomes to an equivalent, traditionally delivered  
3 course.

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

6 (1) financial accounting and reporting for business organizations that may include:  
7 (A) up to nine semester credit hours of intermediate accounting;  
8 (B) advanced accounting; or  
9 (C) accounting theory;

10 (2) managerial or cost accounting (excluding introductory level courses);  
11 (3) auditing and attestation services;  
12 (4) internal accounting control and risk assessment;  
13 (5) financial statement analysis;  
14 (6) accounting research and analysis;

15 (7) up to 12 semester credit hours of taxation (including tax research and analysis);  
16 (8) financial accounting and reporting for governmental and/or other nonprofit entities;  
17 (9) up to 12 semester credit hours of accounting information systems, including  
18 management information systems ("MIS"), provided the MIS courses are listed or cross-  
19 listed as accounting courses, and the institution of higher education accepts these  
20 courses as satisfying the accounting course requirements for graduation with a degree  
21 in accounting;

22 (10) up to 12 semester credit hours of accounting data analytics, provided the institution  
23 of higher education accepts these courses as satisfying the accounting course  
24 requirements for graduation with a degree in accounting (while data analytics tools may  
25 be taught in the courses, application of the tools should be the primary objective of the  
26 courses);

27 (11) fraud examination;

28 (12) international accounting and financial reporting;

29 (13) at its discretion, the board may accept up to three semester credit hours of  
30 accounting course work with substantial merit in the context of a career in public  
31 accounting, provided the course work is predominantly accounting or auditing in nature



1 but not included in paragraphs (1) - (12) of this subsection (for any course submitted  
2 under this provision, the Accounting Faculty Head or Chair must affirm to the board in  
3 writing the course's merit and content); and  
4 (14) at its discretion, the board may accept up to three semester credit hours of  
5 independent study in accounting selected or designed by the student under faculty  
6 supervision (the curriculum for the course shall not repeat the curriculum of another  
7 accounting course that the student has completed).

8 (f) The board requires that a minimum of two semester credit hours in research and  
9 analysis relevant to the course content described in subsection (e)(6) or (7) of this  
10 section be completed. The semester credit hours may be obtained through a discrete  
11 course or offered through an integrated approach. If the course content is offered  
12 through integration, the institution of higher education must advise the board of the  
13 course(s) that contain the research and analysis content.

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

16 (1) elementary accounting;  
17 (2) principles of accounting;  
18 (3) financial and managerial accounting;  
19 (4) introductory accounting courses; and  
20 (5) accounting software courses.

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

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

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

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

31 (1) American College Education (ACE);

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

1 CHAPTER 511            ELIGIBILITY  
2 SUBCHAPTER D        CPA EXAMINATION  
3 RULE §511.80         Granting of Credit

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- 5 (a) The board shall grant credit to an applicant for the satisfactory completion of a  
6 section of the UCPAE provided the applicant earns a passing score on the section as  
7 determined by board rule. The credit shall be valid for 30 months from the actual date of  
8 notification of passing score results. The 30 months may be temporarily extended by the  
9 executive director, in accordance with §901.307(b) of the Act (relating to Grading  
10 Examination), in order to provide for uniformity with other state regulatory authorities or  
11 for reasonably unforeseeable or uncontrollable events.
- 12 (b) An applicant must pass the remaining sections within the next 30 months. Should an  
13 applicant's exam credit be invalidated due to the expiration of 30 months without  
14 earning credit on the remaining sections, the applicant remains qualified to take the  
15 examination.
- 16 (c) An applicant receiving and retaining credit for every section on the UCPAE, within a  
17 30-month period, shall be considered by the board to have completed the examination  
18 and may make application for certification as a CPA.
- 19 (d) Effective January 1, 2024, an applicant under this section shall have 36 months from  
20 the time all test sections are passed to meet the education requirements of §511.164 of  
21 this chapter (relating to Definition of 150 Semester Hours to Qualify for Issuance of a  
22 Certificate) or the credit for all test sections will expire.
- 23 (e) Effective January 1, 2024, an applicant who has an active credit on a section of the  
24 UCPAE shall have earned credit on the newly structured UCPAE as follows:
- 25 (1) credit on auditing and attestation (AUD) shall transition to auditing and attestation  
26 (AUD);
- 27 (2) credit on financial accounting and reporting (FAR) shall transition to financial  
28 accounting and reporting (FAR);
- 29 (3) credit on regulation (REG) shall transition to taxation and regulation (REG); and  
30 (4) credit on business environment and concepts (BEC) shall not transition to a specific  
31 discipline as there is not an equivalent section, however, credit will be retained in lieu of  
32 a discipline.

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

- 5 (1) auditing and attestation (AUD);
- 6 (2) financial accounting and reporting (FAR);
- 7 (3) taxation and regulation (REG); and
- 8 (4) one of the following discipline sections:
  - 9 (A) business analysis and reporting (BAR);
  - 10 (B) information systems and controls (ISC); or
  - 11 (C) tax compliance and planning (TCP).
- 12 (g) An applicant who has received and retained credit for any or all sections on the  
13 UCPAE may transfer such credits to another licensing jurisdiction if the applicant pays  
14 in advance a transfer fee set by board rule as identified in §521.7 of this title (relating to  
15 Fee for Transfer of Credits).
- 16 (h) If the UCPAE is restructured by the AICPA, the board shall determine the manner in  
17 which active credit earned prior to the restructure for a subject is integrated into the new  
18 UCPAE.
- 19 **(i) Credits earned between January 1, 2020 and January 1, 2024 that are no longer**  
20 **valid may be considered for reinstatement for not more than 18 months from the date**  
21 **that reinstatement occurs. The following conditions are required:**
  - 22 **(1) the applicant was impacted by an unforeseeable and uncontrollable event; and**
  - 23 **(2) the applicant provides documentation to substantiate the unforeseeable and**  
24 **uncontrollable event.**
- 25 **(j) (i)** Interpretive Comment: For the purpose of this section unforeseeable and  
26 uncontrollable events include, but are not limited to, the health of the applicant,  
27 accidents limiting the applicant, military service, natural disasters, or acts of God.

1 CHAPTER 511            ELIGIBILITY  
2 SUBCHAPTER D        CPA EXAMINATION  
3 RULE §511.87        Loss of Credit

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

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

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

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

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

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

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

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

22 **(2) death of an immediate family member;**

23 **(3) accidents that impacts the applicant;**

24 **(4) military service of the applicant; or**

25 **(5) natural disasters that impacts the applicant.**

1 CHAPTER 511 ELIGIBILITY  
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS  
3 RULE §511.164 Definition of 150 Semester Hours to Qualify for Issuance of a  
4 Certificate

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5  
6 (a) To qualify for the issuance of a CPA certificate, an applicant must hold at a  
7 minimum a baccalaureate degree, conferred by a board-recognized institution of higher  
8 education as defined by §511.52 of this chapter (relating to Recognized Institutions of  
9 Higher Education), and have completed the board-recognized coursework identified in  
10 this section:

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

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

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

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

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

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

30 (4) academic coursework at an institution of higher education as defined by §511.52 of  
31 this chapter, when combined with paragraphs (1) - (3) of this subsection meets or  
32 exceeds 150 semester hours, of which 120 semester hours meets the education

1 requirements defined by §511.59 of this chapter (relating to Definition of 120 Semester  
2 Hours to take the UCPAE). An applicant who has met paragraphs (1) - (3) of this  
3 subsection may use a maximum of 9 total semester credit hours of undergraduate or  
4 graduate independent study and/or internships as defined in §511.51(b)(4) or  
5 §511.51(b)(5) of this chapter (relating to Educational Definitions) to meet this paragraph.  
6 The courses shall consist of:  
7 (A) a maximum of three semester credit hours of independent study courses; and  
8 (B) a maximum of six semester credit hours of accounting/business course internships.  
9 (b) The following courses, courses of study, certificates, and programs may not be used  
10 to meet the 150 semester hour requirement:  
11 (1) any CPA review course offered by an institution of higher education or a proprietary  
12 organization;  
13 (2) remedial or developmental courses offered at an educational institution; and  
14 (3) credits awarded for coursework taken through the following organizations and shown  
15 on a transcript from an institution of higher education may not be used to meet the  
16 requirement of this chapter:  
17 (A) American College Education (ACE);  
18 (B) Prior Learning Assessment (PLA);  
19 (C) Defense Activity for Non-Traditional Education Support (DANTES); **and**  
20 (D) Defense Subject Standardized Test (DSST); **and** !  
21 **(E) StraighterLine.**  
22 (c) The hours from a course that has been repeated will be counted only once toward  
23 the required semester hours.

**Agenda Item V**  
**Joint Rules, Licensing, and CPE Committee Agenda**  
**November 8, 2023**  
**1:30 p.m.**

- B. Discussion, consideration, and possible action concerning the proposed adoption of amendments to Board *Rule 511.57 – Qualified Accounting Courses to take the UCPAE*.

**DISCUSSION:** Effective January 1, 2024, an applicant to sit for the Uniform CPA Exam must have at least 21 semester hours of upper division accounting courses. Of those 21 hours, 12 semester hours must be derived from intermediate accounting, financial statement auditing, taxation and accounting information systems or accounting data analytics. Of the 12 semester hours, at least three hours must be in one of the course contents identified in the rule.

The revision proposes to add accounting data analytics as one of the course content options. The revision also proposes to allow up to six semester hours of financial accounting and reporting for business organizations to be a part of the required 21 semester hours. The revision proposes to remove and relocate to another rule the need for two hours in research and analysis in order to sit for the exam with 120 semester hours. The revision also proposes to identify course work from an organization that the board will not accept for purposes of qualifying to take the Uniform CPA Exam.

**RECOMMENDATION:** The staff recommends that the Rules Committee recommend to the Board the adoption of the proposed rule as published in the *Texas Register* and any amendments by the Rules Committee.

**SUGGESTED MOTION:** That the Rules Committee recommend to the Board that the Board adopt the proposed rule amendments published in the *Texas Register* for public comment.



1 CHAPTER 511 ELIGIBILITY  
2 SUBCHAPTER C EDUCATIONAL REQUIREMENTS  
3 RULE §511.57 Qualified Accounting Courses to take the UCPAE

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- 4
- 5 (a) An applicant shall meet the board's accounting course requirements in one of the  
6 following ways:
- 7 (1) Hold a baccalaureate or higher degree from a board-recognized institution of higher  
8 education as defined by §511.52 of this chapter (relating to Recognized Institutions of  
9 Higher Education) and present official transcript(s) from board-recognized institution(s)  
10 that show degree credit for no fewer than 21 semester credit hours of upper division  
11 accounting courses as defined in subsections (e), (f) and (g) of this section; or
- 12 (2) Hold a baccalaureate or higher degree from a board-recognized institution of higher  
13 education as defined by §511.52 of this chapter, and after obtaining the degree,  
14 complete the requisite 21 semester credit hours of upper division accounting courses,  
15 as defined in subsections (e), (f) and (g) of this section, from four-year degree granting  
16 institutions, or accredited community colleges, provided that all such institutions are  
17 recognized by the board as defined by §511.52 or §511.54 of this chapter (relating to  
18 Recognized Texas Community Colleges).
- 19 (b) Credit for hours taken at board-recognized institutions of higher education using the  
20 quarter system shall be counted as 2/3 of a semester credit hour for each hour of credit  
21 received under the quarter system.
- 22 (c) The board will accept no fewer than 21 semester credit hours of accounting courses  
23 from the courses listed in subsections (e), (f) and (g) of this section. The hours from a  
24 course that has been repeated will be counted only once toward the  
25 required 21 semester hours. The courses must meet the board's standards by  
26 containing sufficient accounting knowledge and application to be useful to candidates  
27 taking the UCPAE. A board-recognized institution of higher education must have  
28 accepted the courses for purposes of obtaining a baccalaureate or higher degree or its  
29 equivalent, and they must be shown on an official transcript.
- 30 (d) Upper level accounting coursework recognized by the board and in effect prior to  
31 January 1, 2024, may be found in §511.60 of this chapter (relating to Qualified  
32 Accounting Courses Prior to January 1, 2024 to take the UCPAE).

1 (e) Effective January 1, 2024, the subject-matter content should be derived from the  
2 UCPAE Blueprint. A minimum of 12 semester hours with at least three semester hours  
3 in each of the following accounting course content area is required:

4 (1) financial accounting and reporting for business organizations **or intermediate**  
5 **accounting; that may include:**

6 **(A) intermediate accounting;**

7 **(B) advanced accounting; and**

8 **(C) accounting theory;**

9 (2) financial statement auditing;

10 (3) taxation; and

11 (4) accounting information systems **or accounting data analytics.**

12 (f) Effective January 1, 2024, a minimum of 9 hours in any of the following accounting  
13 course content area is required:

14 **(1) up to 6 semester credit hours of additional financial accounting and reporting**  
15 **for business organizations or intermediate accounting;**

16 **(2) advanced accounting;**

17 **(3) accounting theory;**

18 **(4) (1)** managerial or cost accounting (excluding introductory level courses);

19 **(5) (2)** auditing and attestation services;

20 **(6) (3)** internal accounting control and risk assessment;

21 **(7) (4)** financial statement analysis;

22 **(8) (5)** accounting research and analysis;

23 **(9) (6)** up to 9 semester credit hours of taxation (including tax research and analysis);

24 **(10) (7)** financial accounting and reporting for governmental and/or other nonprofit  
25 entities;

26 **(11) (8)** up to 9 semester credit hours of accounting information systems, including  
27 management information systems ("MIS"), provided the MIS courses are listed or cross-  
28 listed as accounting courses, and the institution of higher education accepts these  
29 courses as satisfying the accounting course requirements for graduation with a degree  
30 in accounting;

1 ~~(12)~~ (9) up to 9 semester credit hours of accounting data analytics, provided the  
2 institution of higher education accepts these courses as satisfying the accounting  
3 course requirements for graduation with a degree in accounting; business data analytics  
4 may be considered provided the courses are listed or cross-listed as accounting  
5 courses, and the institution of higher education accepts these courses as satisfying the  
6 accounting course requirements for graduation with a degree in accounting; (while data  
7 analytics tools may be taught in the courses, application of the tools should be the  
8 primary objective of the courses);  
9 ~~(13)~~ (10) fraud examination;  
10 ~~(14)~~ (11) international accounting and financial reporting;  
11 ~~(15)~~ (12) mergers and acquisitions;  
12 ~~(16)~~ (13) financial planning;  
13 ~~(17)~~ (14) at its discretion, the board may accept up to three semester hours of credit of  
14 accounting course work with substantial merit in the context of a career in public  
15 accounting, provided the course work is predominantly accounting or auditing in nature  
16 but not included in paragraphs (1) – ~~(16)~~ (13) of this subsection. For any course  
17 submitted under this provision, the Accounting Faculty Head or Chair must affirm to the  
18 board in writing the course's merit and content; and  
19 ~~(18)~~ (15) at its discretion, the board may accept up to three semester credit hours of  
20 independent study in accounting selected or designed by the student under faculty  
21 supervision. The curriculum for the course shall not repeat the curriculum of another  
22 accounting course that the student has completed.  
23 ~~(g) The board requires that a minimum of two semester credit hours in research and~~  
24 ~~analysis relevant to the course content described in subsection (f) of this section be~~  
25 ~~completed. The semester credit hours may be obtained through a standalone course or~~  
26 ~~offered through an integrated approach. If the course content is offered through~~  
27 ~~integration, the institution of higher education must advise the board of the course(s)~~  
28 ~~that contain the research and analysis content. The course may be used toward~~  
29 ~~the 9 semester credit hours of upper level accounting courses identified in subsection~~  
30 ~~(f)(5) of this section.~~

- 1 ~~(g)~~ ~~(h)~~ The following types of introductory courses do not meet the accounting course  
2 definition in subsections (e) and (f) of this section:
- 3 (1) elementary accounting;
  - 4 (2) principles of accounting;
  - 5 (3) financial and managerial accounting;
  - 6 (4) introductory accounting courses; and
  - 7 (5) accounting software courses.
- 8 ~~(h)~~ ~~(i)~~ Any CPA review course offered by an institution of higher education or a  
9 proprietary organization shall not be used to meet the accounting course definition.
- 10 ~~(i)~~ ~~(j)~~ CPE courses shall not be used to meet the accounting course definition.
- 11 ~~(j)~~ ~~(k)~~ An ethics course required in §511.58(d) of this chapter (relating to Definitions of  
12 Related Business Subjects to take the UCPAE) shall not be used to meet the  
13 accounting course definition in subsections (e) and (f) of this section.
- 14 ~~(k)~~ ~~(l)~~ Accounting courses completed through an extension school of a board  
15 recognized educational institution may be accepted by the board provided that the  
16 courses are accepted for a business baccalaureate or higher degree conferred by that  
17 educational institution.
- 18 ~~(l)~~ ~~(m)~~ The board may review the content of accounting courses and determine if they  
19 meet the requirements of this section.
- 20 ~~(m)~~ ~~(n)~~ Credits awarded for coursework taken through the following organizations and  
21 shown on a transcript from an institution of higher education may not be used to meet  
22 the requirements of this chapter:
- 23 (1) American College Education (ACE);
  - 24 (2) Prior Learning Assessment (PLA);
  - 25 (3) Defense Activity for Non-Traditional Education Support (DANTES); ~~and~~
  - 26 (4) Defense Subject Standardized Test (DSST); ~~and~~ ;
  - 27 **(5) StraighterLine.**



**Agenda Item V**  
**Joint Rules, Licensing, and CPE Committee Agenda**  
**November 8, 2023**  
**1:30 p.m.**

- C. Discussion, consideration, and possible action concerning proposed revisions to Board *Rule 515.5 - Reinstatement of a Certificate or License in the Absence of a Violation of the Board's Rules of Professional Conduct*, *515.11 - Licensing for Military Service Members, Military Veterans, and Military Spouses*, and new *Chapter 516 – Military Service Members, Spouses and Veterans*.

**DISCUSSION:**

**515.5 & 515.11**

*Rule 515.5* updates a rule reference to new *Chapter 516*. *Rule 515.11* is relocated to new *Chapter 516*. These revisions implement the provisions provided in Texas Occupation Code Chapter 55 which provides accommodations to military service members, spouses, and veterans.

**516.1**

Texas Occupation Code Chapter 55 directs state agencies to accommodate military service members, military spouses and military veterans in practicing accounting in Texas. This rule provides the definitions for the following rules.

**516.2**

The proposed new rule provides a pathway to licensure for qualified **military service members and military spouses** in providing accounting services in Texas in recognition of their service to this state to protect this state and its residents and assist them in overcoming the hardships created from their current military assignments.

**516.3**

This proposed rule will address accommodations for **military veterans**.

**516.4**

Texas Occupation Code Chapter 55.0041 directs state agencies to accommodate **military service members and military spouses** in practicing accounting in Texas while serving in the armed services. It allows military service members and military spouses to **practice public accounting in Texas without a license** and fees for up to three years so long as they have a license from a jurisdiction with substantially equivalent requirements. They may also practice in Texas without a license if they held a license in Texas within five years preceding the application date.

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

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

1 CHAPTER 515                    LICENSES  
2 RULE §515.5                    Reinstatement of a Certificate or License in the Absence of a  
3 Violation of the Board's Rules of Professional Conduct

---

- 5 (a) An individual whose license has been expired for 90 days or less may renew the  
6 license by paying to the board a renewal fee that is equal to 1 1/2 times the normally  
7 required renewal fee.
- 8 (b) An individual whose license has been expired for more than 90 days but less than  
9 one year may renew the license by paying to the board a renewal fee that is equal to  
10 two times the normally required renewal fee.
- 11 (c) An individual whose license has been expired for at least one year but less than two  
12 years may renew the license by paying to the board a renewal fee that is equal to three  
13 times the normally required renewal fee.
- 14 (d) An individual whose license has been expired for two years or more may obtain a  
15 license by paying all renewal fees including late fees.
- 16 (e) An individual whose license has been suspended or certificate revoked for the  
17 voluntary non-payment of the annual license fees, the voluntary non-completion of the  
18 annual license renewal, or the voluntary non-completion of the board required CPE may  
19 be administratively reinstated by complying with the board's CPE requirements pursuant  
20 to Chapter 523 of this title (relating to Continuing Professional Education) and providing  
21 the board the individual's required fingerprints if not previously submitted; and
- 22 (1) by paying all renewal fees including late fees; or
  - 23 (2) upon showing of good cause, entering into an Agreed Consent Order that
- 24 reinstates the certificate and permits the issuance of a conditional license with the  
25 agreement to pay all required fees by a certain date.
- 26 (f) An individual who was revoked under §901.502(3) or (4) of the Act (relating to  
27 Grounds for Disciplinary Action), has moved to another state, and is currently licensed  
28 and has been in practice in the other state for the two years preceding the date of  
29 submitting a complete application may obtain a new license without reexamination by:
- 30 (1) providing the board with a complete application including evidence of the required
  - 31 licensure;



- 1 (2) demonstrating that the out of state license is no more than 90 days beyond the  
2 normal expiration date of the license;
- 3 (3) paying the board a fee that is equal to two times the normally required renewal fee  
4 for the license; and
- 5 (4) meeting the other requirements for licensing.
- 6 (g) If the certificate, license, or registration was suspended, or revoked for non-payment  
7 of annual license fees, failure to complete the annual license renewal, or failure to  
8 comply with §501.94 of this title (relating to Mandatory Continuing Professional  
9 Education), upon written application the executive director will decide on an individual  
10 basis whether the renewal fees including late fees must be paid for those years and  
11 whether any fee exemption is applicable.
- 12 (h) A military service member, military veteran or military spouse may obtain a license in  
13 accordance with the provisions of **Chapter 516 of this title (relating to Military**  
14 **Service Members, Spouses and Veterans)** ~~§515.11 of this chapter (relating to~~  
15 ~~Licensing for Military Service Members, Military Veterans, and Military Spouses).~~
- 16 (i) Interpretive Comment: Effective September 1, 2015, when calculating the renewal  
17 fee provided for in subsections (a) - (d) of this section, the professional fee that was  
18 required by §901.406 and §901.407 of the Act (relating to Fee Increase and Additional  
19 Fee) will no longer be included in the renewal fee. However, when calculating any  
20 renewal fees accrued prior to September 1, 2015, the professional fee that was required  
21 by §901.406 and §901.407 of the Act will be included in the renewal fee.

1 ~~CHAPTER 515 ——— LICENSES~~

2 ~~RULE §515.11 ——— Licensing for Military Service Members, Military Veterans, and~~  
3 ~~Military Spouses~~

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4  
5 ~~(a) This section applies to all board licensing requirements, other than the examination~~  
6 ~~requirement, for the issuance of a license to a military service member, military veteran~~  
7 ~~or military spouse as applicable for the practice of public accountancy in this state.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3  
4 **The following words and terms, when used in title 22, part 22 of the Texas**  
5 **Administrative Code relating to the Texas State Board of Public Accountancy,**  
6 **shall have the following meanings:**

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

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

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

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

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

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

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

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

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

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

3  
4 **(a) A military service member or military spouse may obtain a license if the applicant for licensure:**

5  
6 **(1) through the fingerprinting process, has been deemed to have an acceptable criminal history according to Chapter 53 of the Texas Occupations Code (relating to Consequences of Criminal Conviction); and**

7  
8 **(2) holds a current license with no restrictions issued by another jurisdiction that has licensing requirements that are substantially equivalent to the licensing requirements in this state; or**

9  
10 **(3) within the five years preceding the application date held a license in this state.**

11  
12 **(b) The executive director may:**

13  
14 **(1) waive any prerequisite to obtaining a license for an applicant described in subsection (a) of this section after reviewing the applicant's credentials; or**

15  
16 **(2) consider, other methods that demonstrate the applicant is qualified to be licensed.**

17  
18 **(c) The board will:**

19  
20 **(1) process a military service member or military spouse's license application, as soon as practical but no more than 30 days from the date of receipt of the application, and issue a non-provisional license when the board determines the applicant is qualified in accordance with board rules;**

21  
22 **(2) waive the license application and examination for a military service member or military spouse applicant:**

23  
24 **(A) whose military service, training or education substantially meets all the requirements for a license; or**

25  
26 **(B) who holds a current license issued by another jurisdiction that has licensing requirements that are substantially equivalent to this agency's requirements; and**

27  
28 **(3) notify the license holder of the requirements for renewing the license in writing or by electronic means and the term of the license.**

3  
4 **(a) A military veteran may obtain a license if the applicant for licensure:**

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

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

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

13 **(b) The executive director may:**

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

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

18 **(c) The board will:**

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

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

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

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

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

1 CHAPTER 516 MILITARY SERVICE MEMBERS, SPOUSES AND VETERANS  
2 RULE §516.4 Accounting Practice Notification by Military Service Members  
3 and Spouses

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4  
5 (a) This section applies to all board regulated public accountancy practice  
6 requirements, other than the examination requirement, by a military service  
7 member or military spouse not requiring a license.

8 (b) A military service member or military spouse:

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

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

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

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

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

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

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

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

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





**Agenda Item V**  
**Joint Rules, Licensing, and CPE Committee Agenda**  
**November 8, 2023**  
**1:30 p.m.**

D. Discussion, consideration, and possible action on private equity ownership.

**DISCUSSION:** The current *Act* and *Board Rules* (and the Uniform Accountancy Act) precludes the idea that a private equity firm could take ownership of a licensed CPA firm that provides attestation services. *Board Rules §513.10 - Firm License* and *§513.11 - Qualifications for Non-CPA Owners of Firm License Holders* (attached) articulates this position.

A currently licensed firm could be reorganized to dissociate the attest practice from the other financial services they may offer to clients (consulting, tax, etc.), but the attest practice would need to be separate and removed from the acquisition. The remaining acquired firm asset would no longer be a CPA firm and would need to proceed down the path as an unlicensed entity. And comply with all the restrictions placed on that operation that will employ CPAs and offer various non-attest services (*Board Rule §518.5 - Unlicensed Entities*).

Reference a recent article in the *Journal of Accountancy* - [Private equity eyes accounting firms large and small - Journal of Accountancy](#)

The notion that private equity would be unable to acquire a CPA firm would still be true (and has been presented at various NASBA events), but a private equity firm could acquire everything else and operate as an unlicensed entity with a fair amount of organizational gymnastics and monitoring by the Board for compliance with the *Act* and the *Rules*.

**RECOMMENDATION:** None.

**SUGGESTED MOTION:** None.

1 CHAPTER 513            REGISTRATION  
2 SUBCHAPTER B        REGISTRATION OF CPA FIRMS  
3 RULE §513.10        Firm License

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- 4  
5 (a) A firm providing attest services or using the titles CPAs, CPA Firm, Certified Public  
6 Accountants, Certified Public Accounting Firm, Auditing Firm, or a variation of any of  
7 those titles shall do so only through a licensed firm.
- 8 (b) To be eligible for a firm license, the firm must show:
- 9     (1) that a majority of the ownership of the firm, in terms of both financial interests and  
10 voting rights, belongs to individuals who hold certificates issued under this chapter or  
11 are licensed as a CPA in another state; or
- 12     (2) that when the firm ownership includes professional organizations, as defined in  
13 §301.003(7) of the Texas Business Organizations Code, the professional organizations  
14 must be owned by individuals that hold a certificate issued under this chapter or are  
15 licensed in another state; and
- 16     (3) that all attest services performed by the firm in this state are under the supervision  
17 of an individual within the firm who holds a certificate issued by the board or by another  
18 state that has not been suspended or revoked.
- 19 (c) Financial interests shall include but shall not be limited to stock shares, capital  
20 accounts, capital contributions, and equity interests of any kind. Financial interests also  
21 include contractual rights and obligations similar to those of partners, shareholders or  
22 other owners of an equity interest in a legal entity.
- 23 (d) Voting rights shall include but shall not be limited to any right to vote on the firm's  
24 ownership, business, partners, shareholders, management, profits, losses and/or equity  
25 ownership.
- 26 (e) Interpretive comment: A licensee offering non-attest services as defined in §901.005  
27 of the Act (relating to Findings; Public Policy; Purpose) through an unlicensed firm in  
28 accordance with §501.81(d) of this title may not use the CPA designation in the  
29 unlicensed firm's name. For example: John Smith may not use the firm name "John  
30 Smith, CPA" unless the firm is licensed by the board.

- 1 (f) Interpretive comment: §901.351(a) of the Act (relating to Firm License Required),
- 2 §501.81(a) of this title and subsection (a) of this section require a firm license in order to
- 3 use the CPA designation except as provided for in §501.81(d) of this title.
- 4 (g) Interpretive comment: A professional organization includes a professional
- 5 corporation or professional limited liability company.

1 CHAPTER 513                   REGISTRATION  
2 SUBCHAPTER B               REGISTRATION OF CPA FIRMS  
3 RULE §513.11               Qualifications for Non-CPA Owners of Firm License Holders

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4  
5 (a) A firm which includes non-CPA owners may not qualify for a firm license unless  
6 every non-CPA individual who is an owner of the firm:

7     (1) is actively providing personal services in the nature of management of some  
8 portion of the firm's business interests or performing services for clients of the firm or an  
9 affiliated entity;

10    (2) lacks a history of dishonest or felonious acts or any criminal activity that might be  
11 relevant to the applicant's qualifications; and

12    (3) is not a suspended or revoked licensee or certificate holder excluding those  
13 licensees that have been administratively suspended or revoked. (Administratively  
14 suspended or revoked are those actions against a licensee for Continuing Professional  
15 Education reporting deficiencies or failure to renew a license.)

16 (b) Each of the non-CPA individual owners who are residents of the State of Texas must  
17 also:

18     (1) pass an examination on the rules of professional conduct as determined by board  
19 rule;

20     (2) comply with the rules of professional conduct;

21     (3) maintain any professional designation held by the individual in good standing with  
22 the appropriate organization or regulatory body that is identified or used in an  
23 advertisement, letterhead, business card, or other firm-related communication; and

24     (4) provide to the board fingerprinting required in §515.1(d) of this title (relating to  
25 License) unless previously submitted to the board.

26 (c) A "Non-CPA Owner" includes any individual or qualified corporation who has any  
27 financial interest in the firm or any voting rights in the firm.

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**Joint Rules, Licensing, and CPE Committee Agenda**  
**November 8, 2023**  
**1:30 p.m.**

E. Update on the December 9, 2023 Swearing-in Ceremony.

The Board will hold its next swearing in ceremony on December 9, 2023 at the Palmer Events Center in Austin. The Licensing Division extended an invitation to 681 new CPAs, and 169 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 December:**

**Collyn Leigh Robison**

KPMG LLP-Dallas  
UT - Austin  
Master in Professional Accounting

**Riley Morgan McKean**

PricewaterhouseCoopers LLP - Dallas  
Texas A&M University  
Master of Financial Management  
\*Elijah Watt Sells Award Recipient\*

**Gavin Robert Van Someren**

Ernst & Young LLP - Houston  
UT - Austin  
Bachelor of Business Administration  
\*Elijah Watt Sells Award Recipient\*

**Julia Wang Zhao**

PricewaterhouseCoopers LLP - Austin  
UT - Austin  
Bachelor of Business Administration

**Heather Christine Brown**

Burgher Haggard- Ft. Worth  
Texas A&M University  
Master of Science

**Audrey Allen O'Neill**

Tx Dept. of Family & Protective Services  
Southwestern University  
Bachelor of Arts in Political Science

**Grayson Paula Walker**

Orion Infrastructure Capital (OIC)  
Texas A&M University  
Master of Science in Management Info  
Systems

**John Patrick Culbertson**

PricewaterhouseCoopers LLP - Houston  
UT - Austin  
Bachelor of Business Administration

**Jordan Reid Lentz**

Cherry Bekaert Advisory LLC – Austin  
UT - Austin  
Master in Professional Accounting

**Sean Adams Coggin**

PricewaterhouseCoopers LLP - Houston  
Texas A&M University  
Master of Financial Management



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F. Discussion, consideration, and possible action on two ethics course submittals.

**DISCUSSION:** The committee will review and consider authorizing the course materials authored by:

**1. Author/Instructor:** Allison M. McLeod, LL.M., CPA (TX# 063395)

Allison M. (Yee) McLeod, LL.M., JD, CPA, a full-time Senior Lecturer at the University of North Texas in Denton, Texas since 2010, has also served as an expert witness in multi-million dollar cases involving tax litigation and accounting malpractice. She is licensed to practice law by the State Bar of Texas since 1992 and has been a Certified Public Accountant since 1993. She has presented ethics seminars across the nation for both CPAs and lawyers and has maintained a private practice specializing in Taxation for the past 25 years. She is also approved to offer the following ethics courses for the Board: *A CPA's Guidebook to Ethical Behavior: A CPE Ethics Course for Texas CPAs* and *Managing Ethical Dilemmas for Texas CPAs* through multiple sponsors.

Course title: *A Back and Forth Discussion of CPA Ethics*

Sponsor Name: Allison M. McLeod, LL.M., CPA, A PLLC and multiple others

Texas Sponsor #: 009875 and multiple others

**2. Author/Instructor:** Jennifer Smith, JD, CPA (TX# 088386)

Jennifer Smith, is a CPA licensed in Texas since 2007 and an Attorney with licenses in Texas (1998) and Colorado (2001). She holds an MBA and JD from the University of Texas at Austin, an MS in Accounting from the University of Texas at Dallas, and a BA from Brown University. Jennifer has worked for over ten years with firms such as Deloitte and CBIZ. She also spent over five years teaching at Texas A&M University at Commerce in their MS in Accountancy and MBA programs. Jennifer is a member of the Texas Bar College (an honorary society comprised of 4% of the State Bar of Texas; members are attorneys in good standing who distinguish themselves through the public commitment to enhanced competence and professionalism). Currently, she is the Tax and Accounting Product Manager at WebCE, Inc., a role she started in 2017.

Course title: *Texas CPA Ethics: Maintaining the Highest Professional Standards*

Sponsor Name: WebCE

Texas Sponsor #: 006170

Course materials will be distributed to the committee separately.

**RECOMMENDATION:** None.

**SUGGESTED MOTION:** None.





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- G. Discussion, consideration, and possible action in regards to the proposed changes to the NASBA/AICPA - Statement on Standards for Continuing Professional Education (CPE) Programs.

**DISCUSSION:** Jointly issued by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA) the *Statement on Standards for Continuing Professional Education (CPE) Programs (Standards)* as well as the *Fields of Study That Qualify for Continuing Professional Education* have been updated and are currently being considered for adoption by the respective Boards with an effective date of January 1, 2024. The *Standards* provide a framework for the development, presentation, measurement and reporting of CPE programs. The proposed revisions provide clarity to the *Standards* as sponsors modified their approaches during and following the days of the pandemic.

The current Board *Rule for Continuing Professional Education (Chapter 523)* uses common philosophy and language as the *Standards*, but does not specifically reference the *Standards* within the CPE program. Staff have reviewed the proposed *Standards* and do not have any specific rule changes to propose at this time.

The *Standards* revision and *Fields of Study* documents will be distributed to the committee separately.

**RECOMMENDATION:** None.

**SUGGESTED MOTION:** None.



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- H. Discussion, consideration, and possible action regarding the suspension of Global CPE's registration authorizing it to provide continuing professional education to Texas licensees.

**DISCUSSION:** Global CPE, a Texas CPE course sponsor for Texas licensees, had its registration suspended by the executive director based upon Global CPE's written agreement in its registration with this agency to meet acceptable standards in the performance of CPE programs it offers in Texas. Based upon a determination by the executive director of Global CPE's failure to meet acceptable standards, the executive director suspended the registration of Global CPE effective October 17, 2023 based upon the following:

1. This agency receiving numerous calls from licensees complaining of Global CPE's failure to respond to clients;
2. Receiving no response from representatives of Global CPE when the executive director requested an explanation from Global CPE regarding the complaints;
3. Receiving notification from NASBA that as the national sponsor of CPE, NASBA had made Global CPE's sponsorship inactive for its failure to respond to NASBA; and,
4. Global CPE's registration with Texas is subject to a valid registration with NASBA. Global CPE is exempted from Texas fees and the Texas Sponsor Review Program when evaluated and registered by NASBA. When Global CPE lost its NASBA registration, it lost its registration in Texas.

**RECOMMENDATION:** Staff recommends that the CPE committee recommend to the Board that the executive director's suspension of Global CPE be ratified by the Board.

**SUGGESTED MOTION:** Move that the CPE committee recommend to the Board the ratification of the suspension of the registration of Global CPE as a provider of CPE courses in Texas.



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- I. Schedule next meeting.