



TEXAS STATE BOARD *of*
PUBLIC ACCOUNTANCY

Agency Strategic Plan
Fiscal Years 2027 – 2031

AGENCY STRATEGIC PLAN


FISCAL YEARS 2027 – 2031

BY

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

| Board Member | Dates of Term | Hometown |
|----------------------------------------------------------|----------------------|-----------------|
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| Susan M. Warren, CPA, Assistant Presiding Officer | 04/05/23 – 01/31/29 | Georgetown |
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| Renee D. Foshee, Esq., CPA, Secretary | 03/15/21 – 01/31/27 | San Marcos |
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| Christopher "Grant" Coates | 03/14/25 – 01/31/31 | Fort Worth |
| Kimberly D. "Kim" Crawford, CPA | 04/05/23 – 01/31/29 | Arlington |
| Jill A. Holup | 03/14/25 – 01/31/31 | Austin |
| Sherri B. Merket | 04/05/23 – 01/31/29 | Midland |
| Thomas M. Neuhoff, CPA | 04/05/23 – 01/31/29 | Tyler |
| Kenneth E. Omoruyi, CPA | 03/14/25 – 01/31/31 | Sugar Land |
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| Sheila M. Vallés-Pankratz | 03/15/21 – 01/31/27 | Mission |

Submitted June 1, 2026

Signed: 
Executive Director, William Treacy

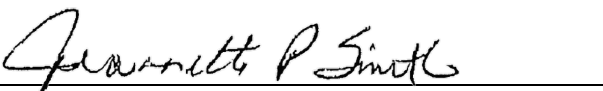
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Presiding Officer, Jeannette P. Smith, CPA

TABLE OF CONTENTS

| Part | | Page |
|-------------|---------------------------------------------------------------------------------------------------------------------------------|-------------|
| I. | STRATEGIC PLAN | 1 |
| | A. Agency Mission | 2 |
| | B. Agency Goals and Action Plan | 3 |
| | C. Redundancies and Impediments | 14 |
| II. | SUPPLEMENTAL SCHEDULES | 15 |
| | Schedule A: Budget Structure—Goals, Objectives and Outcome Measures, Strategies and Output, Efficiency and Explanatory Measures | 16 |
| | Schedule B: Performance Measure Definitions | 23 |
| | Schedule C: Historically Underutilized Business Plan | 47 |
| | Schedule D: Statewide Capital Plan | 48 |
| | Schedule F: Agency Workforce Plan | 49 |
| | Schedule G: Workforce Development System Strategic Planning | 58 |
| | Schedule H: Report on Customer Service | 59 |
| | Schedule I: Certification of Compliance with Cybersecurity Training | 70 |
| | Schedule J: Certification of Compliance with Artificial Intelligence Training | 71 |
| | Schedule K: Report on Projects and Acquisitions Financed by Certain Fund Sources | 72 |

PART I.
STRATEGIC PLAN

A. AGENCY MISSION

The mission of the Texas State Board of Public Accountancy (TSBPA) is to protect the public by ensuring that only qualified and competent licensees practice public accountancy. This is accomplished through the qualification, licensure, and regulation of Texas CPAs in accordance with established professional standards of qualification and conduct within the accounting profession.

Agency Philosophy: The TSBPA will maintain and enforce the highest standards of ethics, accountability, efficiency, and openness, leading the profession, nationally and internationally, in the development and enforcement of public policies relating to public accountancy. We approach our activities with a deep sense of purpose and responsibility, while always remembering that we exist to serve the public. The public and business communities alike are guaranteed a balanced and sensible approach to regulation.

B. AGENCY GOALS AND ACTION PLAN

- A. PUBLIC STANDARDS.** To establish standards in education, examination, and experience for Texas CPAs in the private and public sectors that will protect the public and meet the requirements for certification, licensing, and practice throughout domestic and international jurisdictions.
- B. PROTECT PUBLIC/ENFORCEMENT.** To enforce state regulations relating to the accounting profession; ensure due process, and effective disciplinary action for violators of these standards; and require the re-education and rehabilitation of those violating these laws. To aggressively develop and implement high standards for the accounting profession in emerging issues as they relate to the welfare of the general public.
- C. PUBLIC EDUCATION.** To inform the public concerning Board functions and the procedures by which complaints are filed, processed, and resolved so that the citizens of Texas may better utilize CPA services and be protected from exploitation.
- D. HISTORICALLY UNDERUTILIZED BUSINESSES/VETERAN HEROES UNITED IN BUSINESS.** To establish and carry out policies governing purchasing and public works contracting for the inclusion of historically underutilized businesses/Veteran Heroes United in Business.
- E. CUSTOMER SERVICE.** To develop and carry out procedures to provide quality customer service to external customers.

AGENCY OPERATIONAL GOAL AND ACTION PLAN

- A. PUBLIC STANDARDS.** To establish standards in education, examination, experience, and ethics for Texas CPAs in the private and public sectors that will protect the public and meet the requirements for certification, licensing, and practice throughout domestic and international jurisdictions.

SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL

1. Qualify only those individuals who have met the requirements of the *Public Accountancy Act* (the *Act*) to take the CPA Exam and become Texas CPAs through a comprehensive certification program.
2. Distribute scholarship funds through a comprehensive program to participating Texas educational institutions for distribution to deserving accounting students who meet the requirements of the *Act*.
3. License only those individuals and accounting firms who have met the requirements of the *Act* through a comprehensive licensing program.
4. Require firms offering attest services to undergo a comprehensive peer review program to help achieve industry standards.
5. Register sponsors and require minimum coursework materials in the programs they offer in order to achieve beneficial CPE courses.

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. **Accountable to tax and fee payers of Texas.**
The *Public Accountancy Act* establishes the criteria that individuals must meet to receive a CPA certificate. Based on these requirements and rules promulgated by the TSBPA, the procedures and cost of services support this mandate.
2. **Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.**
The Board and staff evaluate all agency functions to ensure there is no redundancy. We collaborate with the American Institute of Certified Public Accountants (AICPA), the National Association of State Boards of Accountancy (NASBA), and Prometric to offer the CPA Exam, which is one of the requirements for entry into the profession. The Board administers an Accounting Students Scholarship Program and works in concert with participating Texas universities that provide awards to students meeting the requirements of the *Act*. The Board periodically engages an internal audit firm to conduct audits of agency programs. There has not been any Board function where waste has occurred.
3. **Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve.**
On a quarterly basis, the Board compiles data needed to show the number of successful exam candidates and individuals who receive the CPA certificate. We also collect data on individuals and firms that successfully met the requirements for annual license renewal.
4. **Providing excellent customer service.**
We respond and provide information as requested to individuals based on phone calls, emails, office visits, and applications. We also provide automated information and material to CPA Exam candidates and licensees in a timely manner. We meet with accounting students and provide information about the requirements, exam process, and certification requirements to become a CPA. Most routine licensing activities are available to be completed online at www.tsbpa.texas.gov or through www.texas.gov.

The Board and staff have been proactive in assisting CPA Examination applicants and licensees who were affected by disasters and emergencies. We work with applicants by extending eligibility deadlines to take the CPA Exam, offered refunds of exam fees, and have extended exam credits. Information about available assistance has been posted to the Board's website. We have also worked with NASBA and Prometric to address the extensions for testing.

5. Transparent such that agency actions can be understood by any Texan.

Board *Rules*, informational material, and correspondence are concise and easily understood so that Texans who possess basic knowledge and skills may retrieve and understand the goals of the TSBPA.

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION PLAN

INFORMATION RESOURCES PLANNING

1. Streamline business processes
2. Upgrade network hardware and cabling to improve bandwidth and speed
3. Maintain backups at offsite location for public records in case of a loss of data
4. Test restoring the backups at the offsite location
5. Move as many business processes from paper-based to web and/or application-based solutions (also known as legacy modernization)
6. Share services with other agencies, especially those services that we don't use often, utilizing cloud services when possible
7. Maintain consistent communications between chief financial officer, certified Texas contract manager, and Information Resources Division for purchasing information technology goods and services
8. Purchase cloud service solutions when possible
9. Keep infrastructure and data secure
10. Ensure that IT work aligns with business needs
11. Provide continuous learning to our IT professionals
12. Employ data management to know, track, and secure the data (our most valuable asset)
13. Evaluate if artificial intelligence (AI) can be a benefit when establishing and maintaining standards in education, examination, experience, and ethics
14. Employ AI solutions when found to be beneficial for the agency, the agency clients, and the public
15. Manage the agency's accessibility program
16. Manage the agency's data/privacy governance program
17. Manage the agency's AI integration program
18. Transition to new regulatory licensing and exam compliance system
19. Manage the archival licensing system
20. Convert to new scholarship system
21. Convert to new event management system
22. Convert to CAPPS financials from third-party software

AGENCY OPERATIONAL GOAL AND ACTION PLAN

B. PROTECT PUBLIC/ENFORCEMENT. To enforce state regulations relating to the accounting profession; ensure due process, and effective disciplinary action for violators of these regulations; and require the re-education and rehabilitation of those violating these laws. To aggressively develop and implement high standards for the accounting profession in emerging issues as they relate to the welfare of the general public.

SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL

1. Continue to liaise with federal and state agencies, as well as other regulatory bodies, to share information on persons/firms in the performance of accounting work who might not have performed that work in accordance with the laws and rules of this state.
2. Continue to retain and recruit skilled and knowledgeable professionals to enforce the statutes and regulations as set out by the Texas Legislature.
3. Investigate and prosecute allegations of professional misconduct or incompetence through Board committees in accordance with the Board *Rules* and the *Act*.

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. **Accountable to tax and fee payers of Texas.**
The Enforcement Division's committees report to the Board each Board meeting cycle through committee meeting minutes. These reports are available to the public. Action items resulting from the decisions of committee members are voted on by the Board in public meetings usually held every other month, which the public can attend in-person or by video conference.
2. **Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.**
The Enforcement staff operates with a core staff in its investigations of its licensees and non-licensees. When necessary, staff will outsource work to professionals on contract to provide services to the Board.
3. **Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve.**
The Enforcement Division staff collects data on a quarterly basis to ensure that performance measures are being met.
4. **Providing excellent customer service.**
The Enforcement Division staff is available via email, regular mail, and telephone during regular business hours to assist licensees and the general public in answering questions. Information regarding the complaint process is outlined on the Board's website for access by the public at any time. Staff attorneys also speak at colleges and association meetings.
5. **Transparent such that agency actions can be understood by any Texan.**
The Board's policies, procedures, and rules are available on the Board's website 24/7. Minutes of Board actions are also available on the Board's website.

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION PLAN

INFORMATION RESOURCES PLANNING

1. Streamline business processes
2. Upgrade network hardware and cabling to improve bandwidth and speed
3. Maintain backups at offsite location for public records in case of a loss of data
4. Test restoring the backups at the offsite location
5. Move as many business processes from paper-based to web and/or application-based solutions (also known as legacy modernization)
6. Share services with other agencies, especially those services that we don't use often, utilizing cloud services when possible
7. Maintain consistent communications between chief financial officer, certified Texas contract manager, and Information Resources Division for purchasing information technology goods and services
8. Purchase cloud service solutions when possible
9. Keep infrastructure and data secure
10. Ensure that IT work aligns with business needs
11. Provide continuous learning to our IT professionals
12. Employ data management to know, track, and secure the data (our most valuable asset)
13. Evaluate if AI can be a benefit when enforcing state regulations
14. Employ AI solutions when found to be beneficial for the agency, the agency clients, and the public
15. Manage the agency's accessibility program
16. Manage the agency's data/privacy governance program
17. Manage the agency's AI integration program
18. Transition to new regulatory licensing and exam compliance system
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21. Convert to new event management system
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AGENCY OPERATIONAL GOAL AND ACTION PLAN

- C. PUBLIC EDUCATION.** To inform the public of Board functions and procedures by which complaints are filed, processed, and resolved so that the citizens of Texas may be assured of competent and ethical services from CPAs.

SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL

1. Provide all interested parties with information concerning the *Public Accountancy Act* (the *Act*), as well as the Board's *Rules of Professional Conduct*, and procedures pertaining to Board functions.
2. Establish and maintain goodwill and understanding between the organization and its customers. The Board's constituents may include, but are not limited to, individual CPAs, CPA firms, exam applicants, exam candidates, accounting educators, the Texas state government, the general public, and other U.S. and worldwide accountancy organizations and agencies.
3. The Board will use communications to anticipate and address issues that might impact the administration of the *Act*. This will be accomplished through a variety of media channels, including the Board's website, email blasts, forms, social media, posters, press releases, public notices, meeting minutes, and publications, such as the *Texas State Board Report*, this *Strategic Plan*, the National Association of State Boards of Accountancy's *EDigital* newsletter, and the *Compact with Texans*.

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. **Accountable to tax and fee payers of Texas.**
The Board maintains a *Compact with Texans*, which is an agreement written by agency staff that promises to provide the citizens of Texas with helpful, informative, and competent service. The compact promises the distribution of information quickly and accurately and in a professional manner.
2. **Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.**
The Board creates requests for bids from state-approved print shops that are contracted with the Comptroller's office to competitively procure print services. The Board has experienced significant cost savings by switching to an electronic delivery method by default for its quarterly newsletter, the *Texas State Board Report*. Electronic delivery also ensures that licensees receive Board communications quickly and efficiently.
3. **Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve.**
The Public Education Division uses input from the agency's customer service survey and feedback received from clients to monitor and evaluate the effectiveness of the Board's communications efforts on a quarterly basis. Public Education also maintains an agency *Communications Style Guide*, which is used to produce communications with consistent wording and formatting. The style guide is updated regularly.
4. **Providing excellent customer service.**
Board communications are relevant, timely, clear, and concise. Special news alerts and announcements are quickly communicated to licensees and candidates via emails blasts, the Board's website, and social media posts. Social media is an effective vehicle to share relevant and timely news articles and updates that affect the accounting profession, such as information about the new CPA Exam and certification requirements. The Public Education Division treats social media as a customer service component of the agency. Public Education monitors the Board's social media accounts and responds to all messages, comments, and posts within 24 hours. Licensees and candidates read the Board's publicly posted responses to questions and those with similar questions appreciate the shared information.
5. **Transparent such that agency actions can be understood by any Texan.**
The Board is transparent in its functions, procedures, and the fees it charges. Board communications are used to explain how the Board uses funds from the fees it collects, to notify customers of fee changes, and to describe how the agency operates pursuant to the *Act* and Board *Rules*.

The *Texas State Board Report* is an important means of communication for the Board. As the state licensing agency for certified public accountants, the Board has an obligation to let licensees know about changes to the *Act* and the Board *Rules*, as well as legal and legislative issues that may affect the practice of public accountancy. The newsletter is one of the main media channels we use to communicate that information.

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION PLAN

INFORMATION RESOURCES PLANNING

1. Move as many business processes from paper-based to web and/or application-based solutions (also known as legacy modernization)
2. Provide open data on the Open Data Portal
3. Provide data analytics, as necessary
4. Evaluate if AI can be a benefit when informing the public of Board functions and procedures
5. Employ AI solutions when found to be beneficial for the agency, the agency clients, and the public
6. Manage the agency's accessibility program
7. Manage the agency's data/privacy governance program
8. Manage the agency's AI integration program
9. Transition to new regulatory licensing and exam compliance system
10. Manage the archival licensing system
11. Convert to new scholarship system
12. Convert to new event management system
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AGENCY OPERATIONAL GOAL AND ACTION PLAN

- D. HISTORICALLY UNDERUTILIZED BUSINESSES.** To establish and carry out policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses/Veteran Heroes United in Business (VetHUB).

SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL

1. The Texas State Board of Public Accountancy (TSBPA) will consider historically underutilized businesses (HUBs)/VetHUB in contracts and subcontracts awarded annually by the agency in purchasing and public works contracts and subcontracts.
2. TSBPA will utilize the Centralized Master Bidders List (CMBL) as the primary reference list to identify HUB/VetHUB vendors.
3. Purchases of commodities under \$10,000 are non-competitive; however, TSBPA will solicit bids and purchase from HUBs/VetHUB whenever possible. Three bids will be required, two of which must be from certified HUBs/VetHUB.

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. **Accountable to tax and fee payers of Texas.**
TSBPA will report HUB/VetHUB and non-HUB/VetHUB spending in a timely manner to the Texas Comptroller of Public Accounts for the semi and annual reports.
2. **Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.**
In order to produce maximum results, the agency will utilize the CMBL list to identify certified HUBs/VetHUB.
3. **Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve.**
TSBPA will review HUB/VetHUB reports to evaluate HUB/VetHUB progress throughout the year.
4. **Providing excellent customer service.**
TSBPA will provide excellent customer service to all and assist HUBs/VetHUB to the best of its abilities.
5. **Transparent such that agency actions can be understood by any Texan.**
TSBPA is committed to being transparent, accessible, and accountable to all of its actions. The agency's HUB/VetHUB Strategic Plan Progress Report is available in the Annual Report of Nonfinancial Data. HUB/VetHUB reports are also accessible on the Texas Comptroller's website.

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION PLAN

INFORMATION RESOURCES PLANNING

1. Maintain consistent communications between chief financial officer, certified Texas contract manager, and Information Resources Division for purchasing information technology goods and services.
2. Manage the agency's accessibility program
3. Manage the agency's data/privacy governance program
4. Manage the agency's AI integration program
5. Transition to new regulatory licensing and exam compliance system
6. Manage the archival licensing system

TSBPA AGENCY STRATEGIC PLAN
Agency Goals and Action Plan

7. Convert to new scholarship system
8. Convert to new event management system
9. Convert to CAPPS financials from third-party software

AGENCY OPERATIONAL GOAL AND ACTION PLAN

E. CUSTOMER SERVICE. To develop and carry out procedures to provide quality customer service to external customers.

SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL

1. Develop and implement procedures to provide quality customer service in each of the agency's divisions.
2. Survey customers in even-numbered years to determine if customer satisfaction has been achieved on background information, Board facilities, Board staff, the Board's website, printed information, and overall performance.
3. Submit a Customer Service Report to the Governor's Office of Budget and Planning and the Legislative Budget Board no later than June 1 of each even-numbered year pursuant to *Texas Government Code, Chapter 2114*.

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. **Accountable to tax and fee payers of Texas.**
Pursuant to *Texas Government Code, Chapter 472, Self-Directed, Semi-Independent Agencies*, the Texas State Board of Public Accountancy does not utilize appropriations for its operating expenditures and therefore, is not listed in the *General Appropriations Act* as referenced in *Texas Government Code, Chapter 2114*. However, customer satisfaction of fee payers (the Board's external customers) remains a priority for the Board as evidenced by the action items above.
2. **Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.**
The Board is able to operate efficiently with a clear and concise website. The website provides an opportunity for customers to receive current information about Board activities, update their records, pay online, review Board *Rules* and statutes, as well as retrieve information about contacting the Board.
3. **Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve.**
The Board's staff periodically reviews policies and procedures by division. During the review, staff may identify ways to improve processes. The Board also prepares customer service performance measures during even-numbered years, which provide valuable feedback to the Board regarding customer satisfaction and ways to improve service delivery.
4. **Providing excellent customer service.**
The Board's executive leadership reviews the results of the customer service survey. Each time the survey has been made available to licensees, the findings indicate that the Board's largest population of external customers has a favorable view of the Board. Customers also notify the Board when a staff member has been particularly helpful in assisting them. These comments are routinely published in the public Board meeting agendas.

5. Transparent such that agency actions can be understood by any Texan.

The Board observes the *Open Meetings* and *Public Information Acts* making Board actions and information available to the public. The website also provides links to other websites such as “Where the Money Goes,” which customers may use to research agency expenditures.

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION PLAN
INFORMATION RESOURCES PLANNING

1. Streamline business processes
2. Upgrade network hardware and cabling to improve bandwidth and speed
3. Maintain backups at offsite location for public records in case of a loss of data
4. Test restoring the backups at the offsite location
5. Move as many business processes from paper-based to web and/or application-based solutions (also known as legacy modernization)
6. Share services with other agencies, especially those services that we don't use often, utilizing cloud services when possible
7. Maintain consistent communications between chief financial officer, certified Texas contract manager, and Information Resources Division for purchasing information technology goods and services
8. Purchase cloud service solutions when possible
9. Keep infrastructure and data secure
10. Ensure that IT work aligns with business needs
11. Provide continuous learning to our IT professionals
12. Employ data management to know, track, and secure the data (our most valuable asset)
13. Provide data analytics
14. Evaluate if AI can be a benefit when providing customer service (e.g., use of a chatbot to answer commonly asked questions)
15. Employ AI solutions when found to be beneficial for the agency, the agency clients, and the public
16. Manage the agency's accessibility program
17. Manage the agency's data/privacy governance program
18. Manage the agency's AI integration program
19. Transition to new regulatory licensing and exam compliance system
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C. REDUNDANCIES AND IMPEDIMENTS

| Service, Statute, Rule or Regulation (Provide Specific Citation if applicable) | Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations | Provide Agency Recommendation for Modification or Elimination | Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------|
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------|

The Texas State Board of Public Accountancy (TSBPA) was reviewed by the Texas Sunset Commission and was found to be well-managed and was continued for another 12 years. The Sunset Commission determined that our agency does not have any redundancies or impediments. The TSBPA was also audited by the State Auditor's Office (SAO). The SAO report was favorable and did not identify any redundancies or impediments. Every four years, the Board's Rules Committee conducts a review of all of our rules and either readopts, revises, or repeals rules. All Board rules also have to be reviewed and approved by the Office of the Texas Governor. We are a small agency and our mission is based on statutory mandates that are consistent from year to year. Our statutes help the overall efficiency and operations of our agency and we do not find them to be a hindrance. The role and functions of our agency do not overlap within the agency, with other state agencies, or within the profession.

PART II.

SUPPLEMENTAL SCHEDULES

SCHEDULE A: BUDGET STRUCTURE—GOALS, OBJECTIVES AND OUTCOME MEASURES, STRATEGIES AND OUTPUT, EFFICIENCY AND EXPLANATORY MEASURES

GOAL 01: PUBLIC STANDARDS. To establish standards in education, examination, and experience for Texas CPAs in the private and public sectors that will protect the public and meet the requirements for certification, licensing, and practice throughout domestic and international jurisdictions, but not necessarily restrict entry to the profession.

OBJECTIVES

OUTCOME MEASURES

| | | | |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|--------------------------------------------------------------------|
| 01-01 | In each year of the biennium, qualify only those individuals and accounting firms who have met the requirements of the <i>Public Accountancy Act</i> (the Act). | .01 | <i>Percentage of individual licensees meeting CPE requirements</i> |
| | | .02 | <i>Percentage of licensees with no recent violations</i> |
| | | .03 | <i>Percentage of licensees who renew online</i> |
| 01-02 | Ensure that only those accounting firms providing services according to the industry standards are qualified to offer a full range of accounting services to the public. | .01 | <i>Percentage of accounting firms reviewed</i> |
| | | .02 | <i>Percentage of accounting firms receiving favorable review</i> |
| 01-03 | Ensure that only registered CPE sponsors provide beneficial CPE for Texas CPAs. | .01 | <i>Percentage of CPE sponsors reviewed</i> |
| | | .02 | <i>Percentage of CPE sponsors receiving favorable review</i> |

STRATEGIES

OUTPUT MEASURES

| | | | |
|----------|----------------------------------------------------------------------------------------------|------|-----------------------------------------------------------------------------|
| 01-01-01 | Licensing. Manage a comprehensive qualifications, examination, and licensing program. | .01 | <i>Number of intent applications processed</i> |
| | | .02 | <i>Number of intent applications approved</i> |
| | | .03 | <i>Number of eligibility applications for the examination processed</i> |
| | | .04 | <i>Individuals examined</i> |
| | | .05 | <i>Applications processed for certification/ registration (individuals)</i> |
| | | .05a | <i>Number of reciprocal applications processed (individuals)</i> |
| | | .06 | <i>Number of applications processed for firm registration</i> |
| | | .07 | <i>Number of new licenses issued to individuals</i> |
| | | .08 | <i>Number of licenses renewed (individuals)</i> |
| | | .09 | <i>Number of accounting student scholarships awarded</i> |
| | | .10 | <i>Accounting student scholarship funds awarded</i> |

EFFICIENCY MEASURES

- .01 *Average cost per section taken*
- .02 *Average licensing cost per individual license issued*
- .03 *Average licensing cost per firm office license issued*

EXPLANATORY MEASURES

- .01 *Number of active CPE providers registered*
- .02 *Total number of individuals licensed*
- .03 *Total number of firm offices licensed*

OUTPUT MEASURES

01-01-02 **Examination.** To promote uniformity and reciprocity with other licensing jurisdictions and ensure that sections taken by candidates are graded consistently.

- .01 *Number of sections of the examination taken*
- .02 *Number of sections of the examination passed*

OUTPUT MEASURES

01-02-01 **Peer Review.** Develop and implement a comprehensive peer review program for all accounting firms utilizing industry standards as the measure of competence and oversight through a Peer Review Oversight Board.

- .01 *Number of peer reviews conducted*
- .02 *Number of peer reviews examined by the Peer Review Oversight Board (PROB)*

EFFICIENCY MEASURE

- .01 *Average cost per peer review conducted*

EXPLANATORY MEASURE

- .01 *Number of accounting firms subject to peer review*

01-03-01 **Sponsor Review.** Develop and implement a comprehensive sponsor review program to ensure the availability of beneficial Continuing Professional Education (CPE) Courses.

OUTPUT MEASURE

.01 *Number of CPE sponsors reviewed*

EFFICIENCY MEASURE

.01 *Average cost per active registered sponsor*

EXPLANATORY MEASURE

.01 *Number of CPE sponsors subject to sponsor review*

GOAL 02: PROTECT PUBLIC/ENFORCEMENT. To enforce state regulations relating to the accounting profession; ensure timely and effective disciplinary action for violators of these standards; and require the re-education and rehabilitation of those violating these laws. To aggressively develop and implement high standards for the accounting profession in emerging issues as they relate to the welfare of the general public.

OBJECTIVE

02-01 In each year of the biennium, ensure that complaints are resolved timely according to established time frames, emphasizing voluntary compliance and education as the preferred means of resolution, and ensure that enforcement actions are effective and fair.

OUTCOME MEASURES

- .01 *Percentage of documented complaints resolved within six months*
- .02 *Percentage of disciplinary complaints closed with voluntary compliance or continuing professional education*
- .03 *Percentage of complaints resolved resulting in disciplinary action*

STRATEGY

02-01-01 **Enforcement.** Operate a system of enforcement that includes investigation and resolving complaints and promulgating rules to effectuate the Act.

OUTPUT MEASURES

- .01 *Number of disciplinary complaints/referrals processed*
- .02 *Number of administrative complaints processed*
- .03 *Number of complaints resolved*
- .04 *Number of rules adopted, revised, or repealed*

EFFICIENCY MEASURES

- .01 *Average time for disciplinary complaint resolution*
- .02 *Average time for administrative complaint resolution*
- .03 *Average cost per complaint resolved*

EXPLANATORY MEASURE

- .01 *Number of jurisdictional complaints received*

GOAL 03: PUBLIC EDUCATION. To inform the public concerning Board functions and the procedures by which complaints are filed, processed, and resolved so that citizens of Texas may better utilize CPA services and be protected from exploitation.

OBJECTIVE

03-01 In each year of the biennium, ensure that 100% of active licensees receive information on Board activities, rules, new legislation, disciplinary actions, and other pertinent information and respond to all requests for information.

OUTCOME MEASURE

.01 *Percentage of newsletters distributed electronically*

STRATEGY

03-01-01 **Public Education.** Develop and operate a coordinated system of public information to provide all interested parties information concerning the *Act*, as well as Board *Rules* and procedures pertaining to qualification, examination, licensing, enforcement, and peer review.

OUTPUT MEASURE

.01 *Number of newsletters and publications distributed*

GOAL 04: HISTORICALLY UNDERUTILIZED BUSINESSES. To establish and carry out policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses/Veteran Heroes United in Business (VetHUB).

OBJECTIVES

04-01 To include historically underutilized businesses (HUBs)/Veteran Heroes United in Business (VetHUB) in contracts and subcontracts awarded annually by the agency in purchasing and public workscontracting.

OUTCOME MEASURE

.01 *Percentage of total dollar value of purchasing and public works contracts and subcontracts awarded to HUBs/VetHUB*

STRATEGY

04-01-01 **Historically Underutilized Businesses.** Develop and implement a plan for increasing the use of historically underutilized businesses/VetHUB through purchasing and public works contracts and subcontracts.

GOAL 05: CUSTOMER SERVICE. To develop and carry out procedures to provide quality customer service to external customers.

OBJECTIVE

05-01 To provide customer satisfaction on background information, the Board facilities, the Board staff, the Board's website, printed information, and overall performance.

OUTCOME MEASURES

.01 *Percentage of surveyed customer respondents expressing overall satisfaction with services received*

.02 *Percentage of surveyed customer respondents identifying ways to improve service delivery*

STRATEGY

05-01-01 **Customer Service.** Develop and implement procedures to provide quality customer service in each of the agency's divisions.

OUTPUT MEASURES

.01 *Number of customers surveyed*

.02 *Number of customers served*

EFFICIENCY MEASURE

.01 *Cost per customer surveyed*

EXPLANATORY MEASURES

.01 *Number of customers identified*

.02 *Number of customer groups inventoried*

SCHEDULE B: PERFORMANCE MEASURE DEFINITIONS

01 PUBLIC STANDARDS

01-01 Qualify all eligible individuals and firms meeting requirements

Outcome Measures:

.01 Percentage of individual licensees meeting continuing professional education (CPE) requirements

Short Definition: The percentage of licensees who have met the CPE requirements.

Purpose/Importance: Licensees are required to meet CPE requirements to ensure that persons who hold a certificate have met the current standards of the profession. CPE is intended to help ensure that licensees are able to serve the public in a competent manner.

Source/Collection of Data: The information comes from a query generated by the Information Resources Division.

Method of Calculation: The measure is calculated by dividing the number of individuals meeting the CPE requirements by the total number of licensees. If an exemption from CPE has been granted, this is the same as meeting the requirement. The total number of licensees minus the number of CPE complaints filed divided by total individual licensees.

Data Limitations: None

Calculation Type: Non-cumulative

New Measure: No

Desired Performance: Higher than target

.02 Percentage of licensees with no recent violations

Short Definition: The percent of the total number of licensed, registered, or certified individuals at the end of the reporting period who have not incurred a violation within the current and preceding two years (three years total).

Purpose/Importance: Licensing, registering, or certifying individuals helps ensure that practitioners meet legal standards for professional education and practice, which is a primary agency goal. This measure is important because it indicates how effectively the agency's activities deter violations of professional standards established by statute and rule.

Source/Collection of Data: The Board's automated enforcement and licensing system is the source for this information.

Method of Calculation: The total number of individuals currently licensed, registered, or certified by the agency who have not incurred a violation within the current and preceding two years divided by the total number of individuals currently licensed, registered, or certified by the agency. The numerator for this measure is calculated by subtracting the total number of licensees with violations during the three-year period from the total number of licensees at the end of the reporting period. The denominator is the total number of licensees at the end of the reporting period.

Data Limitations: None

Calculation Type: Non-cumulative
New Measures: No
Desired Performance: Higher than target

.03 Percentage of licensees who renew online

Short Definition: The percentage of licensees completing the renewal process online (via the Internet) during the reporting period.

Purpose/Importance: This measures the ability of the agency to increase the overall percentage of licensees renewing and the timeliness of license renewal by offering alternate methods of interfacing with the client base.

Source/Collection of Data: Data comes from the agency licensing database that keeps a record of those individuals renewing online.

Method of Calculation: The number of licensees renewing online divided by the total number of licensees who renewed their license during the reporting period.

Data Limitations: The simple percentage of licensees renewing online is not a measure of the benefits of offering online renewals. The agency could have a drop in the percentage of licensees renewing and have an increase in late license renewals, while increasing the number of individuals renewing online.

Calculation Type: Non-cumulative
New Measure: Yes
Desired Performance: Higher than target

01-01-01 LICENSING – Manage a comprehensive licensing and examination program

Output Measures:

.01 Number of intent applications processed

Short Definition: The number of intent applications submitted by individuals to determine if the education and background investigation requirements are met to apply to take the Uniform CPA Examination (UCPAE). Process includes approvals pending and denials.

Purpose/Importance: This performance measure is important in ensuring that individuals meet exam education and background investigation requirements prior to testing and in determining staff workload.

Source/Collection of Data: The data for this measure comes from data collected from the Board's automated exam system. Each individual who has never taken the UCPAE in Texas must submit an application of intent so that the Board may determine if the individual meets the education and background investigation requirements for testing. The application of intent is effective for two years from the date of submission. An individual who takes the exam within the two-year effective date is not required to refile an application of intent.

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| <u>Method of Calculation:</u> | The data is calculated by adding the number of applications of intent submitted through the last day of the quarter. |
| <u>Data Limitations:</u> | The number of individuals who submit intent applications for the UCPAE is beyond the control of the agency. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.02 Number of intent applications approved

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|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of intent applications approved by the Board. |
| <u>Purpose/Importance:</u> | This performance measure is important because the applicants have to meet statutory and Board rule requirements to apply to take the UCPAE. |
| <u>Source/Collection of Data:</u> | The data for this measure comes from data collected from the Board's automated exam system. Each individual who files an application of intent that is approved by the Board shall maintain this status for two years from the date of submission. An individual who takes the exam within the two-year effective date is not required to refile an application of intent. |
| <u>Method of Calculation:</u> | The data is calculated by adding the number of applications of intent approved during the quarter. |
| <u>Data Limitations:</u> | The number of individuals who submit intent applications for the UCPAE is beyond the control of the agency. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.03 Number of eligibility applications for the examination processed

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|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of eligibility applications submitted by individuals to take one or more sections of the UCPAE. |
| <u>Purpose/Importance:</u> | This performance measure is important in determining that applicants are eligible to take the UCPAE. |
| <u>Source/Collection of Data:</u> | The data for this measure comes from data collected from the Board's automated exam system. Each eligibility application must be submitted with an eligibility fee for the section of the CPA Exam for which the individual wants to apply. The Board must verify that the individual is eligible for that section of the CPA Exam. |
| <u>Method of Calculation:</u> | The data is calculated by adding the number of eligibility applications submitted during the quarter. |
| <u>Data Limitations:</u> | The number of individuals who submit eligibility applications for the UCPAE is beyond the control of the agency. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.04 Individuals examined

| | |
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| <u>Short Definition:</u> | The number of individuals to whom computer-based examination sections were administered during the reporting period. |
| <u>Purpose/Importance:</u> | The CPA Examination is offered via computer on a year-round basis at testing centers. This performance measure is important because it can be used as a tool for comparison purposes with former exams. |
| <u>Source/Collection of Data:</u> | The data for this measure comes from data collected from the Board's automated exam system. The Board receives data from NASBA about individuals who took the UCPAE. |
| <u>Method of Calculation:</u> | The data is calculated by adding the number of individuals who took one or more sections of the UCPAE during each quarter. Because the information is released by NASBA, the data for one quarter may not be available until the next quarter. |
| <u>Data Limitations:</u> | The number of individuals who take a section of the UCPAE is beyond the control of the agency. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.05 Number of applications processed for certification/registration (individuals)

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| <u>Short Definition:</u> | An individual who has passed all parts of the UCPAE must submit an application and meet other requirements of the <i>Act</i> to receive the CPA Certificate or Registration. |
| <u>Purpose/Importance:</u> | This performance measure is important in determining that the applicant meets the requirements for the CPA certificate. |
| <u>Source/Collection of Data:</u> | The data for this measure comes from the Board's automated examination and licensing system. Each application must be submitted with a certificate or registration fee. The fees are entered into the automated exam and licensing system. The number of fees that are collected documents this performance measure. |
| <u>Method of Calculation:</u> | The data is calculated by adding the number of certification and registration fees received for each quarter. |
| <u>Data Limitations:</u> | The number of individuals who submit applications for certification or registration is beyond the control of the agency. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.05a Number of reciprocal applications processed (individuals)

| | |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | An individual who is licensed as a CPA by another U.S. Board of Accountancy must submit an application and meet other requirements of the <i>Act</i> to receive the CPA certificate by reciprocity. |
| <u>Purpose/Importance:</u> | This performance measure is important in determining staff workload. |

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| <u>Source/Collection of Data:</u> | The data for this measure comes from the Board's automated examination and licensing system. Each application must be submitted with a certificate or registration fee. The fees are entered into the automated exam and licensing system. The number of fees that are collected documents this performance measure. |
| <u>Method of Calculation:</u> | The data is calculated by adding the number of reciprocal certificate fees received for each quarter. |
| <u>Data Limitations:</u> | The number of individuals who submit applications for reciprocal certification is beyond the control of the agency. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.06 Number of applications processed for firm registration

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|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of applications processed for partnerships, professional corporations, professional limited liability companies, registered limited liability partnerships, and sole proprietorships. |
| <u>Purpose/Importance:</u> | Registering firms in the client practice of public accountancy ensures that the firms meet the legal standards of the profession, which is the goal of the agency. This measure is important because it indicates the number of firms licensed to practice public accountancy in Texas. |
| <u>Source/Collection of Data:</u> | Data comes from monthly reports generated by the Information Resources Division. |
| <u>Method of Calculation:</u> | This measure counts the total number of firms registered during the reporting period, regardless of when the application was originally received. Those firms that were certified in the previous period are not counted. |
| <u>Data Limitations:</u> | Firms must meet all the criteria for registration as required by statute and rule. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.07 Number of new licenses issued to individuals

| | |
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| <u>Short Definition:</u> | The number of licenses issued to previously unlicensed individuals during the reporting period. |
| <u>Purpose/Importance:</u> | A successful licensing structure must ensure that legal standards for professional education and practice are met prior to licensure. This measure is a primary workload indicator that is intended to show the number of unlicensed persons who were documented to have successfully met all licensure criteria established by statute and rule as verified by the agency during the reporting period. |
| <u>Source/Collection of Data:</u> | The data comes from a query generated by the Information Resources Division. Each license notice must be submitted with a fee. The fees are entered into the licensing records. The number of fees that are collected documents this performance measure. |

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| <u>Method of Calculation:</u> | This measure counts the total number of licenses issued to previously unlicensed individuals during the reporting period, regardless of when the application was originally received. Those individuals who had a license in the previous reporting period are not counted. Only new licenses are counted. Licenses are counted as new for persons who were previously licensed, but whose license expired so that they were required to meet all criteria of a new applicant. |
| <u>Data Limitations:</u> | The number of individuals who choose to obtain a license is beyond the control of the agency. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.08 Number of licenses renewed (individuals)

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| <u>Short Definition:</u> | The number of licensed individuals who held licenses previously and renewed during the current reporting period. |
| <u>Purpose/Importance:</u> | Licensure renewal is intended to ensure that individuals who want to continue to practice public accountancy satisfy current legal standards established by statute and rule for the profession and practice. This measure is intended to show the number of licenses that were issued during the reporting period to individuals who currently held a valid license. |
| <u>Source/Collection of Data:</u> | The information comes from the agency licensing database that keeps a record of those individuals renewing their licenses. |
| <u>Method of Calculation:</u> | The measure is calculated by querying the agency licensing database to produce the total number of licenses issued to previously licensed individuals who have submitted fees and met the CPE requirement. |
| <u>Data Limitations:</u> | The number of individuals who choose to renew their licenses is beyond the control of the agency. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.09 Number of scholarships awarded

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|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of scholarships awarded to CPA Exam applicants during the reporting period. |
| <u>Purpose/Importance:</u> | CPA Exam applicants who satisfy requirements established by statute and rule may apply for the TBA Accounting Student Scholarship. This measure is intended to show the number of awards given to CPA Exam applicants during the reporting period. |
| <u>Source/Collection of Data:</u> | The information comes from the agency scholarship database that keeps a record of the number of scholarships awarded. |
| <u>Method of Calculation:</u> | The measure is calculated by querying the agency scholarship database to produce the total number of scholarships awarded during the reporting period. |

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| <u>Data Limitations:</u> | The number of scholarships awards is determined by the funds available. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | Yes |
| <u>Desired Performance:</u> | N/A |

.10 Scholarship funds awarded

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|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | Total scholarship funds provided to participating Texas educational institutions for distribution to CPA Exam applicants during the reporting period. |
| <u>Purpose/Importance:</u> | Participating Texas educational institutions may request scholarship awards for CPA Exam applicants who satisfy requirements established by statute and rule and apply for the TBA Accounting Student Scholarship. This measure is intended to show the amount of awards given to CPA Exam applicants during the reporting period. |
| <u>Source/Collection of Data:</u> | The information comes from the agency scholarship database that keeps a record of the amount of scholarships awarded. |
| <u>Method of Calculation:</u> | The measure is calculated by querying the agency scholarship database to produce the total amount of scholarships awarded during the reporting period. |
| <u>Data Limitations:</u> | The amount of scholarships awards is determined by the funds available. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | Yes |
| <u>Desired Performance:</u> | N/A |

Efficiency Measures:

.01 Average cost per section taken

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|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | Total costs expended for examination activities during the reporting period divided by the total number of exam sections taken during the reporting period. |
| <u>Purpose/Importance:</u> | The Board is obligated to offer the exam as efficiently and cost effectively as possible to individuals approved to take a specific section. This performance measure is important in monitoring costs and for estimating the cost of future CPA Examinations. |
| <u>Source/Collection of Data:</u> | The data for this measure comes from the Board's records of salaries, supplies, travel, postage, application review and handling, notification and other costs directly related to the examination function. |
| <u>Method of Calculation:</u> | The agency determines the total funds expended divided by the number of exam sections that were taken during the quarter. |
| <u>Data of Limitations:</u> | Some of the costs associated with this measure are beyond the control of the agency due to economic factors. |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Lower than target |

.02 Average licensing cost per individual license issued

| | |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | Total expenditures (including encumbrances) for direct licensing activities during the reporting period divided by the total number of individuals licensed during the reporting period. |
| <u>Purpose/Importance:</u> | This measure is intended to show how cost-effectively the agency processes new and renewal license applications for individuals. |
| <u>Source/Collection of Data:</u> | The number of new and renewed licenses is obtained from the agency's automated licensing system. The Information Resources Division generates a quarterly report for this measure titled "Count of Licensees by Quarter." The Accounting Division compiles the financial data from the agency's internal accounting system. A report is generated listing expenses by quarter for each division, and a worksheet is created for performance measure reporting. |
| <u>Method of Calculation:</u> | Total funds expended and encumbered during the reporting period for the processing of initial and renewed licenses for individuals divided by the total number of initial and renewed licenses for individuals issued during the reporting period. Costs include the following categories: salaries; supplies, travel, postage, and other costs directly related to licensing, including document review, handling, and notification. Costs related to the examination function and indirect administration costs are excluded from this calculation. |
| <u>Data Limitation:</u> | Factors beyond the agency's control include the number of individuals who will become licensed in a given period. |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Lower than target |

.03 Average licensing cost per firm office license issued

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|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | Total expenditures (including encumbrances) for direct licensing activities during the reporting period divided by the total number of firm offices licensed during the reporting period. |
| <u>Purpose/Importance:</u> | This measure is intended to show how cost-effectively the agency processes new and renewal licensing applications for firm offices. |
| <u>Source/Collection of Data:</u> | The number of new and renewed firm office licenses issued is obtained from the agency's automated licensing system. The Information Resources Division generates a quarterly report for this measure titled "Count of Firms by Quarter." The Accounting Division compiles the financial data which comes from the agency's internal accounting system. A report is generated listing expenses by quarter for each division, and a worksheet is created for performance measure reporting. |
| <u>Method of Calculation:</u> | Total funds expended and encumbered during the reporting period for the processing of initial and renewed firm office licenses (numerator) is divided by the total number of initial and renewed firm office licenses issued during the reporting period (denominator). Total departmental expenditures for the Licensing Division divided by the number of firm offices licensed. The CPE Department expenditures are not included, as CPE is not a requirement for the licensing of firms. Costs include the following categories: salaries, supplies, travel, postage, and other costs directly related to firm office licensing, including document review, handling, and notification. Indirect administration costs are excluded from the calculation. |

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| <u>Data Limitation:</u> | Factors beyond the agency's control include the number of new firms being registered. |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Lower than target |

Explanatory Measures:

.01 Number of active CPE providers registered

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|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of active CPE providers registered with the Board. |
| <u>Purpose/Importance:</u> | Organizations registered with the Board must adhere to the standards of the Board as established by rule. This ensures that licensees take courses from providers who have registered with the Board and that the courses will enhance their professional competence. |
| <u>Source/Collection of Data:</u> | Providers desiring to register as a provider of CPE submit an application provided by the Board. The number of active CPE providers is from a database of the providers who request to remain active each year. |
| <u>Method of Calculation:</u> | The Information Resources Division maintains a database of all registered providers. The providers are the entities who request on an annual basis to remain active. Information comes from a query generated by the Information Resources Division. |
| <u>Data Limitations:</u> | The number of entities who desire to register as providers of CPE is not under the control of the agency. |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.02 Total number of individuals licensed

| | |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The total number of individuals licensed at the end of the reporting period. |
| <u>Purpose/Importance:</u> | The measure shows the total number of individual licenses currently issued, which indicates the number of individuals who are currently active. |
| <u>Source/Collection of Data:</u> | The information comes from the agency licensing database that maintains a record of those individuals who have submitted the annual license fee and reported CPE. |
| <u>Method of Calculation:</u> | The measure is calculated by querying the agency licensing database to determine those individuals who have submitted the fee and reported the required CPE. |
| <u>Data Limitations:</u> | Individuals must submit the correct fees and meet the CPE requirement to be issued a license. |

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|-----------------------------|--------------------|
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.03 Total number of firm offices licensed

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|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The unduplicated number of licenses processed for partnerships, professional corporations, professional limited liability companies, registered limited liability partnerships, and sole proprietorships. |
| <u>Purpose/Importance:</u> | Licensing firms in the client practice of public accountancy ensures that the firms meet the legal standards of the profession, which is the goal of the agency. This measure is important because it indicates the number of firms licensed to practice public accountancy in Texas. |
| <u>Source/Collection of Data:</u> | Data comes from the agency database maintained by the Information Resources Division. |
| <u>Method of Calculation:</u> | This measure counts the total number of firms that have submitted the correct fees and information regarding peer review during the reporting period. |
| <u>Data Limitation:</u> | Firms must meet all the criteria for licensing as required by statute and rule. The number of firms that wish to register is beyond the control of the agency. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

01-01-02 EXAMINATION – Utilize national exam to promote uniformity and reciprocity for licensees

Output Measures:

.01 Number of sections of the examination taken

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| <u>Short Definition:</u> | The number of sections of the UCPAE taken within a quarter. |
| <u>Purpose/Importance:</u> | This performance measure is important as a tool for comparison purposes with previous exams. |
| <u>Source/Collection of Data:</u> | The data for this measure comes from data collected from the Board's automated exam system. The Board will receive preliminary data from NASBA when an individual takes a section of the CPA Examination. |
| <u>Method of Calculation:</u> | The data is calculated by adding the number of sections of the CPA Exam taken during the quarter. |
| <u>Data Limitations:</u> | The number of individuals who take a section of the UCPAE is beyond the control of the agency. |
| <u>Calculation Type:</u> | Cumulative |

New Measure: No
Desired Performance: Higher than target

.02 Number of sections of the examination passed

Short Definition: The number of sections of the UCPAE passed during a quarter.
Purpose/Importance: This performance measure is an important tool in determining the staff workload for future exam and certification applications.
Source/Collection of Data: The data for this measure comes from data collected from the Board’s automated exam system. The Board receives advisory scores from NASBA for each individual who takes a section(s) of the CPA Exam.
Method of Calculation: The data is calculated by adding the number of passed sections of the CPA Exam during the testing window. Because NASBA releases the information, the data for one quarter may not be available until the next quarter.
Data Limitations: The number of individuals who take sections of the UCPAE is beyond the control of the agency.
Calculation Type: Cumulative
New Measure: No
Desired Performance: Higher than target

01-02 PEER REVIEW – Allow only qualified accounting firms to provide services to the public

Outcome Measures:

.01 Percentage of accounting firms reviewed

Short Definition: The number of accounting firms reviewed by the sponsoring organizations divided by the total number of firms subject to peer review.
Purpose/Importance: To review the work product of those firms for compliance with applicable standards adopted by generally recognized bodies responsible for setting accounting standards.
Source/Collection of Data: Information is maintained in the licensing database.
Method of Calculation: The number of firms reviewed by sponsoring organizations divided by the total number of firms subject to peer review.
Data Limitations: The number of accounting firms reviewed is reported by external entities.
Calculation Type: Non-cumulative
New Measure: No
Desired Performance: Higher than target

.02 Percentage of accounting firms receiving favorable review

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|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of accounting firms receiving a favorable review divided by the total number of firms reviewed. |
| <u>Purpose/Importance:</u> | The purpose of the program is to monitor compliance with applicable accounting standards adopted by generally recognized standard-setting bodies. |
| <u>Source/Collection of Data:</u> | Data comes from the sponsoring organizations and is collected by the Licensing Division. |
| <u>Method of Calculation:</u> | The number of firms receiving a favorable review divided by the total number of reviews completed during the period. |
| <u>Data Limitations:</u> | Data on favorable reviews is provided by external entities. |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

01-02-01 PEER REVIEW

Output Measures:

.01 Number of peer reviews conducted

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|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of reviews conducted by the sponsoring organizations during the period. |
| <u>Purpose/Importance:</u> | Each firm must be reviewed every three years to ensure the quality of the firm's work product. The importance is to emphasize education, including appropriate remedial procedures, which may be recommended or required where reporting does not comply with professional standards. |
| <u>Source/Collection of Data:</u> | Data comes from sponsoring organizations and is collected by the Licensing Division. |
| <u>Method of Calculation:</u> | Sponsoring organizations report the total number of reviews conducted during the period. |
| <u>Data Limitation:</u> | Data is reported by external entities. |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.02 Number of peer reviews examined by the Peer Review Oversight Board

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|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The Peer Review Oversight Board (PROB) monitors sponsoring organizations for assurance that reviews are conducted and reported in accordance with standards. |
| <u>Purpose/Importance:</u> | PROB reviews the policies and procedures of the sponsoring organization for their conformity with the review standards. |

On the basis of the review of the procedures, PROB makes an annual recommendation to the Board as to continuing the qualification of the approved sponsoring organization.

Source/Collection of Data: The chairman of PROB reports the number of reviews to the director of Licensing/CPE/Peer Review Division.

Method of Calculation: The chairman of PROB maintains a record of the number of reviews PROB conducts.

Data Limitations: None

Calculation Type: Cumulative

New Measure: No

Desired Performance: Higher than target

Efficiency Measure:

.01 Average cost per peer review conducted

Short Definition: Total departmental expenses for the peer review program during the reporting period divided by the number of peer reviews conducted.

Purpose/Importance: This measure is intended to show the average cost of peer reviews.

Source/Collection of Data: The director of the Licensing/CPE/Peer Review Division obtains the number of peer reviews conducted from the sponsoring organizations. The Accounting Division compiles the financial data. This information comes from the agency's internal accounting system. A report is generated listing expenses by quarter for each division and a worksheet is created for performance measure reporting.

Method of Calculation: Total funds expended and encumbered during the reporting period for the peer review program (numerator) is divided by the total number of peer reviews conducted during the reporting period (denominator). Costs include the following categories: salaries, supplies, travel, postage, and other costs directly related to firm office licensing; including document review, handling, and notification.

Data Limitations: None

Calculation Type: Non-cumulative

New Measure: No

Desired Performance: Lower than target

Explanatory Measure:

.01 Number of accounting firms subject to peer review

Short Definition: The number of currently licensed accounting firms that are subject to a peer review requirement.

Purpose/Importance: Firms that perform accounting/or auditing engagements, including, but not limited to, audits, reviews, compilations, forecasts, projections, or other special reports are required to have a peer review every three years. To monitor compliance with applicable accounting and auditing standards adopted by generally recognized standard-setting bodies.

| | |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Source/Collection of Data:</u> | The number of firms currently licensed as determined by the licensing database. The date for the review is submitted by the firm after contacting a reviewing organization. |
| <u>Method of Calculation:</u> | Firms that should undergo a review as determined by the review date on file. The year in which the firm is subject to a review is irrelevant when determining the number. |
| <u>Data Limitations:</u> | Used to estimate other measures. Taken alone, this measure is not indicative of unfavorable or favorable performance by the Board. |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | N/A |

01-03 Allow only registered CPE sponsors to provide high-quality CPE

Outcome Measures:

.01 Percentage of CPE sponsors reviewed

| | |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of CPE sponsors reviewed by Board-authorized reviewers divided by the total number of CPE sponsors subject to review. |
| <u>Purpose/Importance:</u> | To review the work product of sponsors for compliance with applicable standards. |
| <u>Source/Collection of Data:</u> | Information is maintained in the sponsor review program. |
| <u>Method of Calculation:</u> | The number of sponsors reviewed by Board-authorized reviewers divided by the total number of CPE sponsors subject to review. |
| <u>Data Limitations:</u> | None |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | Yes |
| <u>Desired Performance:</u> | Higher than target |

.02 Percentage of CPE sponsors receiving favorable review

| | |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of CPE sponsors receiving a favorable review divided by the total number of sponsors reviewed. |
| <u>Purpose/Importance:</u> | The purpose of the program is to ensure that beneficial CPE is provided to Texas CPAs. |
| <u>Source/Collection of Data:</u> | Data comes from the sponsoring organizations and is collected by the Licensing Division. |
| <u>Method of Calculation:</u> | The number of CPE sponsors receiving a favorable review divided by the total number of reviews completed during the period. |
| <u>Data Limitations:</u> | None |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | Yes |

Desired Performance: Higher than target

01-03 SPONSOR REVIEW

Output Measures:

.01 Number of CPE sponsors reviewed

Short Definition: The number of CPE sponsors reviewed by the Board-authorized reviewers during the period.

Purpose/Importance: Each sponsor must be reviewed every three years to ensure the quality of the sponsor's courses.

Source/Collection of Data: Data comes from sponsoring organizations and is collected by the director of the Licensing/CPE/Peer Review Division.

Source/Collection of Data: Data comes from sponsor review program.

Method of Calculation: The total number of CPE sponsors reviewed during the period is calculated by Board staff.

Data Limitation: None

Calculation Type: Non-cumulative

New Measure: Yes

Desired Performance: Higher than target

Efficiency Measures:

.01 Average cost per active CPE provider registered

Short Definition: Total division expenses for the sponsor review program during the reporting period divided by the number of active sponsors registered.

Purpose/Importance: This measure is intended to show the average cost of maintaining and reviewing active CPE sponsors.

Source/Collection of Data: Sponsor review staff obtains the number of active sponsors registered. The Accounting Division compiles the financial data. This information comes from the agency's internal accounting system. A report is generated listing expenses by quarter for each division, and a worksheet is created for performance measure reporting.

Method of Calculation: Total funds expended and encumbered during the reporting period for the sponsor review program (numerator) is divided by the total number of active CPE sponsors registered during the reporting period (denominator). Costs include the following categories: salaries, supplies, travel, postage, and other costs directly related to the program.

Explanatory Measure:

.01 Number of CPE sponsors subject to sponsor review

| | |
|-----------------------------------|---------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of currently registered CPE sponsors that are subject to a sponsor review requirement. |
| <u>Purpose/Importance:</u> | Sponsors are required to have a sponsor review every three years. |
| <u>Source/Collection of Data:</u> | The number of sponsors currently registered is maintained by the sponsor review program staff. |
| <u>Method of Calculation:</u> | Sponsors that should undergo a review as determined by the review date on file. |
| <u>Data Limitations:</u> | None |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | Yes |
| <u>Desired Performance:</u> | N/A |

02 PROTECT PUBLIC/ENFORCEMENT

02-01 Resolve complaints in a timely manner, emphasizing voluntary compliance and education

Outcome Measures:

.01 Percentage of documented complaints resolved within six months

| | |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The percentage of documented complaints that were resolved within six months. |
| <u>Purpose/Importance:</u> | The measure is intended to show the percentage of complaints resolved within a reasonable period of time. Reports the efficiency and speed of processing complaints to resolution. |
| <u>Source/Collection of Data:</u> | Detailed tracking information on disciplinary complaints is maintained in the enforcement enterprise database. |
| <u>Method of Calculation:</u> | The number of complaints resolved within six months is divided by the total number of complaints closed during the period. |
| <u>Data Limitations:</u> | None |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.02 Percentage of disciplinary complaints closed with voluntary compliance or CPE

| | |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The percentage of disciplinary complaints that were closed with voluntary compliance or CPE. |
| <u>Purpose/Importance:</u> | This report indicates the percentage of cases in which the Board achieved its enforcement goal through voluntary compliance or CPE. |

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| | The Board prefers corrective and educational action over punitive and disciplinary action. |
| <u>Source/Collection of Data:</u> | Detailed tracking information is maintained in the enforcement enterprise database. |
| <u>Method of Calculation:</u> | The number of disciplinary complaints closed during the period with voluntary compliance or CPE divided by total disciplinary complaints closed during the period. |
| <u>Data Limitations:</u> | The Board has limited control over complainants or other third parties. |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.03 Percentage of complaints resulting in disciplinary action

| | |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The percentage of complaints that were resolved that resulted in disciplinary action. |
| <u>Purpose/Importance:</u> | This measure is intended to show the extent to which the agency exercises its disciplinary authority in proportion to the number of complaints received. It is important that both the public and licensees have an expectation that the agency will work to ensure fair and effective enforcement of the <i>Act</i> , and this measure seeks to indicate agency responsiveness to this expectation. |
| <u>Source/Collection of Data:</u> | Detailed tracking information is maintained in the enforcement enterprise database. |
| <u>Method of Calculation:</u> | The number of cases closed with disciplinary action divided by the total number of complaints closed during the period. |
| <u>Data Limitations:</u> | The Board has limited control over complainants and other third parties. |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Lower than target |

02-01-01 ENFORCEMENT – Investigate and resolve complaints and promulgate rules

Output Measures:

.01 Number of disciplinary complaints/referrals processed

| | |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of disciplinary complaint files opened during a period of time. |
| <u>Purpose/Importance:</u> | Reports the volume of disciplinary complaints received or generated that results in an investigative file being opened. |
| <u>Source/Collection of Data:</u> | Detailed tracking information is maintained in the enforcement enterprise database. |
| <u>Method of Calculation:</u> | Calculated by automated system from data entry sheets. |

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| <u>Data Limitations:</u> | The Board has limited control over third-party complaint sources such as clients, CPAs, and state or federal agencies. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Lower than target |

.02 Number of administrative complaints processed

| | |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of administrative complaints opened during a period of time. |
| <u>Purpose/Importance:</u> | Reports the volume of administrative complaints generated by the Board. |
| <u>Source/Collection of Data:</u> | Detailed tracking information is maintained in the enforcement enterprise system. |
| <u>Method of Calculation:</u> | Calculated by computer from data entry sheets (Complaint Activity Details Report). |
| <u>Data Limitations:</u> | The Board has limited control over whether its licensees will pay their license fees, complete CPE requirements, and have a peer review performed if required. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Lower than target |

.03 Complaints resolved

| | |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of disciplinary and administrative investigative files that were closed during a period of time. |
| <u>Purpose/Importance:</u> | Reports the workload of disciplinary and administrative files that were closed during this period of time. |
| <u>Source/Collection of Data:</u> | The Board's automated system is both the source and the collector of data. |
| <u>Method of Calculation:</u> | Detailed tracking information is maintained in the enforcement enterprise system. |
| <u>Data Limitations:</u> | Hearings before the State Office of Administrative Hearings are not under this Board's control. The Board has no control over complaints, witnesses, and other third parties. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

.04 Number of rules changed

| | |
|----------------------------|------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of rules adopted by the Board. |
| <u>Purpose/Importance:</u> | This measure attempts to quantify the Board's responsiveness to needed changes to regulate the profession. |

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| <u>Source/Collection of Data:</u> | Manually tracked. |
| <u>Method of Calculation:</u> | The <i>Texas Register</i> of the Office of the Secretary of State reports the number of rules that were adopted by the Board during a period. |
| <u>Data Limitations:</u> | The Board has limited control over changes in professional standards, laws, or court opinions. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | N/A |

Efficiency Measures:

.01 Average time for complaint resolution (disciplinary)

| | |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The average number of calendar days from the opening of a disciplinary investigative file until final resolution of the file. |
| <u>Purpose/Importance:</u> | This report indicates the speed and efficiency of investigating and resolving disciplinary cases. |
| <u>Source/Collection of Data:</u> | Detailed tracking information is maintained in the enforcement enterprise system. |
| <u>Method of Calculation:</u> | The Board's automated system calculates how long a file was open before resolution. |
| <u>Data Limitations:</u> | The nature of the way complaints are resolved does not lend itself to comparison with a static target. Legal activities in the enforcement process, such as postponements, depositions, subpoena issuances, discovery, rediscovery, and exchange of interrogatories all vary on a case-by-case basis. The variations of these elements affect the amount of time required to resolve complaints. |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Lower than target |

.02 Average time for complaint resolution (administrative)

| | |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The average number of calendar days from the opening of an administrative investigative file until final resolution of the file. |
| <u>Purpose/Importance:</u> | This report indicates the speed and efficiency of investigating and resolving administrative cases. |
| <u>Source/Collection of Data:</u> | Detailed tracking information is maintained in the enforcement enterprise system. |
| <u>Method of Calculation:</u> | The Board's automated system calculates how long a file was open before resolution. |
| <u>Data Limitations:</u> | The nature of the way complaints are resolved does not lend itself to comparison with a static target. Legal activities in the enforcement process, such as postponements, depositions, subpoena issuances, discovery, rediscovery, and exchange of interrogatories all vary on a case-by-case basis. The variations of these elements affect the amount of time required to resolve complaints. |

Calculation Type: Non-cumulative
New Measure: No
Desired Performance: Lower than target

.03 Average cost per complaint resolved

Short Definition: This measure is calculated by dividing the Enforcement Division expenditures by the number of complaints resolved.

Purpose/Importance: This measure is intended to show the cost efficiency of the agency in resolving a complaint.

Source/Collection of Data: The Information Resources Division creates reports from the agency's computer database on complaint activity for the Enforcement Division for performance measure reporting. The Accounting Division generates an expenditure report in its internal accounting system. The report lists funds expended by the Enforcement Division.

Method of Calculation: The total funds expended and encumbered during the reporting period for complaint processing, investigation, and resolution (numerator) is divided by the number of complaints resolved (denominator). Costs include the following categories: salaries, supplies, travel, postage, subpoena expenses, and other costs directly related to the agency enforcement function; including charges of the State Office of Administrative Hearings (if applicable). These costs should be computed using the appropriate expenditures (including encumbrances) shown from each category in the agency accounting system. Indirect administration costs are excluded from this calculation. For multiple reporting periods, year-to-date performance is calculated by adding all costs related to complaints for all reporting periods (numerator) and dividing by the number of complaints resolved for all reporting periods (denominator).

Data Limitations: The nature of the way complaints are resolved does not lend itself to comparison with targets. Legal activities in the enforcement process, such as postponements, depositions, subpoena issuances, discovery, re-discovery, and exchange of interrogatories all vary on a case-by-case basis. The variations of these elements affect the amount of time required to resolve complaints and the number of complaints resolved in any given period.

Calculation Type: Non-cumulative

New Measure: No

Desired Performance: Lower than target

Explanatory Measure:

.01 Number of jurisdictional complaints received

Short Definition: The total number of complaints received that are within the Board's jurisdiction of statutory responsibility.

Purpose/Importance: Reports the volume of files opened during a period of time.

Source/Collection of Data: Data entry sheets. The Board's automated system collects this data (Complaint Activity Detail Report).

Method of Calculation: Automated system reports.

| | |
|-----------------------------|----------------------------------------------------|
| <u>Data Limitations:</u> | Requires estimates which are subjective in nature. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | N/A |

03 PUBLIC EDUCATION

03-01 Provide public education in a timely manner

Outcome Measure:

.01 Percentage of newsletters distributed electronically

| | |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | Total number of newsletters distributed electronically divided by the total number of newsletters distributed. |
| <u>Purpose/Importance:</u> | This measure is intended to show that the Board is providing information in a timely manner. |
| <u>Source/Collection of Data:</u> | Information Resources Division distribution report. |
| <u>Method of Calculation:</u> | Automated reports |
| <u>Data Limitation:</u> | None |
| <u>Calculation Type:</u> | Non-cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

03-01-01 PUBLIC INFORMATION – Develop system of public information concerning the Act.

Output Measures:

.01 Number of newsletters and publications distributed

| | |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | Total number of newsletters and publications mailed and emailed to licensees and other interested parties. |
| <u>Purpose/Importance:</u> | This measure is intended to show that the agency is keeping licensees and the public informed. |
| <u>Source/Collection of Data:</u> | This data comes from the newsletter distribution lists and is filed in the Accounting Division and IR reports. |
| <u>Method of Calculation:</u> | This measure is calculated by adding the number of newsletters and publications distributed from the mailing list to the number of newsletter emails sent to people who did not also receive them by mail. |
| <u>Data Limitation:</u> | Budget limitations impose restrictions on the number of mailings to licensees and other interested parties. |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | No |
| <u>Desired Performance:</u> | Higher than target |

04 HISTORICALLY UNDERUTILIZED BUSINESSES

04-01 Annual purchase contracts with HUBs

Outcome Measure:

Short Definition: Total dollar amount of purchases and payments made under contracts awarded to underutilized businesses using six procurement categories: Heavy Construction, Building Construction, Special Trade, Professional Services, Other Services, and Commodity Purchasing.

Purpose/Importance: To make purchases from businesses owned by one or more persons who are economically disadvantaged because of their identification as members of certain groups, including Black Americans, Hispanic Americans, women, Asian Americans, Native Americans, and disabled veterans, and have suffered the effects of discriminatory practices.

Source/Collection of Data: Monthly, semi-annual, and annual agency reporting methods are used to track HUB/VetHUB usage: Agency maintains monthly information on total dollar amount of purchases and payments awarded to HUB/VetHUB businesses based on a purchase log maintained using CAPPS voucher data.

Method of Calculation: The percentage is obtained by dividing the total HUB/VetHUB expenditures by the total adjusted expenditures of the agency.

Calculation Type: Cumulative

New Measure: No

Desired Performance: Higher than target

05 CUSTOMER SERVICE

05-01 Provide quality services to agency customers

Outcome Measures:

.01 Percentage of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received

Short Definition: The percentage of surveyed customer respondents who have expressed an overall satisfaction with agency services received.

Purpose/Importance: To show the percentage of customers who are satisfied with the agency's services.

Source Data: Data is collected from the customer satisfaction survey results.

Method of Calculation: The measure is calculated by taking the number of respondents who were either "satisfied" or "very satisfied" with the Board's overall performance and dividing by the total number of substantive responses received for that question. This does not include "Not applicable" responses.

Data Limitations: None

Calculation Type: Non-cumulative

New Measure: Yes

Desired Performance: Higher than target

Output Measures:

.01 Number of Customers Surveyed

| | |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definitions:</u> | The number of customers who had access to the survey. |
| <u>Purpose/Importance:</u> | This measure shows the total number of customers with the opportunity to provide feedback to the agency. |
| <u>Source of Data:</u> | Google Analytics |
| <u>Method of Calculation:</u> | Google Analytics identifies users as “the number of unique users who have interacted with a website or app during a specific time period.” The time period that the survey was posted on the website is used to obtain this number from Google Analytics. |
| <u>Data Limitations:</u> | None |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measures:</u> | Yes |
| <u>Desired Performance:</u> | Higher than target |

.02 Number of Customers Served

| | |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The number of customers served by the agency. |
| <u>Purpose/Importance:</u> | Total number of customers served. |
| <u>Source of Data:</u> | AS-400 system reports |
| <u>Method of Calculation:</u> | The number of customers served is the total of number of active individual licensees, firms licensed, individuals examined, reciprocal license applicants, continuing professional education (CPE) providers, and scholarship recipients. |
| <u>Data Limitations:</u> | None |
| <u>Calculation Type:</u> | Cumulative |
| <u>New Measure:</u> | Yes |
| <u>Desired Performance:</u> | Higher than target |

Efficiency Measure:

.01 Cost per Customer Surveyed

| | |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Short Definition:</u> | The cost per customer surveyed. |
| <u>Purpose/Importance:</u> | This measure reflects the cost of conducting the customer satisfaction survey. |
| <u>Source of Data:</u> | Hours worked are as reported by those who performed work. Salary data is per CAPPs. Invoices from contractors are from CAPPs. |
| <u>Method of Calculation:</u> | This measure is calculated by identifying costs associated with the survey (labor only) and dividing that number by the total number surveyed. |
| <u>Data Limitations:</u> | None |
| <u>Calculation Type:</u> | Non-cumulative |

New Measure: Yes
Desired Performance: Lower than target

Explanatory Measures:

.01 Number of Customers Identified

Short Definition: The number of quantifiable customers in the customer groups.
Purpose/Importance: This measure shows the total number of customers served in the customer groups that are capable of being measured.
Source of Data: AS-400 system reports for each group
Method of Calculation: The number is calculated by totaling all of the customers in each of the target groups for which members can be identified and counted.
Data Limitations: Numbers of educators, financial aid staff at participating scholarship schools, and the public could not be quantified and are excluded from this number.
Calculation Type: Cumulative
New Measure: Yes
Desired Performance: Higher than target

.02 Number of Customer Groups Inventoried

Short Definition: The number of customer groups inventoried by the agency.
Purpose/Importance: This measure indicates the total number of customer groups served by the agency for which the customers can be quantified.
Source of Data: The number of customer groups is determined by categorizing the agency's functions and identifying quantifiable customer groups.
Method of Calculation: The number is calculated by totaling all measurable customer groups from each function of the agency.
Data Limitations: None
Calculation Type: Cumulative
New Measure: Yes
Desired Performance: N/A

SCHEDULE C: HISTORICALLY UNDERUTILIZED BUSINESS PLAN

Historically Underutilized Businesses Plan

In accordance with *Texas Administrative Code Title 34, Rule § 20.284*, and *Government Code 2161.181-182*, each state agency shall make a good faith effort to utilize historically underutilized businesses (HUBs)/Veteran Heroes United in Business (VetHUB) in contracts for construction, services (including professional and consulting services), and commodities purchases. A HUB/VetHUB is at least 51% owned by an Asian Pacific American, Black American, Hispanic American, Native American, American woman, and/or Service Disabled Veteran, who resides in Texas.

State agencies are required to contract a portion of their outside business with HUBs/VetHUB. Of the six procurement categories, TSBPA does not have expenditures in three of the six procurement categories (heavy construction, building construction, and special trade construction contracts). Of the three categories in which the agency does have expenditures, the following information is provided:

Other Services: this category includes expenditures for director and officer's liability insurance, expert witnesses and legal assistance for the agency's enforcement program, contracted CPAs for the sponsor review program, and maintenance agreements for information resource equipment. In Fiscal Year 2024, HUB/VetHUB expenditures were 50.86%, as adjusted, of the \$208,133 category total.

Commodity Purchasing: this category includes expenditures for maintaining various agency operating equipment, rental of space and equipment for the Swearing-In Ceremony, and copier machine leases. In Fiscal Year 2024, HUB/VetHUB expenditures were 50.96% of the \$118,043 category total. In total, the agency's HUB/VetHUB expenditures for FY 2024 were 49.39% as compared to the statewide total of 11.49% (the comptroller did not release Fiscal Year 2025 totals).

GOALS

Establish and carry out policies governing purchasing and public works contracting for the inclusion of historically underutilized businesses/VetHUB.

MISSION

Include historically underutilized businesses (HUBs)/VetHUB in contracts and subcontracts awarded annually by the agency in purchasing and public works contracting.

STRATEGY

TSBPA will utilize the Centralized Master Bidders List (CMBL) as the primary reference list to identify HUB/VetHUB vendors. Purchases of commodities under \$10,000 are non-competitive; however, TSBPA will solicit bids and purchase from HUBs/VetHUB whenever possible. Three bids will be required, two of which must be from certified HUBs/VetHUB.

SCHEDULE D: STATEWIDE CAPITAL PLAN

Not applicable to the Texas State Board of Public Accountancy.

SCHEDULE F: AGENCY WORKFORCE PLAN

I. Agency Overview

The Texas State Board of Public Accountancy (the Board) operates under the authority of the *Texas Occupations Code, Chapter 901* (West, 2023), hereinafter the *Act*. According to *Section 901.005(d)* of the *Act*, "The terms 'accountant' and 'auditor' and derivations, combinations, and abbreviations of those terms, have an implication of competence in the profession of public accountancy on which the public relies in personal, business, and public activities and enterprises." To this end, the Board examines, certifies and licenses CPAs and restricts the use of this term to these licensees.

The Board has the responsibility and authority to regulate the practice of public accountancy in Texas. This is accomplished through activities that include Qualifications and Licensing, Enforcement, Public Information, and Administration and Support. The Board's office is located in Austin, Texas.

During the early 1990s, the agency's budgeted full-time equivalent employees (FTEs) was 43. Since the 1990s, the total number of licensees has almost doubled but the staff size has not. The Board has taken advantage of technology and incorporated efficiencies to reduce the staff of FTEs to 36.

A. Agency Mission

The mission of the Board is to protect the public by ensuring that persons issued certificates as CPAs possess competency and integrity in the practice of public accountancy.

B. Board Goals

1. Goal 01 - Public Standards

Establish standards in education, examination, and experience for Texas CPAs in the private and public sectors that will protect the public and meet the requirements for certification, licensing, and practice throughout domestic and international jurisdictions.

- a. Objective - In each year of the biennium, qualify only those individuals and accounting firms that have met the requirements of the *Act*.
 - (1) Strategy – Examination. Promote uniformity and reciprocity with other licensing jurisdictions and ensure that all sections taken by candidates are graded consistently.
 - (2) Strategy – Licensing. Manage a comprehensive examination and licensing program.
- b. Objective – Ensure that only those accounting firms providing services according to the industry standards are allowed to offer a full range of accounting services to the public.
 - (1) Strategy – Peer Review. Develop and implement a comprehensive peer review program for all accounting firms utilizing industry standards as the measure of competence and oversight through the Peer Review Oversight Board.
- c. Objective – Ensure that only registered CPE sponsors provide beneficial CPE for Texas CPAs.
 - (1) Strategy – Sponsor Review. Develop and implement a comprehensive sponsor review program to ensure the availability of high-quality CPE courses.

2. Goal 02 - Protect Public/Enforcement

Enforce state regulations relating to the accounting profession; ensure timely due process, and effective disciplinary action for violators of these standards; and require the re-education and rehabilitation of those violating these laws. To aggressively develop and implement high standards for the accounting profession in emerging issues as they relate to the welfare of the general public.

- a. Objective – Ensure that complaints are resolved timely according to established time frames, emphasizing voluntary compliance and education as the preferred means of resolution, and ensure that enforcement actions are effective and fair.
 - (1) Strategy – Enforcement. Operate a system of enforcement that includes investigation and resolution of complaints and promulgating rules to effectuate the *Act*.

3. Goal 03 - Public Education

Inform the public concerning Board functions and the procedures by which complaints are filed, processed, and resolved so that the citizens of Texas may better utilize CPA services and be protected from unprofessional and incompetent practices.

- a. Objective – In each year of the biennium, ensure that 100% of active licensees receive information on Board activities, rules, new legislation, disciplinary actions and other pertinent information; respond to 100% of all requests for information within 30 days.
 - (1) Strategy – Provide education. Develop and operate a coordinated system of public information to provide all interested parties information concerning the *Act*, as well as Board *Rules* and procedures pertaining to qualification, examination, licensing, enforcement, and peer review.

4. Goal 04 - Historically Underutilized Businesses

Establish and carry out policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses/Veteran Heroes United in Business (VetHUB).

- a. Objective - To include historically underutilized businesses (HUBs)/Veteran Heroes United in Business (VetHUB) in contracts and subcontracts awarded annually by the agency in purchasing and public works contracts and subcontracts.
 - (1) Strategy - Develop and implement a plan for increasing the use of historically underutilized businesses/Veteran Heroes United in Business (VetHUB) through purchasing and public works contracts and subcontracts.

5. Goal 05 – Customer Service

Develop and carry out procedures to provide quality customer service to external customers.

- a. Objective – To provide customer satisfaction on background information, the Board facilities, the Board staff, the Board’s website, printed information, and overall performance.
 - (1) Strategy – Develop and implement procedures to provide quality customer service in each of the agency’s divisions.

C. Anticipated Changes in Strategies

1. Computer-Based Exam

The computer-based examination makes the CPA Exam available to candidates year round. Since Texas does not have a residency requirement, the exam is available to candidates at Prometric testing centers in any of the 56 licensing jurisdictions affiliated with NASBA and at selected international sites.

Beginning in January 2024, the format of the CPA Exam changed. The exam now consists of three core subjects and three disciplines. This change allowed the AICPA to refresh the exam questions to stay current with changes in the accounting profession. The exam is more representative of the changes in technology and its affect on the profession.

2. Trends in Number of Expected Licensees and Exam Candidates

Since 2000, the number of licensees (individuals and firms) regulated by the Board has increased 245% (from 22,806 to 78,644 in 2025). The growth rate over this period was 1.6% annually and the Board anticipates a 1.6% average annual growth rate over the next five years.

The number of examination candidates taking the Uniform CPA Examination has recently increased. The number of examination candidates in 2025 was 13,678.

3. Legislative Changes

The 78th Legislature, Regular Session (2003), approved amendments to the *Act*, which became effective September 1, 2003: Article 8930, *Tex. Rev. Civ. Stat. (West, 2012)* as amended by Senate Bill 736, 77th Legislature, and SB 1382 of the 78th Legislature, established the *Self-Directed, Semi-Independent Agency Project Act*. This *Act* created self-directed, semi-independent status for three agencies, the Texas State Board of Public Accountancy, the Texas Board of Architectural Examiners, and the Texas Board of Professional Engineers.

The 80th Legislature, Regular Session (2007), approved additional amendments to the *Act*:

Legislation effective September 1, 2007, created a “practice privilege” for CPAs and CPA firms licensed in a substantially equivalent state to temporarily practice in Texas without licensure and without providing notice or paying a fee prior to practicing in Texas unless preparing financial statements or attestations.

Two pieces of additional legislation (1) defined rules for reinstatement of a license for certain individuals who had moved to another state and (2) set the requirements for exemption from payment of the \$200 professional fee for certain government employees.

The 81st Legislature, Regular Session (2009), passed legislation transferring authority for administering the Fifth-Year Accounting Students Scholarship Program from the Texas Higher Education Coordinating Board to the Texas State Board of Public Accountancy. The transfer was effective September 1, 2009, and, after close coordination between the two agencies during the fall of 2009, the Accountancy Board put rules into place and assumed full responsibility for the program on January 1, 2010. Fees to support the program come from a \$10 fee charged to each Texas CPA at the time of annual license renewal. The Board was able to triple the amount of money committed to the trust fund and, for the 2009-2010 and 2010-2011 academic years, to offer larger scholarships to a greater number of accounting students.

The 83rd Legislature, Regular Session (2013), codified *Article 8930, T.R.C.S.* into *Texas Government Code, Chapter 472, Section 472.110(d)*. Effective September 1, 2013, House Bill 1685 requires the agency to remit all administrative penalties collected to the comptroller for deposit into the general revenue fund.

The 84th Legislature, Regular Session (2015), passed House Bill 7, which eliminated the \$200 professional fee for certified public accountants and other licensed professionals in Texas after September 1, 2015.

The 86th Legislature, Regular Session (2019), passed House Bill 1520, which required the fingerprinting of all licensees, eliminated the need for firm licenses for firms licensed in another state, and continued the agency’s operations to September 1, 2031 pursuant to the *Sunset Act*.

The 87th Legislature, Regular Session (2021), passed Senate Bill 297, which extended the deadline for fingerprint-based background checks for all Texas CPAs to August 31, 2022.

The 88th Legislature, Regular Session (2023), approved additional amendments to the *Act* and agency operations. House Bill 2217 expanded the scholarship for fifth-year accounting students to all Texas accounting students who have completed 15 semester hours of upper-level accounting coursework. HB 2217 also made housekeeping updates to the *Act*, and allows our Board members to serve for consecutive terms. This assists our agency’s mission to protect the public by ensuring that our volunteer-based Board is fully staffed with exceptional members who are dedicated to serving the public and the profession. Additionally, the Board is now emailing license expiration notices in response to the passage of HB 2217.

Senate Bill 510 protects the privacy of Texas CPAs. Certain data such as electronic mail addresses, home addresses, and date of birth have been added to the list of information the agency is required to maintain confidential.

Senate Bill 159 allows Texas CPA candidates to take the CPA Exam with 120 total hours and a bachelor's degree, including no fewer than 21 semester hours of upper-level accounting courses. Effective September 1, 2023, the new education requirements to be eligible to take the CPA Exam in Texas are as follows:

- Hold a baccalaureate or graduate degree, or its equivalent as determined by Board Rule, conferred by a Board recognized institution of higher education;
- Complete no fewer than 120 semester hours or quarter-hour equivalents in Board-recognized courses, including no fewer than 24 semester hours of accounting or equivalent courses as determined by Board Rule, and within the 24 semester hours of accounting with no fewer than 21 semester hours of upper-level accounting courses as determined by Board Rule, including two semester hours of accounting/tax research and analysis;
- Complete no fewer than 24 semester hours of upper level business coursework, including two semester hours of accounting/business communications coursework.

Effective September 1, 2023, the new requirements for CPA certification in Texas include:

- Additional semester credit hours to attain a total of 150 semester hours;
- Six additional semester credit hours of upper-level accounting;
- Complete a three-semester hour, Board-approved ethics course.

The 89th session of the Legislature enacted legislation that provides an alternate pathway to CPA certification while maintaining the current pathway. The new pathway provides for less education and more work experience.

Current Pathway

- undergraduate or graduate degree;
- at least 150 hours of academic coursework that includes 27 hours of accounting and 24 hours of business coursework; and
- one year of full-time accounting work experience

New Pathway

- an undergraduate degree;
- at least 120 hours of academic coursework that includes 27 hours of accounting and 24 hours of business coursework; and
- two years of full-time accounting work experience

The Legislature set the effective date of the new pathway to be August 1, 2026, to provide educational institutions time to implement changes.

II. Current Workforce Profile

A. Critical Workforce Skills

The skills listed below are important to the agency to provide basic business functions.

1. Legal Skills

- Analyzing professional accounting guidelines
- Conducting investigations
- Interpreting legal statutes
- Providing effective communication

2. Personal Computing skills

- Use a Windows PC
- Use a physical or digital phone
- Use a printer
- Use a multi-functional device (printer/copier/scanner)
- Use a scanner
- Use online portals from service providers (e.g., Cisco Jabber, Cisco Finesse, BoardEffect, etc.)
- Use a 3270-emulator software for using the mainframe/green-screen applications

3. Analytical skills

- Solve problems
- Analyze issues
- Determine new solutions to issues
- Ability to understand communications between outside entities and our agency
- Ability to test new solutions

4. Change Management skills

- Ability to understand new technology and how it can be used to modernize legacy systems
- Ability to participate in the transformation of legacy system modernizations
- Ability to consider uses of artificial intelligence (AI) to streamline redundant processes currently performed by agency staff

5. Training and presentation skills

- Training of staff in agency processes
- Training of staff in use of equipment and software
- Training of staff in use of online portals from service providers

6. Data Processing Skills

- Data entry
- Submitting batch jobs manually
- Finding reports from the printer spool file
- Releasing reports to various printers
- Attaching PDFs of printouts to emails

7. IT skills

- IT department administration and policy-making
- IT procurement
- Project management
- Understanding of technical contract language
- Network administration
- Server administration
- Cybersecurity monitoring
- Programming/coding skills
- Database development and maintenance
- System design, development, and installation
- Upgrading and installation of software and hardware
- PC management
- Mobile device management
- Understanding of State of Texas service offerings
- Understanding of the Texas legislative cycle as it pertains to Information Resources
- Understanding of continuity of operations planning
- Understanding of disaster recovery planning
- Understanding of accessibility requirements for Information Resources
- Understanding of data governance
- Understanding of data privacy
- Understanding of records management (both physical and digital)
- Understanding of identity and access management
- Understanding of artificial intelligence integration
- Understanding of policy writing
- Understanding of program management
- Understanding of backup management (both on-premises and in the cloud)

8. Customer Service

- Providing customer satisfaction surveys
- Providing timely responses to calls and written requests or emails
- Distributing information quickly and accurately
- Providing information in a courteous manner

9. Budgeting

- The most challenging task facing the Board is to provide the services that will protect the public. To meet this challenge, the Board must be able to hire qualified staff and avail itself of other resources necessary to carry out its functions. The Board and two other state agencies are currently operating under *Texas Government Code, Chapter 472, the Self-Directed, Semi-Independent (SDSI) Agencies*. This legislation allows TSBPA to operate in a more business-like manner to meet the challenges of the 21st century.

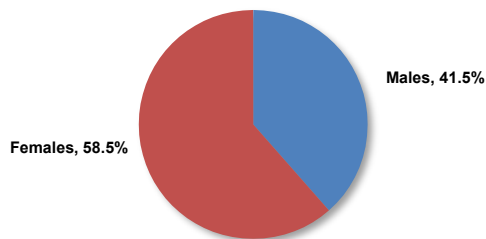
10. Regulatory Process Experience

- Staff will need to keep current with rules concerning CPE, licensing, peer review, and enforcement.

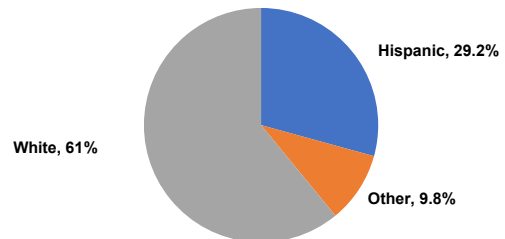
B. Workforce Demographics

The Board's staffing level was 41 full-time employees for FY 2025. The following graphs profile the agency's workforce by age, ethnicity, gender, and tenure as of December 31, 2025:

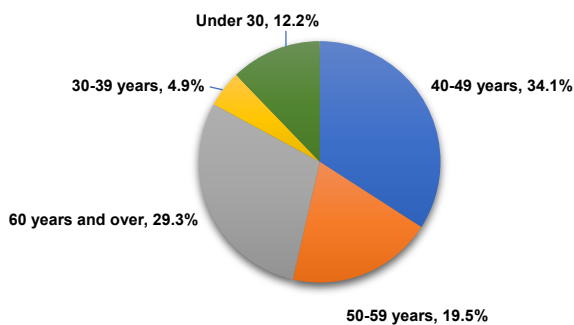
WORKFORCE BY GENDER



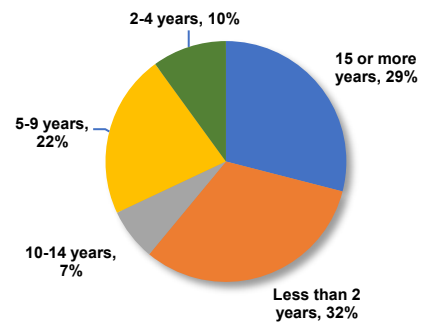
WORKFORCE BY ETHNICITY



WORKFORCE BY AGE



WORKFORCE BY TENURE



The table that follows compares the percentages of African American, Hispanic American, and Female employees (as of December 31, 2025), to the statewide civilian workforce as reported by the Texas Commission on Human Rights.

| Job Category | African American | | Hispanic American | | Females | |
|---------------------------|------------------|---------|-------------------|---------|---------|---------|
| | TSBPA % | State % | TSBPA % | State % | TSBPA % | State % |
| Officials, Administration | 0 | 8.6 | 11.1 | 25.2 | 55.6 | 40.2 |
| Professional | 0 | 10.6 | 32.3 | 23.0 | 61.3 | 53.0 |
| Para-Professional | 0 | N/A | 0 | N/A | 0 | N/A |
| Administrative Support | 0 | 15.2 | 100 | 38.3 | 0 | 74.1 |

C. Employee Turnover

The Board's employee turnover rate in FY 2025 was 15.7%, compared to the statewide turnover rate of 15.4%.

Younger employees (by age and length of service) have a higher turnover rate. The greatest area of turnover is with employees with less than one year of experience who are under the age of 40.

Recruiting and competing with other state agencies and private industry for qualified applicants remains a challenge. Generally, the Board is able to hire applicants with the minimal requirements for entry-level positions. Typically, entry-level employees stay from 12 to 18 months before accepting higher paying jobs elsewhere. In some instances, the Board has offered entry-level positions to employees who accepted better paying jobs before reporting to work or who stayed only for a short period of time before accepting a better paying position.

With the implementation of SDSI, the Board's management is exercising its authority and flexibility to manage workforce issues within the parameters of general state guidelines.

D. Retirement Eligibility

44% of the workforce will be eligible to retire in the next five years.

III. Future Workforce Profile

A. Critical Functions

- The CPA Examination is administered electronically by the Board in conjunction with the AICPA, NASBA, and Prometric and utilizes a computer-based format at Prometric testing centers. This format and delivery provides opportunities for the AICPA to refresh the exam and keep the questions and skills current and in line with accounting material and pronouncements. The Board periodically updates information on its website for examination candidates, educational institutions, and the general public, as well as implements changes to the Board's operating processes and procedures.

B. Expected Workforce Changes

- Employees cross-trained in functional areas to address increased demands.
- Increased use of technology to revise and streamline work processes.

C. Anticipated Increase/Decrease in Numbers of Employees Needed

- No significant increase anticipated in FTE count.

D. Future Workforce Skills Needed

The agency relies on a competent and knowledgeable staff to carry out its functions efficiently and effectively; therefore, the future workforce skills are essentially the same as the critical workforce skills.

IV. Gap Analysis – Anticipated Surplus or Shortage of Workers or Skills

Faced with the magnitude of the issues in the field of public accounting, the Board has emerged as a leader among the 55 state and territorial boards of accountancy under the NASBA umbrella. The Board recognizes that the language of trade is accounting, and, without accountants, the exchange of goods and services cannot take place. Legislation, such as the Sarbanes-Oxley Act, for example, continues to increase the need for competent accountants, and accounting has proven to be a growing field even in a depressed economy. Technological advances, however, have enabled Board staff to perform existing duties more efficiently so that it can absorb new responsibilities that come its way, such as the administration of the Accounting Students Scholarships and the ever increasing number of licensees.

Therefore, this state's CPAs, more than any other group or profession, are at the forefront of the economic conditions. The Board must have the resources to enable its staff to provide quality services to its licensees. It must be able to respond to the needs of examination candidates and licensees, as well as to the public.

Providing quality services depends on such basics as being able to respond in a timely manner to public inquiries, requests for information and publications, complaints, and public hearings. It depends on being able to afford supplies and services, the cost of which are often beyond the Board's control. The Board will continue to expand its online services for firms and individual licensees to lessen the need for requests by telephone, email, and mail that require direct staff responses. Finally, it depends on being able to hire and retain the most qualified staff available. Hiring employees with more education and experience not only increases the professional level of the staff, but allows for more advancement opportunities and maintenance of a viable career ladder.

Despite the many challenges facing the Board, no significant changes are anticipated in the number of employees. The Board will provide training to increase the skills of its employees and, to increase flexibility, will continue to cross-train, where feasible, throughout the agency.

V. Strategy Development

A. Develop a competent, well-trained workforce

1. Development of skills and expertise to improve the effectiveness and productivity of the agency by providing opportunities to enhance the employee's present skills and to learn new ones.
2. Management and leadership development – outside training opportunities provided for all levels of agency supervisors and division directors.
3. Organizational development – support services and training activities provided to divisional/cross-functional workgroups and individual employees in the areas of planning, goal setting, managing change, team building, group process, consulting, problem solving, conflict resolution, and other identified areas.
4. Continuing education for certified professional staff – complete continuing education requirements annually to maintain credentials required to fulfill their job responsibilities.

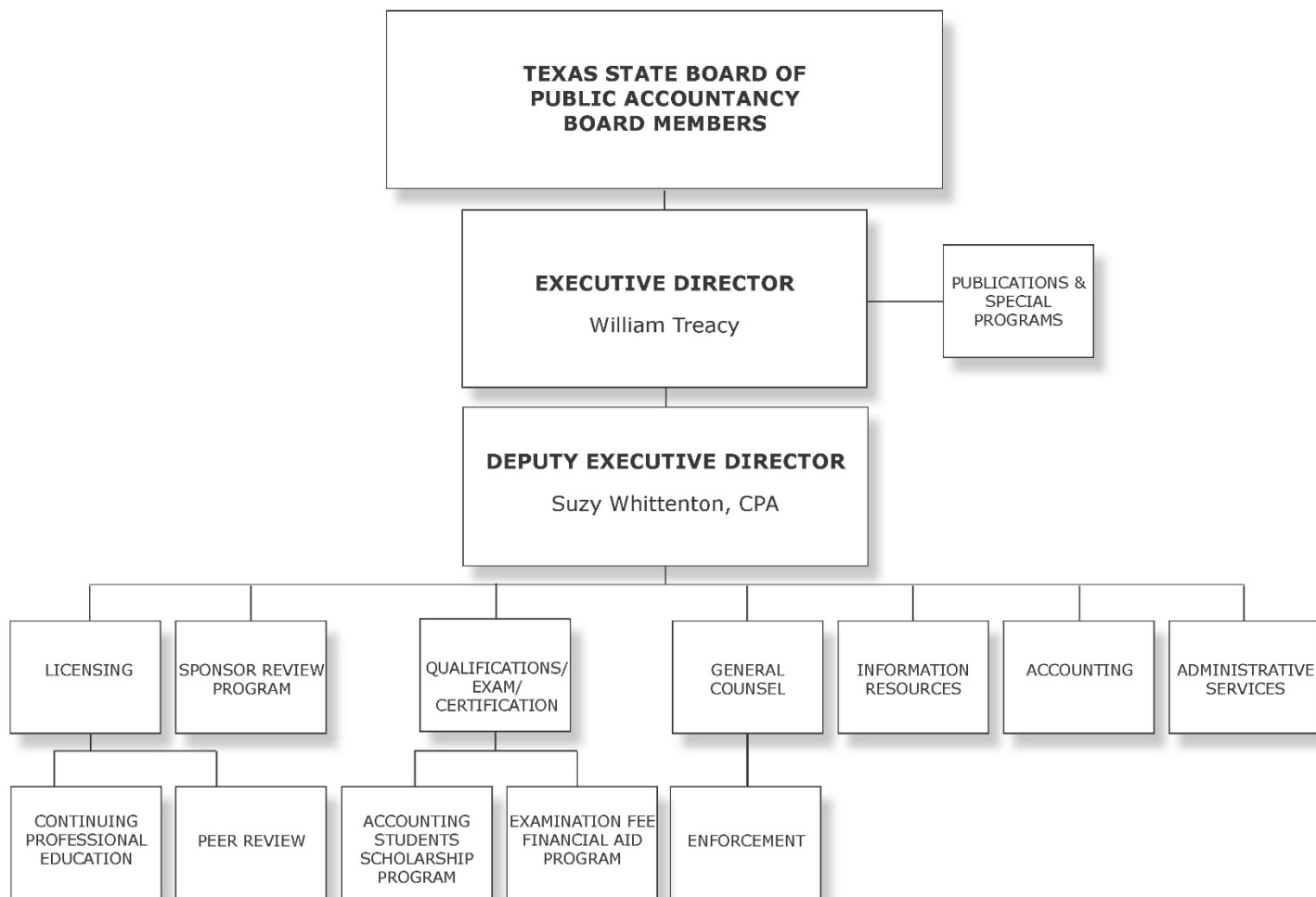
B. Develop plan to retain employees longer than two years

1. Develop strategies to prepare lower-level staff to move into jobs with higher-level skill requirements.
2. Implement mentoring programs matching seasoned employees with new employees.
3. Utilize pay incentives to attract and retain staff by adjusting salaries within assigned pay ranges for employees in positions that are critical or have high turnover rates.

VI. Organization Chart

**TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
 ORGANIZATION CHART**

The executive director reports directly to the Board and manages the activities of the various divisions. The agency utilizes management by objectives, allocating resources to those tasks deemed highest in priority to ensure that objectives are met in a timely and efficient manner.



SCHEDULE G: WORKFORCE DEVELOPMENT SYSTEM STRATEGIC PLANNING

Not applicable to the Texas State Board of Public Accountancy.

SCHEDULE H: REPORT ON CUSTOMER SERVICE

TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY
REPORT ON CUSTOMER SERVICE

Submitted to the
LEGISLATIVE BUDGET BOARD
and the
GOVERNOR'S OFFICE OF BUDGET AND PLANNING

June 1, 2026

I. INVENTORY OF EXTERNAL CUSTOMERS

Pursuant to *Texas Government Code, Chapter 472, Self-Directed Semi-Independent Agencies*, the Texas State Board of Public Accountancy (TSBPA) and seven other agencies do not utilize appropriations for their operating expenditures and therefore are not listed in the 2026-2027 *General Appropriations Act*. However, the external customers remain the same for the Board as when it was part of the *Appropriations Act*.

A. External customers of the Board

- CPA Examination applicants (governed by TSBPA)
- Reciprocal license applicants (governed by TSBPA)
- Individual licensees (governed by TSBPA)
- CPA firms (governed by TSBPA)
- Continuing professional education (CPE) providers (governed by TSBPA)
- Public
- Educators
- Scholarship recipients
- Financial aid staff at participating scholarship schools

B. Services provided to exam candidates

- Evaluation of education requirements for fitness as CPA candidates
- Administration of the CPA Examination
- Certification of applicants who have passed the exam
- Referral to and financial support for the Accountants Confidential Assistance Network, if applicable

C. Services provided to reciprocal license applicants

- Evaluation of reciprocal application and supporting documentation
- Certification of applicants meeting all requirements for reciprocity

D. Services provided to individual licensees and firms

- Registration of entities (i.e., professional corporations, partnerships, limited liability companies, registered limited liability partnerships, and sole proprietorships)
- Licensure of entities (i.e., professional corporations, partnerships, professional limited liability companies, registered professional limited liability partnerships, and sole proprietorships), certified public accountants, and individuals qualified under *Section 901.355* of the *Public Accountancy Act*
- Monitoring continuing professional education offered to CPAs
- Monitoring of peer reviews
- Enforcement of statutory provisions related to the practice of public accountancy
- Referral to and financial support for the Accountants Confidential Assistance Network, if applicable

E. Services provided to continuing professional education (CPE) providers

- Registration of providers of CPE
- Evaluation of CPE courses for quality and compliance with Board *Rules*
- Assistance with applications and renewals and understanding Board *Rules*

F. Services provided to the public

- Verification of individual and firm license status
- Answering general questions about the *Public Accountancy Act* and the Board's regulatory authority
- Processing complaints regarding the unauthorized practice of public accountancy
- Processing complaints regarding licensed CPAs and CPA firms

G. Services provided to scholarship recipients

- Providing financial assistance to students intending to take the CPA Examination as Texas applicants
- Informing recipients about scholarship repayment if applicable

H. Services provided to educators

- Recognizing educational institutions and courses providing sufficient business knowledge and application to be useful to candidates taking the CPA Examination
- Updating educators on legislative and CPA Exam changes affecting students and curricula
- Providing information on how students can obtain certifications and scholarships

I. Services provided to financial aid staff at participating scholarship schools

- Providing funding for accounting students and information on obtaining it

II. INFORMATION GATHERING METHOD

The Board gathered information from visitors to the TSBPA website by posting a customer satisfaction survey on the website. Upon completion of the survey, the Board compiled results. The survey contained elements on background information, Board facilities, staff, website, printed information, and the overall performance of the Board. Emails were sent to the Board's distribution list which includes licensees, firms, exam candidates, and other groups in its database.

A. Data collection time frame/cycles

A link to the survey was shown on the homepage of the TSBPA website and the main pages and main logged-in pages for exam candidates and licensees for a time period of approximately one month.

B. Data limitations

None.

C. Number of customers surveyed

19,255 people visited the TSBPA homepage during the time the survey was available.

D. Confidence intervals/levels

At 90% confidence level, the confidence intervals (margins of error) were between 1.89 and 5.01, based on the numbers of responses to each question.

E. Error/response rate

Of the 19,255 people who visited the TSBPA homepage, 1,724 unique individuals based on email address answered at least one question on the survey. This is 9.0% of unique homepage visitors. Not all respondents answered every question, which contributed to varying margins of error per question. See margins of error above.

F. Customer groups excluded from data collection

No groups were intentionally excluded from the survey. The Board chose to present the survey to all visitors to the TSBPA homepage to include a wide variety of potential customer groups. Those who visited the Board in-person or communicated by phone or email without visiting the website first to obtain this information were not provided with a survey.

III. CUSTOMER SATISFACTION AND SURVEY RESULTS

The chart below details the results from 1,724 unique Customer Satisfaction Survey responses received. The percentages indicate the number of respondents who selected that particular category:

| BACKGROUND INFORMATION | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------|------------------------------|----------------------------------|
| How many times have you been in contact with the Board in the past 12 months? | None 43.3% | One Time 31.9% | Two Times 13.6% | Three Times 5.0% | Four Times 6.2% | |
| For what type of information or assistance did you contact the Board (mark all that apply)? | Wanting to become a candidate 0.6% | Current exam candidate 2.5% | Wanting to become a reciprocal candidate 0.4% | Current reciprocal candidate 0.8% | Individual licensee 69.5% | Firm licensee 14.1% |
| | Wanting to become a CPE Sponsor 0.3 | Current CPE Sponsor 3.6% | Wanting to be a participating Accounting Scholarship school 0.2% | Current Accounting Scholarship participating school 0.6% | Current Board Member 0.1% | Current Committee Member 0.2% |
| | Current TSBPA staff 0.7% | Other (public) 8.3% | | | | |
| SCALE | | | | | | |
| 1 – Very Unsatisfied | 2 – Unsatisfied | 3 – Neutral | 4 – Satisfied | 5 – Very Satisfied | N/A – Not Applicable | |
| | Very Unsatisfied | Unsatisfied | Neutral | Satisfied | Very Satisfied | Not Applicable |
| FACILITIES 1. How satisfied are you with the agency's facilities, including your ability to access the agency, the office location, signs, and cleanliness? | 2.4% | 0.1% | 1.6% | 6.7% | 16.7% | 69.4% |
| STAFF 2. How satisfied are you with agency staff, including employee courtesy, friendliness, and knowledgeability, and whether staff members adequately identify themselves to customers by name, including the use of name plates or tags for accountability? | 2.4% | 0.4% | 4.4% | 8.1% | 27.4% | 57.3% |
| COMMUNICATIONS 3. How satisfied are you with agency communications, including telephone access, the average time you spend on hold, call transfers, access to a live person, letters, electronic mail, and any applicable text messaging or mobile applications? | 3.3% | 0.6% | 6.2% | 15.9% | 35.6% | 38.5% |

TSBPA AGENCY STRATEGIC PLAN
 Schedule H: Report on Customer Service

| SURVEY (continued) | Very Unsatisfied | Unsatisfied | Neutral | Satisfied | Very Satisfied | Not Applicable |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------|----------------|------------------|-----------------------|-----------------------|
| Website 4. How satisfied are you with the agency's internet site, including the ease of use of the site, mobile access to the site, information on the location of the site and the agency, and information accessible through the site such as a listing of services and programs and whom to contact for further information or to complain? | 5.6% | 3.5% | 10.2% | 28.8% | 45.1% | 6.9% |
| COMPLAINT HANDLING PROCESS 5. How satisfied are you with the agency's complaint handling process, including whether it is easy to file a complaint and whether responses are timely? | 0.8% | 0.8% | 4.9% | 3.0% | 6.0% | 84.6% |
| TIMELINESS 6. How satisfied are you with the agency's ability to timely serve you, including the amount of time you wait for service in person? | 2.5% | 0.6% | 4.8% | 10.7% | 28.9% | 52.4% |
| PRINTED INFORMATION 7. How satisfied are you with any agency brochures or other printed information, including the accuracy of that information? | 2.8% | 0.9% | 8.4% | 18.9% | 28.1% | 41% |
| OVERALL PERFORMANCE 8. Please rate your overall satisfaction with the Board. | 4.1% | 1.6% | 9.8% | 28.2% | 50.7% | 5.6% |

IV. ANALYSIS AND SUMMARY OF FINDINGS

Overall, the survey results show that the agency received primarily “very satisfied” and “satisfied” responses. Some responses may differ from prior assessments due to opening up the survey to all site visitors. This new pool of respondents may have included those who may be unhappy about not meeting exam/licensure requirements or about NASBA’s exam changes and score reporting timelines. Those who checked a box related to being/wanting to be an exam candidate made up 3.1% of survey respondents and 4.7% of “Very Unsatisfied” responses.

V. PERFORMANCE MEASURE INFORMATION

| | TARGET ^A | ACTUAL |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|
| OUTCOME MEASURES | | |
| Total Percentage of surveyed customer respondents expressing overall satisfaction with services received (excluding Not Applicable responses) | 100% | 78.9% |
| OUTPUT MEASURES | | |
| Total customers served | 92,959 ^C | 93,669 ^C |
| Total customers surveyed – unique visitors to the TSBPA homepage during the survey period | 20,132 | 19,255 |
| Response Rate – percentage of total customers surveyed who responded to the survey | 1.3% ^B | 9.0% ^B |
| EXPLANATORY MEASURES | | |
| Total Number of customers identified | 92,959 ^C | 93,669 ^C |
| Total Number of customer groups inventoried | 6 | 6 |

^A Targets are based on numbers from the prior survey.

^B Response Rate:

| | <u>Target FY 2026</u> | <u>Actual @ 5/18/2026</u> |
|-------------------------------------------------|---------------------------|-------------------------------|
| Number of customers who responded to the survey | 256 | 1,724 |
| ÷ Total customers surveyed during survey period | <u>÷20,135</u> | <u>÷19,255</u> |
| Response Rate | <u>1.3%</u> | <u>9.0%</u> |

^C Target/Actual for the 6 months ending February 28, 2026:

| | <u>Target FY 2026</u> | <u>Actual @ 5/18/2026</u> |
|---------------------------------------------------|---------------------------|-------------------------------|
| <u>Customer Groups Inventoried</u> | | |
| Individuals licensed | 78,506 | 78,576 |
| Firms | 8,436 | 8,121 |
| Exam candidates, by quarter | 4,737 | 5,712 |
| Reciprocal license applicants | 302 | 267 |
| Continuing professional education (CPE) providers | 774 | 743 |
| Scholarship recipients | <u>204</u> | <u>250</u> |
| Totals | <u>92,959</u> | <u>93,669</u> |

Educators, financial aid staff at participating scholarship schools, and the public could not be inventoried. Exam candidates, reciprocal license applicants, and scholarship recipients are for 2 quarters, and the annual target has been divided in half. The exam candidates target includes duplicate counts of those who tested in multiple quarters. A new exam in January of 2024 and an expansion of scholarship eligibility have affected exam and scholarship numbers for FY 2026.



TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY COMPACT WITH TEXANS

What is a Compact with Texans? It is our “contract” with you, a citizen of Texas, to provide you with the very best service.

OUR PROMISE

The Texas State Board of Public Accountancy (TSBPA) promises to provide you with the very best service, which includes the distribution of information quickly and accurately and in a pleasant and courteous manner. The TSBPA does not want customers waiting on hold for any length of time, as our goal is to answer within three minutes. If staff need to respond in writing, TSBPA’s goal is to respond within three days. If it takes us longer, it is due to research and workload, and staff will keep customers updated. Customer service to all Texans is important to the Board.

MISSION

The mission of the Texas State Board of Public Accountancy is to protect the public by ensuring that persons issued a certificate as a certified public accountant (CPA) possess the necessary education, skills, and capabilities and that they perform competently in the profession of public accountancy, on which the public relies.

PHILOSOPHY

The Texas State Board of Public Accountancy will maintain and enforce the highest standards of ethics, accountability, efficiency, and openness by leading the profession, nationally and internationally, in the development and enforcement of public policies relating to public accountancy. We approach our activities with a deep sense of purpose and responsibility. We always remember that we exist to serve the public. The public and the business community alike are guaranteed a balanced and sensible approach to regulation.

GOALS

- To establish standards in education, examination, and experience for prospective CPAs; requirements for certification, licensing and practice for Texas CPAs; and competencies which are maintained to protect the people of Texas and organizations, as well as in other domestic and international jurisdictions.
- To objectively enforce state regulations relating to the accounting profession; ensure swift, fair, and effective disciplinary action for violators of these standards; and provide for the re-education and rehabilitation of people violating these laws.
- To develop and implement high standards for the accounting profession in emerging issues as they relate to the welfare of the general public. We inform the public concerning Board functions and the procedures by which complaints are filed, processed, and resolved so that the citizens of Texas may better utilize CPA services and be protected from exploitation.
- To respond to all phone calls in less than three minutes and to reply to emails and letters in less than three business days. If the response requires written documentation and/or other printed information, we will mail or fax the information to you. If your request requires a short answer response, we will give you that information via email or over the phone. If your request requires research or needs to be assigned to another department, we will notify you of the status of your request within the three-day response goal.

MAIN FUNCTIONS

The Texas State Board of Public Accountancy (Board) has the responsibility and authority to regulate the practice of public accountancy in Texas. This is accomplished through the following means:

QUALIFICATIONS

The Board evaluates applications submitted by individuals applying to take the Uniform CPA Examination, which is part of the process to become a Texas CPA. Individuals that meet the education and character requirements of the *Public Accountancy Act* and the Board's *Rules* are approved to take the CPA Examination. The Board, in concert with the American Institute of Certified Public Accountants, National Association of State Boards of Accountancy and Prometric, Inc. offers the Uniform CPA Examination year-round at testing centers throughout the state. Only those candidates who pass all sections of the CPA Examination are eligible to apply for the CPA designation.

CERTIFICATION

The Board certifies the following:

- Applicants who pass all sections of the Uniform CPA Examination in Texas and meet all other statutory requirements for the CPA certificate in Texas.
- Individuals licensed as CPAs in other jurisdictions who apply to practice public accountancy in Texas and receive a Texas CPA certificate under *Section 901.259* of the *Public Accountancy Act (Certification Based on Reciprocity)*.

To receive a user-friendly explanation, our Qualifications division can clarify the requirements to become a CPA in the State of Texas:

TSBPA
Qualifications Division
505 E. Huntland Drive, Suite 380
Austin, TX 78752-3757
(512) 305-7851
exam@tsbpa.texas.gov

REGISTRATION

The Board requires registration of the following:

- Professional corporations, partnerships, limited liability companies, registered limited liability partnerships, and sole proprietorships engaged in the practice of public accountancy.
- Individuals qualifying under *Section 901.355* of the *Public Accountancy Act*; and practice privilege.

LICENSURE

The following must be licensed by the Board in order to lawfully practice public accountancy in Texas:

- Certified public accountants.
- Public accountants.
- Individuals registered under *Section 901.355* of the *Public Accountancy Act*.
- Professional corporations, partnerships, professional limited liability companies, registered professional limited liability partnerships, and sole proprietorships engaged in the practice of public accountancy.

CONTINUING PROFESSIONAL EDUCATION

Texas CPAs are required to comply with the Board's statutory requirement for continuing professional education.

PEER REVIEW

The Board has promulgated rules governing peer review and has officially implemented this program; whereby, the work product of a license holder or firms practicing public accountancy is measured for adherence to quality control standards adopted by practitioners and the profession. For more information on practicing public accountancy in the State of Texas, please contact the Licensing Division:

TSBPA
Licensing Division
505 E. Huntland Drive, Suite 380
Austin, TX 78752-3757
(512) 305-7853
licensing@tsbpa.texas.gov

SPONSOR REVIEW PROGRAM

The Board evaluates courses and enforces standards to ensure the availability of high-quality continuing professional education (CPE) for Texas CPAs. For more information on providing or receiving approved CPE, please contact the Sponsor Review Program:

TSBPA
Sponsor Review Program
505 E. Huntland Drive, Suite 380
Austin, TX 78752-3757
(512) 305-7802
srp@tsbpa.texas.gov

ACCOUNTING SCHOLARSHIP PROGRAM

The Board provides financial assistance to students intending to take the CPA Examination as Texas applicants and ultimately to serve the residents of this state. For more information on the scholarship program, please contact the Director of Qualifications:

TSBPA
Accounting Scholarship Program
505 E. Huntland Drive, Suite 380
Austin, TX 78752-3757
(512) 305-7818
dhillier@tsbpa.texas.gov

COMPLAINTS REGARDING PUBLIC ACCOUNTANCY

When a licensee or other entity registered with the Board violates statutory provisions related to the practice of public accountancy or the *Rules of Professional Conduct*, the Board has the authority and responsibility to investigate and, if appropriate, take disciplinary action. In addition, the Board has the authority to enforce specific statutory prohibitions against individuals and firms practicing or offering to practice public accountancy without a valid license. If you have a complaint, please put it in writing and fax, email, or mail it to the address below. Our goal is to respond within 30 days and whenever possible have complaints resolved within 180 days. All complaints should be addressed to the Enforcement Division:

TSBPA
Enforcement Division
505 E. Huntland Drive, Suite 380
Austin, TX 78752-3757
(512) 305-7866 (phone)
(512) 305-7854 (fax)
enforcement@tsbpa.texas.gov

If the response requires written documentation and/or other printed information, we will mail or fax the information to you. If your request requires a short answer response, we will give you that information via email or over the phone. If your request requires research or needs to be assigned to another division, we will notify you of the status of your request within the three-day response goal.

COMPLAINTS REGARDING TSBPA

TSBPA accepts all complaints regarding its staff and its operations as an opportunity to learn and improve its performance. All valid complaints will be taken seriously and investigated. All communication should be put in writing. As soon as the executive director receives your communication, he, or his designee, will immediately look into the matter and when appropriate, will advise you of the result as soon as possible. You may contact us for any reason at the following address:

TSBPA
William Treacy, Executive Director
505 E. Huntland Drive, Suite 380
Austin, TX 78752-3757
(512) 305-7800 (phone)
(512) 305-7854 (fax)
executive@tsbpa.texas.gov

SCHEDULE I: CERTIFICATION OF COMPLIANCE WITH CYBERSECURITY TRAINING



CERTIFICATE

Agency Name

Pursuant to the Texas Government Code, Section 2056.002(b)(12), this is to certify that the agency has complied with the cybersecurity training required pursuant to the Texas Government Code, Sections 2054.5191 and 2054.5192.

Chief Executive Officer or Presiding Judge

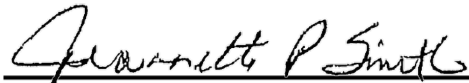

Signature

William Treacy
Printed Name

Executive Director
Title

June 1, 2026
Date

Board or Commission Chair


Signature

Jeannette P. Smith
Printed Name

Presiding Officer
Title

June 1, 2026
Date

SCHEDULE J: CERTIFICATION OF COMPLIANCE WITH ARTIFICIAL INTELLIGENCE TRAINING



CERTIFICATE

Agency Name

Pursuant to Government Code, Section 2056.002(b)(12), this is to certify that the agency has complied with the artificial intelligence training required pursuant to the Texas Government Code, Sections 2063.103 and 2063.104.

Chief Executive Officer or Presiding Judge

William Treacy
Signature

William Treacy
Printed Name

Executive Director
Title

June 1, 2026
Date

Board or Commission Chair

Jeannette P. Smith
Signature

Jeannette P. Smith
Printed Name

Presiding Officer
Title

June 1, 2026
Date

SCHEDULE K: REPORT ON PROJECTS AND ACQUISITIONS FINANCED BY CERTAIN FUND SOURCES

Not applicable to the Texas State Board of Public Accountancy.