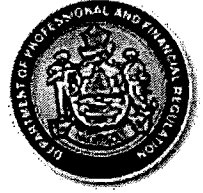




Janet T. Mills
Governor

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
& FINANCIAL REGULATION
OFFICE OF PROFESSIONAL AND OCCUPATIONAL REGULATION



Joan F. Cohen
Commissioner

**TESTIMONY OF
PENNY VAILLANCOURT, DEPUTY COMMISSIONER**

NEITHER FOR NOR AGAINST L.D. 1789

“An Act to Amend the Education and Experience Requirements and Add Reciprocity Privileges in the Certified Public Accountancy Licensure Laws”

Sponsored by Representative Tiffany Roberts

**BEFORE THE JOINT STANDING COMMITTEE ON
HEALTH COVERAGE, INSURANCE AND FINANCIAL SERVICES**

Public Hearing: May 7, 2025, 1:00 PM

Good afternoon, Senator Bailey, Representative Mathieson, and Members of the Committee. My name is Penny Vaillancourt, and I am the Deputy Commissioner of DPFR and served most recently as the Board Manager for the Maine Board of Accountancy (“Board”) since April of 2024. Thank you for the opportunity to provide testimony on behalf of the Office of Professional and Occupational Regulation (“OPOR”). Given the timing of printing the bill its public hearing, the Board has not had the opportunity to discuss this legislation at one of its public board meetings. OPOR is submitting testimony for the committee’s consideration in the interim.

OPOR is neither for nor against the provisions of LD 1789 that amends the education and experience requirements for CPA licensure. We are, however, opposed to the reciprocity privileges language for certified public accountants and public accounting firms for reasons noted below. The Board’s sole purpose is to protect the public health and welfare of Maine citizens. The board carries out this purpose by ensuring that the public is served by competent and honest practitioners and by establishing minimum standards of proficiency in the professions regulated by the board by testing, licensing, regulating and disciplining practitioners of those regulated professions. See 10 M.R.S. § 8008

I’ve attached a licensure chart that depicts the current requirements as well as the pathways to licensure to highlight the proposed changes contemplated by LD 1789. OPOR is also providing the following considerations to the proposed changes for the committee’s consideration:

- Section 6 - Education requirements for CPA licensure: this section of the bill changes the educational requirement from 150 semester hours of education (which includes a baccalaureate degree or higher, plus 15 hours of core content) to a bachelor’s degree from an accredited college or university. OPOR would highlight to the committee that “accredited” college or university is not currently defined in statute, and is unclear if this is intended to reflect accreditation status to educational institutions or educational degree programs under the purview of the United State Department of Education, or if this bill contemplates the Board to define accreditation through

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rulemaking to consider bachelor degree programs that fall outside of that formal review process, including international degree programs and institutions.

- Section 7 – Examination requirements as a Maine CPA candidate: this section of the bill amends the educational qualifications for a candidate to take the examination as a Maine candidate by changing the 150-semester hour educational requirement to a bachelor's degree requirement. OPOR's highlights the same concerns as noted in Section 6.
- Section 9 – Experience requirements for CPA licensure: this section of the bill adjusts the current 2-year work experience requirement by creating a matrix of experience requirements based on the individual applicant's educational credentials as follows:
 - Bachelor's degree plus 2 years' experience under a CPA licensed supervisor;
 - Master's degree or doctoral degree plus 1 year experience under a CPA licensed supervisor;
or
 - Bachelor's degree, 30 supplemental credit hours plus 1 year experience under a CPA licensed supervisor.

Creating such a matrix may result in uncertainty not only for applicants but will require extensive resources for the Board in determining licensure qualifications. The Board would be required to review and conduct analyses of educational transcripts for each applicant which may result in the applicant not meeting the requisite work experience requirements resulting in denial of licensure. It is also important to note that the work experience requirements is not sequential to meeting the educational requirements, so an individual could be completing both requirements concurrently without assurances that they've selected the correct pathway. An applicant would know whether they chose the correct pathway only after their application had been filed and reviewed by the Board.

Sections 11, 12 and 20 of the bill creates a new licensure pathway identified as "practice privilege reciprocity" for individual CPAs and public accounting firms licensed in another state. This licensure pathway is redundant as the Board's current statute provides for expedited licensure pursuant to the current provisions of "endorsement" and "substantial equivalency." See 32 M.R.S. §§12231 and 12231-A. The creation of a practice privilege reciprocity license will require the Board to expend financial resources to implement at a time when the Board is projected to be in a deficit based on its current collection of fees.

Again, thank you for your time and I would be happy to answer any questions now or at the work session.

MAINE BOARD OF ACCOUNTANCY – NOVEMBER 2024
Pathways for Initial Certified Public Accountant Licensure

INITIAL LICENSURE ¹	EDUCATION	EXAMINATION ²	EXPERIENCE
1. <u>Maine Examination Candidate</u> ³	<ul style="list-style-type: none"> 150 semester hours; Including a baccalaureate degree (or higher); and Including 15 semester hours of content: <ul style="list-style-type: none"> ✓ 3 hours in auditing and attestation services ✓ 12 hours in basic account and auditing services. 	<ul style="list-style-type: none"> All Core Sections (AUD, FAR, REG) and One Discipline Section (BAR, ISC, or TCP) 	<ul style="list-style-type: none"> Verification of 2 years employment at a public accounting firm while under the supervision of a CPA.
2. <u>Transfer Examination Candidate</u>	<ul style="list-style-type: none"> Same as above. 	<ul style="list-style-type: none"> Same as above. 	<ul style="list-style-type: none"> Same as above.
3. <u>Substantial Equivalency</u>	<ul style="list-style-type: none"> Board recognizes Mutual Recognition Agreements via the IQAB and NASBA listing of states determined to be substantially equivalent. 		

NASBA services to state boards and CPA candidates include:

1. Qualifies Maine examination candidates – see link: <https://nasba.org/exams/cpaexam/>
2. Transfers scores – see link: https://nasbastore.org/index.php?main_page=product_free_shipping_info&cPath=248&products_id=1097
3. Provides international evaluation services – see link: <https://nasba.org/products/nasbainternationalevaluationservices/>
4. Provides – see link: <https://nasba.org/licensure/substantialequivalency/>

¹ 40 hours of continuing education is required for a person applying for initial licensure more than 4 years after meeting the qualifications.

² See accompanying examination chart showing changes effective January 2024.

³ Maine, unlike other states, does not have a residency nor a social security number requirement for licensure.