



**TELECONFERENCE/VIRTUAL MEETING
ACCOUNTING EXAMINING BOARD
Room 121B, 1400 East Washington Avenue, Madison
Contact: Brittany Lewin (608) 266-2112
November 4, 2016**

The following agenda describes the issues that the Board plans to consider at the meeting. At the time of the meeting, items may be removed from the agenda. Please consult the meeting minutes for a record of the actions of the Board.

AGENDA

8:00 A.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

- A. Adoption of Agenda (1)**
- B. Approval of Minutes of September 21, 2016 (2-3)**
- C. Administrative Matters**
- D. 8:00 A.M. Public Hearing: Emergency Rule EmR1628 – Accy 2 Relating to Education Required for Examination and Certification (4-10)**
- E. Legislative and Administrative Rule Matters**
- F. Public Comments**

ADJOURNMENT

NEXT MEETING DATE NOVEMBER 8, 2016

**TELECONFERENCE/VIRTUAL MEETING
ACCOUNTING EXAMINING BOARD
Room 121A, 1400 East Washington Avenue, Madison
Contact: Brittany Lewin (608)266-2112
MEETING MINUTES
SEPTEMBER 21, 2016**

PRESENT: Christine Anderson, Joseph Braunger, Todd Craft, Gerald Denor, Kathleen LaBrake, Glenn Michaelsen, John Scheid

STAFF: Brittany Lewin, Executive Director; Nilajah Hardin, Bureau Assistant; and other DSPS Staff

CALL TO ORDER

John Scheid, Board Chair, called the meeting to order at 8:31 a.m. A quorum of seven (7) members was confirmed.

ADOPTION OF AGENDA

MOTION: Gerald Denor moved, seconded by Glenn Michaelsen, to adopt the agenda as published. Motion carried unanimously.

APPROVAL OF MINUTES OF AUGUST 9, 2016

MOTION: Glenn Michaelsen moved, seconded by Gerald Denor, to approve the minutes of August 9, 2016 as published. Motion carried unanimously.

LEGISLATIVE AND ADMINISTRATIVE RULE MATTERS

Legislative Report Draft

MOTION: Gerald Denor moved, seconded by Joseph Braunger, to delegate the Chair to make the changes discussed at today's meeting and approve the Continuing Education Legislative Report required in 2015 Wisconsin Act 217. Motion carried unanimously.

Proposal for Accy 2 Relating to Education Required for Examination and Certification

MOTION: Glenn Michaelsen moved, seconded by Gerald Denor, to approve the emergency rule draft of ch. Accy 2 relating to education required for examination and certification for submission to the Governor's Office and to authorize the Chair to approve the emergency rules for publication. Motion carried unanimously.

CLOSED SESSION

MOTION: Todd Craft moved, seconded by Gerald Denor, to convene to closed session to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85 (1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85 (1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.). John Scheid, Board Chair, read the language of the motion. The vote of each member was ascertained by voice vote. Roll Call Vote: Christine Anderson-yes; Joseph Braunger-yes; Todd Craft-yes; Gerald Denor-yes, Kathleen LaBrake-yes; Glenn Michaelsen-yes and John Scheid-yes. Motion carried unanimously.

The meeting convened to Closed Session at 9:27 a.m.

RECONVENE TO OPEN SESSION

MOTION: Joseph Braunger moved, seconded by Gerald Denor, to reconvene into open session. Motion carried unanimously.

The meeting reconvened into Open Session at 9:31 a.m.

VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION

MOTION: Todd Craft moved, seconded by Joseph Braunger, to affirm the vote made in closed session. Motion carried unanimously.

DIVISION OF LEGAL SERVICES AND COMPLIANCE (DLSC) MATTERS

Proposed Stipulation, Final Decision and Order

15 ACC 015 – David G. Chapman

MOTION: John Scheid moved, seconded by Christine Anderson, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against David G. Chapman, DLSC Case No. 15 ACC 015. Motion carried. Abstained: Glenn Michaelsen

ADJOURNMENT

MOTION: Kathleen LaBrake moved, seconded by Gerald Denor, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 9:34 a.m.

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Dale Kleven Administrative Rules Coordinator		2) Date When Request Submitted: 10/25/16 Items will be considered late if submitted after 12:00 p.m. on the deadline date: ▪ 8 business days before the meeting	
3) Name of Board, Committee, Council, Sections: Accounting Examining Board			
4) Meeting Date: 11/4/16	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? 8:00 A.M. Public Hearing: Emergency Rule EmR1628 – Accy 2 Relating to Education Required for Examination and Certification	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both		8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes (Fill out Board Appearance Request) <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required:
10) Describe the issue and action that should be addressed:			
11) Authorization			
<i>Dale Kleven</i>		<i>October 25, 2016</i>	
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda) Date			
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

CERTIFICATE

STATE OF WISCONSIN

DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

I, Brittany Lewin, Executive Director, Division of Policy Development in the Wisconsin Department of Safety and Professional Services and custodian of the official records of the Accounting Examining Board, do hereby certify that the annexed emergency rules were duly approved and adopted by the Accounting Examining Board on the 21st day of September, 2016.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 1400 East Washington Avenue, Madison, Wisconsin this 21st day of September, 2016.



*Brittany Lewin, Executive Director
Division of Policy Development
Department of Safety & Professional Services*

STATE OF WISCONSIN
ACCOUNTING EXAMINING BOARD

IN THE MATTER OF RULEMAKING : ORDER OF THE
PROCEEDINGS BEFORE THE : ACCOUNTING EXAMINING BOARD
ACCOUNTING EXAMINING BOARD : ADOPTING EMERGENCY RULES

The statement of scope for this rule, SS 079-16, was approved by the Governor on August 25, 2016, published in Register 729A1 on September 6, 2016, and approved by the Accounting Examining Board on September 19, 2016.

This emergency rule was approved by the Governor on September 21, 2016.

ORDER

An order of the Accounting Examining Board to amend Accy 2.101 (2), 2.202 (intro.), 2.303, and 2.403 and create Accy 2.202 (3), relating to education required for examination and certification.

Analysis prepared by the Department of Safety and Professional Services.

FINDING OF EMERGENCY

The Accounting Examining Board finds that an emergency exists and that this rule is necessary for the immediate preservation of the public peace, health, safety, or welfare. A statement of facts constituting the emergency is:

Administrative rules that went into effect on June 1, 2016, changed the education requirements for candidates to take the certified public accountant (CPA) examination or be certified in Wisconsin as a CPA. Some candidates who, as of June 1, 2016, had completed or were in the process of completing their education according to the requirements in effect on May 31, 2016, do not or will not meet the education requirements as revised. This proposed rule will help ensure the opportunity for these individuals to be employed or start a business as a CPA in Wisconsin is not delayed or denied.

An expeditious promulgation of this rule is in the best interest of Wisconsin's economy and public welfare, as this will prevent some students who have completed or are nearing completion of programs meeting the education requirements in effect on May 31, 2016, from having to take additional coursework to meet the current education requirements.

ANALYSIS

Statutes interpreted:

Section 442.04 (5) (b) 3. and 4., Stats.

Statutory authority:

Sections 15.08 (5) (b) and 442.04 (5) (b) 3. and 4., Stats.

Explanation of agency authority:

Section 15.08 (5) (b), Stats., provides examining boards “shall promulgate rules for its own guidance and for the guidance of the trade or profession to which it pertains. . .”

Section 442.04 (5) (b) 3., Stats., provides the Board may not grant a certificate as a certified public accountant to any person other than a person who “has completed at least 150 semester hours of education at an institution that include course work in accounting and business subjects, as determined by the examining board, and has received a bachelor’s or higher degree.”

Section 442.04 (5) (b) 4., Stats., provides a person is not eligible to take the CPA examination “unless the person has completed at least 120 semester hours of education at an institution that include course work in accounting and business subjects, as determined by the examining board.”

Related statute or rule:

None.

Plain language analysis:

The rules update ch. Accy 2 to provide that, prior to June 1, 2017, a candidate may qualify to take the CPA examination or be certified in Wisconsin as a CPA under either the educational requirements in effect on May 31, 2016, or as revised effective June 1, 2016.

Summary of, and comparison with, existing or proposed federal regulation:

None.

Comparison with rules in adjacent states:

Illinois:

Illinois requires 150 college or university semester hours with an accounting concentration to be admitted to take the certified public accountant examination. The 150 hours must include a baccalaureate or higher degree conferred by an academic institution acceptable to the Board (225 Ill Comp. Stat. 450/3). The Board recognizes institutions of higher education accredited by a regional accrediting association recognized by the Council for Higher Education Accreditation or the U.S. Department of Education. The Board also recognizes business schools accredited by the Association of Advance Collegiate Schools of Business or the Association of Collegiate Business Schools and Programs (23 Ill. Adm. Code 1400.90 (c) (2) (G)).

Iowa:

Qualifications for a certificate as a certified public accountant in Iowa includes completion of at least 150 semester hours of college level education and receiving a baccalaureate or higher degree by a college or university recognized by the Board (Iowa Code §542.5 (7)). The Board recognizes institutions accredited by the American Assembly of Collegiate Schools of Business (193A IAC 3.2). Other qualifications

include one year of verified experience and successful completion of the uniform certified accountant's examination (193A IAC 3.1).

Michigan:

Certification requirements in Michigan include the completion of a least 150 semester hours of college education including a baccalaureate degree or higher with a concentration in accounting (Mich. Admin. Code R 338.5116). For purposes of accreditation the Board recognizes the North Central Association of Colleges and Schools Commission on Institutions of Higher Education (Mich. Admin. Code R 338.5115). Qualifying experience for certification includes 2,000 hours of experience within a period of not less than one calendar year and not more than 5 calendar years (Mich. Admin. Code R 338.5117).

Minnesota:

The requirements for certification include the completion of one year of experience and 150 semester hours or 225 quarter hours at a college or university accredited by a recognized accrediting agency listed with the United States Department of Education, or an equivalent accrediting association (Minn. Stat. §326A.03 Subd. 6.). Before taking the examination an applicant is required to have a "baccalaureate or higher degree, with a major in accounting or a major in business with accounting emphasis, or an equivalent education, from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education or an equivalent accrediting association." (Minn. Stat. §326A.03 Subd. 3.).

Summary of factual data and analytical methodologies:

The proposed rules were developed by obtaining input and feedback from the Accounting Examining Board.

Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:

These rules do not impose any new requirements. The purpose of the rules is to provide candidates a window of opportunity to qualify for the CPA examination and certification in Wisconsin as a CPA under the educational requirements in place at the time they completed or were nearing completion of their education.

Fiscal estimate:

These rules will not have a fiscal impact.

Effect on small business:

These rules do not have an economic impact on small businesses, as defined in s. 227.114 (1), Stats. The Department's Regulatory Review Coordinator may be contacted by email at Jeffrey.Weigand@wisconsin.gov, or by calling (608) 267-2435.

Agency contact person:

Dale Kleven, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8366, Madison, Wisconsin 53708; telephone 608-261-4472; email at Dale2.Kleven@wisconsin.gov.

Place where comments are to be submitted and deadline for submission:

Comments may be submitted to Dale Kleven, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8366, Madison, Wisconsin 53708, or by email to Dale2.Kleven@wisconsin.gov. Comments must be submitted by the date and time at which the public hearing on these rules is conducted. Information as to the place, date, and time of the public hearing will be published on the Department of Safety and Professional Services' website and in the Wisconsin Administrative Register.

TEXT OF RULE

SECTION 1. Accy 2.101 (2) is amended to read:

Accy 2.101 (2) Proof of fulfilling the educational requirements specified in s. Accy 2.202 and s. 442.04 (5), Stats., by submitting certified copies of transcripts for all academic work completed at an institution, as defined in s. 442.04 (5) (a), Stats., at least one of which must reflect the award of a bachelor's or higher degree and the completion of 150 semester hours, including in courses covering each of the subjects and the semester hours specified in s. Accy 2.202 (1) and (2), or all academic work leading to a bachelor's or graduate degree in accounting meeting the requirements under s. Accy 2.202 (3).

SECTION 2. Accy 2.202 (intro.) is amended to read:

Accy 2.202 (intro.) Education required for certification. A Except as provided in sub. (3), a candidate applying for a certificate to practice as a certified public accountant must, in the course of having completed the 150 semester hours of education have earned a baccalaureate or graduate degree from an accredited business school or college of business and completed all of the following:

SECTION 3. Accy 2.202 (3) is created to read:

Accy 2.202 (3) A candidate applying for a certificate to practice as a certified public accountant fulfills the educational requirements under this section if, prior to June 1, 2017, the candidate has, in the course of completing 150 semester hours of education, earned a bachelor's or graduate degree in accounting from an accounting program or department that is listed by an accrediting agency recognized by the board.

SECTION 4. Accy 2.303 is amended to read:

Accy 2.303 Education required for examination. A candidate for the certified public accountant examination must complete 120 semester hours of education, including courses covering each of the subjects and the semester hours specified in s. Accy 2.202 (1) and (2), or 120 semester hours of education leading to a bachelor's or graduate degree in accounting that meets the requirements under s. Accy 2.202 (3).

SECTION 5. Accy 2.403 is amended to read:

Accy 2.403 Public accounting experience. An individual must have at least one year of public accounting experience or its equivalent as determined by the board. Experience shall be acquired after the applicant has earned 120 semester hours of education from an accredited college or university, including courses covering each of the subjects and the semester hours specified in s. Accy 2.202 (1) and (2), or 120 semester hours of education leading to a bachelor's or graduate degree in accounting that meets the requirements under s. Accy 2.202 (3). This experience must have been acquired within 5 years prior to applying for the certification as a certified public accountant.

SECTION 6. EFFECTIVE DATE. The rules adopted in this order shall take effect upon publication in the official state newspaper, pursuant to s. 227.22 (2) (c), Stats.

(END OF TEXT OF RULE)

Dated 9/21/16

Agency John Scheid
Chairperson
Accounting Examining Board