

Proposed

900 SW Jackson, Ste. 556
Topeka, KS 66612-1239
<https://ksboa.kansas.gov>



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Susan L. Somers, Executive Director

Board of Accountancy

Laura Kelly, Governor

**STATE OF KANSAS
BOARD OF ACCOUNTANCY**

NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATION

A public hearing will be conducted at 9:30 AM, Friday, June 17, 2022, Room 556A of the Landon State Office Building, 900 SW Jackson, Topeka, KS to consider the adoption of proposed changes in an existing rule and regulation of the Board of Accountancy.

This 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed rule and regulation. All interested parties may submit written comments prior to the hearing to the Executive Director of the Board of Accountancy, Landon State Office Building, 900 SW Jackson, Ste. 556, Topeka, KS 66612 or by emailing the Board office at ksboa@ks.gov. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulation during the hearing. In order to give all parties an opportunity to present their views, it may be necessary to request that each participant limit any oral presentation to five minutes.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulation and economic impact statement in an accessible format. Requests for accommodation to participate in the hearing should be made at least five working days in advance of the hearing by contacting Susan Somers at (785) 296-2162 or by e-mail at ksboa@ks.gov. Handicapped parking is located on the south end of Landon State Office Building, and the north entrance to the building is accessible to individuals with disabilities.

This regulation is proposed for adoption on a permanent basis. A summary of the proposed regulation and its economic impact follows:

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**SCOTT SCHWAB
SECRETARY OF STATE**

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K.A.R. 74-2-7. Concentration in Accounting. Amending changes to specific course requirements to sit for the CPA exam; in particular, modernizing the title of a course; defining the equivalent of a "pass" score if actual grade scores are not reflected on an official transcript; and adding a course requirement for initial examination candidates for the Uniform CPA Examination which will be tested commencing January 2024.

Copies of the regulation and the economic impact statement may be obtained from the Board of Accountancy, Landon State Office Building, 900 SW Jackson, Ste. 556, Topeka, KS 66612, (785) 296-2162, or on the Board's website at <https://ksboa.kansas.gov>.

The Board does not anticipate any economic impact upon itself, to governmental agencies, private businesses, or to individuals in the adoption of these revisions to its regulation.

Susan L. Somers
Executive Director

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K.A.R. 74-2-7. Concentration in accounting. (a) The "concentration in accounting" courses required to qualify for admission to the certified public accountant examination shall be as follows:

(1) At least 42 semester credit hours in business and general education courses, including the following:

(A) A macroeconomics course, a microeconomics course, and one upper-division economics course;

(B) at least two courses in the legal aspects of business or business law;

(C) college algebra or higher-level math course;

(D) statistics and probability theory course;

(E) computer information systems and applications course, which shall be equivalent to at least a 200-level course;

(F) finance course;

(G) management and administration course;

(H) marketing course; and

(I) production, operations research, or applications of quantitative techniques to business problems course;

(2) at least 11 semester credit hours in courses in written and oral communications; and

(3) at least 30 semester credit hours in courses in accounting theory and practice, including the following:

(A) Financial accounting and reporting for business organizations course, which may include any of the following:

(i) Intermediate accounting course;

(ii) advanced accounting course; or

(iii) accounting theory course;

(B) managerial accounting beyond an introductory course;

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(C) auditing course concentrating on auditing standards generally accepted in the United States as issued by the AICPA auditing standards board or the PCAOB, or both;

(D) U.S. income tax course; and

(E) accounting systems beyond an introductory computer course; and

(4) commencing January 1, 2024 for all initial examination applicants, a course in data analytics for business or accounting, which shall be equivalent to at least a 200-level course.

(b) The following types of credits awarded by a college or university approved by the board shall be accepted by the board for purposes of determining compliance with subsection (a), if the credits are related to those areas specified in subsection (a):

(1) Credit for advanced placement;

(2) credit by examination;

(3) credit for military education; and

(4) credit for competency gained through experience; and

~~(5) courses taken for pass-fail credit.~~

Credits recognized by the board pursuant to this subsection shall not exceed a total of six semester hours.

(c) Credit for courses taken for pass-fail credit shall be accepted by the board for purposes of determining compliance with subsection (a) and shall be limited to a total of six semester hours, unless the applicant demonstrates to the satisfaction of the board that the awarded grade of "pass" is equivalent to a 3.0 grade point on a grading scale of 0.0 to 4.0.

(d) Credit shall not be allowed for any course that is only audited.

~~(d)~~ (e) Credit shall not be allowed for any course for which credit has already been received.

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(e) (f) Any credits earned for an accounting internship may count toward the overall 150-hour education requirement, but these credits shall not be acceptable in satisfaction of the required concentration in accounting courses.

(f) (g) Credits earned for CPA exam review courses shall not be acceptable in satisfaction of the required concentration in accounting courses. However, these credits may be used toward the overall 150-hour education requirement.

(g) (h) Not to exceed a total of six hours, up to three hours of course requirements specified in paragraph (a)(1), (a) (2), or (a)(3) may be waived by the board, upon the applicant's demonstration of compelling circumstances and upon receipt of satisfactory verification that the applicant has otherwise met the requirements. (Authorized by K.S.A. 1-202 and K.S.A.2016 2021 Supp. 1-302a; implementing K.S.A. 2016 2021 Supp. 1-302a; effective Jan. 1, 1973; amended Feb. 15, 1977; amended May 1, 1978; amended May 1, 1979; amended July 22, 1991; amended Sept. 25, 1998; amended Jan. 11, 2008; amended May 25, 2012; amended March 21, 2014; amended Feb. 19, 2016; amended Jan. 26, 2018; amended P-_____.)

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Kansas Administrative Regulations Economic Impact Statement For the Kansas Division of the Budget

Board of Accountancy
Agency

Susan Somers
Agency Contact

785-296-3573
Contact Phone Number

74-2-7
K.A.R. Number(s)

Submit a hard copy of the proposed rule(s) and regulation(s) and any external documents that the proposed rule(s) and regulation(s) would adopt, along with the following to: Division of the Budget
900 SW Jackson, Room 504-N
Topeka, KS 66612

I. Brief description of the proposed rule(s) and regulation(s).

Amending changes to specific course requirements to sit for CPA exam. In particular, modernizing the title of a course; defining the equivalent of a "pass" score if actual grade scores are not reflected on an official college transcript; adding a course requirement for initial examination candidates for the Uniform CPA Examination which will be tested commencing January 2024.

II. Statement by the agency if the rule(s) and regulation(s) is mandated by the federal government and a statement if approach chosen to address the policy issue is different from that utilized by agencies of contiguous states or the federal government. (If the approach is different, then include a statement of why the Kansas rule and regulation proposed is different)

N/A

III. Agency analysis specifically addressing following:

A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

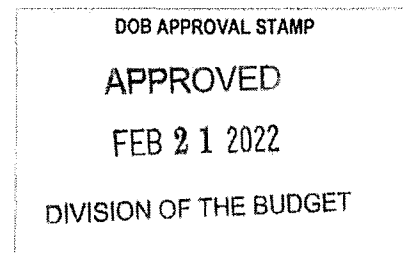
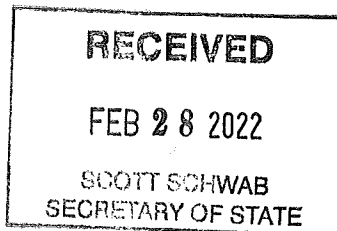
The regulation sets forth the specific course requirements to sit for the CPA exam, which mirrors the content of the CPA exam to keep current with the profession.

B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule and regulation and on the state economy as a whole;

None. The specific courses listed in this regulation currently comprise 83 semester hours of education within the total of 150 hours of education required. Adding another course would be absorbed within the overall 150-hour education requirement, which would not result in additional cost to the candidate.

C. Businesses that would be directly affected by the proposed rule and regulation;

None.



D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

No cost.

E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

No cost.

F. An estimate, expressed as a total dollar figure, of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to business, local governments, or members of the public.

None.

An estimate, expressed as a total dollar figure, of the total implementation and compliance costs that are reasonably expected to be incurred by or passed along to business, local governments, or members of the public.

None

Do the above total implementation and compliance costs exceed \$3.0 million over any two-year period?

YES ☐ NO ☒

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

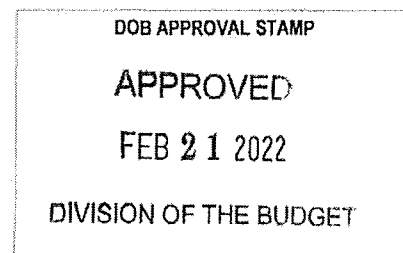
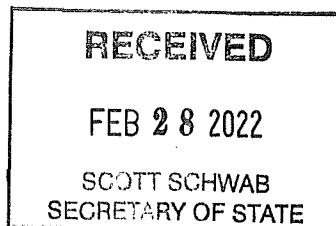
N/A

Prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing if the total implementation and compliance costs exceed \$3.0 million over any two-year period to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

YES ☐ NO ☒

G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

N/A



- H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).**

The addition of the data analytics course has been discussed nationwide by State Boards of Accountancy with academia, the American Institute of Certified Public Accountants (who write the CPA exam) and its stakeholders. The change to the CPA exam will affect all exam applicants, whether or not they are in Kansas. The amendment to allow "pass" credits, rather than an actual score, was previously limited to 6 semester credits overall. Now it will be available to colleges and universities approved by the Board who issue all of their credits by "pass/fail", as long as the "pass" score is equivalent to a 3.0 on a scale of 0.0 to 4.0.

- I. For environmental rule(s) and regulation(s) describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).**

No costs.

