

## Memorandum

ECC Agenda Item III.  
January 26, 2011

To : ECC Members

Date : December 20, 2010

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Subject : Applicants for California CPA Licensure with Education Completed Out of State

At the September 21, 2010 Ethics Curriculum Committee meeting, members requested information regarding the number of applicants applying for California Certified Public Accountant (CPA) licensure with education completed out of state. At that time staff informed members that the California Board of Accountancy (CBA) did not track such information. In an effort to be responsive to members' request, staff embarked on a six-week study to track the educational qualifications of applicants approved for CPA licensure – specifically, to track where licensees completed their college/university education.

The study began November 1, 2010 and concluded December 15, 2010. During that time staff approved 657 applicants for CPA licensure. Below are the results of the study.

<b>Where Education Was Completed</b>	<b>Total</b>	<b>%<sup>1</sup></b>
California Only	381	58%
Out of State Only	128	19%
California and Out of State	60	9%
Foreign Only	41	6%
California and Foreign	27	4%
Out of State and Foreign	15	2%
California/Out of State/Foreign	5	1%

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<sup>1</sup> Total percentage is less than 100%.

## **Applicants for California CPA Licensure with Education Completed Out of State**

**Page 2 of 2**

### **General Observations**

- 72% of approved applicants completed all or some of their education in California.
- 41% of approved applicants completed all or some of their education outside of California.
- 28% of approved applicants completed all of their education outside of California.

Though staff conducted only a limited study on this topic, it provides the CBA, ECC, and Accounting Education Committee (AEC) (which has also expressed interest in this topic) with valuable information regarding the significant number of applicants obtaining some or all of their education out of state. Consequently, this study further underpins what the CBA already understood – the need to communicate nationally those changes impacting the CPA profession in California.

Based on a suggestion raised at previous AEC meetings, as the AEC and ECC come closer to offering final recommendations on their respective units, staff will mail the recommendations (mostly likely in regulation form) to the CBA's interested parties list, which includes California colleges and universities. Also, in light of the outcome of this study, staff believe it is prudent to circulate the proposed recommendations on a national scale by mailing to various colleges and universities throughout the United States, as well as to the National Association of State Boards of Accountancy and American Institute of Certified Public Accountants. Staff would greatly appreciate additional suggestions ECC members might have on possible methods for outreach regarding the upcoming licensure changes.