

**Minutes of the May 2011 AEC Meeting**



**DEPARTMENT OF CONSUMER AFFAIRS**  
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**DEPARTMENT OF CONSUMER AFFAIRS**  
**CALIFORNIA BOARD OF ACCOUNTANCY**

**MINUTES OF THE**  
**May 9, 2011**  
**ACCOUNTING EDUCATION COMMITTEE (AEC) MEETING**

California Board of Accountancy  
 2000 Evergreen Street, Suite 250  
 Sacramento, CA 95815  
 Telephone: (916) 263-3680

Roll Call and Call to Order.

AEC Chair Ruben Davila, called the meeting of the AEC to order at 1:00 p.m. on Monday, May 9, 2011 at the California Board of Accountancy (CBA) office. Mr. Davila stated that to ensure compliance with the Bagley-Keene Open Meeting Act, Section 11122.5(c)(6), if a majority of members of the full CBA are present at a committee meeting, members who are not members of that committee may attend the meeting only as observers. CBA members who are not committee members may not sit at the table with the committee, and they may not participate in the meeting by making statements or by asking questions of any committee members.

AEC Members

Ruben Davila, Chair	1:00 p.m. to 1:38 p.m.
Donald Driftmier, CBA Member	Not Present
Sherry Anderson	1:00 p.m. to 1:38 p.m.
Betty Chavis	Not Present
Thomas Dalton	1:00 p.m. to 1:38 p.m.
Michael Moore	Not Present
Gary Pieroni	1:00 p.m. to 1:38 p.m.
Sara Seyedin	Not Present
Xiaoli "Charlie" Yuan	1:00 p.m. to 1:38 p.m.

Staff

Rich Andres, Information Technology Staff  
 Dominic Franzella, Manager, Licensing  
 Deanne Pearce, Chief, Licensing Division  
 Jenny Sheldon, Licensing Coordinator

Other Participants

Jason Fox, CalCPA  
 Jeannie Tindel, CalCPA

- I. Approve Minutes of the April 15, 2011 AEC Meeting.

**It was moved by Mr. Dalton, seconded by Ms. Anderson, and unanimously carried by those present to approve the minutes (Attachment #1).**

- II. Update on Joint AEC/Ethics Curriculum Committee Meeting.

Ms. Pearce presented the memorandum for this item (**Attachment #2**).

Ms. Pearce explained that the goal of the joint meeting of the AEC and Ethics Curriculum Committee (ECC) is to expose the education proposals of each committee to as many stakeholders as possible. This will allow for comments and input from stakeholders prior to making formal recommendations to the CBA at the July 2011 CBA meeting. Ms. Pearce confirmed the meeting will be held in Sacramento, but that the location is still being finalized.

- III. Update on Contact with the Board of Governors of the California Community Colleges Regarding Documentation of Upper Division Courses.

Ms. Sheldon presented the memorandum for this agenda item (**Attachment #3**).

Ms. Sheldon stated that staff sent a letter to the Board of Governors of the California Community Colleges requesting clarification on whether upper division courses can be identified on the community college transcripts. The letter also requested information on how students identify upper division courses if they are not specifically listed as upper division in the course catalog.

Mr. Pieroni stated that based on information received from Diablo Valley College it is possible for the community college to identify upper division courses on the college transcript but that it may require a directive or mandate from the Board of Governors for this to be implemented on a statewide basis.

- IV. Consideration of Recommendation to the CBA to Adopt Regulations Clarifying the 20 Units of Accounting Study Required Pursuant to Business and Professions Code Section 5094(b).

Mr. Franzella presented the memorandum for this agenda item (**Attachment #4**).

Mr. Franzella reported that, with the exception of the definition for the term "other academic work relevant to accounting and business," the recommendations included in the attachment to the memorandum are items on which members have reached a general consensus.

Members discussed the proposed definition for "other academic work relevant to accounting and business" and asked questions of staff on how the definition would be applied in conjunction with the ethics education proposal being considered by the ECC.

Staff assured members that if similar requirements or limitations are proposed by the AEC and ECC they would remain independent of each other. Mr. Franzella stated that if the ECC proposed a three unit limit on Sociology classes to meet the ethics education requirement and the AEC proposed the same three unit limit to meet the accounting study requirement, the student would be able to complete a total of six units in Sociology.

**It was moved by Mr. Pieroni to approve the proposal for the 20 units of accounting study as written in Attachment #1 to the memorandum with the addition of the word “administration” in the definition of industry-based courses. The motion was seconded by Mr. Dalton and unanimously carried by those present.**

V. Public Comments.

Ms. Tindel complimented the committee for taking into consideration all of the stakeholders and doing their best to implement the statute.

No further public comments were received.

ADJOURNMENT.

There being no further business to be conducted, the meeting was adjourned at 1:38 p.m. on Monday, May 9, 2011.

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Ruben Davila, Chair

Prepared by Jenny Sheldon, Licensing Coordinator.



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**DEPARTMENT OF CONSUMER AFFAIRS**  
**CALIFORNIA BOARD OF ACCOUNTANCY**

**Draft**

**MINUTES OF THE**  
**April 15, 2011**  
**ACCOUNTING EDUCATION COMMITTEE (AEC) MEETING**

**Draft**

California Board of Accountancy  
 2000 Evergreen Street, Suite 250  
 Sacramento, CA 95815  
 Telephone: (916) 263-3680

I. Roll Call and Call to Order.

AEC Chair Ruben Davila, called the meeting of the AEC to order at 12:30 p.m. on Friday, April 15, 2011 at the California Board of Accountancy (CBA) office. Mr. Davila stated that to ensure compliance with the Bagley-Keene Open Meeting Act, Section 11122.5(c)(6), if a majority of members of the full CBA are present at a committee meeting, members who are not members of that committee may attend the meeting only as observers. CBA members who are not committee members may not sit at the table with the committee, and they may not participate in the meeting by making statements or by asking questions of any committee members.

AEC Members

Ruben Davila, Chair	12:30 p.m. to 2:15 p.m.
Donald Driftmier, CBA Member	12:30 p.m. to 2:15 p.m.
Sherry Anderson	12:30 p.m. to 2:15 p.m.
Betty Chavis	12:30 p.m. to 2:15 p.m.
Thomas Dalton	12:30 p.m. to 2:15 p.m.
Michael Moore	12:30 p.m. to 2:15 p.m.
Gary Pieroni	Not Present
Sara Seyedin	Not Present
Xiaoli "Charlie" Yuan	Not Present

Staff and Legal Counsel

Rich Andres, Information Technology Staff  
 Patti Bowers, Executive Officer  
 Dominic Franzella, Manager, Licensing  
 Deanne Pearce, Chief, Licensing Division  
 Jenny Sheldon, Licensing Coordinator

Other Participants

Jason Fox, CalCPA  
 Molly Isbell, KP Public Affairs  
 Tiffany Rasmussen, KPMG  
 Jeannie Tindel, CalCPA

- I. Approve Minutes of the February 18, 2011 AEC Meeting.

**It was moved by Mr. Driftmier, seconded by Ms. Chavis, and unanimously carried by those present to approve the minutes (Attachment #1).**

- II. Update on the Ethics Curriculum Committee Activities.

Mr. Franzella provided an oral report for this item. Mr. Franzella reported that the Ethics Curriculum Committee (ECC), which is charged with developing the 10 units of ethics study guidelines, has met three times. At the April 6, 2011 meeting the subcommittee presented a proposal for the ethics study guidelines. The recommendation included the following:

- Three semester units or four quarter units in an upper division course or courses solely devoted to accounting ethics, accounting fraud, or accountants' professional responsibilities.
- No more than seven semester units in a combination of either un-capped or capped courses.

The un-capped courses include courses such as business law, human resources management, corporate governance, and courses that have ethics, morals, or fraud in the course title.

The capped courses would come from specific disciplines including Philosophy, Psychology, Sociology, Cultural, Ethnic and Diversity Studies, and Religion. To prevent overuse of a course in a single discipline the subcommittee recommends that no more than 3 units can be completed in one discipline.

- No more than one semester unit be applied to the 10 semester unit ethics requirement for courses devoted solely to financial statement auditing.

Based on the discussion and feedback at the meeting the subcommittee will be meeting again with staff to refine the proposal to be brought back at the May 18, 2011 ECC meeting.

Mr. Driftmier added that he believes at the next ECC meeting final decisions will be made on the proposed requirements. He also stated that he believes the ECC proposal is in keeping with the spirit of the legislation and has been accomplished in a way that will be workable for the colleges/universities, students, and the CBA staff. He expressed thanks to the ECC and staff for their work.

- III. Information on the Education Requirements for Certain Master's Degrees that Could be Considered for Meeting the 20 Units of Accounting Study Required for CPA Licensure Beginning January 1, 2014.

Ms. Sheldon presented the memorandum for this agenda item (**Attachment #2**) and reported that over the course of several meetings members considered the acceptance of specified master's degrees to meet the 20 units of accounting study. In response to public comments received at the February 2011 AEC meeting regarding the acceptance of degrees such as a Master of Business Administration (MBA) or Master of Laws (LL.M.), in addition to the already agreed upon Master of Accounting and Master of Taxation, staff researched the various degree requirements.

Specifically, staff compared the degree requirements of an LL.M. in Taxation to a Master of Taxation and the degree requirements for an MBA with an accounting emphasis to Master of Accounting. Staff also provided, in attachments to the memorandum, the academic requirements for degrees such as a Master of Finance, Master of Economics, and MBA programs with up to eleven different areas of concentration.

An additional comment received at the February 2011 AEC meeting was to amend the proposal to include higher degrees such as a Doctorate of Accounting.

Members discussed the educational requirements of each degree and came to a general consensus that a Master of Accounting, Master of Taxation, and LL.M. in Taxation would all be deemed substantially equivalent to meeting the 20 units of accounting study.

Mr. Davila asked for comments regarding the acceptance of a Ph.D. in Accounting. Mr. Moore indicated that there is an administrative problem with transcripts not specifying that the Ph.D. is in accounting but simply a Ph.D. Mr. Davila indicated the same situation occurs for a MBA with a concentration in that the type of concentration is not listed on the transcript. Mr. Moore indicated that the MBA program at the University of California, Riverside does not provide many accounting hours beyond the presently required 24 semester units of accounting so he would not be in favor of an equivalency determination for an MBA program. Mr. Dalton stated that a Ph.D. program is research oriented rather than academic and the student may not complete any specific accounting courses. Members agreed the MBA and Ph.D. should not be included in the list of degrees deemed substantially equivalent to meeting the 20 units of accounting study.

#### IV. Information on College and University Course Offerings in the Subject Area of Cultural Awareness.

Ms. Sheldon presented the memorandum for this agenda item (**Attachment #3**). Ms. Sheldon reported that at the February 2011 AEC meeting, while discussing the subcommittee's proposal to allow a maximum of three semester units in Language under the subject area of "other academic work relevant to accounting

and business,” members suggested the addition of courses in cultural awareness. At members’ request staff reviewed the cultural and ethnic course offerings at several colleges and universities.

Ms. Sheldon provided members with information on two different approaches for determining courses that would qualify under cultural awareness. The first approach would be to identify a list of acceptable departments in which the three units can be completed such as Sociology, Gender Studies, and Religion. The alternate approach would be to simply state three units in Cultural or Ethnic studies and remain silent on the department.

Mr. Davila stated that he prefers the course title approach rather than the departmental approach due to flexibility. Mr. Driftmier indicated the purpose is to broaden students’ horizon and that with a three unit limit the risk of unrelated courses is mitigated. Mr. Dalton and Mr. Moore agreed with the broad approach and that it is best to leave it up to the candidate to determine which course would be most beneficial in their career.

Ms. Chavis questioned whether cultural courses need to be addressed as it seems to be a general education requirement. Mr. Davila clarified that the course would not be a requirement but rather an allowance.

V. Consideration of Draft Regulatory Language to Clarify the 20 Units of Accounting Study Required for CPA Licensure Beginning January 1, 2014.

Mr. Franzella presented the memorandum for this agenda item (**Attachment #4**) and reported that at the February 2011 AEC meeting, members concurred with the majority of the subcommittee’s proposal for the 20 units of accounting study with a minor expansion to include cultural awareness and ethnic studies in the broad educational area of Language. Mr. Franzella provided a review of the subcommittee’s proposal focusing on the four broad educational areas used to define the term “other academic work relevant to accounting and business.”

At the request of the Chair staff used the draft regulatory language to test against a sample of licensees recently approved for licensure to determine if they would have met the requirements presently being considered for the 20 units of accounting study. Mr. Franzella reported that many applicants did not have the proposed minimum six units of upper division accounting study and staff found it difficult to identify any courses that would qualify under the definition of knowledge-based and industry-based education areas.

Ms. Chavis questioned if staff had received any information regarding the identification and availability of upper division courses at community colleges. Ms. Pearce indicated that staff is still in the process of reaching out to the Board of Governors of the California Community Colleges to obtain official information on this topic.

Mr. Moore indicated that he was not surprised by staff's findings because the purpose of the legislation and the committee is to put structure into the 20 units and once the structure is in place students will have a roadmap for completing relevant courses.

Mr. Davila asked members if they wanted to reconsider the proposal to require all 20 units be completed at the upper division level, specifically in the area of skills-based courses.

Mr. Dalton stated that he has no opposition to allowing lower division coursework but if members agree to continue recommending upper division coursework he would like the language to remain as presently drafted. Ms. Pearce commented that the present language could potentially preclude community college courses from qualifying if it is determined that upper division courses cannot be identified on community college transcripts. Mr. Moore stated his belief that community colleges will respond appropriately if the proposed requirement is implemented. Mr. Driftmier indicated that community colleges are very inclusive in that they play an important role in students obtaining the present 24/24 requirement and the additional 20 units of accounting study is simply another layer to the education requirements.

Mr. Davila returned the discussions to the proposed regulatory language and questioned what staff needed from members to make the four board educational areas workable for identifying courses. Mr. Dalton suggested members look at the second option for regulatory language provided in the memorandum.

Mr. Dalton stated that he liked the alternate language because it is simple, straightforward, and reads like a college catalog that students would find familiar. Mr. Moore stated that he would like the list of acceptable courses or departments to include all physical and life sciences. Mr. Davila agreed with including all physical and life sciences in the area of industry-based education.

For defining the term "other academic work relevant to accounting and business," members came to a general consensus to permit three semester units in languages and/or cultural awareness, three semester units in industry-related education, and three semester units in skills-based education. After further discussion on the benefits of using either departmental/subject area designators or key terms in a course title to identify acceptable skills-based and industry-based courses, members came to a general agreement to move toward the departmental approach.

## VI. AEC Timeline, Future Agenda Items and Meeting Dates.

Mr. Franzella explained that the legislatively-mandated deadline for the CBA to adopt regulations for the 20 units of accounting study by January 1, 2012 is fast

approaching. As a result the CBA will need to have the AEC's final recommendation by the July 2011 CBA meeting to allow for a regulatory hearing to be held in November 2011, the last CBA meeting before the January 1, 2012 due date.

The next AEC meeting will be held May 9, 2011. There will also be a joint meeting of the AEC and ECC in June 2011 to expose the proposal to stakeholders.

## VII. Public Comments

Ms. Rasmussen questioned if a document would be put together showing all education requirements – the 24/24, 20 units of accounting study, and 10 units of ethics education – and how they fit together.

Ms. Pearce responded in the affirmative.

No further public comments were received.

## ADJOURNMENT.

There being no further business to be conducted, the meeting was adjourned at 2:15 p.m. on Friday, April 15, 2011.

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Ruben Davila, Chair

Prepared by Jenny Sheldon, Licensing Coordinator.

## Memorandum

AEC Agenda Item II.  
May 9, 2011

To : AEC Members

Date : May 4, 2011

Telephone : (916) 561-1740

Facsimile : (916) 263-3672

E-mail : dpearce@cba.ca.gov

From : Deanne Pearce, Chief  
Licensing Division

Subject : Update on Joint AEC/Ethics Curriculum Committee Meeting

At the previous Accounting Education Committee (AEC) meeting, staff informed members that the California Board of Accountancy (CBA) had begun plans to hold a joint meeting of the AEC and Ethics Curriculum Committee (ECC). The meeting will allow all stakeholders to see both committees' proposals and staff's initial plans regarding implementation and outreach.

On April 21, 2011, Executive Officer Patti Bowers circulated, via e-mail, a memorandum (**Attachment**) from CBA President Sally Anderson, CPA, regarding the proposed joint meeting. The memorandum informed both committees that the CBA had set the meeting date for June 7, 2011, and requested that members inform staff whether they will attend. Based on the responses received, both committees have established quorums.

The CBA is still in the early planning stages of this meeting. As additional information becomes available, staff will provide it to members.

## Memorandum

Attachment

To : AEC Members  
ECC Members

Date : April 21, 2011

Telephone : (916) 561-1700  
Facsimile : (916) 263-3675

From : Sally Anderson, CPA, President  
California Board of Accountancy

Subject : Joint Meeting of the Accounting Education Committee and Ethics Curriculum Committee

I would like to begin by thanking each of you for your continued dedication to the consumers of the great State of California. I recognize the considerable effort and time commitment each of you has put forth over these past several months in developing the new educational requirements that will take effect for CPA licensure beginning January 1, 2014.

As members of both committees are undoubtedly aware, your work will vastly change the prerequisites for obtaining a CPA license in the State of California. California will now have some of the most, if not the most, rigorous educational requirements needed to begin the practice of public accountancy, especially when it comes to ethics education.

Given the transformative nature of these forthcoming changes, the CBA is planning to hold a joint meeting of both AEC and ECC. The meeting will allow students, colleges/universities, consumer groups, various professional trade associations, and the public at large to receive information on the CBA's plans for implementing the new educational requirements, including plans for future outreach, as well as provide a dedicated forum for these groups to hear the proposal and provide comments.

The CBA is in the early planning stages for the meeting, but has set a tentative date of **Tuesday, June 7, 2011** on the calendar. It is anticipated that the meeting will be webcast, with possible remote locations being established, to allow for maximum exposure and participation by stakeholders. You will receive more information on the meeting as soon as details are developed.

The CBA looks forward to your participation in this crucial meeting, and thanks you for your continued service on these important CBA committees. Please let staff know as soon as possible if you are available for the **June 7, 2011** meeting.

To confirm attendance or if you have any questions, please contact either Jenny Sheldon or Cindi Fuller at the contact information below.

Jenny Sheldon – e-mail: [jshelodon@cba.ca.gov](mailto:jshelodon@cba.ca.gov), telephone: (916) 561-4339  
Cindi Fuller – e-mail: [cfuller@cba.ca.gov](mailto:cfuller@cba.ca.gov), telephone: (916) 561-4367

## Memorandum

AEC Agenda Item III.  
May 9, 2011

To : AEC Members  
Date : May 5, 2011  
Telephone : (916) 561-4339  
Facsimile : (916) 263-3675  
E-mail : jsheldon@cba.ca.gov

From : Jenny Sheldon, Coordinator  
Licensing Division

Subject : Update on Contact with the Board of Governors of the California Community Colleges  
Regarding Documentation of Upper Division Courses

As part of its ongoing discussions for defining the 20 units of accounting study, the Accounting Education Committee (AEC) has decided to require students to complete all of the units for this requirement at an upper division level or higher. One of the factors that led to this decision was information provided by the community college members on the AEC indicating that California's community colleges do offer courses at an upper division level.

As has been noted at previous meetings, although community colleges may offer courses at an upper division level, the transcripts provided to students do not indicate the level the course was completed. This appears to occur because four-year institutions do not give upper division credit to transferring students, instead requiring students complete upper division courses at their institutions.

To get further clarification on this issue, the AEC directed staff to contact the Board of Governors of the California Community Colleges regarding documentation of upper division courses on college transcripts. Please find attached a letter sent to the Board of Governors on April 28, 2011 by the California Board of Accountancy's Licensing Chief Deanne Pearce.

Once staff receives any information, it will provide it to members.

Attachment

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April 28, 2011

**Attachment #1**

Scott Himelstein, President  
Board of Governors of the  
California Community Colleges  
1102 Q Street, 4th Floor  
Sacramento, CA 95811

Dear Mr. Himelstein:

As you are aware, Senate Bill 819 (Chapter 308, Statutes of 2009) significantly changed the education requirements for obtaining a Certified Public Accountant (CPA) license effective January 1, 2014. The bill also created two committees under the jurisdiction of the California Board of Accountancy (CBA) for the purpose of defining the new education requirements.

The Ethics Curriculum Committee (ECC), to which the Board of Governors made two appointments – Gary Pieroni, Department Chair and Professor of Accounting at Diablo Valley College and Mr. Jon Mikkelson, Business Instructor at Monterrey Peninsula College – is charged with developing ethics study guidelines for 10 semester units of ethics education. The Accounting Education Committee (AEC), charged with developing guidelines for an additional 20 semester units of accounting study, also has two members representing California community colleges – Professor Gary Pieroni and Dr. Sara Seyedin, Accounting Department Chair and Professor of Accounting and Business at Foothill College.

The purpose of this letter is to obtain clarification on a key point presently under consideration by the AEC. The AEC is considering recommending that the CBA require all 20 semester units of accounting study be completed at the upper division level or higher. In performing a cursory review of community college transcripts and course catalogs staff noted that no distinction is made between upper and lower division courses though both Professor Pieroni and Dr. Seyedin have stated that upper division courses are offered by most community colleges.

California's community colleges play an important role in providing accessible and affordable education to help students obtain the education required for CPA licensure. It is unclear how students are able to identify which courses are offered at the upper division level. Additionally, when assessing applicants' educational qualifications, the CBA relies solely on certified transcripts from the colleges and universities. Therefore, if the recommendation to require the additional 20 semester units of accounting study be completed at the upper division level becomes law, it may become very important for

Mr. Scott Himelstein

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community college students that upper division courses be clearly identified on their transcript.

It is the intention of the CBA to ensure that obtaining the education necessary for entry into the profession is as accessible as possible, which includes ensuring applicants are able to complete at least a portion of the additional 20 semester units of accounting study at a community college. To this end the AEC respectfully requests any information you are able to provide regarding the ability of community colleges to implement a process to identify upper division courses on the college transcript and course catalog.

The next AEC meeting will be held at the CBA office in Sacramento on Monday, May 9, 2011. I realize the meeting date is less than two weeks away; however, any information you could provide would be very much appreciated. Please feel free to contact me by telephone at (916) 561-1740 or by e-mail at [dpearce@cba.ca.gov](mailto:dpearce@cba.ca.gov).

Sincerely,

A handwritten signature in cursive script that reads "Deanne Pearce".

Deanne Pearce, Chief  
Licensing Division

c: Dr. Jack Scott, Chancellor

## Memorandum

AEC Agenda Item IV.  
May 9, 2011

To : AEC Members

Date : May 5, 2011

Telephone : (916) 561-4310

Facsimile : (916) 263-3675

E-mail : dfranzella@cba.ca.gov

From : Dominic Franzella, Manager  
Licensing Division

Subject : Consideration of Recommendation to the CBA to Adopt Regulations Clarifying the 20 Units of Accounting Study Required Pursuant to Business and Professions Code Section 5094(b)

Since the first Accounting Education Committee (AEC) meeting in April 2010, members have worked diligently to define the 20 units of accounting study. By the February 2011 meeting, members had reached general agreements on the allocation of the 20 units with the only outstanding item being a definition for the term “other work relevant to accounting and business.”

At the April 2011 meeting, members reviewed two methods for defining the term “other academic work relevant to accounting and business.” The first method, based on the proposal developed by the subcommittee, focused on defining the knowledge, skills, and abilities students are expected to gain in completing the coursework. This objective would be accomplished through the use of four broad educational areas – skills-based, language/cultural, industry-based, and knowledge-based. The second method was based on discussions at the September 2010 AEC meeting and focused on identifying the specific subject areas that would qualify such as English, Medicine, and Biology.

After weighing the potential benefits and drawbacks of each method members came to a general consensus that combining the two approaches would be most prudent. Specifically, the definition would continue to be divided into broad educational areas including a description of the knowledge, skills, and abilities students are expected to gain but with the addition of the applicable disciplines and courses in each area.

One item of note that staff would like to draw members’ attention to is in the skills-based education area where members came to a general agreement to include courses in the physical and life sciences. In a cursory review of college and university Web sites staff noted that the terms natural sciences and social sciences are also commonly used to describe disciplines such as Biology, Chemistry, Sociology, and Anthropology. To achieve members’ desire to be inclusive of all

## Consideration of Recommendation to the CBA

### Page 2 of 2

areas of science, staff have included the terms natural sciences and social sciences in the list of skills-based disciplines.

As members are aware this is the last AEC meeting prior to the joint AEC/Ethics Curriculum Committee stakeholder meeting that will be held June 7, 2011. At the stakeholder meeting the proposal of each committee will be publicized and comments/feedback on the proposal will be solicited. In order to provide a finalized proposal, staff request that members take formal action to vote on the proposal for the full 20 units of accounting study provided in **Attachment 1**. An example of the resulting draft regulatory language is provided in **Attachment 2**.

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**Attachment #1****AEC Proposal for the 20 Units of Accounting Study**

- All 20 units of accounting study shall be completed at an upper division level or higher.
- A minimum of six units shall be completed in accounting subjects as defined by Section 9.2(b) of the CBA Regulations.
- A maximum of 14 units may be completed in business-related subjects, as defined by Section 9.2(c) of the CBA Regulations.
- A maximum of nine units may be completed in other academic work relevant to accounting and business as outlined below.
  - A maximum of three semester units in skills-based courses, which includes courses completed in the following disciplines: English, Communications, Journalism, and the Physical, Life, Natural, and Social Sciences.
  - A maximum of three semester units in courses in foreign language, to include sign language, or courses with the terms culture, cultural, or ethnic in the title.
  - A maximum of three semester units in industry-based courses, which includes courses with the word “industry” in the course title or courses completed in the following disciplines: Engineering, Architecture, and Real Estate.
- A maximum of four units may be completed in internships or independent studies.
- Completion of a Master of Accounting, Master of Taxation, or Master of Laws in Taxation shall be deemed equivalent to the completion of the 20 units of accounting study.



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**Attachment #2**

## **Draft Regulatory Language for the 20 Units of Accounting Study**

### **Section \_\_\_\_ Education Required Under Business and Professions Code Section 5093 to Apply for Certified Public Accountant License.**

(a) An applicant applying for CPA licensure after December 31, 2013, in addition to meeting the 24 semester units of accounting described in Section 9.2(b) and the 24 semester units of business-related subjects described in Section 9.2(c), shall, to the satisfaction of the Board, provide documentation to the completion of an additional 20 semester units of accounting study as described in Section \_\_\_\_ and 10 semester units of ethics study as described in Section \_\_\_\_.

(b) Satisfactory evidence as to educational qualifications shall take the form of certified transcripts of the applicant's college record, mailed directly to the Board from the educational institution; however, in unusual circumstances the Board may accept such other evidence as it deems appropriate and reasonably conclusive. For foreign education, in addition to certified transcripts of the applicant's college record, satisfactory evidence usually takes the form of an evaluation of educational credentials by a credentials evaluation service approved by the Board pursuant to Section 9.1.

(c) For purposes of this section, one quarter unit is equivalent to two-thirds of one semester unit.

### **Section \_\_\_\_ Accounting Study Required Under Business and Professions Code Section 5094.**

(a) In order for an applicant to satisfy the accounting study requirement, he/she must meet the requirements described in either subsection (b) or (c).

(b) Documentation to the satisfaction of the Board conferral of a Master's Degree in Accounting, Master's Degree in Taxation, or a Master of Laws in Taxation Degree.

(c) Completion of 20 semester units at a college or university level of upper division or higher as described below.

(1) A minimum of six semester units shall be completed in accounting subjects as described in Section 9.2(b).

(2) A maximum of 14 semester units may be completed in business-related subjects as described in Section 9.2(c).

(3) A maximum of nine semester units may be completed in other academic work relevant to accounting and business. Other academic work relevant to accounting and

business shall provide an applicant with skills and knowledge enhancing his/her ability to practice public accounting and may include the following:

(A) A maximum of three semester units in courses that increase an applicant's oral/verbal, written, and presentations skills, as well as increase his/her ability to gather, critically analyze and assess, and reach conclusions. Courses shall be completed in the following disciplines: English, Communications, Journalism, or the Physical, Life, Natural, and Social Sciences.

(B) A maximum of three semester units in courses in foreign language, to include sign language, and cultural or ethnic studies.

(C) A maximum of three semester units in courses that provide applicants with information on the business, economic, and/or financial market within which a particular industry operates. Courses shall include the word "industry" in the course title or be completed in the following disciplines: Engineering, Architecture, or Real Estate.

(4) A maximum of four semester units may be applied in internships or independent study.