

TITLE 16. CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
INITIAL STATEMENT OF REASONS

Hearing Date:

No hearing scheduled.

Subject Matter of Proposed Regulations:

Enhanced Licensure Requirements; Modernized Mobility

Section(s) Affected:

5.5, 6, 6.1, 6.2, 7.1, 8.1, 8.2, 9, 9.1, 9.2, 9.3, 9.4, 11, 11.1, 12, 12.1, 12.2, 12.3, 12.5, 19, 21, and 36.1 of Division 1 of Title 16 of the California Code of Regulations (CCR)

Background and Statement of the Problem:

The California Board of Accountancy (CBA) licenses and regulates approximately 115,000 licensees, including individuals (Certified Public Accountants (CPA) and Public Accountants (PA) and accounting firms (Accountancy Corporation (COR), Accountancy Partnership (PAR), Out-of-State Registered Accounting Firms (OFR) and Fictitious Name Registrations (FNR). It is the CBA's duty to enforce and administer the Accountancy Act Chapter 1 (commencing with section 5000) of Division 3 of the Business and Professions Code (BPC). The CBA is authorized to establish necessary rules and regulations for the enforcement of the Accountancy Act and the laws subject to its jurisdiction (BPC section 5010).

The CBA's mission is to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards. One of the ways the CBA does this is by regulating entry and continuing practice in the profession ensuring only those who are qualified are licensed to practice public accountancy.

The CPA profession offers opportunities to serve the public trust and make a difference in the lives of individuals, businesses and communities. Over the last several years there has been a steady decline in the number of individuals entering the CPA profession. With consumer and business demand for CPAs continuing to grow, failure to meet this demand could have significant consequences, including increased cost of services, CPAs agreeing to perform work for which they are not qualified, which is a violation of professional standards, and consumers being unable to find a qualified CPA.

Foundation of the Proposed Regulations

Two largescale CBA projects laid the foundation for the proposed regulations, namely the Consideration of the CPA Experience Requirements Taskforce (CERT) and the Students Understanding the Requirements to be a CPA (SURE CPA) Project.

In 2022, the CBA formed the nine-member CERT to address if the attest experience requirement was necessary and sufficient to support the CBA mission to protect consumers by ensuring only qualified licensees practice public accountancy in accordance with professional standards. The reason for asking such a question was that the vast majority of states had discontinued the attest experience requirement. To address the question the CERT gathered stakeholder feedback via an online survey and through public meetings.

By January 2023, the CBA adopted the CERT recommendation that the current attest experience requirement was necessary. Additionally, CERT recommended the CBA explore how current regulations (i.e., section 36.1) could be amended to more thoroughly define reciprocity requirements for attest applicants given the elimination of the attest experience requirement by other states, which is addressed in these regulations.

At its January 2023 meeting, CBA Leadership announced the 2023 priority projects. Included in that report was the multi-year SURE CPA Project. Specifically, the project related to educational requirements for licensure, focusing on exploring:

- Efficiencies in how staff review applicants' certified transcripts.
- Ways to increase students' understanding of the educational requirements and the ways to meet them.

The SURE CPA Project was launched because inquiries received by the CBA suggested a lack of understanding of the educational requirements. In March 2023, the CBA expanded the SURE CPA Project to include possible alternatives to the current licensure requirements.

The SURE CPA Project included extensive information-gathering activities including surveys, townhall meetings, focus groups, and presentations from the American Institute of Certified Public Accountants (AICPA), National Association of State Boards of Accountancy (NASBA), and the California Society of Certified Public Accountants (CalCPA). The data gathered was presented at the July 2024 CBA meeting where the CBA instructed staff to draft a legislative proposal to implement the initiatives formed based on the results of the SURE CPA Project. The legislative proposal was officially introduced as Assembly Bill 1175. The bill was signed into law on October 3, 2025.

The law takes effect on January 1, 2026. Several of the provisions, including those related to mobility, will begin at that point, but there will be a 12-month implementation window before the new examination and licensure requirements take effect on January 1, 2027. The legacy requirements will remain as an option until December 31, 2028. The new examination and licensure requirements are referenced as "enhanced" requirements in this ISOR to easily distinguish them from the current (i.e., legacy requirements).

Key Statutory Changes Resulting from AB 1175

BPC section 5092 is repealed along with the condition that it allows the section's requirements to become operative as certain amendments are made to the education requirements outlined in BPC section 5093.

BPC section 5093 is repealed on January 1, 2029, removing the completion of 150-semester units as the minimum education requirement and the one year of general accounting experience requirement. The delayed repeal of BPC section 5093 establishes a transition period whereby applicants who have submitted an application by December 31, 2028, can gain licensure under legacy licensure requirements. (Referred to as **Legacy Pathway**.)

BPC section 5093.2 becomes operative on January 1, 2027, requiring applicants to present satisfactory evidence that they have met the new educational requirements consisting of a minimum of a conferred baccalaureate or advanced degree with an accounting concentration. This section requires the CBA to establish by regulation an accounting concentration of courses that are required to meet this requirement. (Referred to as **Enhanced Pathway**.)

BPC section 5093.3 becomes operative on January 1, 2027, requiring the applicant to complete two years of qualifying experience and passage of the CPA examination under BPC section 5082. BPC section 5093.3 authorizes the CBA to accept a master's degree in accounting-related subjects toward one of the two years required and authorizes the CBA to accept experience credit for the completion of specific certificate or training programs. (This is part of the **Enhanced Pathway**.)

BPC sections 5094.3 and 5094.6 are repealed on January 1, 2029, to allow for the transition of the new educational requirements described in BCP section 5093.2.

BPC 5035.4 adds the definition of "comparable licensure requirements" which replaces the term "substantially equivalent".

BPC section 5096 is amended to remove prior conditions describing who is eligible for practice privilege rights and to allow for automatic mobility with safeguards. The amendments also move provisions regarding consultation with the Public Company Accounting Oversight Board and United States Securities and Exchange Commission from BPC section 5096.4.

BPC section 5096.21 is amended to allow the CBA to vote to require licensees of a particular state to file a notification and seek CBA approval if the state or jurisdiction does not have comparable licensure requirements.

BPC section 5096.22 is amended to add notifications the applicant must provide the CBA when the CBA has determined that the state in which the individual holds their principal place of business does not have comparable licensure requirements.

To implement the statutory provisions of AB 1175, the CBA needs to adopt new regulations and amend and repeal existing regulations. The CBA proposes the repeal of CCR section 5.5 of Article 1 to remove outdated definitions and adopt and make amendments to Article 2 of the CCR to update and make clear the education and experience requirements that become operative on January 1, 2027, and those that become inoperative as of January 1, 2029.

Overview of Regulatory Action

The proposed regulations:

- Implement the examination and licensure requirements outlined in AB 1175.
- Discontinue examination and licensure requirements phased out by AB 1175 (legacy pathway).
- Revise incorporated forms to address examination and licensure requirements in AB 1175 and an updated Personal Information Collection Notice.
- Amend select form numbers to begin with initialisms to create consistency in naming conventions across the various forms incorporated by reference.
- Implement CBA's directive (e.g., CERT recommendation) to clarify reciprocity requirements for out-of-state licensees seeking a California license with attest authority.
- Allow for the acceptance of electronically delivered credential evaluations and modify disclaimer requirements.
- Remove gender specific terms.
- Make clarifying and non-technical changes including grammatical, formatting, and punctuation to existing text.

Anticipated Benefits from this Regulatory Action

This regulatory proposal will benefit aspiring CPAs and California consumers by repealing, amending, and adopting regulations to implement AB 1175. The regulatory proposal will define statutory provisions that provide a simplified, clear, and streamlined pathway to licensure. The proposal will implement changes that focus on reducing the cost and time needed for education, offer better access for California's diverse population, and will assist in ensuring California consumers can access the accounting services they need.

The proposed regulations establish definitions, define a transition timeframe from the Legacy Pathway to the Enhanced Pathway, establish consistent education requirements for examination and CPA licensure applicants (Enhanced Pathway), establish criteria for CBA recognition of a college/university accounting degree or certificate program, amend experience requirements and create flexible options to obtain experience.

Specific purpose of, and rationale for, each adoption, amendment, or repeal:

Repeal Section 5.5. Substantial Equivalency.

The proposal is to repeal Section 5.5 as it is no longer applicable.

The basis for the repeal is to address changes made to BPC sections 5087 and 5096 by AB 1175, which eliminates the requirement for substantially equivalent licensure requirements.

Amend Article 2. Examinations

The proposed amendment is to retitle Article 2 from “Examinations” to “Examination and Licensure” for clarity because this new title better reflects the contents of Article 2.

Amend Section 6. Examination Required, Passing Grades, Provisions for Disabled Applicants.

The proposed amendments to this section make non-substantive and substantive changes. The non-substantive amendments include the following:

- Section title: “Definitions” was added to the section title to more clearly describe the content of the section. Additionally, a comma was added to make this addition grammatically correct.
- Subsection (a): “On or after January 1, 2024” was deleted given the date is no longer relevant. Additionally, the word “the” was capitalized to “The” to make the sentence structurally correct.
- Subsection (f):
 - “Uniform Certified Public Accountant Examination” replaced the more generic term “examination” and “pursuant to” was replaced with the plain-language phrase “as described in.”
 - The word “section” was capitalized for consistency with other section references.
 - Deleted reference to BPC section 5093 which no longer relates to “early entry” or “early admission” and replaced it with a reference to sections 5093.2 and 5093.5 which relate to early entry. Additionally, “Section” was changed to “Sections” to make this edit grammatically correct.
- Authority cited: BPC section 5082 was added because it establishes the examination requirement. Additionally, “Section” is changed to “Sections” to make this addition grammatically correct.
- Reference:
 - Deleted reference to BPC section 5092 because it is repealed.
 - Deleted reference to BPC section 5093 because it is extraneous.
 - Added a reference to BPC section 5035, which establishes a statutory definition of “person” and provides the statutory authority to add subsection (i), which defines, for Article 2, the term “person.” The definition is necessary as the term “person” is used throughout Article 2.

- Added reference to BPC section 5093.2, as it defines the requirements for applicants to take the examination. This is a new statute resulting from AB 1175¹.
- Added a reference to BPC section 5094, which is the statutory provision that establishes the requirements for education to be qualifying. Including this section provides the statutory authority for the addition of subsection (h), which defines the terms “institutions of higher education (IHE), and further defines United States IHE and California IHE.

The basis for the non-substantive amendments is to improve overall clarity and consistency, correct grammatical errors, and update BPC section citations.

The substantive amendments include the following:

- Subsection (a): Deleted reference to BPC sections 5092, 5093, and 5093.5 and replaced with a reference to BPC section 5082.3.
- Subsections (g), (h), and (i): Added to define terms used throughout the Article.

The basis for the substantive amendments follows.

Subsection (a) inserts a citation to BPC section 5082.3 to increase clarity by referencing the statute that describes when the Board has the authority to deem an applicant to have satisfied the examination requirement by a means other than passing the Uniform Certified Public Accountant Examination. Deleted reference to BPC section 5092 because it is repealed. Deleted reference to 5093 and 5093.5 because they are extraneous.

The proposed definitions for “one quarter unit,” “institution of higher education,” and “person” allow for simplification in numerous other sections in the proposed regulations because terms and calculations do not need to be addressed multiple times in this Article.

Subsection (g) is added to define how to calculate a “quarter unit equivalent.” A less descriptive definition is proposed to be deleted from CCR section 9.2. The reason for moving the definition from Section 9.2 to Section 6 is twofold. First, semester units are described in multiple sections in Article 2 and providing the definition on how to calculate the quarter unit equivalent in the first section of the Article where other definitions are included is more intuitive to the reader. Additionally, Section 9.2 is proposed to be inoperative on January 1, 2029, and the definition is needed for other Article 2 sections that are operative beyond that date.

¹ This non-substantive change was made subsequent to the CBA initiating the rulemaking process and prior to the public comment period.

The amended definition of quarter unit equivalents is more prescriptive by requiring the equivalent to be taken on the total quarter units, defining how to deal with partial equivalents (i.e., round compared to truncating), and including examples that convert the two most common semester requirements (24 and 3 semesters) into quarter unit equivalents. A need was recognized to provide a more prescriptive definition based on requests for clarity from applicants. The CBA collaborated with California IHE faculty to develop the proposed definition.

Subsection (h) defines “institution of higher education (IHE),” “United States IHE,” and “California IHE.” These terms are used in the amended regulations to provide clarity and consistency and because they are used in more than one section of the CCR, they are defined in Section 6. These definitions are needed to interpret and make specific changes in BPC section 5093.2 by AB 1175.

Further, there are provisions that only relate to IHEs in California (see proposed CCR section 9.4), which necessitate a definition of California IHE. The use and definition of the term main campus was derived from Education Code section 94849 to provide consistency in a term commonly used in IHEs.

Subsection (i) defines “person” consistent with BPC section 5035. The basis for defining the term person is that it is a common everyday term that the reader may not recognize as a term that has a specific definition in the context of Article 2.

Amend Section 6.1. Additional Requirements for Computer-Based Testing.

The proposed amendments to this section make non-substantive changes as follows:

- Authority cited: BPC section 5082 is added because it establishes the examination requirement. Additionally, “Section” is changed to “Sections” to make this addition grammatically correct.
- Reference: BPC section 5092 is deleted because it is repealed. BPC section 5093.2 is added as it defines the requirements for applicants to take the examination. This is a new statute resulting from AB 1175.

The basis for the non-substantive amendments is to correct grammatical errors and update BPC section citations.

Add Section 6.2. Transition to Enhanced Examination and Licensure Requirements.

The proposed addition of this section is a substantive change.

The basis for adding this section is to provide clarity to applicants regarding which examination and licensure requirements they will be subject to during a time when applicants may choose to comply with legacy requirements that will be repealed on January 1, 2029 or enhanced requirements effective January 1, 2027 that are the result of changes in statutes resulting from AB 1175. The proposed regulations are necessary

to ensure applicants are aware that they cannot combine the reduced experience requirements from the legacy pathway with the new education requirements in the enhanced pathway to gain licensure.

Amend Section 7.1. Credit Status for the Computerized Uniform CPA Examination.

The proposed amendments to this section make non-substantive changes as follows:

- Section title: “Certified Public Accountant” replaced “CPA” to accurately reflect the name of the examination.
- Subsection (a): “On or after January 1, 2024” was deleted given the date is no longer relevant. Additionally, “an” was capitalized to “An” to make the sentence structurally correct.
- Subsection (b): Added the word “Section” before 7.1(a) for consistency with the wording used in other sections².
- Subsection (c): “Section” was deleted and “subsection (c)(1) and” was added. “Sections” and “or 5093.2” was added. These changes were made to identify the subsection and statutory section where requirements for early entry are discussed.
- Subsection (c)(1): The reference to “and Section 7.3, as applicable” was deleted because that section is inoperative.
- Authority cited: BPC section 5082 is added because it establishes the examination requirement. Additionally, “Section” is changed to “Sections” to make this addition grammatically correct.
- Reference: BPC section 5092 is deleted because it will be repealed on January 1, 2026. BPC section 5093.2 is added as it defines the requirements for applicants to take the examination. This is a new statute resulting from AB 1175.

The basis for the non-substantive amendments is to improve overall clarity and consistency, correct grammatical errors, and update BPC section citations.

Amend Section 8.1. The Authorization to Test and Notice to Schedule for the Computer-Based Uniform CPA Examination.

The proposed amendments to this section make non-substantive changes as follows:

- Section title: “Certified Public Accountant” replaced “CPA” to accurately reflect the name of the examination.
- Note: Corrected the capitalization of note from “NOTE” to “Note” for consistency purposes.
- Authority cited: BPC section 5082 is added because it establishes the examination requirement. Additionally, “Section” is changed to “Sections” to make this addition grammatically correct.

² This non-substantive change was made subsequent to the CBA initiating the rulemaking process and prior to the public comment period.

- Reference: BPC section 5092 is deleted because it will be repealed January 1, 2026. Section 5093.2 is added as it defines the requirements for applicants to take the examination. This is a new statute resulting from AB 1175. Section 5093.5 is added because it specifies the requirements for applicants who are “early entry” or “early admission” to submit completion of their education to continue testing and/or receive credit for passed examination sections.

The basis for the non-substantive amendments is to improve overall clarity and consistency, correct grammatical errors, and update BPC section citations.

Amend Section 8.2. Requirements for Issuance of the Authorization to Test.

The proposed amendments to this section make non-substantive and substantive changes. The non-substantive amendments include the following:

- Subsection (a): “Certified Public Accountant” replaced “CPA” to accurately reflect the name of the examination. Additionally, the revision date of the incorporated COE-1 Form was updated to “11/25” to reflect the repeal and replacement of this form.
- Authority cited: BPC section 5082 is added because it establishes the examination requirement. Additionally, “Section” is changed to “Sections” to make this addition grammatically correct.
- Reference: BPC section 5092 is deleted because it will be repealed January 1, 2026.³ BPC section 5093.2 is added as it defines the requirements for applicants to take the examination. This is a new statute resulting from AB 1175⁴.

The basis for the non-substantive amendments is to improve overall clarity and consistency, correct grammatical errors, and update BPC section citations.

The proposed amendments to this section make substantive changes as follows:

- Subsection (a): CCR section 9 is referenced. Additionally, “or” was added to make the change grammatically correct.
- The incorporated form COE-1 (New 7/2022) was repealed and replaced with COE-1 (11/25).

The basis for the substantive amendments, including the repeal and replacement of the incorporated form, follow.

³ A non-substantive correction was made to this section subsequent to the CBA initiating the rulemaking process and prior to the public comment period. Prior to the public comment period, the References incorrectly noted Section 5093.3 in ~~strikeout~~ and Section 5093.5 in underline. Section 5093.3 was removed from the Reference section as it is not relevant to Section 8.2, and the underline under Section 5093.5 was removed.

⁴ This non-substantive change was made subsequent to the CBA initiating the rulemaking process and prior to the public comment period.

CCR section 9 was added to subsection (a) because that section describes the enhanced educational requirements required by the newly enacted statutes resulting from AB 1175. Subsection (a) already references the legacy educational requirements by the inclusion of CCR section 9.2.

Statute changes resulting from AB 1175 and policy changes on the verbiage and formatting of the Notice on Collection of Personal Information necessitated changes to the COE-01 (Certificate of Enrollment Form). The COE-01 (11/25) matches the COE-01 (NEW 7/2022) except for the following:

- Part 1: “Or 5093.2(a)” was added to incorporate a reference to this BPC section that addresses early entry to sit for the Uniform Certified Accountant Examination that was added by AB 1175.
- Part 1: The reference to CCR section 2.8 that defines satisfactory evidence was replaced with references to CCR sections 9 and 9.2 that describe the specific educational requirements to be included in the satisfactory evidence.
- Part 1: A prompt for applicants to provide their “Degree Major/Program Title” was added. Newly enacted BPC section 5093.2 authorizes the CBA to recognize baccalaureate or advanced degrees as meeting the educational requirements to sit for the examination. Therefore, it was necessary to collect the applicant’s “Degree Major/Program Title” to determine if the applicant’s degree is CBA-recognized.
- Part 2: Directions regarding how to submit the completed COE-01 (11/25) were updated to address an email address change.
- The COE-01 (11/25) was updated to reflect DCA’s current verbiage and formatting of the Notice on Collection of Personal Information that is included on forms that collect personal information. This change provides for clarity in the notice that is now organized by subheadings.

Add Section 9. Education Required for Examination and Licensure.

The proposed addition of this section is a substantive change.

The basis for the addition of this section is to define and make specific aspects of BPC section 5093.2 that was added by AB 1175, including its operative date. Section 9 describes the accounting concentration of courses required to be completed pursuant to BPC section 5093.2, including what courses qualify and the minimum number of semester units.

The newly added section defines which courses will qualify toward the accounting concentration consistent with the goal of the SURE CPA Project which was to provide straightforward educational requirements. In researching options on how to define which courses would qualify, the CBA relied on the extensive information gathering done via the SURE CPA Project, the UAA Model Rules, and the legacy educational requirements.

The legacy educational requirements only name subject areas and require the CBA to review each course title on certified transcripts to determine if a course meets a subject area (accounting subject, ethics, etc.). It was these legacy educational requirements that spurred the SURE CPA Project. The CBA considered how the UAA Model Rule 5.2(d)(4)(x)) looked at the IHE school or program in determining data analytics course eligibility when it drafted a similar approach that looked at a college or university department or program to determine course eligibility. Input gathered during the information gathering phase of the SURE CPA Project showed strong support for the drafted approach, which is now included in the proposed Section 9.

For example, all courses taken from the business department or program (e.g., course code begins with BUS) or statistics (e.g., course code begins with STAT) at a college would count toward the business requirement of the accounting concentration without consideration of the actual course title. Relying on the college or department designation provides transparency in the process of determining which courses qualify in certain subject areas. This change reduces confusion for applicants when it comes to understanding whether the courses they have completed will qualify for the accounting concentration requirements in accounting and business.

Consistent with the UAA, the accounting concentration is proposed to consist of three subject areas:

- Accounting
- Business
- Ethics

The definition of what to accept in the accounting subject area is proposed to include all courses taken from an accounting department or program regardless of the course title. Pulling from our legacy educational requirements, courses completed outside of a college's accounting department or program (e.g., economics department) may also count toward the accounting subject area if they are in the following areas:

- Accounting
- Auditing
- Taxation
- Financial reporting/analysis

The definition of what to accept in the business subject area was derived from the current content requirements for business-related subjects. First, it was determined that most of the content in the legacy educational requirements could be associated with a college department or program (e.g., business, computer science, finance); therefore, the subject areas were renamed as college departments or programs in the proposed definition. Only business communications and business law stood out as course content rather than a designated department or program.

It is possible that business communications and business law could be taken from a college department or program not previously listed in the proposed definition. Therefore, those two content areas were included as acceptable in the proposed business definition. In reviewing the draft definition with the faculty, they indicated that colleges are starting to implement a new program called “data science” so that was added as a possible standalone department or program.

The proposed definition of the ethics subject area focuses on courses most applicable to the accounting profession (i.e., accounting ethics, accountants’ professional responsibilities, and business ethics). Unlike the accounting and business subject areas that focus primarily on the department or program the course is taken in, the proposed definition of what to accept in the ethics subject area focuses on the content of the course.

The proposed regulations requiring 24 units in accounting subjects and 24 units in business subjects is consistent with legacy education requirements for the CPA Exam and somewhat similar to the UAA Model Rules. The CBA also reviewed accounting degree course requirements for a sample of California universities with a high number of CPA Exam applicants. The CBA wanted to determine if the minimum number of units they were considering for each subject area of the accounting concentration would fall within the range of what these sample universities required to earn a bachelor’s degree in accounting. The CBA found evidence to support the minimum number of units they were proposing for accounting and business could be earned via a bachelor’s degree in accounting.

The proposed regulations require three units in ethics subjects. The ethics study area includes ethics courses specific to accounting and business, like accounting ethics, accountants’ professional responsibilities, audit, business ethics, or fraud, regardless of the department the course is in. In feedback gathered during the SURE CPA Project, staff heard from college and university faculty that contemporary curriculum has changed to incorporate ethics into accounting and business courses, instead of relying solely on standalone ethics courses to teach concepts related to ethics. Because of these and the narrow focus of the ethics study course content, the CBA is proposing it as a three-unit requirement.

Amend Section 9.1. Approved Credential Evaluation Service Status.

The proposed amendments to this section make non-substantive and substantive changes. The non-substantive amendments include the following:

- Subsection (a): The form number and revision date of the incorporated 11A-54 (11/17) Form was updated to “CES-54 (11/25)” to use a more consistent naming convention for the form and reflect the repeal and replacement of this form.
- Subsection (a)(1): The name of a required membership organization was corrected from Collegiate Registrars and Admission Officers to Collegiate Registrars and Admissions Officers (making ‘Admissions’ plural).

- Subsections (a)(1-5, 7-11): Corrected the end punctuation to a period for consistency.
- Subsection (a)(10): Corrected the terminology from “subdivision” to “subsection” for consistency.
- Subsections (b)(1-2, 4-8): Corrected the end punctuation to a period for consistency.
- Subsection (b)(9): “Certified Public Accountant” replaced “CPA” to accurately reflect the name of the examination.
- Subsection (c): Corrected the terminology from “subdivision” to “subsection” for consistency.
- Subsection (e): added commas to make it grammatically correct.
- Subsection (f): Corrected the terminology from “subdivision” to “subsection” for consistency and corrected grammar by changing “becomes” to “became.”
- Reference: Added a reference to BPC section 5035, which establishes a statutory definition of “person.” The definition is necessary as the term “person” is used throughout Section 9.1. “Section” is changed to “Sections” to make this addition grammatically correct.

The basis for the non-substantive amendments is to improve overall clarity and consistency, correct grammatical errors, and update BPC section citations.

The substantive amendments include the following:

- The incorporated form 11A-54 (11/17) was repealed and replaced with CES-54 (11/25).
- Subsection (a)(13): Paragraph (13) was added.
- Subsection (b)(3): This subsection was amended to include “or by electronic transmission using an application provided by the credentials evaluation service.”
- Subsection (b)(9): This subsection was amended to include “A Board-approved credentials evaluation service may use an alternative disclaimer of the same meaning upon written approval of the Board.”

The basis for the substantive amendments, including the repeal and replacement of the form, are as follows:

Proposed regulatory changes to implement the acceptance of evaluations electronically and policy changes on the verbiage and formatting of the Notice on Collection of Personal Information necessitated changes to the 11A-54 (11/17) Form. The CES-54 (11/25) matches the 11A-54 (11/17) form except for the following:

- Page 1: Within #5 of the bulleted list, “with” was corrected to “within” to make it grammatically correct.
- Page 2: Within #3 of the bulleted list, “Chart” was revised to “chart.”

- Page 2: A new sentence was added as #8 in the list and the prior #8 was renumbered to #9. This amendment was made to incorporate the acceptance of evaluations electronically.
- Page 2: The “How to submit this form” section was added to reflect consistent formatting across CBA forms and to provide clear directions to the users of the forms.
- Page 3: The form was updated to reflect DCA’s current verbiage and formatting of the Notice on Collection of Personal Information that is included on forms that collect personal information. This change provides for clarity in the notice that is now organized by subheadings.

The addition of subsection (a)(13) directs Board-approved providers to provide the CBA with a written description of how they will submit evaluations electronically, if they elect to do so. The proposed regulation also requires the Board-approved providers to submit to the CBA the steps to authenticate any electronically delivered evaluation. These additions were made to subsection (a)(13) to ensure the CBA is provided with the necessary information to authentic evaluations as being from the approved provider to reduce the chance of a fictitious evaluation.

Subsection (b)(3) was amended to allow for evaluations to be sent electronically to the CBA. The change was made upon the request of Board-approved providers that currently have the capability to send evaluations electronically. Additionally, evaluations sent electronically may be received by the CBA quicker and reduce the environmental impact of requiring paper.

Subsection (b)(9) was amended to allow Board-approved providers to use an alternative disclaimer than what is included in that subsection, so long as it has the same meaning and receives written approval of the CBA. This amendment was proposed because the CBA has come across minor variations in the disclaimer during its course of monitoring the Board-approved providers and the CBA would rather approve these variations than require the provider to make changes.

Amend Section 9.2. Education Required Under Business and Professions Code Sections 5092 and 5093.

The proposed amendments to this section make non-substantive and substantive changes. The non-substantive amendments include the following:

- Section title: “Legacy Pathway” was added to the section title to associate this section with the requirements that will be repealed on January 1, 2029. Also, “5092 and” was deleted because BPC section 5092 will be repealed on January 1, 2026.
- Subsection (a): The word “examination” was inserted to clarify the requirements listed in the section are for examination applicants.
- Subsection (b): Added a missing comma to correct grammar.

- Subsections (b) and (c): The references to quarter unit equivalents were deleted, because the definition of quarter unit equivalents was added to CCR section 6.
- Authority and reference: Deleted reference to BPC section 5092 because it will be repealed on January 1, 2026.
- Reference: Added a missing comma to correct grammar.

The basis for the non-substantive amendments is to improve overall clarity and consistency, correct grammatical errors, and update BPC section citations.

The substantive amendment follows:

- Subsection (e): The entire text of this section was deleted and replaced with “This section shall become inoperative on January 1, 2029.”

The basis for the substantive amendment is as follows:

The inoperative date was added to be consistent with the repeal date outlined in BPC section 5093 of AB 1175.

Amend Section 9.3. Early Admission to the Uniform CPA Examination Under Business and Professions Code Section 5093.5.

The proposed amendments to this section make non-substantive and substantive changes. The non-substantive amendments include the following:

- Section title: The title was modified to spell out CPA and the reference to “Business and Professions Code Section 5093.5” was deleted.
- Changed “Section” to the plural of “Sections” where appropriate.
- Reference: Added a missing comma to correct grammar.

The basis for the non-substantive amendments is to improve overall clarity and consistency, correct grammatical errors, and update BPC section citations.

The substantive amendments include the following:

- Subsection (a): A reference to BPC section 5093.2 was added.
- Subsection (a)(2): A reference to the section that defines satisfactory evidence (Section 2.8) was deleted and a reference to Section 9 was added.
- Subsection (a)(3): Form COE-1 (Certificate of Enrollment Form) was updated and reflects the new revision date of 11/25. (See amendments to Section 8.2 for details on revisions to the COE-1 form.)
- Subsection (b):
 - A reference to degree granting universities and the corresponding statutory authority were deleted and replaced with a reference to “an institution of higher education.”
 - Form COE-1 (Certificate of Enrollment Form) was updated and reflects the new revision date of 11/25.

- a reference to BPC section 5093.2 was added. Additionally, “Section” was changed to “Sections” to make this edit grammatically correct.
- Subsection (b)(1): A reference to BPC section 5093.2 was added.
- Subsection (b)(2): A reference to section 9 was added.
- Reference: BPC section 5093.2 was added to the Reference sections.

The basis for the substantive amendments follows.

Subsection (a)

The reference to BPC section 5093.5 was deleted as the provisions relating to “early entry” or “early admission” are now in both BPC section 5093.5 and new BPC section 5093.2. In subsection (a)(2), the reference to Section 2.8 that defines satisfactory evidence was deleted as it is not necessary, and its removal makes the wording consistent with other references to satisfactory evidence.

A reference to Section 9 was added, which details the education requirements for examination and licensure. Section 9.2 will be the legacy pathway and repealed January 1, 2029. Including Section 9 provides clarity for early entry applicants of the educational requirements that they can be working towards starting January 1, 2027, and will be the only educational requirements starting January 1, 2029.

Subsection (b)

The reference to degree granting universities and the corresponding statutory authority were deleted and replaced with a reference to “an institution of higher education” consistent with the terminology defined in Section 6. The reference to new BPC section 5093.2 was added. Early entry applicants can choose to meet the requirements of BPC section 5093.2 beginning January 1, 2027, and will no longer be able to meet the requirements established in BPC section 5093 as it will be repealed on January 1, 2029. Including both statutory references provides an early entry applicant with clarity on the available education requirement options they can meet.

A reference to Section 9 was added, which details the education requirements for examination and licensure. Section 9.2 will be the legacy pathway and will be repealed January 1, 2029. Including Section 9 provides clarity for early entry applicants of the educational requirements that they can be working towards starting January 1, 2027, and will be the only educational requirements starting January 1, 2029.

The Authority and Reference section was amended to add BPC section 5093.2 to the Reference section. Section 5093.2 is the statutory authority for Section 9 and identifies the education requirements for examination, which makes it a necessary component to the regulation.

Add Section 9.4. Board Recognized Accounting Degrees.

The proposed addition of this section is a substantive change.

The CBA gathered feedback from public and private university faculty (including department chairs, academic directors, and executive directors) and members of the California Society of CPAs Accounting Education Committee to inform policy decisions outlined in the proposed regulations. The regulations are organized into three subsections:

- Subsection (a) addresses California IHE eligibility and accounting degree requirements.
- Subsection (b) addresses the application process and administrative requirements.
- Section (c) addresses the reasons why the CBA may remove its recognition of a degree.

The basis for the substantive addition is to implement BPC section 5093.2 as added by AB 1175, including the operative date.

Subsection (a)

BPC section 5093.2 authorizes the CBA to recognize accounting degrees conferred by United States institutions of higher education. The proposed regulations limit degree recognition eligibility to California IHEs (see proposed CCR section 6 for a definition). The limited eligibility to California IHEs will allow the CBA to effectively monitor the new program and determine if any adjustments might be needed prior to the CBA expanding eligibility outside of California.

The proposed regulations establish a six-year degree recognition term, at which time the university may reapply. A six-year term was proposed because it aligns with the six-year accreditation cycles of accrediting bodies like the Association to Advance Collegiate Schools of Business (AACSB) and Western Association of Schools and Colleges (WASC). Additionally, the six-year term aligns with the time a typical student might take from college selection to degree conferral.

The proposed regulations allow for minors, concentrations, or subplans (e.g., Bachelor of Science in Business Administration, Accounting Concentration), as necessary, so long as it is designated on official transcripts. This allowance is consistent with the intent of AB 1175 and incorporating in the regulations provides increased clarity. Providing the CBA authority to recognize degrees will increase the efficiency of transcript review and increase clarity for applicants. Further, to verify an applicant has obtained a recognized degree, it must be documented on certified transcripts.

The proposed regulations allow for mandatory prerequisites for required courses (not electives) to count toward the accounting concentration unit requirements. This allowance is consistent with the intent of AB 1175. The CBA is authorized to recognize

degrees that require the completion of the accounting concentration. Therefore, it seemed irrelevant if courses were completed to fulfil a specific degree requirement or a prerequisite requirement, so long as the accounting concentration is fulfilled. The CBA believes that including this allowance in the regulations provides for increased clarity.

Statutes allow for a bachelor's degree conferred in conjunction with a master's degree (i.e., dual degrees) to satisfy the educational requirement but do not clearly state that is also true for the recognition of degrees. Therefore, the proposed regulations allow for such dual degrees to be recognized.

Subsection (b)

This subsection begins by establishing who, on behalf of the California IHE, the CBA will accept requests from. CBA had conversations with university faculty regarding who would have authority to make such a request on the university's behalf. The CBA discovered that while it was clear from the perspective of each university, there was no consistency between the universities on the level/office of the person with such authority. Therefore, the proposed regulations allow for a request from a person authorized to submit the request on behalf of the California IHE instead of the CBA specifying who that person should be, by including a title or designation. This approach was proposed to not disrupt the already established designated authorities within universities. To reduce the environmental impact of paper files the regulations require the requests to be submitted electronically.

Given that the information provided by the California IHE will be used to qualify applicants for licensure, the CBA believed it in the best interest of consumers to ensure the accuracy of the information submitted by the university. Therefore, the proposed regulations include a requirement that the request be submitted under the penalty of perjury.

The CBA identified the minimum information necessary to provide recognition of a California IHE accounting degree. This information is necessary to identify the California IHE, identify contact information, establish the name/title of the degree that will be documented on certified transcripts submitted by the California IHE, and ensure the accounting degree requirements as established in BPC section 5093.2 have been met.

This subsection also addresses what the California IHE must agree to at the time they submit their request (administrative requirements). The proposed regulations require the California IHE to notify the CBA within 15 days if a recognized accounting degree no longer meets the requirements of the section. The CBA considered multiple factors when proposing the 15-day requirement, including:

- The importance of the CBA having time to discontinue the auto-approval of transcripts associated with the recognized degree prior to receiving transcripts associated with the non-recognition period.

- The turnaround time California IHEs often have between conferring a degree and having that conferral documented on an official transcript.
- California IHEs often take more than a year to implement degree requirement changes.
- The request by faculty to have an extended period to accommodate summer and holiday break schedules.

After considering the factors above, it seemed reasonable to require a 15-day notification period. Additionally, it was acknowledged that California IHEs might want to submit such notification using certified mail. Therefore, the proposed regulations allow for such notification to be sent using mail, in addition to email.

Consistent with the goal of the SURE CPA Project to provide students with clear educational requirements, the proposed regulations include a statement that California IHEs with recognized degrees must include when publishing materials that refer to the accounting degree recognition. The statement was written to ensure consistency in California IHE published materials so that students have a clear understanding of what is meant by being CBA-recognized. The proposed statement was vetted by faculty who appreciated the proposed statement over having a more generic description of what publications could or could not say.

The recognition by the CBA is only a determination that the degree meets the minimum educational requirement. This is different from other regulatory agencies that might also review programs for indicators of quality/effectiveness (e.g., staff to student ratio, exam pass rates, staff experience, etc.). Therefore, the proposed regulations require that the California IHE agree to not state that the CBA reviewed or evaluated the quality of the program.

The proposed regulations require the California IHE to agree that the CBA has sole discretion in determining whether a student meets the educational requirements for examination and licensure. This is included to clarify that the CBA is not relinquishing its authority to the California IHE to determine eligibility for examination and licensure. Further, as it pertains to licensure, it is necessary because there are additional requirements beyond education.

The proposed regulations require the California IHE to agree that the CBA has the authority to request documentation to show the requirements of this section are being met and a specified period for responding to such requests. Additionally, the proposed regulations establish that the CBA has the authority to review the requirements of recognized degrees to ensure they meet the requirements of the section. There may be instances where the CBA has some reason to believe the requirements for a degree have changed or the CBA may wish to conduct an audit of recognized degrees to ensure they still meet the requirements of the section. The inclusion of this requirement allows the CBA to effectively monitor the CBA-recognition program.

Subsection (c)

This subsection outlines the reasons why the CBA may remove its recognition of an accounting degree. The reasons outlined for the removal of recognition include the accounting degree not meeting the requirements, inaccurate information submitted during the initial application process, being non-responsive to requests, failing to comply with the agreement in the application process, or removal at the request of the California IHE. In addition, “other good cause” is included in the event a situation not identified in regulation occurs resulting in the requirements of this section not being met. The inclusion of these reasons in the regulations allows for the CBA to effectively monitor the CBA-recognition program while also providing transparency to California IHEs. The reasons for removal were selected because they all directly relate to either not meeting the requirements or reasons to believe the requirements are not being met.

Amend Section 11. Education Required to Apply for Certified Public Accountant License.

The proposed amendments to this section make non-substantive and substantive changes. The non-substantive amendments include the following:

- Section title – “Legacy Pathway” was added to the section title to associate this section with the requirements that will be repealed on January 1, 2029.
- Section (a)(1-4): The word “completion” has capitalized for consistency. Additionally, “or the equivalent in quarter units,” was deleted because it is no longer needed with the proposed amendment to CCR section 6 that defines quarter unit equivalents.
- Subsection (b): The “he or she” was replaced with “the applicant” to update pronoun usage.
- Authority cited: An Oxford comma was added for consistency in grammar.
- Reference: An Oxford comma was added for consistency in grammar. BPC section 5093.2 is added as it defines the requirements for applicants to take the examination. This is a new statute resulting from AB 1175.⁵

The basis for the non-substantive amendments is to improve overall clarity and consistency, correct grammatical errors, replace gendered language consistent with Assembly Concurrent Resolution No. 260 (2018), and update BPC section citations.

The substantive amendments include the following:

- Subsection (a): The phrase “after December 31, 2013,” was replaced with “that submits an application for licensure on or before December 31, 2028, pursuant to the legacy pathway specified in Business and Professions Code Section 5093.”

⁵ This non-substantive change was made subsequent to the CBA initiating the rulemaking process and prior to the public comment period.

- Subsection (b): The phrase “on or before December 31, 2028,” was added to the first sentence. The sentence, “If the applicant fails to provide satisfactory evidence of meeting the requirements of this section by December 31, 2028, they are subject to the examination and licensure requirements pursuant to Business and Professions Code Section 5093.2.”, was added.
- Subsection (c): This subsection was added to read: “This section shall become inoperative on January 1, 2029.”

The basis for the substantive amendments follow.

The proposed regulations include modifying the section title to include “Legacy Pathway” for clarity purposes as this pathway will be repealed on January 1, 2029. In subsection (a), the proposed changes identify that any application received by the CBA on or before December 31, 2028, must meet the current requirements in subsections 9.2(b), 9.2(c), 11.1, and BPC section 5094.3. These changes are necessary for clarity.

Additionally, proposed amendments were made to subsection (b) to indicate that an applicant who fails to meet the requirements of this section by December 31, 2028, will be subject to the requirements of BPC section 5093.2. This change is needed as this legacy licensure pathway will be repealed on January 1, 2029, and the enhanced pathway will be the only option to obtain CPA licensure in California.

The repeal date of CCR section 11 is added to indicate the inoperative date of the legacy pathway educational requirements consistent with BPC section 5093 of AB 1175. Additionally, the references to “or the equivalent in quarter units” was deleted following the addition of a definition in Section 6 of how quarter units are the equivalent of semester units.

Amend Section 11.1. Accounting Study.

The proposed amendments to this section make non-substantive and substantive changes. The non-substantive amendments include the following:

- Section title: “Legacy Pathway” was added to the section title to associate this section with the requirements that will be repealed on January 1, 2029.
- Subsection (a) and (b)(1): The “he or she” was replaced with “the applicant” to update pronoun usage.
- Subsection (a)(1-2) and (b)(1-3): The beginning letter in each paragraph was converted from lowercase to uppercase for consistency.
- Subsection (a)(2)(A-D) and (b)(1-3): The phrase “,or the equivalent in quarter units,” was deleted because it is no longer needed with the proposed amendment to CCR section 6 that defines quarter unit equivalents.
- Subsection (a)(2)(D): The word “Section” was replaced with “subsection” for accuracy.

The basis for the non-substantive amendments is to improve overall clarity and consistency, correct grammatical errors, and replace gendered language consistent with Assembly Concurrent Resolution No. 260 (2018).

The substantive amendments include the following:

- Subsection (c): This subsection was added to read: “This section shall become inoperative on January 1, 2029.”

The basis for the substantive amendment is to include an inoperative date of the legacy pathway educational requirements consistent with BPC section 5093 of AB 1175.

Amend Section 12. General Experience Required Under Business and Professions Code Section 5093.

The proposed amendments to this section make non-substantive and substantive changes. The non-substantive amendments include the following:

- Section title: “Accounting” is added to the section title for consistency in the phrase “general accounting experience.” Additionally, “Required Under Business and Professions Code Section 5093.” was deleted as it will be repealed on January 1, 2029.
- Subsection (a):
 - The word “qualifying” was added for clarity.
 - The word “work” was replaced with “experience” for consistency.
 - Changed reference wording from “subdivision (d) of Section 5093” to “subsection 5093(d)” for clarity given an additional reference was added.
- Subsection (b): “The experience required by Section 5093” was deleted and replaced with “Qualifying experience” to account for the addition of BPC section 5093.3 of AB 1175. The word “of” was removed and replaced with “or” to make the edit grammatically correct.
- Subsection (c): Replaced “required by Section 5093 of the Business and Professions Code Section” with “Qualifying experience” to account for the addition of BPC Section 5093.3 of AB 1175. Deleted the word “The” to make it grammatically correct.
- Subsection (d):
 - Deleted “(5)” because it was repetitive.
 - Replaced “CPA” with “Certified Public Accountant” to accurately convey the name of the examination.
- Authority cited: Added BPC sections 5080.1 and 5093.3 that address CBA authority to establish regulations. Additional commas and the moving of “and” was needed to make this edit grammatically correct.

- Reference: Added reference to BPC sections 5035 because it defines “person” and 5093.2⁶ and 5093.3 to reflect the addition of this section via AB 1175. Additionally, “and” was moved to be before “5093.3” to make the sentence grammatically correct.

The basis for the non-substantive amendments is to improve overall clarity and consistency, correct grammatical errors, and update BPC section citations.

The substantive amendments include the following:

- Subsection (a): Added two references to BPC section 5093.3. “Section” was changed to “Sections” make this edit grammatically correct.
- Subsection (a)(3)(A): The incorporated form 11A-30 (1/22) was repealed and replaced with CGE-30 (11/25).
- Subsection (a)(3)(C): Added this paragraph.
- Subsection (b): Deleted the language regarding how qualifying experience can be earned and replaced it with the subsection (b)(1).
- Subsection (b)(1-3): Added these three paragraphs.
- Subsection (c): Replaced the term “employment” with “increments.”
- Subsection (c): Replaced the term “employment” with “experience” in three instances.
- Subsection (d): Added a reference to Sections 87 and 88 and deleted the paragraphs (1) through (3). Deleted “following” and the colon to make the edit grammatically correct.
- Subsection (e): Added this subsection.

The basis for the substantive amendments are as follows.

Subsection (a)

The proposed regulations add references to BPC section 5093.3 because that section details the enhanced experience requirements to obtain CPA licensure. References to BPC section 5093 were maintained as that section details the legacy experience requirements.

The incorporated form 11A-30 (1/22) was repealed and replaced with CGE-30 (11/25). The changes include:

Policy changes on the verbiage and formatting of the Notice on Collection of Personal Information necessitated changes to the 11A-30 (1/22) Form. The CGE-30 (11/25) matches the 11A-30 (1/22) except for the following:

⁶ This non-substantive change was made subsequent to the CBA initiating the rulemaking process and prior to the public comment period.

- Page 1: “Full time” was hyphenated to correct grammar.
- Page 1: The “How to submit this form” section was added to reflect consistent formatting across CBA forms and to provide clear directions to the users of the form.
- Page 2: The form was updated to reflect DCA’s current verbiage and formatting of the Notice on Collection of Personal Information that is included on forms that collect personal information. This change provides for clarity in the notice that is now organized by subheadings.

Subsection (a)(3)(C) was added to clarify the CBA has authority, pursuant to section 69, to require a licensee supervising general accounting experience to appear before the Qualifications Committee with documentation to support the determinations made regarding the applicant’s experience. It further clarifies the CBA has authority to request the applicant appear before the Qualifications Committee. This clarity was needed because Section 12.5(e) which pertains to supervising attest experience details CBA authority related to the Qualifications Committee. General accounting (Section 12) and attest (Section 12.5) are the only two types of supervised experience allowable in the regulations, ensuring consistency, where appropriate, provides clarity to licensees.

Subsection (b)

The basis for removing the last two sentences in subsection (b) and adding the paragraphs (1) through (3) was to ensure applicants for licensure understand how qualifying experience can be earned.

The sentence “Qualifying experience may be gained through employment in public accounting, private industry, or government.” was expanded upon and moved to paragraph (1). The proposed regulations expand the settings in which qualifying experience may be earned from just “employment” by adding “internship, contract, or volunteer work.” This expansion is in response to recent concerns expressed by some students and recent college graduates that they find it difficult to gain the necessary experience.

Subsection (b)(2) was added to address flexibility pursuant to amendments to BPC via AB 1175. The flexibility allows for an accounting-related advanced degree to substitute for a year of general accounting experience. Adding this information to Section 12 contributes to the comprehensiveness of the Section by more fully defining the general experience requirement and its flexibility. Additionally, providing a reference to Section 12.2 provides clarity on where the accounting-related advanced degree requirements are in the regulations.

Subsection (b)(3) was added to address flexibility pursuant to amendments to BPC via AB 1175. The flexibility allows for a Board-recognized accounting certificate to substitute for 6 months of general accounting experience. The CBA consulted with IHE faculty and members of the California Society of CPAs Accounting Education Committee to

determine an appropriate (i.e., 6 months) amount of general accounting experience that a CBA-recognized accounting certificate could substitute for. Adding this information to Section 12 contributes to the comprehensiveness of the Section by more fully defining the general experience requirement and its flexibility. Additionally, providing a reference to Section 12.3 provides clarity on where the accounting-related advanced degree requirements are in the regulations.

Subsection (c)

The word “employment” was replaced with either “increments” or “experience” because subsection (b)(1) expanded the settings in which general experience may be gained to include internship, contract, or volunteer work. Therefore, the word “employment” was no longer accurate.

Subsection (d)

The basis for adding a reference to Sections 87 and 88 and removing paragraphs (1) through (3) was to reduce repetition. Continuing education requirements are already fully captured in Sections 87 and 88 and there is no reason to repeat the requirements in this section.

Subsection (e)

The following sentence from subsection 12(b) was expanded upon and moved to subsection 12(e): “Experience acquired in academia is considered qualifying if the requirements of Section 12.1 are met.” The placement of that sentence in its own subsection was made for clarity purposes and adding the “notwithstanding this section” phrase was done for accuracy purposes.

Amend Section 12.1. Experience in Academia.

The proposed amendments to this section make non-substantive and substantive changes. The non-substantive amendments include the following:

- Section title: The phrase “toward general accounting experience” was added for clarity.
- Subsection (a): In the last sentence, “section” was changed to “Section” for consistency.
- Subsection (b) and (e)(1): The phrase “,or the equivalent in quarter units,” was deleted because it is no longer needed with the proposed amendment to CCR section 6 that defines quarter unit equivalents.
- Subsection (c)(1): The word “section” was changed to “Section” for consistency.
- Subsection (c)(2): The phrase “an accredited institution as described in Business and Professions Code section 5094(b)” was replaced with “a U.S. institution of higher education” given that term is proposed to be defined in CCR section 6.
- Subsection (d)(1): The revision date and name of the incorporated 11A-29B (11/17) was updated to “CEA-29 (11/25)” to reflect the repeal and replacement of this form.

- Subsection (e)(2): The word “subdivision” was replaced with “subsection” for consistency.
- Subsection (f): Deleted “(5)” as it was repetitive and replaced “CPA” with “Certified Public Accountant” to accurately reflect the name of the examination.
- Authority cited: The phrase “and 5093” was deleted because 5010 is a more accurate authority. “Sections” was changed to “Section” to make this edit grammatically correct.
- Reference: The phrase “5093.3, and 5094” was added to provide the reader with additional context. “Section” was changed to “Sections” to make this edit grammatically correct.

The basis for the non-substantive amendments is to improve overall clarity and consistency, correct grammatical errors, and update BPC section citations.

The substantive amendments include the following:

- Subsection (a): A reference to BPC 5093.3(f) was added. The word “section” was changed to “Sections” to make this edit grammatically correct.
- Subsection (c)(1): A reference to CCR section 9(b)(1) was added. The word “or” was added before the inserted reference to make this edit grammatically correct.
- Subsection (d)(1)(2): The incorporated form 11A 29B (11/17) was repealed and replaced with CEA-29(11/25).
- Subsection (d)(2): This paragraph was deleted.
- Subsection (e)(2): “12” was replaced with “24.”
- Subsection (f):
 - The word “following” and the colon after “requirements” was deleted.
 - The phrase “of Sections 87 and 88.” was inserted.
 - Paragraphs (1), (2), and (3) were deleted.

The basis for the substantive amendments follow.

Subsection (a)

The basis for adding a reference to BPC section 5093.3 is to incorporate this new BPC section that was added by AB 1175. The section is relevant because it addresses enhanced experience requirements. Reference to BPC section 5093 remains because it addresses the legacy experience requirements.

Subsection (c)

The basis for adding a reference to Section 9(b)(1) is to incorporate the enhanced educational requirements that were added by AB 1175. This section is relevant because it defines the enhanced accounting subject area. Reference to Section 9(a)(2) remains because it addresses the legacy definition of the accounting subject area.

Subsection (d)

The incorporated form 11A-29B (11/17) was repealed and replaced with CEA-29 (11/25). The changes include:

- Page 1: The sentence “This form is to be mailed directly to the California Board of Accountancy (CBA) by the person verifying the experience” was deleted and replaced with a “how to submit this form” section at the bottom of the page. The requirement that the form be submitted to the CBA by the person completing the form was maintained but the delivery options were expanded to include email and hand-delivery. The “How to submit this form” section was added to reflect consistent formatting across CBA forms and to provide clear directions to the users of the form.
- Page 1: The phrase “Section 1 (Print or Type)” was correctly moved to above Section 1 instead of directly above the title for Section 2.
- Page 1: The Experience in Academia section included making the word “record” plural and adding “is/” before “was” to clarify the issuer may include courses for which the applicant is currently instructing.⁷
- Page 1: The sentence “Do not use black ink” was removed in the signature field.
- Page 1: The form adds the collection of the signer’s email to provide the CBA with an efficient means of contacting the signer if there are questions regarding the submitted form.
- Page 1: The proposed regulations move the reference in subsection (d)(2) to accepting an alternate to the incorporated form from regulatory text to the footer of the incorporated form to be consistent with how similar information is conveyed on other CBA forms.
- Page 2: The form was updated to reflect DCA’s current verbiage and formatting of the Notice on Collection of Personal Information that is included on forms that collect personal information. This change provides for clarity in the notice that is now organized by subheadings.

The proposed regulations delete the prohibition of black ink in the signature line because the CBA accepts forms electronically and the requirement to use colored ink is no longer necessary.

The proposed regulations delete subsection (d)(2) because that information is proposed to be included in the incorporated form.

The proposed regulations eliminate duplication by removing reference to continuing educational requirements that are already detailed in CCR sections 87 and 88.

⁷ A non-substantive correction was made to this section subsequent to the CBA initiating the rulemaking process and prior to the public comment period. Prior to the public comment period, the draft included hyphens (i.e., “is-/was”).

Add Section 12.2. Accounting-Related Advanced Degree Toward General Accounting Experience.

The proposed addition of this section is a substantive change.

The basis for this addition is to implement BPC section 5093.3 of AB 1175. The proposed regulations to allow for advanced degrees in accounting, taxation, or laws in taxation to substitute for one year of general accounting experience is based on the legacy requirement that would allow those same degrees to fulfill the 20 semester unit accounting subjects requirement.

The proposed regulations have an option specific to applicants with a bachelor's degree in accounting. This option allows those applicants to obtain a master's degree in a related field, such as business, computer science and information systems, data analytics, economics, finance, law, management, marketing, mathematics, marketing, and statistics to substitute for one year of general accounting experience. The basis for this proposed regulation is the AICPA 2020 Practice Analysis that was designed to update its understanding of the knowledge and skills required of newly licensed CPAs. The results of the practice analysis acknowledged the rapidly changing skills and competencies the practice of accounting requires today and will require in the future, especially in the areas of data analytics and technology. The result is a need for well-rounded CPAs that have knowledge and skills in accounting-specific content as well as in such areas as business, information technology, the analysis of big data. The CBA spoke with accounting firms who reiterated the findings of the practice analysis.

Therefore, the CBA looked at the content it allows in the business subject area of the accounting concentration as a starting point for the list of fields in which an advanced degree could be obtained and count toward a year of experience in those instances where the student already earned a bachelor's degree in accounting. That list of subject areas was modified to what was proposed in the regulations based on input from faculty and the CBA.

Add Section 12.3. Board Recognized Accounting Certificate Toward General Accounting Experience.

The proposed addition of this section is a substantive change.

The basis for this added section is to address and implement the acceptance of accounting certificates pursuant to BPC section 5093.3 of AB 1175, including the operative date. (At this time, the CBA is not defining and implementing the acceptance of training programs, as authorized by BPC section 5093.3(c).)

The CBA gathered feedback from public and private university faculty (including department chairs, academic directors, and executive directors) and members of the California Society of CPAs Accounting Education Committee to inform policy decisions outlined in the proposed regulations.

The regulations are organized into three subsections:

- Subsection (a) addresses IHE eligibility and accounting certificate requirements.
- Subsection (b) addresses the application process and administrative requirements.
- Section (c) addresses the reasons why the CBA may remove its recognition of an accounting certificate.

For clarity purposes, the three subsections mirror the three subsections in proposed Section 9.4 that defines and makes specific the board recognition of accounting degrees.

Subsection (a)

BPC section 5093.3(c) authorizes the CBA to accept accounting certificates toward the completion of a portion of the general accounting experience requirement. The regulations require the certificate to be issued by a California IHE that is either a California Community College or extension program within a university. Limiting the eligibility as described will allow the CBA to effectively monitor the new program and determine if any adjustments might be needed prior to the CBA considering expanding eligibility to include other accounting certificate issuers. Additionally, limiting the eligibility as noted provides for reasonable assurance of quality because California IHEs must go through a rigorous accreditation process.

The proposed regulations establish a six-year accounting certificate recognition term, at which time the California IHE may reapply. A six-year term was proposed because it aligns with the six-year accreditation cycles of accrediting bodies like the Association to Advance Collegiate Schools of Business (AACSB) and Western Association of Schools and Colleges (WASC). Additionally, the six-year term aligns with the proposed term for CBA-recognition of accounting degrees.

The proposed regulations require the accounting certificate to be noted on an applicant's certified transcripts. This is to provide the CBA with a means to ensure the authenticity of the certificate.

Paragraphs (3) through (5) address the curriculum included in the accounting certificate program. The first requirement is the completion of a minimum of 51 semester units. This was proposed because it aligns with the total units required to complete the accounting concentration. The curriculum must also include the subject matter of auditing and attestation, financial accounting and reporting, and taxation and regulation. These three curriculum areas were selected because they align with the three core sections of the Uniform CPA Examination which is based on the results of a practice analysis showing they are necessary knowledge and skills for newly licensed CPAs to know to adequately ensure consumer protection.

Paragraph (6) allows for a maximum of 12 semester units to be transferred from other IHEs to be used toward the accounting certificate. This is proposed to ensure students

who receive the certificates actually attained a significant number of their units from the program. Discussions with IHE facility indicated it is a common practice to place such a limit and those that CBA spoke to indicated they allow for approximately nine semester units to be transfer units. Given the accounting certificate required more total units than common, the CBA proposed allowing for a maximum of 12 semester units.

Subsection (b)

This subsection begins by establishing who, on behalf of the California IHE, the CBA will accept requests from. CBA had conversations with university faculty regarding who would have authority to make such a request on the university's behalf. The CBA discovered that while it was clear from the perspective of each university, there was no consistency between California IHEs on the level/office of the person with such authority. Therefore, the proposed regulations allow for a request from a person authorized to submit the request on behalf of the California IHE instead of the CBA specifying a title or designation. This approach was proposed to not disrupt the already established designated authorities within California IHEs. To reduce the environmental impact of paper files the regulations require the requests to be submitted electronically.

Given that the information provided by the California IHE will be used to qualify applicants for licensure, the CBA believed it in the best interest of consumers to ensure the accuracy of the information submitted by the California IHE. Therefore, the proposed regulations include a requirement that the request be submitted under the penalty of perjury.

The CBA identified the minimum information necessary to provide recognition of an accounting certificate. This information is necessary to identify the California IHE, identify contact information, establish the name/title of the accounting certificate that will be documented on certified transcripts submitted by the California IHE, and ensure the accounting certificate requirements as established in BPC section 5093.3 and these regulations have been met.

This subsection also addresses what the California IHE must agree to at the time they submit their request (administrative requirements). The proposed regulations require the California IHE to notify the CBA within 15 days if a recognized accounting certificate no longer meets the requirements of the section. The CBA considered multiple factors when proposing the 15-day requirement, including:

- The importance of the CBA having time to discontinue the process to grant six months of general accounting experience to those licensure applicants with that specific accounting certificate.
- The turnaround time California IHEs often have between conferring a certificate and having that conferral documented on an official transcript.
- California IHEs often take more than a year to implement certificate requirement changes.

- The request by faculty to have an extended period to accommodate summer and holiday break schedules.

After considering the factors above, it seemed reasonable to require a 15-day notification period. Additionally, it was acknowledged that California IHEs might want to submit such a notification using certified mail. Therefore, the proposed regulations allow for such notification to be sent using mail, in addition to email.

Consistent with the goal of the SURE CPA Project to provide students with clear educational requirements, the proposed regulations include a statement that California IHEs with recognized certificates must include when publishing materials that refer to the accounting certificate. The statement was written to ensure consistency in California IHE published materials so that students have a clear understanding of what is meant by being CBA-recognized. The proposed statement was vetted by faculty who appreciated the proposed statement over having a more generic description of what publications could or could not say.

The recognition by the CBA is only a determination that the certificate meets the minimum educational requirement and that it may substitute for six months of general accounting experience. This is different from other regulatory agencies that might also review programs for indicators of quality/effectiveness (e.g., staff to student ratio, exam pass rates, staff experience, etc.). Therefore, the proposed regulations require that the California IHE agree to not state that the CBA reviewed or evaluated the quality of the program.

The proposed regulations require the California IHE to agree that the CBA has sole discretion in determining whether a student meets the educational requirements for examination and licensure. This is included to clarify that the CBA is not relinquishing its authority to the California IHE to determine eligibility for examination and licensure. Further, as it pertains to licensure, it is necessary because there are additional requirements beyond education and six months of experience.

The proposed regulations require the California IHE to agree that the CBA has the authority to request documentation to show the requirements of this section are being met and a specified period for responding to such requests. Additionally, the proposed regulations establish that the CBA has the authority to review the requirements of recognized accounting certificates to ensure they meet the requirements of the section. There may be instances where the CBA has some reason to believe the requirements for a certificate have changed or the CBA may wish to conduct an audit of recognized certificates to ensure they still meet the requirements of the section. The inclusion of this requirement allows the CBA to effectively monitor the CBA-recognition program.

Subsection (c)

This subsection outlines the reasons why the CBA may remove its recognition of an accounting certificate. The reasons outlined for the removal of recognition include the accounting certificate not meeting the requirements, inaccurate information submitted during the initial application process, being non-responsive to requests, failing to comply with the agreement in the application process, or removal at the request of the California IHE. In addition, “other good cause” is included in the event a situation not identified in regulation occurs resulting in the requirements of this section not being met. The inclusion of these reasons in the regulations allows for the CBA to effectively monitor the CBA-recognition program while also providing transparency to California IHEs. The reasons for removal were selected because they all directly relate to either not meeting the requirements or reasons to believe the requirements are not being met.

Amend Section 12.5. Attest Experience Under Business and Professions Code Section 5095.

The proposed amendments to this section make non-substantive and substantive changes. The non-substantive amendments include the following:

- Section title – The phrase “Under Business and Professions Code Section 5095” was deleted to align with the naming convention of Section 12.
- Subsection (a):
 - The phrase “,or holder of,” was added to clarify inclusion of licensees requesting attest authority.
 - Unnecessary statutory references were deleted.
 - The words, “verified attest experience” were added for clarity.
 - A repetitive reference to BPC section 5095 was deleted.
 - Changed “section” to “Section” for consistency.
- Subsection (a)(1):
 - Deleted repetitive reference to BPC section 5095.
 - The phrase “qualifying attest experience” was added for clarity.
 - The word “completed” was replaced with the word “gained” for clarity.
 - The word “the” was replaced with the word “a” for clarity.
- Subsection (a)(2):
 - This subsection was originally part of (a)(1) and was renumbered to (a)(2) for clarity.
 - The word “Any” and the phrase “that would be qualifying for purposes of Section 5095 and this section may” were deleted and replaced with the phrase “Qualifying attest” for clarity. The word “serve” was pluralized to make this edit grammatically correct.
 - The word “general” was added for clarity.
 - The word “Section” was replaced with the phrase “Business and Professions Code Sections” for clarity.
- Subsection (a)(3):
 - This subsection was originally part of (a)(1) and was renumbered to (a)(3) for clarity.

- The phrase “To be qualifying for purposes of Section 5095 and this section, any” was replaced with the word “Attest” for clarity.
- The word “current,” and the phrases “, and unrestricted” and “to be considered qualifying attest experience” were added for clarity and consistency.
- Subsection (a)(4):
 - This subsection was originally numbered (a)(2) and was renumbered to (a)(4) to fit the organization of these subsections.
 - The word “section” was capitalized for consistency with other section references.
- Subsection (a)(5):
 - This subsection was originally numbered (a)(3) and was renumbered to (a)(5) to fit the organization of these subsections.
- Subsection (b):
 - The phrase “Business and Professions Code” was added for clarity.
 - The word “qualifying” was added for clarity.
- Subsection (c): The word “attest” and the phrase “The following shall not qualify as attest experience:” were added for clarity.
- Subsection (c)(1):
 - This subsection was originally part of subsection (c) and was renumbered to (c)(1) for clarity.
 - The phrase “pursuant to subsection (d)(3) of Section 5093 and subsection (f) of Section 5093.3 of the Business and Professions Code” was added for clarity.
 - The phrase “is not qualifying” was deleted because the prior edit to subsection (c) establishes the meaning.
- Subsection (d):
 - The word “attest” was added for clarity.
 - A repetitive reference to BPC section 5095 was deleted.
 - The word “subdivision” was replaced with “subsection” for consistency.
- Subsection (e):
 - The word “attest” was added for clarity.
 - The phrase “subsection (b) and” was added to replace the phrase “and of subsection (b) of this section” for clarity.
- Subsection (g):
 - “(5)” was deleted because it was repetitive.
 - The term “CPA” was replaced with the phrase “Certified Public Accountant” for clarity.
- Subsection (g)(3)(c)(C-D): The numeral “8” was replaced with the word “Eight” to create consistency in how numbers are expressed.
- Reference: A reference to BPC section 5093.3 was added to reflect the addition of this section via AB 1175

The basis for the non-substantive amendments is to improve overall clarity and consistency, correct grammatical errors, and update BPC section citations.

The substantive amendments include the following:

- Subsection (a)(2): A reference to BPC section 5093.3 was added.
- Subsection (b): The phrase “job tasks” was added.
- Subsection (c): The phrase “, internship, contract, or volunteer work” was added.
- Subsection (c)(2-3): This subsection was added.
- Subsection (d)(3): The incorporated form 11A-7 (1/22) was repealed and replaced with CAE-7 (11/25).
- Subsection (g)(2): A reference to Section 87 was added and the word “Section” was pluralized to make this edit grammatically correct.
- Subsection (h): This subsection was deleted.
- Reference: BPC section 5092 was deleted.

The basis for the substantive changes to this section is to incorporate BPC section 5093.3 of AB 1175 as follows.

Subsection (a)

A reference to the enhanced experience requirements found in BPC section 5093.3 was added to paragraph (d). The legacy experience requirements found in BPC section 5093 also remains.

Subsection (b)

The proposed amendments express the existing required functions for attest experience as “job tasks” to further define BPC section 5093.3.

Subsection (c)

In addition to employment, “internship, contract, or volunteer work” were added as means to gain attest experience. This expansion is in response to recent concerns expressed by some students and recent college graduates that they find it difficult to gain the necessary experience. This proposed addition is consistent with the proposed change to Section 12.

This section already indicated that experience in academia was not qualifying as attest experience. The amendments add advanced degrees and board-recognized certificates to the list of experience that does not qualify as attest experience. This addition further clarifies BPC section 5093.3.

Subsection (d)

Statute changes resulting from AB 1175 and policy changes on the verbiage and formatting of the Notice on Collection of Personal Information necessitated changes to the 11A-7 (1/22) (Certificate of Attest Experience). The CAE-7 (11/25) matches the 11A-7 (1/22)⁸ except for the following:

- Page 1: The phrase “job task” was added to the box above the numbered list and in VI of the numbered list. This addition aligns with the proposed change to subsection (b) that expresses the existing required functions as job tasks.
- Page 2: The “How to submit this form” section was added to reflect consistent formatting across CBA forms and to provide clear directions to the users of the form.
- Page 3: The CAE-7 (11/25) was updated to reflect DCA’s current verbiage and formatting of the Notice on Collection of Personal Information that is included on forms that collect personal information. This change provides for clarity in the notice that is now organized by subheadings.

Subsection (g)

A reference to Section 87 was added for clarity because subsection (g)(3)(F) refers to courses that are described in Section 87.

Subsection (h)

This subsection was deleted because attest experience is calculated by the hour and no conversion for part-time to full-time is needed. If qualifying attest experience is used to satisfy the general accounting experience requirement and it was completed in a part-time setting, the conversion calculation is addressed in CCR section 12(c).

Amend Section 19. Practice Privilege Forms for Individuals.

The proposed amendments to this section make non-substantive and substantive changes. The non-substantive amendment:

- Subsection (e): The phrase “zero dollars” was deleted because it was duplicative of “\$0.” To make this change grammatically correct, the parentheses were also deleted.
- The title of form PP-11 was changed back to “Notification of Cessation of Practice Privilege Form.”⁹

The basis for the non-substantive amendments is to improve overall clarity and consistency.

⁸ Note there was an inconsistency in the prior rulemaking that incorporated form 11A-7. The regulatory text referenced the form as 11A-7 (1/22) but the footer of the incorporated form listed it as 11A-7 (Rev. 01/22).

⁹ This non-substantive change was made subsequent to the CBA initiating the rulemaking process and prior to the public comment period.

The substantive amendments include the following:

- Subsection (a): Repeal and replacement of incorporated form PP-10 (12/19) with PP-10 (11/25).
- Subsection (b): Repeal and replacement of incorporated form PP-11 (12/19) with PP-11 (11/25).
- Subsection (c): Repeal and replacement of incorporated form PP-12 (11/17) with PP-12 (11/25).
- Subsection (d): Repeal and replacement of incorporated form PP-15 (12/19) with PP-15 (11/25).
- Subsection (e): Repeal and replacement of incorporated form PP-16 (12/21) with PP-16 (11/25).

The basis for the changes to the incorporated forms follow.

- The five incorporated forms were updated to reflect DCA's current verbiage and formatting of the Notice on Collection of Personal Information that is included on forms that collect personal information. This change provides for clarity in the notice that is now organized by subheadings.
- The collection of fax numbers was removed from the five incorporated forms because the CBA no longer makes contact via fax related to these forms.¹⁰
- The Contact Information sections on forms PP-10, PP-11, PP-12, and PP-15 were reformatted to a table format to make them easier to read.
- A similarly formatted "How to submit this form" section was added to forms PP-10, PP-11, PP-12, and PP-15 to provide clear directions to the users of the forms on how to submit the completed form.
- The amendments to PP-16 include the non-substantive edit to change "E-mail" to "Email."
- The amendments to PP-16 include the addition of Section D. This insertion necessitated the renumbering of the subsequent form section from Section D to Section E.

The newly added Section D on PP-16 is to be completed by out-of-state licensees seeking to exercise a practice privilege in instances when the CBA has determined the state where their principal place of business resides does not have comparable licensure requirements. The basis for this change is the amendment to BPC section 5096.22 that requires such licensees to submit notification to the CBA in a manner prescribed by regulation. The bulleted list of options in Section D aligns with BPC section 5096.22(a)(2) of AB 1175.

¹⁰ A non-substantive correction was made to form PP-16 subsequent to the CBA initiating the rulemaking process and prior to the public comment period. Prior to the public comment period, the draft included the collection of a fax number.

Amend Section 21. Appeals.

The proposed amendments to this section make non-substantive changes. The non-substantive changes include:

- Subsection (a): Updated references to three subsections in BPC section 5096 to align with the renumbering of these subsections by AB 1175.
- Subsection (b): Updated references to three subsections in BPC section 5096 to align with the renumbering of these subsections by AB 1175.
- Authority cited: Corrected the typo of “Section” to “Sections.”

The basis for the non-substantive amendments is to correct grammatical errors and update BPC section citations.

Amend Section 36.1. Out-of-State Licensee.

The proposed amendments to this section make non-substantive and substantive changes. The non-substantive amendments include the following:

- Section title: Replaced “Out-of State Licensee” with “Reciprocity” to provide clarity by the use of a more descriptive title.
- Subsection (a): Added “licensure” to clarify the type of applications that are being referenced.
- Subsection (a): Added “of the Business and Professions Code” to clarify the citation to Section 5087. Added a missing comma to correct grammar.
- Subsection (b): Replaced “he or she” with “the applicant” to address pronoun usage.
- Subsection (c): Added “Business and Professions Code” to clarify the citation to section 5095. Replaced “that he or she” with “the applicant has met all the following:” to address pronoun usage and address the introduction of paragraphs (1) and (2) that were added.
- Subsection (c)(1): The addition of “The applicant” was made to make this a standalone sentence.

The basis for the non-substantive amendments is to improve overall clarity and consistency, correct grammatical errors, replace gendered language consistent with Assembly Concurrent Resolution No. 260 (2018), and update BPC section citations.

The substantive amendments include the following:

- Subsection (c)(1): Replaced “been authorized to provide” with “provided.”
- Subsection (c)(2): This paragraph was added.

The basis for the substantive edits to subsections (c)(1) and (c)(2) is to address an inconsistency in those subsections with the attest experience requirement of BPC section 5095. Without these edits, a possibility exists that an out-of-state licensee seeking a license under reciprocity could have a license issued with the authority to sign reports on attest engagements without attest experience. BPC section 5087 details that

out-of-state licensees seeking a California license are subject to BPC section 5095. At the time the regulations were initially drafted, this inconsistency would not have been the case because states required attest experience to be authorized to sign reports on attest engagements. While California still has an attest experience requirement for those seeking to sign attest engagements, other states do not, this necessitates a change in regulations to comply with BPC sections 5095 and 5087.

FORMS INCORPORATED BY REFERENCE BEING REPEALED AND REPLACED

Credentials Evaluation Service Application (11A-54) (11/17)
Certificate of Enrollment Form (COE-1 New 7/2022)
Certificate of General Experience (11A-30) (1/22)
Certificate of Experience in Academia (11A -29B) (11/17)
Certificate of Attest Experience 11A-7 (1/22)
Practice Privilege Pre-Notification of Listed Events Form (PP-10) (12/19)
Notification of Cessation of Practice Privilege Form (PP-11) (12/19)
Application for Reinstatement of Practice Privilege (PP-12) (11/17)
Practice Privilege Notification of Pending Criminal Charges (PP-15) (12/19)
Practice Privilege Notification Form (PP-16) (12/21)

INCORPORATION BY REFERENCE

Credentials Evaluation Service Application (CES-54) (11/25)
Certificate of Enrollment Form (COE-1) (11/25)
Certificate of General Experience (CGE-30) (11/25)
Certificate of Experience in Academia (CEA-29) (11/25)
Certificate of Attest Experience (CAE-7) (11/25)
Practice Privilege Pre-Notification of Listed Events Form (PP-10) (11/25)
Notification of Cessation of Practice Privilege Form (PP-11) (11/25)
Application for Reinstatement of Practice Privilege (PP-12) (11/25)
Practice Privilege Notification of Pending Criminal Charges (PP-15) (11/25)
Practice Privilege Notification Form (PP-16) (11/25)

Underlying Data

1. March 30, 2022: CERT Item VI. Discussion Regarding Possible Recommendations to the California Board of Accountancy Regarding Experience Required for CPA Licensure.
2. March 30, 2022, CERT Meeting Minutes.
3. January 26-27, 2023: CERT Item VI./CBA Item XV.A.5. Discussion and Possible Action on a Recommendation to the California Board of Accountancy Regarding Reciprocity Issued Under Business and Professions Code Section 5087.
4. January 26, 2023, CERT Meeting Minutes.
5. January 26-27, 2023, CBA Meeting Minutes.
6. March 24, 2023: CBA Item II.J. - Adopt Project Plan to Review and Clarify Educational Requirements for Certified Public Accountancy Licensure
7. March 24, 2023, CBA Meeting Minutes.

8. May 18, 2023: CBA Item II.D. - Discussion and Possible Action Regarding the Students Understanding the Requirements for a Certified Public Accountant Project.
9. May 18, 2023, CBA Meeting Minutes.
10. January 25, 2024: CBA Item XI.B.2. - Discussion and Update on the Students Understanding the Requirements to be a Certified Public Accountant Project Recommendations.
11. January 25, 2024, CBA Meeting Minutes.
12. March 21, 2024: CBA Item II.G. – Discussion and Possible Action on Activities and Initiatives in California and Nationally Related to the CPA Pipeline, Requirements for CPA Licensure, CPA Mobility, and Changes to the Uniform Accountancy Act.
13. March 21, 2024: CBA Item XII.A.2. Information on the Adoption of the 150-Semester Unit Requirement, California’s Mobility Program, and the Connection between Semester Unit Requirements and Mobility.
14. March 21, 2024, CBA Meeting Minutes.
15. May 16-17, 2024: CBA Item II.C.1. – Information and Data regarding the CPA Pipeline.
16. May 16-17, 2024: CBA Item II.C.5. – Update on CBA Activities Regarding the CPA Pipeline and Discussion on Possible Revisions to California’s Requirements for CPA Licensure.
17. May 16-17, 2024, CBA Meeting Minutes.
18. July 25-26, 2024: CBA Item II.D.2. – Overview of Activities Completed to Gather Information for CBA Consideration.
19. July 25-26, 2024: CBA Item II.D.3. – Discussion and Possible Action Related to Mobility and Substantial Equivalency.
20. July 25-26, 2024: CBA Item II.D.4. Minimum Requirements for CPA Licensure
21. July 25-26, 2024, CBA Meeting Minutes.
22. September 19, 2024: CBA Item VI.H.1. - Discussion and Possible Action to Approve a Legislative Proposal to Update Business and Profession Code, Division 3, Chapter 1, Article 2 – General Powers and Definitions to Add Section 5035.4 and Article 5.1 - Practice Privileges, to Amend Sections 5096, 5096.1, 5096.4, 5096.12, 5096.20, 5096.21, and 5096.22.
23. September 19, 2024: CBA Item VI.H.2. - Discussion and Possible Action to Approve a Legislative Proposal to Update Business and Professions Code, Division 3, Chapter 1, Article 5 – Certificates, Information and Records to Add Sections 5093.2, 5093.3, and 5094.7. to Amend Sections 5081, 5082.3, 5082.4, 5082.5, 5087, 5088, 5090, 5093, 5093.5, 5094, and 5095, and Repeal Sections 5086, 5092, 5094.3, 5094.6.
24. September 19, 2024: CBA Item VI.H.3. - Overview of Legislative and Communication Activities for CBA-Sponsored Legislative Proposals and Discussion and Possible Approval of an Interim (or Additional) CBA Meeting in October.
25. September 19, 2024, CBA Meeting Minutes.

26. November 21-22, 2024: CBA Item VIII.E.1. – Discussion and Possible Action to Modify the Legislative Proposal to Amend Business and Professions Code, Division 3, Chapter 1, Article 2 – General Powers and Definitions and Article 5.1 – Practice Privileges.
27. November 21-22, 2024: CBA Item VIII.E.2. – Discussion and Possible Action to Modify the Legislative Proposal to Amend Business and Professions Code, Division 3, Chapter 1, Article 5 – Certificates, Information and Records.
28. November 21-22, 2024, CBA Meeting Minutes.
29. January 23, 2025: CBA Item 11.A.2 – Discussion and Possible Action Regarding Examination and Licensure Education Requirements.
30. January 23, 2025, CBA Meeting Minutes.
31. May 15, 2025; CBA Item 9.A.1. - Discussion and Possible Approval of Policy Direction Regarding Board Recognition of Degrees that Meet All Educational Requirements for Licensure as Proposed by Assembly Bill 1175.
32. May 15, 2025: CBA Item 9.A.2. - Discussion and Possible Approval of Policy Direction Regarding the Recognition of Certificates as a Substitute for a Portion of the General Accounting Experience Requirement as Proposed by Assembly Bill 1175.
33. May 15, 2025: CBA Item 9.A.3. - Discussion and Possible Approval of Policy Direction Regarding Advanced Degrees as a Substitute for One Year of the General Experience Requirement as Proposed by Assembly Bill 1175.
34. May 15, 2025: CBA Item 9.A.4. - Discussion and Possible Approval of Policy Direction Regarding the Accounting Experience Requirement as Proposed by Assembly Bill 1175.
35. May 15, 2025, CBA Meeting Minutes.
36. July 17, 2025: CBA Item 9.A.2. - Overview of Board-Approved Policy Direction for Licensure to Implement Assembly Bill 1175, Including Possible Approval of a Revised Definition of the Ethics Subject Area and Approval of Advanced Degree Subjects to Substitute for One Year of General Accounting Experience.
37. July 17, 2025, CBA Meeting Minutes.
38. September 18-19, 2025: CBA Item 14.C. Discussion and Possible Action to Amend California Code of Regulations, Title 16, Section 6, 6.1, 7.1, 8.1, 8.2, 9.1, 9.2, 9.3, 11, 11.1, 12, 12.1, 12.5, 19, 21, and 36.1; Add Sections 6.2, 9, 9.4, 12.2, and 12.3; and Repeal Section 5.5 to Enhance Licensure and Modernize Mobility Contingent on Enaction of Assembly Bill 1175.
39. September 18-19, 2025, CBA Meeting Minutes.
40. Assembly Bill 1175 (Chapter 293, Statutes of 2025).
41. November 20-21, 2025: CBA Item Discussion and Possible Action to Consider Changes to Previously Proposed Text and Reauthorization of a Rulemaking to Amend California Code of Regulations, Title 16, Section 6, 6.1, 7.1, 8.1, 8.2, 9.1, 9.2, 9.3, 11, 11.1, 12, 12.1, 12.5, 19, 21, and 36.1; Add Sections 6.2, 9, 9.4, 12.2, and 12.3; and Repeal Section 5.5 to Enhance Licensure and Modernize Mobility Consistent with Assembly Bill 1175.
42. November 20-21, 2025, CBA Meeting Minutes.

FISCAL IMPACT

AB 1175 establishes new provisions for CPA licensure in California, by changing the education requirement from a bachelor’s degree with the completion of 150 units, to a bachelor’s degree with an accounting concentration. The CBA notes, any licensing workload costs or revenues related to an increase in the licensee population are a result of AB 1175 and not the proposed regulations.

The CBA does anticipate workload and costs to implement the regulations of approximately \$24,000 in year-one and \$2,500 annually thereafter and up to \$46,500 over a ten-year period as follows:

California Board of Accountancy Enhanced Licensure Requirements; Modernized Mobility - Fiscal Impact (Workload Costs)														
Type	Per Yr	Costs	Years Ongoing										Total	
			1	2	3	4	5	6	7	8	9	10		
IT Updates & Maintenance	N/A	Various	\$13,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$27,000
Degree Recognition ¹	100/14	Various	\$6,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$15,000
Foreign Credentialing (one-time)	13	\$1,000	\$1,000	-	-	-	-	-	-	-	-	-	-	\$1,000
Update Forms (one-time)	10	\$350	\$3,500	-	-	-	-	-	-	-	-	-	-	\$3,500
Total Costs:			\$24,000	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$46,500

¹Estimates 100 in year-one and 14 ongoing thereafter

- **Information Technology (IT) Updates and Maintenance:** Launch and maintenance of an online function on the CBA website to submit requests for recognition of accounting degrees and accounting certificates.
- **Degree Recognition:** Review of accounting degrees and accounting certificates submitted for CBA recognition (100 in year-one and 14 annually thereafter).
- **Foreign Credentialing (one-time):** Review requests from foreign credential evaluation services (13) seeking authorization to include standardized disclaimer language on their evaluation documents.
- **Update forms (one-time):** Update and post forms (10) on the CBA website.

Business Impact:

The CBA has made the initial determination the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

This initial determination is based on the following facts/evidence/documents or testimony:

This regulatory proposal will benefit aspiring CPAs and California consumers by repealing, amending, and adopting regulations to implement AB 1175. The regulatory proposal will define statutory provisions, providing a simplified, clear, and streamlined pathway to licensure.

The CBA notes, any economic impacts to business are a result of AB 1175, and not the regulations.

Economic Impact Assessment:

This CBA has determined this regulatory proposal will have the following effects:

- It will not create jobs or eliminate jobs within the state of California because the regulatory proposal defines statutory changes providing a simplified, clear, and streamlined pathway to licensure. Any impacts to jobs are a result of current law.
- It will not create new business or eliminate existing businesses within the state of California because the regulatory proposal defines statutory changes providing a simplified, clear, and streamlined pathway to licensure. Any impacts to business are a result of current law.
- It will not affect the expansion of businesses currently doing business within the state of California because the regulatory proposal defines statutory changes providing a simplified, clear, and streamlined pathway to licensure. Any impacts to the expansion of businesses are a result of current law.

This regulatory proposal may benefit the health and welfare of California residents by helping to implement statutory changes resulting from AB 1175 focusing on enhancing the requirements to obtain CPA licensure and by helping to ensure Californians have access to accounting services. The proposed changes support the CBA's mission to ensure only qualified CPAs practice public accountancy.

This regulatory proposal does not affect worker safety because the regulatory proposal does not relate to worker safety.

This regulatory proposal does not affect the state's environment because the regulatory proposal does not relate to the state's environment.

Specific Technologies or Equipment:

This regulation does not mandate the use of specific technologies or equipment.

Consideration of Alternatives:

No reasonable alternative to the regulatory proposal would be either more effective in carrying out the purpose for which the action is proposed or would be as effective or less burdensome to affected private persons and equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the law being implemented or made specific.

Set forth below are the alternatives which were considered and the reasons each alternative was rejected or accepted:

Minimum Accounting Semester Units (January 2025)

The CBA considered an option (Option #2) of requiring 27 semester units in accounting toward the accounting concentration.

The proposed regulations (Option #1 – 24 semester units) aligns with the current educational requirement to take the Uniform Certified Public Accountant Examination while option #2 is similar to the NASBA Model Rules.

The faculty focus group supported the proposed regulations (Option #1) and indicated that many accounting degrees fall within the 24-unit range.

The CBA chose to reject Option #2 based on this information. Further, Option #1 does not increase the semester unit requirement, eliminating any economic impact.

Description of reasonable alternatives to the regulation that would lessen any adverse impact on small business:

No such alternatives have been proposed; however, the CBA welcomes comments from the public.