



NEW JERSEY SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

NJCPA Response to Professional Licensure Task Force Concept Exposure

March 29, 2024

General Concept

The NASBA Professional Licensure Task Force has narrowed its discussions on a structured experiential learning program that would provide for education, documented experience, and other elements that would provide an equivalent path to licensure without the need of having a fifth year to complete a 150-hours education program that would appear on an accredited transcript. This additional path would include:

- An **education and experience component** to measure a participant's competency to be licensed as a CPA and would be considered equivalent to the current 150-hour pathway defined in the Uniform Accountancy Act.
- The concept being discussed would minimally require that all mandatory accounting and business requirements are achieved in addition to having a baccalaureate degree.
- The development of a **Structured Professional Program** would require legislative, and rules changes in some states and may impact interstate mobility in some states until all states have adopted the new equivalent path.
- The elements of this concept are not unprecedented for U.S. licensure. For decades, international candidates have achieved licensure through the completion of a baccalaureate degree followed by a professional program that includes documented experience, educational components, and measurement.

New Jersey Society of CPAs (NJCPA) Assessment

The NJCPA Pipeline Task Force has studied ways to increase the number of students becoming CPAs, including the 150-hour education requirement. We recently asked members to weigh in on the 150-hour requirement:

- Sixty-two percent see no noticeable difference in preparedness of staff who have accounting degrees with 120 credit hours versus those who have 150 credit hours.
- Nearly 80% believe it would be beneficial to the profession to provide alternative pathways to certification where 150 hours is one option but not the only option.

The NJCPA has welcomed initiatives to provide alternative pathways to licensure and combat the declining pipeline of CPA candidates. PwC/St. Peter's University and Withum/Seton Hall University teamed up to offer one-year "work for credit" programs to graduates looking to complete the 150-credit hour requirement. Rider University recently announced its CPA Apprenticeship Program, allowing new graduates to earn the required 150 credits for CPA licensure in New Jersey through coursework and real-world professional experience.



These programs assist students in obtaining the extra credits necessary in a more economically feasible way and efforts should be made not to discard or devalue these alternative pathways to certification as new programs are brought forth and implemented.

The NJCPA supports the efforts by the American Institute of CPAs (AICPA) and the National Association of State Boards of Accountancy (NASBA) to reduce the financial burden for aspiring CPAs. We are amenable to the concept of a Structured Professional Program (SPP) serving as the outline of the experience requirement with the following considerations:

- The SPP should be developed in a way that allows participants to obtain the combined years of experience under the supervision of a CPA while also obtaining the necessary credit to be recognized for off-transcript education, so long as the approved framework is documented among employers and submitted to state boards.
- Potential Pros
 - If the SPP is off transcript, it would ensure that the CPA profession is addressing cost barriers faced by many CPA candidates. We support continuing to require a specific number of hours for relevant accounting and business coursework and requiring a bachelor's degree in accounting or a related field.
 - Currently a large percentage of CPA candidates begin their professional accounting careers working in corporations, for government or in academia. The SPP option needs to be scalable and not limited to just accounting firms. We agree that a candidate's SPP should be overseen by a licensed CPA.
- Potential Cons
 - The SPP should not be cumbersome or costly for employers to offer to CPA candidates, or cumbersome or costly to affirm the results at the conclusion of the program. We understand that some state CPA societies are recommending that each state's accountancy board should be charged with determining if a candidate meets the requirements of a SPP, however, this may create additional obstacles and burdens for candidates in states where accountancy boards are stretched too thin or ineffective.
 - The SPP should not be "one size fits all" for employers or candidates. Employers should have the flexibility to create customized experiences for candidates within the program structure developed by NASBA, just as CPE providers who join NASBA's National Registry of Sponsors create customized experiences within NASBA's education framework. For candidates, flexibility should be built into the SPP to allow a shorter requirement for candidates with more than the minimum number of college credit hours already earned (i.e. more than 120 hours).