



## Oregon Society of Certified Public Accountants

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### 78<sup>th</sup> Oregon Legislative Assembly – 2015 Regular Session

#### **Discussion: OSCPAs Support of Licensing Fee Increase for Oregon Board of Accountancy**

**DATE:** March 5, 2015

- The Oregon Society of Certified Public Accountants (OSCPA) has approximately 4,700 members; we support Senate Bill 581.
- The Board has responsibility for licensure of both Certified Public Accountants (CPAs) and Public Accountants (PAs) in Oregon. That includes licensure of approximately 6,600 active individual licensees and registration of approximately 1,000 accounting firms. Individual licensees renew their licenses for two-year periods based on even- or odd-numbered license numbers. Firms also renew in two-year cycles.
- Senate Bill 581 contains a change in fees for individual licensure and CPA firm registration which will provide appropriate and targeted funding levels for Board operations. The Board is funded primarily by individual licensee and firm registration fees. It does not obtain funds from the General Fund.
- The changes, as contained in this bill, are a result of our detailed and thoughtful analysis of the Board's budget and financial position for budget years 2013-15, 2015-17, and 2017-19. In that process, we have observed the significant drop in the Board's ending balance which, without a proactive increase, is unsustainable.
- Non-typical expenses impacting the Board are significant State Government Service charges, and a detailed case investigation.
  - The Board has been advised of the increase in charges from the Department of Administrative Services and other agencies.
  - One recent case was significant in terms of investigative resources and costly in scope. Its impact also required the Board to seek E-Board budget approval in September 2014 which was an unusual request of the Board.
- OSCPAs understands the importance of the Board being properly funded. Therefore, OSCPAs is in favor of making the following changes to meet current and upcoming Board budgetary needs:

- **Individual licensure:**
  - Currently \$160 for each two-year period; proposed fee of \$255
  - The last increase was from \$150 to \$160 in 2009; prior, the fee was last increased to \$100 in 2000
- **Firm licensure:**
  - Currently \$175 for each two-year period; proposed fee of \$265
  - The last increase was from \$100 to \$175 in 2010; prior, the fee was last increased to \$100 in 1991
- As part of the previously mentioned analysis process, OSCPA invited the representative input of Oregon Association of Independent Accountants (OAIA) as we reviewed data and determined the needed course of action and ultimately, scope of the fee increase. We felt that representative input was particularly important since the Board licenses members of both OSCPA and OAIA organizations. We are not speaking on behalf of OAIA. We are simply sharing that representation was included during the analysis.
- Having adequate resources to support public protection is an important concern. As well, we also believe that is mutually beneficial to the profession. CPAs and PAs perform a broad range of technical services for the public. The public relies on the regulatory protection of a financially viable Board which means the Board must have an adequate fund balance from biennium to biennium that supports the activities connected with CPA and PA oversight. And, on a case-by-case basis, the Board investigation of licensees and/or firms helps to ensure public protection. CPAs and PAs are highly trained and are required to abide by detailed and highly technical professional standards including a professional code of conduct, as well as subject to multiple levels of regulation.
- The Oregon Board of Accountancy is empowered to take disciplinary action, suspend or revoke licenses if CPA or PAs violate applicable laws, regulations or professional standards again including the professional code of conduct. Additionally, the Board protects the public in “holding out situations” where an individual may state, advertise or appear to be a CPA or PA, for example, but is in fact not licensed.
- We urge you to pass SB 581. The bill will enable a more solid future fund balance for the Board. We believe a financially stable Board is required to effectively and efficiently regulate the CPA profession in Oregon and in its mission to actively protect the public.

Thank you.

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