



# Oregon

Kate Brown, Governor

## Board of Accountancy

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**Before the  
Joint Committee on Ways and Means –  
Subcommittee on General Government  
February 17, 2016  
SB 5702 / Section 3 / Fee Ratification for Board of Accountancy  
Testimony of Scott Wright, CPA, Chair, Board of Accountancy**

Co-Chair Sen. Steiner Hayward, Co-Chair Rep. Smith, members of the subcommittee, for the record, my name is Scott Wright. I have practiced as a CPA since 1982, and am currently Partner at the public accounting firm Kernutt Stokes LLP in Eugene. I currently serve as Chair of the Board of Accountancy, (Board), and am before you in that capacity. My service to the profession also includes service as Chair of the Board of Directors of Oregon Society of Certified Public Accountants (OSCPA) in 2009-2010.

To the fee ratification bill before you: In Fall 2014, I represented the Board as then Treasurer of the Board, together with Executive Director Pittioni, in negotiations with OSCPAs and the Oregon Association of Independent Accountants (OAIA), for a broad range of fee increases in statute and rule. At that point we were in fiscal position that demanded action: a rapidly falling ending balance, accelerated by a one-time factor of a very expensive case, and more worryingly a future recurring outlook of flat revenues from a no-growth licensing base, set against a backdrop of continually rising costs. These cost increases were also driven higher than normal due to an issue very familiar to this subcommittee – the significant rise in state government service charges for back-end services the Board receives from other agencies.

Simply put, not addressing this timely would have been irresponsible. I am proud to say that the profession came together. The negotiations produced a consensus for a broad range of significant fee increases in statute and rule, really the first major, across the board fee increase for the profession since the year 2000. The objective of the consensus was and remains ensuring sustainability of Board operations into the future, and maintain the credibility of the Board's compliance program.

In the 2015 Legislature, the first step was the OSCPAs-requested SB 581, focusing on increases in renewal fees, the Board's primary source of revenue. The Board remains very grateful that OSCPAs took on the leadership on this critical issue. In accordance with the 2014 negotiations, which anticipated the Board would follow with similar fee increases by rule (in part to reduce the size of the fee increases by statute), the Board implemented fee increases by rule on October 1, 2015. It is that portion of the negotiated outcome with our stakeholders that is before you today in Section 3 of SB 5702. The Board and the profession are again united in respectfully requesting your support.

