

Accountancy Board of Ohio

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- Licensed and registered approximately 29,500 CPAs and PAs in FY 2006
- Increased funding for CPA Education Assistance program

OVERVIEW

Duties and Responsibilities

The mission of the Accountancy Board of Ohio is to protect the public interest by requiring that all persons who desire to become Certified Public Accountants (CPAs) and Public Accountants (PAs) meet specific qualifications for entry into the profession and that CPAs maintain competence after they are licensed. This assures that the services received by Ohioans from CPAs and PAs will be performed in an ethical, competent, and professional manner and in accordance with all appropriate laws and standards. The Board determines the level of knowledge of all applicants through means of a computer-based examination. Those who pass the examination are then licensed and regulated by the Board. The Board mandates a program of continuing education for its licensees.

Agency in Brief

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Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2008	2009	2008	2009	
11	\$1.42 million	\$1.44 million	\$0	\$0	Am. Sub. H.B. 119

*Employee count obtained from the Department of Administrative Services (DAS) payroll reports as of June 2007.

Licensure

The Accountancy Board handles the administrative work for roughly 29,000 certified public accountant and public accountant licenses and nearly 3,300 public accounting firm registrations. The Board's licenses and registrations have triennial renewal cycles. License and registration fees generated an estimated \$3.87 million in revenue over the three-year period from FY 2005 through FY 2007. Compared to estimated expenditures of \$3.61 million during that same time period, the Board realized an estimated net gain of over \$250,000.

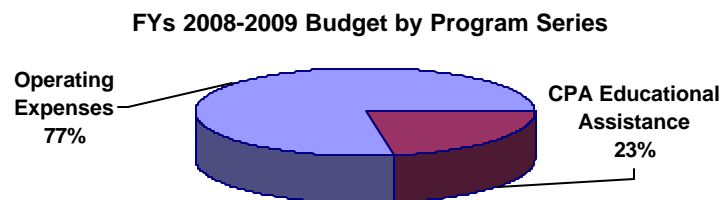
Summary of Am. Sub. H.B. 119 Appropriations

The Accountancy Board received total funding of \$1,417,246 for FY 2008, representing an increase of 10.8% over FY 2007 appropriations of \$1,279,286. Much of the increase in the Accountancy Board's total budget is attributable to an increase for the CPA Education Assistance program (see below). The budget appropriates \$1,442,000 for FY 2009, representing a 1.7% increase over the FY 2008 appropriation.

The budget appropriates \$1,092,246 for operating expenses in FY 2008 and \$1,117,000 for that purpose in FY 2009, representing increases of 2.1% and 2.3%, respectively. The Board plans to use the additional funding to pay for mandated salary increases and increased IT charges related to the e-Licensing system.

Appropriation for Educational Assistance (Fund 4J8)

The Accountancy Board's budget includes \$325,000 each fiscal year for the CPA Education Assistance program, which is a scholarship program established to reduce the burden of education requirements to low income students. It is funded from surcharges paid by licensees. As the chart below indicates, the CPA Educational Assistance Scholarship currently comprises approximately 23% of the Accountancy Board's total FY 2008 - 2009 budget.



Previously, a shortage of qualified candidates existed, limiting the funds that could be disbursed for the scholarship program. However, the Board has seen a marked increase in the number of applicants. This is because the number of students taking accounting courses and the number of CPA exam candidates has been steadily increasing after an initial drop once the requirements for CPA certification were increased in CY 2000. However, there has been a continuing shortfall in scholarship funds available given the greater number of applicants. As a result, the Accountancy Board voted in September 2006 to increase the surcharge on license fees from \$5 per license year to \$10 per license year (total of \$30 for a three year license). The increased fee will double the amount of scholarship money available to needy students to over \$300,000 per year.

Overall, much of the increase in the Accountancy Board's total budget is attributable to the increase for the CPA Education Assistance program brought about by the extra resources available through the surcharge increase. With the funding available for the scholarship program, the Board will be able to fund 35 to 40 scholarships per year.

ANALYSIS OF THE BUDGET

Single Program Series

Operating Expenses

Purpose: The Accountancy Board ensures that those who are licensed by the Board meet certain minimum education and training criteria to responsibly practice accounting in Ohio. The Board then monitors those licensees to ensure compliance with the laws and rules of the state.

The following table shows the line items that are used to fund the Ohio Accountancy Board as well as the Board's funding for the FYs 2008 - 2009 biennium.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund Group				
4J8	889-601	CPA Education Assistance	\$325,000	\$325,000
4K9	889-609	Operating Expenses	\$1,092,246	\$1,117,000
General Services Fund Group Subtotal			\$1,417,246	\$1,442,000
Total Funding: Ohio Accountancy Board			\$1,417,246	\$1,442,000

The Accountancy Board operates two programs:

- **Operating Expenses**
- **Educational Assistance**

Operating Expenses

Program Description: The Accountancy Board of Ohio tests, licenses, and regulates individuals and firms who practice accounting in this state to ensure that the services being provided are ethical and professional in manner and in accordance with all appropriate laws and standards.

Funding Source: GSF Fund 4K9 – license fees and other assessments

Implication of the Budget: The budget fully funds the Accountancy Board's activities for FY 2008 and FY 2009.

Educational Assistance

Program Description: In August 1992, the Ohio General Assembly enacted legislation that raised the basic educational requirements that individuals must meet to become licensed as CPAs. The CPA Education Assistance program was established to reduce the burden of the increased education requirement to low income students. The first scholarships were awarded in January 1998.

Funding Source: GSF Fund 4J8. A surcharge of \$10 per license year on license renewals is deposited into Fund 4K9. Money is transferred quarterly to Fund 4J8 to fund this program.

Implication of the Budget: The budget increases funding for the Accountancy Board's CPA Education Assistance Scholarship program for FY 2008 and FY 2009 by over \$100,000 in comparison to prior years, allowing 35 to 40 scholarships to be funded each year.

FY 2008 - 2009 Final Appropriation Amounts

All Fund Groups

<i>Line Item Detail by Agency</i>			<i>FY 2005:</i>	<i>FY 2007 Adj.</i>	<i>FY 2008</i>	<i>% Change</i>	<i>FY 2009</i>	<i>% Change</i>	
			<i>FY 2005:</i>	<i>FY 2006: Appropriations:</i>	<i>Appropriations:</i>	<i>2007 to 2008:</i>	<i>Appropriations:</i>	<i>2008 to 2009:</i>	
Report For: Main Operating Appropriations Bill			Version: Enacted						
ACC Accountancy Board of Ohio									
4J8	889-601	CPA Education Assistance	\$ 266,023	\$ 173,058	\$ 209,510	\$ 325,000	55.12%	\$ 325,000	0.00%
4K9	889-609	Operating Expenses	\$ 926,633	\$ 966,487	\$ 1,069,776	\$ 1,092,246	2.10%	\$ 1,117,000	2.27%
General Services Fund Group Total			\$ 1,192,656	\$ 1,139,544	\$ 1,279,286	\$ 1,417,246	10.78%	\$ 1,442,000	1.75%
Accountancy Board of Ohio Total			\$ 1,192,656	\$ 1,139,544	\$ 1,279,286	\$ 1,417,246	10.78%	\$ 1,442,000	1.75%