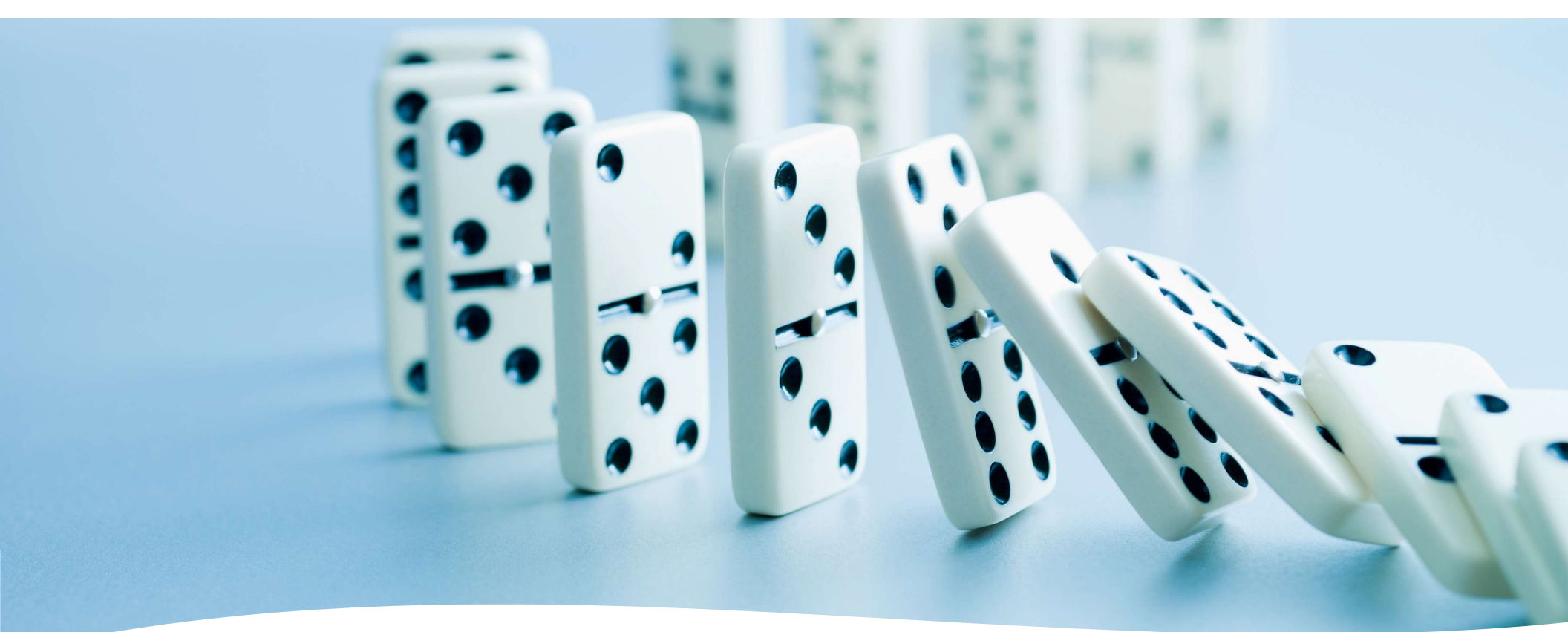


Alternative CPA Licensure Models: Tipping Dominos and Unintended Consequences

How Did We Get Here?

- 1916 model bill to regulate public A&A practice by American Institute of Accountants (aka AICPA)
- 1917 First Iteration of CPA Exam for state boards of accountancy to adopt
- 1920s “Big 8” accounting firms begin to rise
- 1952 all state boards of accountancy adopt AICPA CPA Exam
- 1960s international expansion + first of two historic widespread lawsuits levied vs. public practice firms and roles of auditors
- 1970s profession struggles to balance advisory services growth vs. traditional services + most jurisdictions adopt 120 hour rules
- 1984 NASBA + AICPA joint publication UAA
- 1988 150 hour rules introduced in UAA
- 1989 Big 8 to Big 6 late
- Profession In Crisis 1980s through early 2000s
 - Savings and loan crisis (Law firm Jenkins & Gilchrist) 1980s
 - ESM Government Securities (1985)
 - MiniScribe Corporation (1989)
 - Crazy Eddie (1989)
 - Bank of Credit and Commerce International (1991)
 - Guarantee Security Life Insurance Company (1991)
 - Phar-Mor (1992)
 - Waste Management (1998)
 - Cendant Corporation (1998)
 - Enron (2001)
- July 1, 2000 all jurisdictions have adopted 150 hour rule
- 1999-2002 Big 6 to Big 4
- 2002 Sarbanes-Oxley...

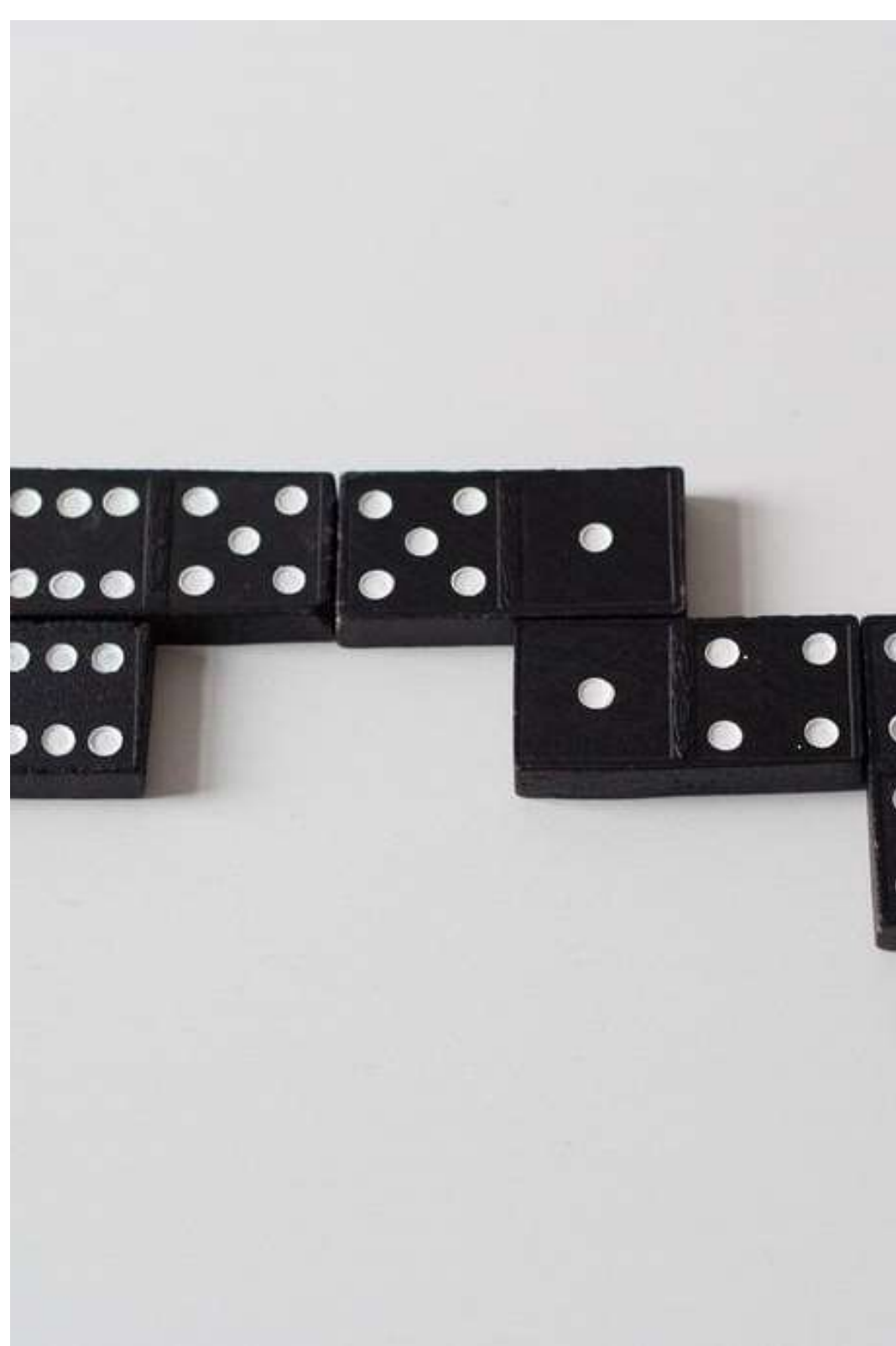


4 Universal Requirements for Initial CPA Licensure

- NASBA [Uniform Accountancy Act: Model Rules](#) Jan 1, 2024
- July 1, 2000 to Jan 1, 2026
 - Obtain 150 credit hours of university education;
 - Pass Uniform CPA Examination;
 - Pass AICPA Ethics Examination;
 - Earn hours of experience in accounting-related work.
- January 1, 2026 and beyond... ???

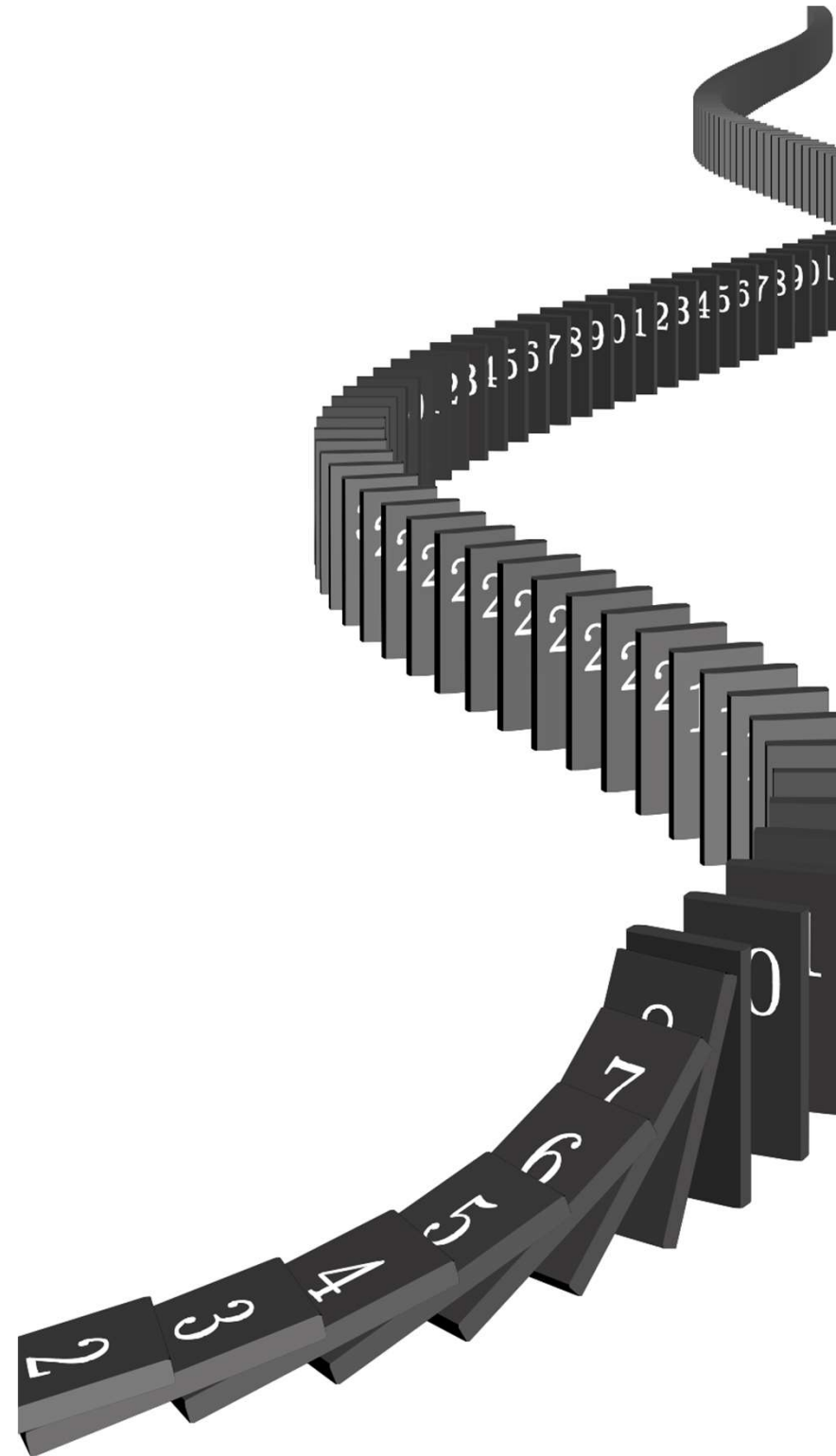
Why Alternative CPA Licensure Models Now?

- Response to broad-based human capital shortages over past decade
- One of **six** National Pipeline Advisory Group (NPAG) recommendations to fix accounting pipeline challenges.
 1. Make the academic experience more engaging
 2. Address the time and cost of education
 3. Grow support for CPA Exam candidates
 4. Prioritize strategies to expand access for underrepresented groups
 5. Enhance the employee experience by evolving business models and cultures
 6. Tell a more compelling story about accounting careers



Impact on Mobility

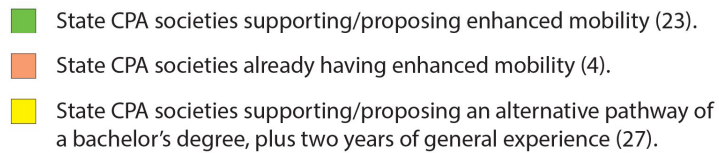
- **Mobility is NOT the same thing as reciprocity**
- **Mobility** is the term for CPA interstate practice agreements between state CPA boards of accountancy that affords CPAs common agreements to practice across and between jurisdictions. The concept is grounded in the idea of *Substantial equivalency* (Appropriate education, exam, and experience).
- **Reciprocity** is the act of applying for a CPA license in another jurisdiction and for CPAs who **move to** or will be **permanently working in** Missouri. Must apply for Missouri CPA license.
 - Via substantial equivalency (above) or
 - 1 full year of licensure from any other jurisdiction.
 - **Temporary Services for a Client** is for CPAs, mostly auditors, to engage with a client in Missouri from out of jurisdiction, no need to apply for mobility or reciprocity.
- Other confusing terms such as “holding yourself out” or CPA “permit vs. certificate vs. license” often make it challenging to discuss the impact of common licensure practice changes across jurisdictions.
- Never mind for a second: proliferation of remote work + CPA firm nexus rules!



State of Play Today

- Not “if” but “when”
- Jurisdictional timeframes for enactment
- Minnesota vs. Ohio
AICPA/NASBA new exposure draft [proposed new UAA language](#) released 3/4/2025 open for comments and due by 5/3/2025.
- Submit comments using this approved form: [2025 Comment Form: Proposed UAA Changes](#)
- Automatic mobility?
- Educational requirements – where is this discussion?
- AICPA/NASBA alternate CPA licensure pathway overview:
 - Enable adoption of bachelor’s degree + 2 years experience + pass CPA exam
 - Automatic mobility clauses
 - Safe harbor for existing CPAs
- Competency-based pathway discussion? Not close, however...
- Appears to be not over.





Version 2-A/0 Feb. 6

Unanswered Questions

Esoteric Questions

- Who's job is it to produce more accountants? What about CPAs?
- Are we trying to produce more accountants? What about CPAs
- What version of CPAs does the world need now, and in the future?

Practical Questions

- We all know there is a brand new CPA exam, right?
- What timeframe will we reach practical equilibrium?
- How will universities “catch” changing model in theory and practice?
- How should we all be advising students?



Unintended Consequences



- Future Andrew: “What were you thinking back in 2025???”
- Student behavior and program decision-making considerations
- Accounting school program sizes
- MAcc program sustainability or emphasis
- Curricula and program structural considerations
- Faculty and staffing dotted lines
- Will we produce more, the same, or fewer CPAs in the future?
- Audit of the future
- Risk mitigation options in statute or rule

Open Forum and Questions

Thank You!

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