

BOARD OF PUBLIC ACCOUNTANCY
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

MINUTES

Date: March 24, 2023

Time: 8:30 a.m.

Place: PVL Exam Room
HRH King Kalakaua Building
335 Merchant Street, Third Floor
Honolulu, Hawaii 96813

Members Present: Gary Y. Miyashiro, CPA, Chairperson (“Chair”)
Jon Arbles, CPA, Vice-Chairperson (“Vice Chair”)
Christopher K. Lee, CPA, Member
John W. Roberts, CPA, Member
Zachary Johnson, CPA, Member
Alexander Smith, CPA, Member
Terrence Aratani, Public Member
Brian Uemori, Public Member

Staff Present: Lee Ann Teshima, Executive Officer (“EO Teshima”)
Hector West, Executive Officer (“EO West”)
James Paige, Deputy Attorney General (“DAG Paige”)
Leanne Abe, Secretary

Guest(s): Joseph K. Kaai, Jr.
Jonathan C. Kim

Call to Order: The Chair took a roll call of the Board members. After taking roll, quorum was established, and the meeting was called to order at 8:30 a.m.

Chair’s Report: **Announcements**

None

Approval of the Minutes of the January 27, 2023 Meeting

Mr. Roberts requested for the following amendment on page 2:

“Mr. Roberts stated that having served [~~in the~~] **on a** National Association of the State Boards of Accountancy (NASBA) **Committee**, in response to the general comment contained in the cover/transmittal e-mail regarding jurisdictional barriers to initial licensure: Contrary to what the AICPA implies, interstate jurisdictional barriers are at most a minor issue impacting the supply of new CPAs compared to the 150-hour rule[~~, he~~].”

He is not in favor of the 150 credit hours initiative as this would create an additional barrier [of] **to** entry to the accounting profession. This initiative discourages prospective CPA applicants to enter the profession.”

Mr. Roberts requested for the following amendment on page 5:

“Mr. Roberts and the Vice Chair suggested that a “Warning” letter is a better option than a RICO referral for [now] **those who rely on carryover credits to meet the 20-hour minimum for the next permit renewal.**”

Upon a motion by the Vice Chair, seconded by Mr. Johnson, it was voted on with the Chair, Mr. Smith, Mr. Lee, Mr. Roberts voting yes and Mr. Aratani and Mr. Uemori abstaining since they were not present at that meeting to approve the minutes of the January 27, 2023 meeting, with the aforementioned amendments (with new material underscored in bold and repealed material bracketed and stricken through). The motion was carried.

American Institute of Certified Public Accountants (AICPA) - 8-Point Plan

The Chair discussed the proposed response to AICPA “Draft 8-Point Plan to Address the CPA Pipeline” and Board comments are as follows.

AICPA 8-point plan (Initiatives):

1. Integrated Education and Experience Program (IEEP) - after a bachelor’s degree is earned and before earning 150 credit hours.

The Board does not support the IEEP as drafted because it retains the primary barrier and sole option to licensure which is the additional 30-hours of academic credit. The Board is in favor of the idea of bridging the gap between education and practice by proposing that there be an “option” to replace this 30-hour requirement, with an experience requirement of 30 additional months (“work option”).

2. 30-hour Communication Campaign

The Board supports this initiative.

3. Extending the 18-month Exam Window for Candidates

Due to the COVID-19 pandemic, testing centers were closed. The hardship experienced by the applicants made the 18-month extension necessary due to unusual circumstances. Since the testing centers are back to their regular schedules, the Board believes the 18-month exam window is sufficient and allows

candidates reasonable time to pass the exam. The Board does not support extending the 18-month exam window.

4. Consider and Address Jurisdictional Barriers to Initial Licensure

The criterion for initial licensure is uniform and consistent with jurisdictions nationwide. The Board believes this is not a significant issue in relation to the CPA pipeline.

5. High School and College Strategies

The Board supports this initiative.

6. STEM Recognition

The Board supports this initiative.

7. Endowment/The AICPA Foundation

The Board supports this initiative.

8. Stakeholder Calls to Action

The Board supports this initiative and believes this should include the state societies, professional organizations, and various industry groups that are closely related to CPAs.

Proposed Statements on Standards for Continuing Professional Education Programs

The Board will not be submitting comments on the “Proposed Statements on Standards for Continuing Professional Education Programs”.

NASBA Proposed Amendments to the Uniform Accountancy Act Model Rules

The Board discussed the proposed amendments regarding the conditional credit extension from the eighteen-month period to a twenty-four-month period. As previously discussed, due to the COVID-19 pandemic, testing centers were closed. The hardship experienced by the applicants made the 18-month extension necessary due to unusual circumstances. The Board reviewed each conditional credit extension request on a case-by-case basis. Since the testing centers are back to their regular schedules, the Board believes the 18-month exam window is sufficient and allows candidates reasonable time to pass the exam. The Board does not support extending the 18-month exam window.

EO Teshima inquired if NASBA changes the Uniform Accountancy Act (“UAA”) model rules, is the Board bound to this change if enforced for all jurisdictions or is it a recommendation for the Board to adopt it into their rules?

The Chair opined that if NASBA enforces the changes to the UAA model rules nationwide, the Board may be bound to this change.

Mr. Roberts stated that the Board would have to change their Hawaii Administrative Rules (“HAR”) section 16-71-19(i)(3) which states:

“In the event all four sections of the examination are not passed within the rolling eighteen-month period, credit for any section(s) passed outside the rolling eighteen-month period shall expire and that section(s) shall be retaken.”

The Chair stated that in the past during the COVID-19 pandemic, the Board has granted approval (on a case-by-case basis) for conditional credit extension from the eighteen-month period to a twenty-four-month period pursuant to HAR section 16-71-19(k) which states:

“Notwithstanding any other provision to the contrary, conditional credits that have expired may be extended only for good and valid reasons as determined by the board.”

The Vice Chair stated that when NASBA initially proposed adopting the 24-month conditional credit extension, it was because of the new CPA examination going into effect on January 1, 2024, and the anticipated delay in test results being released. He opined that the initial request was a temporary solution to a temporary problem, but this current proposed amendments to the UAA model rules seem to be permanent.

Executive Officer’s
Report

**Updates on Important Announcements Posted on the Board’s
Webpage**

EO Teshima will be updating the Board’s website under “Important Announcements” regarding all the recent rule changes, specifically addressing HAR section 16-71-33 “Basic Requirements of Study Hours”. All updates/important information related to the recent rule change will be included in the Permit to Practice (“PTP”) application form.

Update on H.B. 797 HD1, Relating to Occupational License

Establishes procedures and eligibility criteria for a privilege to practice public accountancy in this State for public accountants and certified public accountants licensed in another state with comparable education, examination, and experience requirements. Subjects all holders of a practice privilege to the regulatory and enforcement jurisdiction of the board of public accountancy. Sunsets 6/30/2025. (HD1)

EO West reported that the companion bill S.B. 727 was not adopted for approval on February 28, 2028. H.B. 797 was referred to the Senate's Commerce and Consumer Protection ("CPN") Committee on March 10, 2023.

Standing Committee **Examination Committee**
Report

February 21, 2023 Exam Scores

Upon a motion by Mr. Aratani, seconded by Mr. Smith, it was voted on and unanimously carried to ratify the February 21, 2023, exam scores.

The Chair announced the next agenda item and that the Board will be discussing these applications in executive session in accordance with Chapter 92-5(a)(1)(2), HRS to consider and evaluate personal information relating to individuals applying for licensure and to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

Executive
Session

At 8:57 a.m., upon a motion by Mr. Aratani, seconded by Mr. Lee, it was voted on and unanimously carried to move into executive session

At 9:26 a.m., upon a motion by Mr. Aratani, seconded by Mr. Johnson, it was voted on and unanimously carried to move out of executive session.

Applications

Applications

CPA License Applications

Upon a motion by Mr. Lee, seconded by Mr. Aratani, it was voted on and unanimously carried to approve the following applications for CPA license:

- Kayla K. Hiroe
- Joseph K. Kaai, Jr.
- Yuri Hirata
- Jonathan C. Kim
- Kelli S. Kimura
- Kristina W. L. Tommee
- Eric M. Diemer
- Robert A. Loke
- Jinying Chen
- Moshe Bacharach
- Lindsay J. Tweeten
- Marissa Y. H. Nishjima

Upon a motion by Mr. Aratani, seconded by Mr. Smith, with the recusal of Mr. Lee, it was voted on with the Chair, the Vice Chair, Mr. Roberts, Mr.

Johnson, Mr. Smith, Mr. Aratani and Mr. Uemori voting yes to approve the following application for CPA license:

- Jake C. Hamada

Upon a motion by Mr. Aratani, seconded by Mr. Lee, it was voted on and unanimously carried to approve the following application for CPA license subject to receipt of CPA exam scores:

- Grant K. Kaiama

Upon a motion by Mr. Smith, seconded by Mr. Aratani, it was voted on and unanimously carried to defer the following applications for CPA license, requesting additional information:

- Jasmine M. Wong
- Cherrie T. Liu

Ratification of CPA Permits to Practice (PTP)

Upon a motion by Mr. Lee, seconded by Mr. Aratani, it was voted on and unanimously carried to ratify the following CPAs for a PTP:

Tracey A. Jelly	CPA-5891
Emily Lan	CPA-6136
Joshua D. Billiard	CPA-6144
Richard J. Wilkens	CPA-6146

Ratification of Firm Permits to Practice (FPTP)

Upon a motion by Mr. Lee, seconded by the Vice Chair, it was voted on and unanimously carried to ratify the following FPTPs:

Tracey A. Jelly	FPTP-1360
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Delegation to EO

The Board deferred this agenda item for further discussion.

Chapter 91, HRS
- Adjudicatory
Matters

In the Matter of the Certified Public Accountant's License of YURI SHIMAHARA; ACC 2022-27-L; Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Board's Final Order.

It was moved by Mr. Aratani, seconded by Mr. Roberts, and unanimously carried to approve the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Board's Final Order relating to the Matter of the Certified Public Accountant's License of YURI SHIMAHARA; ACC 2022-27-L.

Next Board

Friday, May 19, 2023, or May 26, 2023.

Meeting 8:30 a.m.
 TBA

The Chair announced the next meeting will be held in March, but the exact date is to be determined once Board quorum and conference room availability is confirmed.

Adjournment: The meeting adjourned at 9:34 a.m.

Reviewed by:

Taken by:

/s/ Leanne Abe

/s/ Hector West

Leanne Abe
Secretary

Hector West
Executive Officer

LA:hw

4/15/23

- Minutes approved as is.
- Minutes approved with changes. See minutes of _____.