

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

MINUTES OF MEETING

Date: Friday, September 29, 2023

Time: 8:30 a.m.

In-Place Meeting Location: King Kalakaua Conference Room
HRH King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii 96813

Members Present: Gary Y. Miyashiro, CPA, Chairperson (“Chair”)
Jon Arbles, CPA, Vice-Chairperson (“Vice Chair”)
Christopher K. Lee, CPA, Member
Zachary Johnson, CPA, Member
Alexander Smith CPA, Member
Isabella Gary, Public Member

Members Absent: Brian Uemori, Public Member

Staff Present: Hector West, Executive Officer (“EO West”)
Lee Ann Teshima, Executive Officer (“EO Teshima”)
Christopher Leong, Deputy Attorney General (“DAG Leong”)
Kai Cockett, Secretary

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 8:33 a.m.

Chair’s Report: **Announcements**
The NASBA Annual Meeting will be held October 29, 2023 – November 1, 2023, in New York, Vice-chair attending is tentative.

Approval of the Minutes of the July 28, 2023, Meeting

The Vice-Chair stated that the minutes are missing some context and is requesting that the July 28, 2023, minutes be amended.

Upon a motion by Mr. Lee, seconded by Mr. Johnson, it was voted on and unanimously carried to defer the minutes of the July 28, 2023, meeting as circulated.

National Association of State Boards of Accountancy (NASBA)

Exam Credit

- i. American Institute of Certified Public Accountants (AICPA) & Large CPA firms in the U.S. Support Initiative to Reinstate Credit to CPA Exam Candidates Lost During the 2020-2023 COVID-19 Pandemic.

ii. Status of Credit Period Decisions by Jurisdiction.
No action taken

iii. NASBA Recommendation for a One-Time Credit Relief Initiative.

Chair stated that this particular one is a NASBA recommendation to extend the period of credit to move to 30-months. He stated that there was a webinar held a few weeks ago, he's not sure who attended that, but it basically reiterated what was said in this memo in concerns to help us with a discussion whether we are going to extend the credit relief for the exam to 30-months and what our stance is. NASBA did provide this memo, if you're a Board that can do it en masse meaning they can just blanket everybody and give everybody the 30-month extension exam credits or in the jurisdictions that cannot adopt the mass, they kind of gave us warning on communication on how we can adapt to the general public. He thinks our jurisdiction is not adopting the masse. We've been doing it from case to case these last two years basically, we been giving extensions based on mostly the covid relief. The Board was giving six-month extension and twelve-month extensions. Basically, ever case that came through they just gave us their case and then the Board would approve or disapproved, but for the most part we were approving most, the Chair doesn't think its 100% but it was pretty close. So, in this initiative by NASBA to hold the 30-month extension, the Board can say they support it, but as far as changing the rules, in the last meeting it was discussed, and it was said it would be difficult. Although, the DDCA said if it's just a matter of change it might be fairly easy to get to.

EO Teshima stated rules can't be changed by January 2024.

Chair stated that if there is any action against it from us to approve that extension by twelve-months, we already have the eighteen-months extension rule.

EO Teshima stated that it might not be that clear of how many eighteen-month extensions you can grant, maybe you can grant up to thirty months if they come in with first extension, and they still have some kind of hardship that you are considering and that they come back again, and ask for some reason they may need more time and the Board grants another additional twelve months or whatever it is. It is on a case-by-case basis. If the Board change their rules, they are stuck with the thirty months, and every time NASBA changes it the Board would need to change their rules.

EO Teshima suggest the Board come with some kind of language based on NASBA's policies since they are the provider of the exam.

Chair stated that the memo from NASBA recommending the one-time credit relief initiative it kind of gives us guidance on communicating. It will be on the second page where it says, "Jurisdictions that CANNOT adopt en masse extensions for candidates". It's almost like a public announcement and they're giving us guidance, in that paragraph it says "In response to significant health, economic, education, and travel disruptions resulting in CPA Examination candidate hardships, the Board of Accountancy will consider individual (Chair emphasized on 'individual') candidate requests to extend credit periods through June 30, 2025, for CPA Examination

credits that expired from January 30, 2020 through May 11, 2023, which have not been subsequently replaced by new credits for the same sections". So basically, NASBA is giving us guidance in communicating, and in our case, it may not apply to us. Say if we say we are on board with the thirty-months, we may communicate that.

EO Teshima stated that she doesn't understand what the Board's position is, is the Board's position to go over the thirty-month extension?

Chair answered EO Teshima's question with a 'yes'. He thinks the Board talked about it in the last meeting. In general, the Board was on board in line for the thirty-months because otherwise it would misalign us with the other jurisdictions.

Mr. Lee stated just for clarification, it's not for the thirty-month extension, it's extending the eighteen-months to thirty-months. The maximum is thirty.

The Vice-Chair stated that this is two separate things, he wants to make sure it's not conflating. There's a document for a one-time waiver for any credits that expired through the covid period all the way through June 30, 2025. And what the Chair is talking about the thirty-month replacement is separate.

The Vice-Chair wants to make sure he understands. For example, if he takes the exam on January 31, 2020, he now has five and a half years of credit. So could be on 66 months holding on to his credit. The Chair stated that if he passed.

The Vice-Chair stated that he is concerned with how many people this might impact. Because it is retrospective in nature so we should be able to calculate what that combination might look like. Everyone that has come in front of the Board that asked for extensions, if the Board had denied any of them, this would go against the previous precedence that has been considered as well.

Chair stated that it does say that in paragraph on the 2nd page "NASBA can provide list of candidate information for those meeting the criteria". So, it is possible that they can grab that and to see what we might be dealing with.

EO Teshima asked if the Board wants to contact NASBA to see how many people in Hawaii this will affect. This won't only affect Hawaii people; this will affect everybody. We won't know how many people will be applying.

The Vice-Chair stated that obviously there is another logistical question that comes up, we don't have the thirty months at this point.

Chair stated that he guesses it would be to let the candidate know that we are open to any request for extensions. Should their credits expire, and they want to request for an extension, we are open to what NASBA proposes. We've been, for the most part, granting the extensions. So, it's more of informing the candidates that we are open to what NASBA is proposing.

The Vice-Chair stated that the Board has been granting extensions for anybody that asked. It is possible that maybe that somebody has been following the rules that did not ask may have reapplied to take the exams as their credits has expired. So, there

might be a population we are missing, that didn't ask, and they are incurring additional cost by doing this. In retrospective it might be kind of harder, but at least we can predict what is happening in a sense that we do know how many people are failing the exam.

EO Teshima stated what we can do is post an announcement and put it on the front of the application and note by NASBA so when they track those people, they can let them know as well that Hawaii has adopted through this period and also post an announcement on the website. We are trying to get the word out there. So, if someone files an application, the first thing they're going to see is the announcement.

The Vice-Chair asked if we could ask NASBA for list of all of the people who have taken the exam and receive credits from different sections for that period of time 1/2020 to 5/2023 and then we can compare them against the list of candidates that we approved for licensing, and we can see how many are impacted. Maybe we can get a better idea of how many people we are really talking about. And he guesses the legal question is, can we just send those people notifications that they need credits.

DAG Leong stated that he doesn't see any legal issue. We can ask NASBA for assistance.

The Vice-Chair stated that we should ask NASBA for a list of all the candidates that credits have expired.

Mr. Johnson stated he doesn't think the amount will influence his decision, if it affects one person, I'm for it.

Chair stated that overall, he supports that we try to get more candidates to get licensed. It is something to help the pipeline issues and make us more consistent in what everybody else is doing.

EO Teshima stated that she wants to clarify, we are only talking about during the covid extension, not permanent. And just to put it out there, talking about the pipeline, we are going to talk about at the November meeting, any possible legislation so that mobility bill will probably come up again next year. So, things like this could be looked at if we don't accept the 30-month extension as recommended by NASBA, a new restriction or some kind of way to keep people out, they can always twist around, things like this will affect components of this bill. If we adopt it fine, we're going with the flow. If we don't adopt, then they're going to have more ammunition to push that mobility bill. Just saying, they can use this against you. Although we don't want to adopt every national standard that comes along because we are now lining ourselves with the mobility bill or some kind mobility or compact. I'm just saying, little things like these will impact components for that bill.

The Vice-Chair stated that he agrees. He thinks to that point, if it helps one person, and if we're all on board, and without oversimplifying that, too much, some people are going to get 60 months of help and some people are going to get 24 months of help. Obviously, that's not the same thing. And that is his concern with it, how do we

get this to be more uniform? So why is June 30, 2025, the date? It is typical NASBA fashion. There isn't a ton of guidance as far as how they make their decisions. So, he thinks if we all are in agreement that he definitely wants to get more candidates and he does want to do that, but he thinks he has some concerns with 60 months and 24 months. Although there was recently that came up that national emergency, the public health emergency, ended on May 11, 2023, I do feel like it was back to normal for most of us probably sometime sooner than that. He just wants to make sure we are consistent in what we have done as far as previous extensions that we give. He doesn't think this is an issue that he would say no to not help people, he is just making sure we're consistent.

The Vice-Chair continues on, let's ask for more data from NASBA so we know what it is what we're getting into before we get all the way in. He thinks it will help the candidates, but if we don't get any data, we are just basically using 66 months 24 months, go for it, or whatever. He thinks there might be a way to target the population to be a little more consistent. Otherwise, it's just being done shotgun style, and everybody is getting hit with it.

Chair stated that we should request the data from NASBA. Our process right now accommodates this; it already does. We don't have to change anything to accommodate this. If a situation comes up where there is an extension request, we say we are following this because we are supporting it, but there is no rule change because the requests are coming in case by case. So, that kind of ends it on that. Now, making that decision, saying that it's for or against mobility, how will this affect it? As far as mobility is concerned, the reason why Hawaii is not in that mobility trade is just because we want them to give notice. Our Board and our DCCA staff just want everybody to let us know you're here. That may be oversimplifying it, but that's the reason they're pushing this mobility just by no notice no fees. That's how he understands it.

EO Teshima stated that maybe we don't discuss this right now.

The Vice-Chair stated that this is raising a good point that maybe we should get the list, so the Chair did his due diligence. You made an educated discussion based on the information that NASBA was willing to provide. So, we get a list, not sure if you would do anything. Eliminate anybody from that list from doing this 30-month, but whether they get 24-months, 10-months, whatever, just because you allow 18-months, doesn't mean that you're going to cut off somebody that has 24-month extension based on this 30-month extension. At the same time, you're making an educated decision based on more information, so if that mobility bill comes up and they point towards this discussion say we got all the data we could from NASBA. And at the same time, we still allow on a case-by-case basis anyone who came forward to make a request for an 18-month extension, your rules and your laws already grant that on a case-by-case basis, so you are covered. But she thinks that what the Vice-Chair is recommending maybe it is something we should do. Just so we have the information, we can provide documentation or proof that at this September 29th meeting the Board discussed this in detail and that we are going to request the list from NASBA. So, we will just defer it. Going back to Hawaii will adopt the 30-month extension, but I'm not doing that, so is this incorrect?

The Vice-Chair said yes, it says we voted on going with the 30-months.

EO Teshima stated that she will let it go for now, so you guys really go for the 30-month just for this covid thing and make sure it applies only to this covid thing and not permanent.

The Board deferred and will ask NASBA for the information.

Chair stated we will be moving on to agenda item 3b, 150-hour course credits. The information that is provided to us about the post graduate program as referred to as "ELE" – the Experience Learn and Earn program that they launched that went to a university. This is for our information. The Chair stated that there is no action item on this. They launched it, just for our information.

EO Teshima had a question, refresh her memory, "is the Board okay with lowering it to 120 or not"? And what was the reason? If the 30 credits are not related to accounting at all? Is it just any kind of 30-credits? Is that something that makes a CPA prospective person a well-rounded person because they took these extra elective courses?

Chair stated that he doesn't see this exclusively anywhere, but his opinion is that they are trying to elevate it to the health care industry and the new industry where they would have to do extra schooling to get their degrees. And he thinks it's the accounting profession way of trying to go one more year or to graduate school so they can pedal base the profession from an education standpoint. Again, this is the Chair's opinion.

EO Teshima asked if the person will still receive their degree if they only had the 120-credits?

Both the Chair and Vice-Chair said yes.

Mr. Johnson stated that it's either you get a master's degree, or you get bunch of undergraduate credits and graduate with 150.

EO Teshima asked if there is a study that shows if you get a master's degree you are a better accountant or CPA?

Chair stated back then it did have some research on that. It was pushed by the universities that it would make a difference if you passed the exam. That is kind of the background. Now 30 years later, it's kind of been a barrier than an assistance. NASBA is fighting hard to keep that in place because obviously they're the ones that proposed it.

EO Teshima stated that NASBA wants the 150-credits.

Chair stated yes, basically that would undermine them.

EO Teshima asked the Board if their okay with the 150-credits? Is there no compelling not too?

Chair drafted a response from the Board to the ACIPA that we should look at an option. Whereas to give the candidates an option, you could still go to graduate school and get your 30-credits, but why don't we give them an option to replace that with say 48-months experience.

Chair asked if any discussion on these agenda items by the Board members. There was none.

150-hour Course Credit

- i. AICPA and NASBA – Innovative Post-Graduate Program in Collaboration with Tulane School of Professional Advancement.

Chair stated that this is for our information only. No action on this item is needed. AICPA and NASBA launched it.

- ii. Request from Trevor Kaiama to Repeal Additional 30 College Credits

Chair stated that Trevor Kaiama submitted testimony, he thinks Trevor Kaiama is in that generation where it's always been the 150-credits, he's submitted testimony saying that we should repeal the 30-credits. This goes with the discussion we just had. The Chair that he thinks we will stick with the 150-credits for now.

EO Teshima asked what is the Boards response to Trevor?

Chair asked, do we have to give one?

EO Teshima stated yes, you do.

Chair stated the Board's response to Trevor is thank you for your testimony and they will consider it.

EO Teshima stated that Trevor has 120-credits and has worked 5 years, and he still can't get a CPA license.

Chair stated that Trevor mentioned that he will get the 30-credit additional credit though right now he is having financial hardship.

The Vice-Chair stated that in Trevor's last line of his letter he asked for the opportunity to testify, so maybe the Board can encourage him to testify, it would be nice to hear and get that on the minutes, in opposed to whatever his letter has stated, maybe ask him some questions, and see what his response is.

EO Teshima stated that Trevor's letter will be transposed into the minutes.

EO Teshima asked if the Board would consider putting in another pathway for licensure with 120-hours and more experience?

Chair answered that he would love to, but NASBA would be up in arms with that, they would have a whole army of people down to squash that.

The Vice-Chair stated that we will continue to monitor the situation and evaluate it if any facts change.

Chair stated that his response to Trevor is thank you for testimony and the Board will consider it, if you would like to testify in person, we're open to have you.

2024 Test Administration Schedule / Score Release Timeline

Chair stated the 2024 test administration schedule is for our information purpose. No comments.

Executive Officer's Report

Renewal Requirements and Post Renewal Audit

EO West reported on the following:

- i. HAR §16-71-2 Biennial renewal; continuing professional education in ethics or professional conduct.

EO West stated that November 6, 2023, to December 31, 2023, is when the renewals will be conducted. If you are a new CPA, also check online that you are also renewing your PTP, several people that got it online, they said they thought they were renewing their PTP as well, but they haven't.

- ii. HAR §16-71-33 Basic requirements of study hours. (For Permit-to-Practice)
- iii. HAR §16-71-45(b) Information Requirements - Random Audit

EO West reported that the state will be doing an audit, and the question is what month the Board is okay for. The last audit that was done was in March 2022 and they audited 153, that was about 10%.

EO West stated that EO Teshima realizes that you guys are very busy through tax season. The question is when would the Board propose the state do the audit? May 1st?

EO Teshima stated to clarify, we will send out the letter on May 1st. So, this is after, and you will have 60 days to respond. We will have the list ahead of time. We are thinking of sending out a reminder putting out the requirements to submit with a list of those who they will be randomly selected.

Chair stated that he doesn't think we should post a list of names we will be auditing.

EO Teshima asked why? If the people that are chosen to be audited fail to do so, they will be reported to RICO. If they fail to submit it by the deadline, they will be referred to RICO.

Chair stated he doesn't want the audit list to be released to the public. He would like it to be how we did it in the past. We can do just the random audit. Because for those who say if we recommend them to RICO, which always there's going to be, like in the past, there's always going to be a hand full. We do audit, and they can't

produce it and they just fuss up. He's not sure if once they go to RICO and they pay the fine, that it becomes public after.

EO Teshima stated that if there is a fine, it could end up in a settlement agreement, and now it will be part of their record.

The Vice-Chair stated he doesn't know if that is necessary. Their license is their responsibility, they need to take care of it. They will be notified of the audit.

EO Teshima stated that DCCA normally audits the Board members, show proof of your CE so you can just be comfortable when you need to discipline somebody who didn't meet the CE requirements.

EO Teshima stated that we won't post the names and that May 1, 2024, is good to start the audit process.

EO Teshima stated that when you get audited you will need to submit a copy of your completion certificate. A lot of people just write down the provider's number, if they do that, they will receive a deficiency notice. The renewal requirements are posted on the website.

Executive Session:

At 09:37 a.m., upon a motion by the Vice-Chair, seconded by Mr. Lee, it was voted on and unanimously carried to move into executive session.

At 10:08 a.m., upon a motion by the Vice Chair, seconded by Mr. Lee, it was voted on and unanimously carried to move out of executive session.

Applications

The Board may move into Executive Session in accordance with HRS §92-4 and §92-5(a)(1) and (4) "To consider and evaluate personal information relating to individuals applying for professional or vocational licenses cited in section 26-9 or both;" and "To consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities;" (Board will vote in Open Meeting.)

CPA License Applications

Upon a motion by Mr. Lee, seconded by the Vice-chair, it was voted on and unanimously carried to approve the following applications for CPA license one through seventeen; eighteen is deferred

Anita CAMARA
Victoria Ann FISHER
Dorothy Wei Yee WONG
William Edward BRICKEY
Troy Alan WASHKO
Donna Marie CARNES
Sean David CURRY
Alexander Tobias KOMATZ
Kiara Rhea BIANCHI
Kristin C FLATT

Amanda Lynette WARD
Koji KONDO
Aaron SCHMIDT
Kenrick Nathaniel WONG
Renner Charles FUJIHARA
Andreana See Yan AU
Lauren A NIKAIDO
Emi INOUE
Thy Huynh Ahn NGUYEN (Deferred to 11/23 mtg)

Ratification of CPA Permits to Practice (PTP)

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

Michael J Schwartz	CPA-6190
Jonathan Nguyen	CPA-6191
Lisa J Goecke	CPA-6111
Brian Michael Simmers	CPA-6184
Blake M Roe	CPA-6183

Ratification of Firm Permits to Practice (FPTP)

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

Perkins & Company, PC	FPTP-1374
Hahalua Accounting LLC	FPTP-1376
Hawaii Tax Consultant & CPA LLC	FPTP-1375
Gordon M Tom	FPTP-1377

Agenda to be amended to reflect the correct FPTP number for Gordon M Tom from FPTP-1375 to FPTP-1377.

Approval of Firm and Trade Names

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

NC & Associates, CPAS, Inc.
Hawaii K CPA, Inc.
Paula Marie Bruce CPA Inc.

Continuing Education Course(s) Approval

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

DOTAX

Next Board
Meeting

Friday, November 17, 2023.
8:30 a.m.
PVL Exam Room 330
335 Merchant Street, Third Floor

Board of Public Accountancy
Minutes of September 29, 2023, Meeting
Page 11

Honolulu, HI 96813

Adjournment: The meeting adjourned at 10:20 a.m.

Reviewed by:

Taken by:

/s/ Hector West

/s/ Kai Cockett

Hector West
Executive Officer

Kai Cockett
Secretary

HW: kc

09/30/23

- Minutes approved as is.
- Minutes approved with changes. See minutes of February 2, 2024 meeting.