

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

MINUTES OF MEETING

The agenda for this meeting was filed with the Office of the Lieutenant Governor as required by Section 92-7(b), Hawaii Revised Statutes (“HRS”).

Date: Friday, November 17, 2023

Time: 8:30 a.m.

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

Virtual: Virtual Videoconference Meeting – Zoom Webinar (use link below)
<https://dcca-hawaii-gov.zoom.us/j/81827858824>
Zoom Phone Number: (669) 900 6833
Meeting ID: 818 2785 8824

Zoom Recording Link: <https://youtu.be/S3cqOfLjlyY>

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
Wendell Lee, CPA, Member
Isabella Gary, Public Member

Members Absent: Brian Uemori

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

Guest(s): Erica Forhan
PU418TC
Yihua Cheng
Caleb Asher
Jacob De Leon
HK

Virtual Meeting Instructions: A short video regarding virtual meetings was played for attendees.

Chair provided information on internet and phone access for today’s virtual meeting. and announced that today’s meeting was being recorded and that the recording will be posted on the Board’s web page.

Call to Order: Chair took a roll call of the Board members.

After taking roll, quorum was established, and the meeting was called to order at 8:38 a.m.

Chair's Report: **Announcements**

Chair introduced new Board member Wendell Lee and Robert Kawahara who is not here at the moment.

Approval of Minutes **Approval of the July 28, 2023, and September 29, 2023, Open Session Meeting Minutes**

Chair asked if any members of the public would like to provide oral testimony on this agenda item. There was none.

Chair asked if there were any corrections or discussion of the open session minutes of the July 28, 2023, and September 29, 2023, meetings.

The Vice-Chair moved to defer the July 28, 2023, and September 29, 2023, open session minutes to the next Board meeting that will be held on January 19, 2024.

Upon a motion by the Chair, seconded by Christopher Lee, it was voted on and unanimously carried to defer the open session minutes of the July 28, 2023, and September 29, 2023, meeting.

Executive Officer's Report

Chair asked if any members of the public would like to provide oral testimony on this agenda item. There was none.

a. Legislative Session: January 17, 2024, to May 2, 2024

HB797 HD1 – from 2023 Legislative Session - RELATING TO OCCUPATIONAL LICENSURE

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 stated that the next Board meeting will be held on January 19, 2024. During this time, the Legislators will be meeting. It looks like we will be going through the same thing that we have been through which is the mobility issue. Last year this was denied by the Senate, it went to the House, and it was denied as well. It looks like they might propose something similar to the mobility bill, this is for the Board to think about what ideas they might want to present to the legislation.

Chair stated that the Board opposed this Bill, and they would take the same stance. EO Teshima stated that she compared the past Bills with the last Bill of this year, and they are different. She's not sure if your stance to remain the same is relevant. She needs the Board to really look at this Bill. If there are things in there that you don't like and want to see amended, then make recommendations to fix the Bill. This Bill is very different from

the past Bill. The Board can't use the same stance because it is different.

Chair stated that he did not have a chance to review the Bill. He suggests deferring this.

Wendell Lee stated that he knows the Board is against the Bill. Since he is new to this Board, he is asking what the reasons or concerns are towards this Bill.

Chair stated that it was on the mobility, and in general it was whether the department can monitor and regulate the licenses.

Mr. Johnson stated that the Bill is "no notice" "no fees". Out of State CPA's come in and don't have to pay.

EO Teshima stated that another concern was that there was no affiliation to "Firm Permit to Practice". That was an issue, that out of state CPAs can come into Hawaii and not be attached to a firm.

EO West stated that if the Board can have someone delegate to represent the Board to the legislature.

Chair stated that he will represent the Board.

The Vice-Chair stated that in the past, the Board submitted written testimony. He believes this is what we leaned on last year when this Bill came up. Since EO Teshima stated that the Bill is different, the Board will take a look at it to see what it states.

EO Teshima stated that this past year the legislation was hybrid. There are legislators, who want testifiers to be there in person. As EO's, they are required to be there. As a Board member, they can't make you attend in person. Someone represents the Board because of the way this Bill is written, or it is very technical. The new Bill leans towards the licensure and practice, which the EO's are not too familiar with, and will not be able to respond to questions. That's why they're asking if any of the Board members can be there. What they will be doing is reading the Board's testimony that they will be approving, and responding to any questions that the legislators may have. The Board members can attend virtual or in person.

b. State Warns of Deceptive "Certificate of Standing" Solicitation

EO West stated that a solicitation is being sent out to the public that is basically saying that they will be sending out certifications. It looks like it is coming from a Program or a Board. The address they ask for information to be mailed to is not to us (DCCA/PVL).

Chair wants to clarify that this is being sent to all PVL?

EO West stated that this being sent to anybody.

EO Teshima stated this going out to general businesses, not individual licensees. Those applying for PTP or FFTP will be affected by this.

License Renewal:

Chair asked if any members of the public would like to provide oral testimony on this agenda item. There was none.

a. General Questions on Continuing Professional Education ("CPE")

- i. **Do you think college credit hours can be replaced by NASBA accredited continuing professional education hours?**
- ii. **Wouldn't the narrower scope of CPE be better for licensing CPA's because it is industry specific, whereas college credits are too broad.**
- iii. **To be a licensed CPA, there is an additional 30 college credits that must be acquired before becoming licensed, but those credits do not have to be specified to the profession, it can be college credit on any subject. If this 30-college credit requirement is replaced by 30 months of experience to licensure, wouldn't that be better for the CPA industry?**

Chair stated that license renewal is coming up for 2023 for all CPA licensees. On the agenda, this was a topic that is signaling off from the last meeting. There's been some pipeline issues across the nation with CPAs. That's been the main topic of discussion across AICPA and NASBA. It was discussed in the last Board meeting about some states are looking for alternatives for licensure. After the last meeting, the Chair asked himself, what other alternatives do we have for licensure? Obviously, nationwide we have the standard. One of the hurdles of licensure across the state is the 30 credit hours. This has been a hot topic across the nation. A lot of times it comes back for discussion. The 30 credit hours are not accounting related or industry related. He thought of some questions, and looking at college credit hours and if there are any alternatives. One thing is, as a current CPA licensee, they take CPE's. Can a NASBA certified CPE be somehow transferred to the credit hours? Or maybe replacing the 30-hour credits with 30 months of experience in addition to the 24 months of experience. The Board previously discussed if they were to change the Rules it will create some waves. It is in our HRS just in the Rules. Chair is asking the Board to think about this because this is a nationwide issue. The AICPA introduced the ELE (Experience, Learn and Earn) program, where they coordinated with Tulane School of Professional Advancement to knock down the 30-hour requirement and replace it with on-the-job experience to make it easier for candidates to get licensed. The college cost has been prohibiting or the obstacle or the hurdle for a lot of pipeline candidates.

Wendell Lee stated he is an instructor at UH West Oahu. He also helps teach the CPA courses. UH West Oahu currently has 200 students in the accounting program, larger than UH Manoa. Our goal is to provide CPA candidates and have them become CPAs. What they are finding is, that they are losing that battle. The students from UH West Oahu were like him 40 years ago. First to go to school, working 40 hours a week at retail or hotels to get their education. When they get their job after they graduate, at a firm, government, or wherever it maybe, they are struggling. One, to find time to take the CPA exam. Two, 30 hours extra credits that they cannot afford. The students end up going to the community college where they take classes that has nothing to improve their ability to become a better CPA. If you can pass the National exam, whether you have zero credits or an extra hundred credits, to him you pass the standard. And that standard, as a professor, they take mock exams now, know what their kids are going to encounter. The rigor of the exams is much higher than when he took it a long time ago. He got his CPA before he got his masters. Being a CPA is an entry level profession. He really wants the Board to think about this hurdle that we're creating. The basic education's pipeline has dictated where we need to go. The standard is so much higher now. If these candidates can pass the exam and get a career, instead of saying "I can't afford it" or "I don't have the time". Thirty (30) credits are a lot; it's almost a masters. He has maybe one or two students out of forty that will pursue their masters.

Chair stated that he has staff that is working towards the 30-credit hour requirement. He spoke to some of his staff, asking when they take these extra 30 credits. What do they do? What they do is online classes at night, and they take an exam at the end. Which is similar to what a licensed CPA does for their CPE. That could be something the Board can look at. Can a CPE be qualified for credit hours? Or some kind of equivalency to educational CPE hours. Another thing he was looking at is the experience. Going back to the previous licensing, the 30-hour requirement wasn't there. The extra experience requirement was there. The experience was an additional two and a half years of experience through a certified license CPA, and then you can get licensed. There would be an undergraduate, extra experience, the exam, then you can get certified. It's not unlike what the AICPA is doing with ELE. He found it curious that the "experience" came back into the fold. Working for a firm an extra two and half years is a little more valuable and more cost effective because they are getting paid. Going down that route, there is an obstacle of NASBA and their mobility as far as going across states, and they are against it.

Mr. Johnson stated that the only challenge is that you're going against the national guys. The people who are going interstate. He's all for everything the Board has said. Though we do have to be cognizant of the people coming in from another state. They met those requirements. There might be some logistical issues from coming over state lines. We would be going against NASBA.

EO West stated since the Board is technically against the mobility, wouldn't the Board be pushing for the 120 credit hours instead of the 150 credit hours. It seems like the Board is for the 120 credit hours. Why does the Board need to consider NASBA in the Rules?

Chair answered, "it is about mobility and having the licensee be uniformed across the nation". Right now, we are standardized. He thinks that it is an issue, now we are faced against increasing pipeline, and increasing candidates. We do not have to be on the forefront on changing this, though it is something to consider.

The Vice-Chair stated that maybe split mobility out of the what the Board is discussing. Hawaii as a state, we have not adopted mobility, and that is fine. Nothing is wrong with that. One of the parts of mobility is that we do have a pathway here for people from out of state to come through, get licensed with our Board, and come through. Mobility is more of a technical issue. We still do have a lot of "out of state people" that are licensed in the state of Hawaii, somewhere close to 28%. Those people are already here operating under our current system. Mobility is something separate. He does agree with Wendell Lee as far as the reduction to back the 120 credit hours. Because that kind of what the prescribed degree is from the university. That is what you do to get your accounting degree. The additional 30 credit hours, and why we keep saying "additional" is because it is not really part of the bachelor's degree, that is an additional amount. The preparation for your bachelors when you come out should be that. Whether that creates mobility issues for anybody else in any other state that's up to them. For us, we need to do what's best for our state. He does disagree a little bit with the Chair as far as continuing professional education. Using the CPE credits is a little different because it's not as regulated as college courses. He stated that he would definitely lean on more experience. He believes that working for a public accounting firm, maybe not just somebody that currently has a permit to practice, but having that experience maybe be in public accountant as an alternative is something that could be considered as an option.

Chair stated that there is a posting on our website that has information about the CPE. There is a chart on that pdf that answers a question, "What kind of activity can be considered CPE and what constitutes one CPE hour?" There's a table there that converts college courses or academic hours to a CPE.

Chair stated that there is no action on this agenda item, though there might be a movement starting in regard to this agenda item.

iv. Inquiry from Audrey Abe – 20-hour CPE Requirement.

EO Teshima asked if Audrey Abe is present via zoom. She is not.

Chair reads Audrey Abe's email dated October 30, 2023:

"I currently have an active CPA license and was in the process of taking my CE courses due by 12-31-2023. I noticed that starting Nov. 27, 2021, there is a requirement that a minimum of 20 hours need to be earned within each calendar year. I have not taken any courses in 2022 unfortunately and was planning to complete the 80-hour requirement this year.

My apologies for this oversight. Are there any other options to meet the requirements for this renewal year?

Thank you for your time and consideration.

Mahalo, Audrey Abe"

EO West stated that Audrey Abe is asking for a response. What options does she have? She has to renew by December 31, 2023. The renewal says she must have 20 credits by the first biennial, and at least 20 by the second biennial. She doesn't have that.

The Vice-Chair suggested that the Board move into Executive Session to discuss the legal implications of Audrey Abe's request.

Executive Session:

At 9:13 a.m., upon a motion by Vice Chair, seconded by Mr. Smith, it was voted on and unanimously carried to move into executive session.

At 9:50 a.m., upon a motion by Mr. Lee, seconded by Mr. Johnson, it was voted on and unanimously carried to move out of executive session.

License Renewal:

Inquiry from Audrey Abe – 20-hour CPE Requirement.

Chair stated in response to Ms. Abe's inquiry, "the Board recognizes the issue raised in the email. The Board also realizes that the rule came into effect in 2021 and effective in this biennium. They also understand that the licensees will need time to come to comply with these requirements and they encourage all licensees to be mindful of these requirements going forward. EO West will reply to the candidate accordingly".

NASBA:

Chair asked if any members of the public would like to provide oral testimony on this agenda item. There was none.

NASBA's Candidate Care Concerns for 2023 Q3

Chair asked if there are any comments, questions, or inquiries on this agenda item. There was none. He stated that this is for our information only as far as the data on the candidate's testing.

CPA Score
Extension
Request

Chair asked if any members of the public would like to provide oral testimony on this agenda item. There was none.

a. Jenna Romberger – REG expires 11/30/2023.

Chair stated that this request is from Jenna Romberger. Ms. Romberger's REG expires on November 30, 2023. She is requesting for a twelve-month extension.

EO Teshima asked if Ms. Romberger stated why she is asking for an extension.

Chair stated that in Ms. Romberger's letter to the Board she referred to NASBA's announcement that they are moving to 30-months and that Ms. Romberger thought it was automatic. As far as the Board is concerned, they had this discussion at the last meeting that it was not automatic. And that the Board will consider an extension request on a case-by-case basis.

EO Teshima stated based on Ms. Romberger explanation of why she didn't study? Is the Board willing to grant Ms. Romberger six months or eighteen months extension?

Chair asked the Board if they are leaning towards an extension?

The Vice-Chair stated that Ms. Romberger requested a twelve-month extension.

Chair stated that based on what the Board has been doing with some of the extensions, for basically twelve-months, the Board has been approving them. Especially aligning with the Board's last discussion that they were leaning towards the 30-months that was recommended. He asked if anyone was proposed.

Upon a motion from Wendell Lee, seconded by Mr. Johnson, it was voted on and unanimously carried to grant the twelve-month extension for REG to Jenna Romberger.

Applications

Chair asked if any members of the public would like to provide oral testimony on this agenda item. There was none.

At 9:58 a.m., upon a motion by Vice-Chair, seconded by Christopher Lee, it was voted on and unanimously carried to move into executive session.

At 10:12 a.m., upon a motion by Vice-Chair, seconded by Christopher Lee, it was voted on and unanimously carried to move out of executive session.

Applications

Ratification of CPA Permits to Practice

Upon a motion by Vice-Chair, seconded by Christopher Lee, it was voted on and unanimously carried to ratify the following CPA Permits to Practice:

Paula M Bruce

CPA-6194

Anita Camara	CPA-6201
Amanda Lynette Ward	CPA-6207
Andreana S Y Au	CPA-6208
Kristin C Flatt	CPA-6215
Koji Kondo	CPA-6217
Victory O Ijegbai	CPA-6219
William E Brickey	CPA-6210

Approval of Firm and Trade Names:

Upon a motion by Vice-Chair, seconded by Christopher Lee, it was voted on and unanimously carried to approve the following trade names:

Troy A. Washko, CPA P.C.
Mark Hunsaker, CPA, LLC

CPE Sponsor Agreement

Upon a motion by Vice-Chair, seconded by the Christopher Lee, with the exception of MC Group Hawaii, Inc. it was voted on and unanimously carried to approve the following CPE Sponsor Agreements:

TRUSTA, An Accountancy Corporation
MC Group Hawaii, Inc.
Thomas Yamachika LLC dba Aloha State Tax (Renewal)
Tax Foundation of Hawaii (Renewal)
McEnerney Shimabukuro Okazaki & Fujita CPAs AAC (Renewal)
Professional Education Services, LLP (Renewal)
My-CPE LLC
EOS Accountants LLP

Upon a motion by Christopher Lee, seconded by Mr. Smith, it was voted on and unanimously carried to approve MC Group Hawaii, Inc. CPE Sponsor Agreement.

CPA License Applications

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

Tyler Joe COX
Ronald L FECHTNER
Kaimalie Mathew MAGARIFUJI
Trevor Sherman PETERSON
Patrick Stephen MALLOTT
Jacob Kalani DE LEON
Erika Louise EINFALT
Kelsey Ichiji KATAYAMA
Nathan Douglas VANDER HAMM
Songyi LEE
Greg Mathew STRIBOS
Jason AGUIAR
Caitlin SCHIEFELBEIN
James F HALLAT
Mariel A R VILLANUEVA
Bradford Lee HALL
Hui Jin KIM

Joshua KHO
Kenneth PUN
Yuwen HU
James OLIVER
Kevin JACOBS
Carla FREEMAN
Yihua CHENG

New Business: Chair asked if any members of the public would like to provide oral testimony on this agenda item. There was none.

Regulated Industries Complaints Office – Advisory Committee Membership

Upon a motion by the Ms. Gary, seconded by Mr. Smith, it was voted on unanimously and carried to approve the list for the Regulated Industries Complaints Office Committee Membership for Public Accountancy as amended.

Next Meeting: Date: Friday, February 2, 2024
Time: 8:30 a.m.
In-Person: PVL Exam Room
King Kalakaua Building, 3rd Floor 335 Merchant Street
Honolulu, Hawaii 96813
Virtual: Zoom Webinar

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 10:17 a.m.

Reviewed by:

/s/ Hector West

Hector West
Executive Officer

Taken by:

/s/ Kai Cockett

Kai Cockett
Secretary

HW: kc

01/23/24

[] Minutes approved as is.
[x] Minutes approved with changes. See minutes of February 2, 2024.