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Original: 2096

*House of Representatives*  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

November 13, 2000

John R. McGinley, Jr., Chairman  
Independent Regulatory Review Commission  
14th Floor, Harrisstown 2  
333 Market Street  
Harrisburg, PA 17101

Dear Chairman McGinley:

I am writing to inform you that the House Professional Licensure Committee held a meeting on November 13, 2000, and voted to approve Regulations 16A-422, 16A-555, 16A-557, 16A-623, and 16A-655.

The Committee also voted to take no formal action on Regulation 16A-7011 until final form regulations are promulgated. However, the Committee questions the use of the terms "application by examination" and "application by reciprocity." Since there is another examination fee listed, it gives the impression that there are two different examination fees. The Committee suggests that "licensure application fee" and "licensure by reciprocity" would be more appropriate terms.

Please feel free to contact my office if any questions should arise.

Sincerely,

A handwritten signature in cursive script that reads "Mario J. Civera".

Mario J. Civera, Chairman  
House Professional Licensure Committee

MJC/sms  
Enclosures

cc: David J. King, Chairman  
State Board of Certified Real Estate Appraisers  
Richard Sciorillo, Chairman  
State Board of Barber Examiners  
Thomas J. Baumgartner, CPA, Chairman  
State Board of Accountancy  
Robert H. Morrow, Chairman  
State Board of Examiners of Nursing Home Administrators  
James J. Irrgang, Chairman  
State Board of Physical Therapy  
Honorable Kim H. Pizzigrilli, Secretary of the Commonwealth  
Department of State

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INDEPENDENT REGULATORY REVIEW COMMISSION

## **Regulation 16A-555**

### **State Board of Accountancy**

**PROPOSAL:** Regulation 16A-555 amends 49 PA Code, Chapter 31, regulations of the State Board of Accountancy. The amendments would revise the current regulatory scheme for approving sponsors of continuing education programs for licensees.

Regulation 16A-555 is Final Rulemaking which was delivered to the Professional Licensure Committee on October 30, 2000. The Professional Licensure Committee has until November 19, 2000 to approve or disapprove the regulation.

**ANALYSIS:** The Board states that the proposed revisions would better enable the Board to monitor program sponsors' compliance with continuing education requirements. The amendments would require all previously approved program sponsors to apply for and obtain re-approval in order to maintain eligibility to offer continuing education programs after April 30, 2001, and to biennially renew their approval thereafter. The amendments are also designed to strengthen the procedures for initial program sponsor approval and withdrawal of approval, for which fees would be established. Program sponsors would become responsible for both the development and presentation of their continuing education programs. Comprehensive off-site reviews of selected program sponsors would be initiated. Program sponsors registered with the National Association of State Boards of Accountancy would be exempted from having to meet approval requirements.

The definition of "program developer" would be deleted from Section 11.1 (Definitions) since the Board intends to make the program sponsor responsible for developing as well as presenting a continuing education program. There are currently no fees charged to program sponsors. Section 11.4 (Fees) would be amended to add a fee of \$145.00 for initial approval and a fee of \$120.00 for biennial renewal of approval.

Section 11.64 lists the authorized sources for continuing education credit (e.g., national accounting organizations, colleges, universities, in-house programs) for licensees. This section would be amended to provide that beginning May 1, 2000, credit will be given only for courses offered by program sponsors who have been approved pursuant to new Sec. 11.69.1 (relating to approval of program sponsors). Section 11.65(a) prescribes the general criteria for continuing education programs. Sec. 11.65(b), which sets forth the current procedures for program sponsor

approval, and Sec 11.65(c), which provides for biennial renewal of program sponsor approval, would be revised and relocated to new Sec. 11.69.1.

New Sec. 11.69.1 would set forth the procedures for sponsor approval. In proposed form, it provided that approval of previously approved sponsors would expire on December 31, 2000. However, the Committee questioned whether a deadline of less than one year afforded sufficient time for approved program sponsors to seek re-approval. The Board estimated that one half of the approximately 2,000 currently approved sponsors would apply for re-approval. The Committee questioned whether the Board would be able to timely process that number of applications prior to the deadline. Finally, the Committee noted that there may be situations where a licensee, prior to December 31, 2000, signs up for a continuing education program to be given after that date. If the program sponsor has not been re-approved by the time the program is administered, how will credits earned by the licensee be affected?

In response to these concerns, the Board has extended the deadline for reapproval to April 30, 2001, and has streamlined the procedures for reapproval under Sec. 11.69(a). Applications will be routinely processed by Board staff and will not be reviewed or evaluated by the Board. Applications post-marked by April 30, 2001, but not processed until after that date will be considered timely filed. The Board will not deny continuing education credit to licensees who take courses after April 30, 2001, from previously approved program sponsors whose timely filed applications for reapproval are being processed by Board staff.

Individuals or entities who are members in good standing of the National Association of State Boards of Accountancy's National Registry of Continuing Professional Education Sponsors would be deemed to be approved sponsors. Subsection (c) would set forth the information that would be required on an approval application. Statements made in an application must be sworn to be true and correct to the best of the applicant's knowledge. Applications, except those submitted by a previously approved sponsor, would be reviewed by the Board's Continuing Education Committee. The committee will make recommendations to the Board for approval or disapproval. If the Board disapproves an application, written notice of the reasons for disapproval will be provided to the applicant, and the applicant may submit a revised application to address the Board's concerns. An approved applicant will be assigned a program sponsor number. Beginning January 1, 2004, program sponsors will be required to renew their approval by January 1 of each even-numbered year.

Current Sec. 11.70 sets forth the responsibilities of continuing education program developers. It is the Board's intention to make program sponsors responsible for program development, so the provisions of this section would be moved to Sec. 11.71 (Responsibilities of program sponsors). In addition to the responsibility of developing programs, program sponsors are required to be responsible for disclosures to prospective participants, selection and evaluation of instructors, limitations on program enrollments, adequacy of facilities, program evaluation, retention of records, certificates of completion, and promotional materials. Program sponsors who lack expertise in program development would be permitted to contract with other parties to assist in complying with program development requirements.

New Sec. 11.71.1 would subject program sponsors to off-site review of their continuing education programs to ensure compliance with the Board's continuing education regulations. The review would involve an in-depth audit of all course materials, documents and records maintained by the program sponsor. Sec. 11.72 would be amended to provide a procedure for the Board's withdrawal of sponsor approval, and to set forth the offenses for which sponsor approval would be withdrawn upon a finding of guilt.

**RECOMMENDATIONS:** It is recommended that the Professional Licensure Committee approve the regulation.

House of Representatives  
Professional Licensure Committee  
November 1, 2000