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INDEPENDENT REGULATORY REVIEW COMMISSION

333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

July 1, 2009

Samuel J. Stephenson, CPA, Chair
State Board of Accountancy
2601 North 3rd Street
Harrisburg, PA 17110

Re: Regulation #16A-5512 (IRRC #2759)
State Board of Accountancy
Biennial Renewal Fees

Dear Mr. Stephenson:

Enclosed are the Commission's comments for consideration when you prepare the final version of this regulation. These comments are not a formal approval or disapproval of the regulation. However, they specify the regulatory review criteria that have not been met.

The comments will be available on our website at www.irrc.state.pa.us. If you would like to discuss them, please contact me.

Sincerely,

Kim Kaufman
Executive Director
wbg
Enclosure

cc: Honorable Robert M. Tomlinson, Chair, Senate Consumer Protection and Professional
Licensure Committee
Honorable Lisa M. Boscola, Chair, Senate Consumer Protection and Professional Licensure
Committee
Honorable Michael P. McGeehan, Chair, House Professional Licensure Committee
Honorable William F. Adolph, Jr., Chair, House Professional Licensure Committee
Honorable Pedro A. Cortes, Secretary, Department of State

Comments of the Independent Regulatory Review Commission



State Board of Accountancy Regulation #16A-5512 (IRRC #2759)

Biennial Renewal Fees

July 1, 2009

We submit for your consideration the following comments on the proposed rulemaking published in the May 2, 2009 *Pennsylvania Bulletin*. Our comments are based on criteria in Section 5.2 of the Regulatory Review Act (71 P.S. § 745.5b). Section 5.1(a) of the Regulatory Review Act (71 P.S. § 745.5a(a)) directs the State Board of Accountancy (Board) to respond to all comments received from us or any other source.

Issues relating to the criteria of Fiscal impact; Need; and Reasonableness.

The CPA Law states, in part,

...If the revenues generated by fees, fines and civil penalties imposed in accordance with the provisions of this act are not sufficient to match expenditures over a two-year period, the board shall increase those fees by regulation, subject to review in accordance with the "Regulatory Review Act," such that the projected revenues will meet or exceed projected expenditures."

63 P.S. § 9.6(a) The Board is proposing fee increases that take effect with the January 1, 2010 biennial renewal. In the rulemaking submittal, the Board provided supporting documentation, including projections of revenues and expenditures.

House Professional Licensure Committee (Committee)

On June 16, 2009, the Committee voted to comment on this regulation. The Committee raised the following concerns:

- The Board should explain the rationale for increasing the biennial renewal fee by 122% for certified public accountants and by 25% for continuing education sponsors when other fees are not being increased.

- The Board should explain how it will maintain the projected revenue since the number of public accountants renewing licenses declines.
- The Board should explain its major cost centers and any significant increases in expenditures.
- The Board should explain its failure to increase fees for 18 years.

Pennsylvania Institute of Certified Public Accountants (PICPA)

PICPA commented, stating it is not clear in the documentation provided by the Board which programs and Board functions the fee increase addresses. PICPA believes that the Board's transition to electronic renewal and an electronic newsletter should save costs. PICPA asks the Board to more clearly articulate the need for the fee increases.

We will review the Board's responses to the Committee's and PICPA's comments as part of our determination of whether the final regulation is in the public interest.

Facsimile Cover Sheet



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INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

To: Tom Blackburn
Cynthia Montgomery
Agency: Department of State
Licensing Boards and Commissions
Phone: 3-7200
3-3394 (Cynthia Montgomery)
Fax: 7-0251
Date: July 1, 2009
Pages: 4

Comments: We are submitting the Independent Regulatory Review Commission's comments on the State Board of Accountancy's regulation # 16A-5512 (IRRC #2759). Upon receipt, please sign below and return to me immediately at our fax number 783-2664. We have sent the original through interdepartmental mail. You should expect delivery in a few days. Thank you.

Accepted by: _____

Pat Hippe

Date: _____

7/1/09