



# NJCPA

NEW JERSEY SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

November 12, 2024

TO: AICPA/NASBA Joint UAA Committee, AICPA Leadership and Board of Directors, NASBA Leadership and Board of Directors  
FROM: NJCPA Board of Trustees  
RE: Comments on AICPA and NASBA CPA Competency-Based Experience Pathway and Uniform Accountancy Act (UAA) Proposals

On behalf of the New Jersey Society of CPAs (NJCPA) and our 13,000 members, we are submitting comments in response to the AICPA and NASBA CPA Competency-Based Experience Pathway and Uniform Accountancy Act (UAA) proposals.

The accounting profession is facing a challenge and, potentially, a crisis if we do not both modernize and future proof the processes around licensure. Our position on the two proposals is based on feedback from a survey of NJCPA members conducted earlier this year. In the survey, nearly 80% of respondents said that they believe it would be beneficial to the profession to provide alternative pathways to certification where 150 hours is one option but not the only option.

We at the NJCPA support an alternative pathway to licensure but we have fundamental differences with the AICPA/NASBA proposal on how to get there. The basis of our recommendations is to ensure ease and to streamline the process to reduce barriers to licensure while supporting the rigor that is expected to enter the profession.

The two proposals were reviewed at the NJCPA Board of Trustees meeting on September 26. We support licensure with an additional year of experience instead of 30 credits but do not support the proposal's requirement that the first year of experience be done within the competency-based framework outlined in the proposal.

Under the AICPA/NASBA proposal, CPA license applicants can avoid the post-baccalaureate education requirement by completing 2,000 hours of work involving "accounting, attestation, compilation, management advisory, financial advisory, tax or consulting." The experience must be certified by a "CPA Evaluator." The proposed evaluation requirement, which does not apply to the one year of work experience now needed for a CPA candidate, seems onerous, unnecessary and ignores where states are heading on this issue. Specifically, our concerns are as follows:

- This language does not consider what is currently being proposed in a number of jurisdictions – that of the bachelor's degree and two years of experience.



- The addition of another set of standards, to be signed off on by a CPA Evaluator, adds an additional obstacle for candidates and employers with the potential to disproportionately impact small firms and companies. This burden could serve to discourage employers from assisting candidates and discourage accounting students from becoming CPAs.
- In a study based on a survey of attitudes among students, the Center for Audit Quality (CAQ) found that the 150-hour requirement posed a significant barrier for Black and Hispanic students, contributing to a steep decline in the entry of minority CPAs. State CPA societies and other organizations, as well as individual CPAs, have pledged to remove barriers to entry into the profession, but this “competency-based” requirement will certainly be considered an additional hurdle to licensure at a time when the profession is trying to attract more candidates.

We also do not support the draft UAA proposal to adopt a modified version of the current substantial equivalency system to provide for interstate mobility. Instead, we support the concept of “automatic mobility,” which provides mobility privileges to any person with a CPA license in any other state, so long as they have received a bachelor’s degree and have two years of experience, or earned 150 credit hours or master’s degree and have one year of general experience, and passed the CPA Exam.

The “automatic mobility” framework separates CPA mobility from strict licensing requirements, allowing flexibility to develop pathways that better align with the profession’s current needs. This approach is already used by several other states. Under this model, a CPA’s ability to practice across state lines is based on their licensure, regardless of the state or specific pathway. Additionally, this framework is adaptable and can easily accommodate future changes in licensure requirements.

The language proposed in the Competency-Based Experience Pathway and Uniform Accountancy Act proposals does not give enough consideration to what is happening in various states. Furthermore, to some extent it replaces the 150-credit-hour hurdle with another hurdle. As a membership organization, we would be doing a disservice to our members to support such language without the changes detailed above.

After two years of reviewing our options, the NJCPA intends to introduce legislation in 2025 to add a pathway for licensure that does not require 150 hours of education. Our proposal will include language intended to ensure continued practice mobility for out-of-state CPAs practicing in New Jersey as well as the addition of a licensure pathway requiring passage of the CPA Exam, a baccalaureate degree with an accounting concentration and two years of experience in accounting.

Thank you for affording us the opportunity to provide comments on these important issues.

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