



March 13, 2025

Re: SF1536 (Rasmusson) Certified public accountants required education and experience standards modification and licensed public accountants reciprocity establishment.

Dear Chair Xiong and Members of the State and Local Government Committee:

On behalf of the League of Minnesota Cities (LMC) and the Association of Minnesota Counties (AMC) we write to express our support for SF1536 (Rasmusson), which would create additional pathways to licensure for Certified Public Accountants.

In recent years, the number of CPAs in Minnesota has steadily declined. A significant barrier to the CPA licensure process is the added expense incurred by students to meet the credit requirement, which makes it a difficult major when compared to other similar fields of study that may provide higher wages while also requiring a lower credit accrual threshold. This workforce shortage has resulted in accounting firms struggling to fill open positions and therefore reduce their client base, which has caused cities to be dropped as clients by their auditors due to lack of capacity. Additionally, as the supply of auditors becomes more stressed, the cost of an audit has increased substantially, with a negative impact to city and county budgets. An important reminder, cities and counties have annual audit obligations that necessitate the use of both public and private auditing services. In addition, cities that do not meet audit requirements risk losing Local Government Aid, which can have a negative financial impact and ultimately result in increased property taxes.

Due to the decreasing number of CPAs in the state, cities and counties have also had difficulty in finding qualified candidates to fill finance director positions. As our communities continue to grow and evolve, the need for skilled financial professionals to support cities in their financial planning, reporting, and decision-making has never been greater. Expanding licensure pathways would not only help meet the growing demand for these professionals but also ensure that a diverse range of individuals can pursue the career of being a CPA.

We are grateful to Sen. Rasmusson for bringing this legislation forward. Thank you for your consideration of the League's support for SF1536.

Sincerely,

A handwritten signature in black ink that reads 'Owen Wirth'.

Owen Wirth  
League of Minnesota Cities

A handwritten signature in black ink that reads 'Matt Hilgart'.

Matt Hilgart  
Association of Minnesota Counties