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<https://boa.state.mn.us/>

**AT A GLANCE**

- 9 Board members appointed by the Governor; 2 are non-CPA public members
- 6 employees at full staffing

In FY 2021-22, the Board:

- Renewed over 17,500 certificates and firm permits annually
- Received 978 applications for CPA licensure
- Evaluated and issued 920 new and reciprocal individual licenses
- Issued 130 new firm permits
- Investigated 188 new complaints

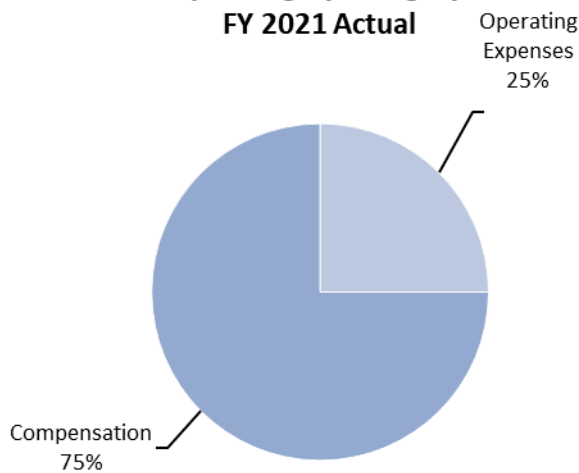
**PURPOSE**

The mission of the Minnesota Board of Accountancy is to protect the public through the regulation of the practice of accounting by Certified Public Accountants, Registered Accounting Practitioners, and others in Minnesota by:

- Ensuring that those entering the practice meet standards of competency by way of education, experience, and examination;
- Establishing standards of practice for those certified or registered to practice;
- Requiring that anyone practicing or offering to practice accounting be certified or registered and continue to maintain their professional competence; and
- Enforcing the laws, rules, and standards governing the practice of accounting in Minnesota in a fair, expeditious, and consistent manner.

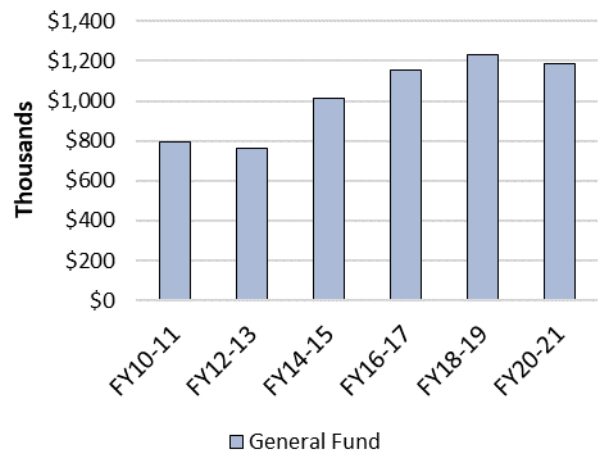
**BUDGET**

**Spending by Category  
FY 2021 Actual**



Source: Budget Planning & Analysis System (BPAS)

**Historical Spending**



Source: Consolidated Fund Statement

The Board’s budget is funded through General Fund appropriations. The total FY22-23 biennial budget is \$1,386,000. The Board collects application and licensure fees which are deposited in the state’s General Fund.

## STRATEGIES

To accomplish its mission, the Board uses the following strategies:

1. **Regulatory** – Collaborating with the National Association of State Boards of Accountancy (NASBA) on consistent standards for examination, licensure, and enforcement. Evaluating applications to ensure that those entering professional practice have completed the required education, examination, and experience.
2. **Enforcement** – Investigating complaints and taking action against licensees and unlicensed individuals who violate the Board’s statutes and rules. Removing individuals from practice when necessary. Exchanging enforcement data across jurisdictions. Providing public access to license status, discipline history, and the complaint process. Ensuring that the Board’s statutes and rules are up-to-date and understandable.
3. **Outreach and Education** – Providing information to Minnesota citizens, legislators, other state agencies, schools, professional societies, and NASBA about the value of licensure and the requirements of competent practice.

The Board of Accountancy contributes to creating a thriving economy that encourages business growth and employment opportunities by:

- Issuing permits to firms and licenses to individuals who practice public accounting; ensuring that those individuals and firms comply with statutes, rules, and accounting and auditing standards; and contributing to a stable and secure financial network;
- Ensuring that statutes and rules reflect the minimum standards to protect the public; and
- Updating statutes and rules to remove unnecessary barriers to licensure and certification.

The Board contributes to providing efficient and accountable government services by:

- Responding quickly and professionally to applicants, licensees, certificate holders, and the public;
- Providing education and information to the public, students, and licensees; and
- Thoroughly and efficiently investigating complaints and taking enforcement action when appropriate.

The Board strives for equity in licensure and certification by:

- Ensuring that standards for Minnesota residents are not easier or harder to achieve than standards for those already licensed or certified in another state transferring to Minnesota;
- Consistently applying the statutes and rules to all applicants, licensees, and firms; and
- Using plain language on application forms and in administrative rules.

## RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Average business days to process online renewal applications	1.2	1.1	FY 19-20 & FY 21-22
Quality	Average days to licensure (individuals)	12	11	FY 19-20 & FY 21-22
Quality	Average days to licensure (firms)	16	20	FY 19-20 & FY 21-22
Quality	Average days to resolve a complaint	68	69	FY 19-20 & FY 21-22

The Board of Accountancy’s legal authority comes from M.S. §214.01 and M.S. §326A.

<https://www.revisor.mn.gov/statutes/cite/214.01>

<https://www.revisor.mn.gov/statutes/cite/326A>

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<b><u>Expenditures by Fund</u></b>								
1000 - General	584	605	658	728	706	700	846	861
<b>Total</b>	<b>584</b>	<b>605</b>	<b>658</b>	<b>728</b>	<b>706</b>	<b>700</b>	<b>846</b>	<b>861</b>
Biennial Change				196		20		321
Biennial % Change				17		1		23
Governor's Change from Base								301
Governor's % Change from Base								21

**Expenditures by Program**

Accountancy	584	605	658	728	706	700	846	861
<b>Total</b>	<b>584</b>	<b>605</b>	<b>658</b>	<b>728</b>	<b>706</b>	<b>700</b>	<b>846</b>	<b>861</b>

**Expenditures by Category**

Compensation	418	453	495	486	486	486	626	647
Operating Expenses	165	152	163	238	216	210	216	210
Other Financial Transaction	0	0	0	4	4	4	4	4
<b>Total</b>	<b>584</b>	<b>605</b>	<b>658</b>	<b>728</b>	<b>706</b>	<b>700</b>	<b>846</b>	<b>861</b>

**Full-Time Equivalent**

	<b>4.97</b>	<b>5.07</b>	<b>5.81</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>7.00</b>	<b>7.00</b>
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(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<b>1000 - General</b>								
Balance Forward In		123		30				
Direct Appropriation	694	675	688	698	704	698	844	859
Open Appropriation					2	2	2	2
Transfers Out		45						
Cancellations		148						
Balance Forward Out	110		30					
<b>Expenditures</b>	<b>584</b>	<b>605</b>	<b>658</b>	<b>728</b>	<b>706</b>	<b>700</b>	<b>846</b>	<b>861</b>
Biennial Change in Expenditures				196		20		321
Biennial % Change in Expenditures				17		1		23
Governor's Change from Base								301
Governor's % Change from Base								21
Full-Time Equivalents	4.97	5.07	5.81	6.00	6.00	6.00	7.00	7.00

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
FY2023 Appropriations	698	698	698	1,396
<b>Base Adjustments</b>				
All Other One-Time Appropriations		6		6
<b>Forecast Base</b>	<b>698</b>	<b>704</b>	<b>698</b>	<b>1,402</b>
<b>Change Items</b>				
Maintain Current Service Levels		20	41	61
Additional Staffing		120	120	240
<b>Total Governor's Recommendations</b>	<b>698</b>	<b>844</b>	<b>859</b>	<b>1,703</b>
<b>Open</b>				
<b>Fund: 1000 - General</b>				
<b>Base Adjustments</b>				
November Forecast Adjustment		2	2	4
<b>Forecast Base</b>		<b>2</b>	<b>2</b>	<b>4</b>
<b>Total Governor's Recommendations</b>		<b>2</b>	<b>2</b>	<b>4</b>
<b>Revenue Change Summary</b>				
<b>Non-Dedicated</b>				
<b>Fund: 1000 - General</b>				
Forecast Revenues	1,641	1,641	1,641	3,282
<b>Total Governor's Recommendations</b>	<b>1,641</b>	<b>1,641</b>	<b>1,641</b>	<b>3,282</b>

# Board of Accountancy

## FY 2024-25 Biennial Budget Change Item

### Change Item Title: Maintain Current Service Levels

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	20	41	41	41
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	20	41	41	41
<b>FTEs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Recommendation:

The Governor recommends additional funding of \$20,000 in FY 2024 and \$41,000 in each subsequent year from the general fund to maintain the current level of service delivery at the Board of Accountancy (the Board).

### Rationale/Background:

Each year, the cost of doing business rises—employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For the Board, the following efficiencies have been implemented to help offset rising operating costs:

- Collaborating with the National Association of State Boards of Accountancy on consistent standards for examination, licensure, and enforcement
- Staff and resource sharing agreements with the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design

However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes.

For the Board, operating cost pressures exist in multiple categories—increases in compensation and insurance costs at the agency, increasing costs to maintain our current staff compliment in a challenging labor market, and increasing IT costs. If an operational increase is not provided, the services the Board delivers to Minnesotans will be impacted. Some examples of potential impacts include:

- Delayed issuing and renewal of certificates and firm permits
- Decreased capacity to investigate complaints of misconduct
- Delayed processing of CPA licensure applications and individual licenses

### Proposal:

The Governor recommends increasing agency operating budgets to support maintaining the delivery of current services. For the Board, this funding will cover anticipated employee compensation growth, cost increases in IT services, and other operating costs.

### Results:

This proposal is intended to allow the Board to continue to provide current levels of service and information to the public.

# Board of Accountancy

## FY 2024-25 Biennial Budget Change Item

### Change Item Title: Additional Staffing

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	120	120	120	120
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	120	120	120	120
<b>FTEs</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

### Recommendation:

The Governor recommends additional funding of \$120,000 in FY 2024 and each subsequent year from the general fund for a full-time State Program Administrative (SPA) position dedicated to the licensing and permitting work for the Accountancy Board (the Board).

### Rationale/Background:

The Board meets its current level of service by means of interagency agreements. The other agency needs to reduce those agreements in order to meet its own service standards. The Board needs an individual designated to oversight, improvements, innovations, and training in its licensing area, ensuring procedures, rules, and statutes are followed and procedures updated to reflect current rule and statutes and processes keep up with current technologies. The individual would also assist with the processing of applications. An existing SPA position, originally designated/intended to be investigative/enforcement support, would be restored to that role full time.

The outcome will better service to the public in the areas of enforcement/public protection and licensure/permitting.

### Proposal:

The Board proposes adding one (1) FTE SPA to the existing staff of 5.5 FTE (2 OASI, 1 SPA, 1 SPA1, 1 MA2, and Executive Director .5). The position meets the dual objective of maintaining a strong standard of licensure service while increasing the efficiency of and efforts in enforcement and compliance. It also provides for changing technology requirements and demands from licensees and the public in terms of how services are rendered.

The Board would add the position immediately upon completion of the normally required finance and human resource steps.

### Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No



**Results:**

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	CPE audits	149	160	FY20/FY22
Quantity	Complaint Cases (unrelated to auto revocation) Opened	277	230	FY20/FY22
Quality	Average days to licensure (individuals)	12.1	10.65	FY20/FY22
Quality	Average days to licensure (firms)	16	19.5	FY20/FY22
Quality	Average days to resolve complaints	77	77	FY20/FY22

Results should result in increased audits for CPAs compliance with CPE required to maintain competency to practice; more ability to address and investigate complaints; quicker turn on licensing applications; improvements to the tools used by the public and licensees for interacting with the Board; and general responsiveness improvements.