



Pennsylvania Institute of Certified Public Accountants

(PICPA)

Testimony

by

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to

House Professional Licensure Committee

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Good morning, Chairman Burns, Chairman Metzgar, and members of the House Professional Licensure Committee. On behalf of the Pennsylvania Institute of Certified Public Accountants (“PICPA”), thank you for the opportunity to provide testimony in support of legislation to permit licensed professionals in Pennsylvania to receive advisory opinions from licensing boards and commissions concerning the meaning or interpretation of an act or regulation pertaining to the licensees.

My name is Jennifer Cryder. I am a CPA and the chief executive officer of the PICPA. Prior to joining PICPA I was in public practice for fifteen years. I first joined the PICPA in 2015 as the Chief Financial Officer and in July 2021 I was named its CEO. It’s my honor to speak on behalf of CPAs in Pennsylvania because I have been where they are – I’ve served clients in public accounting and been a CFO for many years. CPAs in Pennsylvania are in critical need of the ability to seek advisory opinions from the State Board of Accountancy so that they can continue to power trust, growth and opportunity for families and businesses across the Commonwealth.

The PICPA is a professional CPA association of about 20,000 members working to improve the profession and serve the public interest in Pennsylvania. Founded in 1897, the PICPA is the second-oldest CPA organization in the United States, as well as one of the largest. Membership includes practitioners in public accounting, education, government, and industry.

I am honored to present this testimony in support of House Bill 1364, sponsored by Rep. Keith Greiner. This legislation would permit licensed professionals to receive advisory opinions from licensing boards concerning the meaning or interpretation of an act or regulation that pertains to the licensee. Previous iterations of House Bill 1364 have passed the state House in each of the past two legislative sessions. House Bill 1566 in 2019 and House Bill 325, which passed unanimously, in March 2021. Passage of the current bill is essential for ensuring a robust and effective regulatory framework that supports the professional development and success of licensees while promoting public safety and consumer protection.

CPAs often encounter complex legal requirements in their practice, making it challenging to interpret and apply licensing regulations accurately. By providing access to advice and guidance from licensing boards, professionals can obtain clarification on the meaning or interpretation of statutes or regulations that directly impact their work. This, in turn, can prevent misunderstandings and ensure compliance with regulatory standards.

In my role, I often speak with students who want to join the CPA profession. Because of the confusion and complexity surrounding the licensing process in Pennsylvania, often they will pursue licensure in another state. Likewise, I interact frequently with colleges and universities that want to build “work and learn” or apprenticeship programs here in Pennsylvania. Such programs are a significant investment on the part of the college or university, but crucial to developing the future-ready workforce that will be needed to serve families and businesses in Pennsylvania. Colleges and Universities have been to date unwilling to build out these programs for the CPA profession because of their inability to seek guidance from the State Board of

Accountancy. This legislation would go a long way to attracting and retaining the best talent here in Pennsylvania.

Access to guidance and advice from licensing boards can contribute to the ongoing professional development of licensees. By understanding the intricacies of regulations and receiving timely feedback on compliance issues, professionals can enhance their knowledge and skills, thereby improving the quality of services they provide to the public.

A regulatory authority's primary responsibility is to protect the public, but it also has an obligation to those who are regulated to be fair and transparent. Advisory opinions also play a crucial role in protecting the rights of licensees. When licensees have access to an advisory opinion, they can make better, more informed decisions about their legal rights and options. This empowers licensees to challenge seemingly unfair or arbitrary regulatory decisions and seek redress if they believe their rights have been violated.

As an analogy for what is being proposed, the Pennsylvania Department of Revenue provides private letter rulings, issued at the discretion of the department by its Office of Chief Counsel, that advises a taxpayer of the department's application of tax laws to a specific factual situation unique to the taxpayer. Only the taxpayer to whom a private letter ruling is issued may rely on the explanation received. Private letter rulings were designed to provide guidance regarding the department's interpretation and application of tax laws, not to make findings of fact. They also have a limited lifespan and application. A letter ruling has a term of five years, during which a taxpayer may rely on the explanation. Other taxpayers may not rely on a letter ruling issued to another taxpayer, even if the facts are identical to those described in the letter ruling. This may be a good model to emulate.

Ensuring that licensed professionals have a clear understanding of regulatory requirements is paramount to protecting public safety and consumer interests. When professionals receive accurate advice from licensing boards, they can uphold high standards of practice, thereby safeguarding the well-being and trust of their clients.

By providing a direct channel for licensed professionals to seek advice, this legislation will streamline the regulatory compliance process and lead to greater efficiency in resolving compliance-related queries and concerns. Passage of this bill will help ensure that licensees can focus on delivering high-quality services without unnecessary regulatory burdens.

In conclusion, I urge the Committee to support House Bill 1364. By permitting licensed professionals to receive advice from licensing boards concerning the meaning or interpretation of an act or regulation pertaining to the licensee, we can promote regulatory compliance, public safety, and professional development. This will benefit licensees, consumers, and the broader economy.

Thank you for considering my testimony, and I am available to answer any questions you may have.