

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 11:40 on March 29, 2006 in Room 234-N of the Capitol.

All members were present except:

Jim Barone- excused

David Wysong- unexcused

Committee staff present:

Helen Pedigo, Revisor of Statutes

Jackie Lunn, Committee Secretary

Conferees appearing before the committee:

Representative Steve Brunk

Jill Ochs-Wichita State University Graduate School

Diane Gjerstad-Wichita Public Schools

Susan Somers-Kansas Board of Accountancy

Tony Scott-Kansas Society of Certified Public Accountants

Others attending:

See attached list.

Chairperson Brownlee called the Committee's attention to **HB 2928-Leave from employment for victims of domestic violence or sexual assault** and stated there were concerns with this bill by the Republican caucus. She stated the Committee needed to rework the bill. Chairperson Brownlee recognized Senator Wagle. Senator Wagle stated she had concerns with the bill and feels that they need to look at the Federal law and the Family Leave Act to see if it includes domestic abuse. Senator Jordan joined the discussion stating that there were legal questions regarding the bill.

Chairperson Brownlee stated the Committee could consider another part to the bill which came from the Secretary of State. Chairperson Brownlee introduced Melissa Wangeman, Legal Counsel for the Secretary of State's Office to explain the amendments the Secretary of State is offering on **HB 2928**. (Attachment 1) Ms. Wangeman explained the changes offered in the language on Pages 5, 6, and 7 of the bill. The charges are listed below:

-Page 5 is a cleanup on language.

-Page 6, line 14, additional language is added after person, "and adult family member residing with the victim".

-Page 6, line 30, additional language is added after made; "or (iii) that by virtue of living with an enrolled program participant, the applicant fears that the knowledge or publication of the applicant's whereabouts would put the enrolled participant in danger;".

-Page 6, line 39 (5) reads as follows: "Evidence that the applicant or the minor or incapacitated person on whose behalf the application is made, is a victim of domestic violence, sexual assault, trafficking or stalking, or is an adult family member residing with the victim. This evidence may include any of the following:

(A) Law enforcement, court or other federal, state or local government records or files;

(B) Documentation from a public or private entity that provides assistance to victims of domestic violence, sexual assault, trafficking or stalking;

(C) Documentation from a religious, medical or other professional from whom the applicant has sought assistance n dealing with the alleged domestic violence, sexual assault, trafficking or stalking.

(D) Other forms of evidence as determined by the secretary.

(6) A statement of whether there are any existing court orders involving the applicant for child support, child custody or child visitation and whether there are any active court actions involving

the applicant for child support, child custody, or child visitation, the name and address of legal counsel of record and the last known address of the other parent or parents involved in those court orders or court actions”.

-Page 7, line 7 added a section (d) Upon certification in the program in any case where there are court orders or court actions identified in (a) (6), the secretary of state shall, within 10 days, notify the other parent or parents of the address designated by the secretary of state as agent for purpose of service of process. The notice shall be given by mail, return receipt requested, postage prepaid, to the last known address of the other parent to be notified. A copy shall also be sent to that parent’s counsel of record.

**Upon the conclusion of Ms. Wangeman’s explanation, Senator Kelly made a motion to move the amendment from the Secretary of State. Senator Emler seconded. Motion Carried.**

**Senator Wagle made a motion to make a substitute bill leaving the language for the Secretary of State’s Office as amended and send the other issue to the Joint Committee on Economic Development. Senator Kelly seconded. Motion carried.**

Chairperson Brownlee opened the hearing on **HB 3004-Qualification for admission to examination for licenser as CPA; advance placement courses**. Chairperson Brownlee called on Helen Pedigo from the Revisor’s Office to explain the bill. Ms. Pedigo stated **HB 3004** would amend the educational requirements for an applicant to take the examination of the Board of Accountancy so that when determining whether an applicant has completed the necessary course work, the Board would be required to recognize any academic credit granted for advance placement examination grades earned by an applicant toward an academic degree. The bill also would require recognition of any academic credit granted for successfully completed tests as long as that credit was applicable to an academic degree, under rules and regulations of the Kansas Board of Regents. These rules and regulations would govern credit by examination for CLEP and DANTES tests that have been accepted by the post secondary educational institution at which the candidate obtained an accounting degree.

Chairperson Brownlee introduced Representative Steve Brunk to give his testimony as a proponent of **HB 3004**. Representative Brunk presented written testimony. (Attachment 2) Representative Brunk stated the Committee will be hearing from one student, one outstanding student, who has successfully completed some AP courses, has graduated from an accredited Kansas college, has 156 accredited hours, is ready and well prepared to enter her professional life, only to be frustrated by a Kansas Government that does not recognize the very AP classes that we are prompting. He further stated the Board of Accountancy has guidelines for individuals that desire to take the CPA exam. Those guidelines include 150 education hours from an accredited University, including rigorous accounting standards. They rely on the universities to teach, monitor and grade those who would ultimately seek to become a C.P.A. They want to make sure that an applicant knows the required material. Kansas Law allows a student to take college level courses, which are called Advanced Placement classes, (AP) and receive college credit hours toward a degree. Currently, even though our law allows it and the universities promote AP classes, the Board of Accountancy’s guidelines don’t allow for it. He stated this bill would allow the Board of Accountancy to recognize AP classes. In closing, Representative Brunk stated that the language possibly needed to be cleaned up and he was ok with removing the language added by the House.

Upon completion of Representative Brunk’s testimony there was discussion with the Committee. Senator Schodorf entered the discussion and asked if this bill is passed would it be retroactive. Representative Brunk stated any AP classes would be recognized. Senator Brownlee asked Representative Brunk if he would be ok if CLEF and DANTE were removed from the bill. Representative Brunk stated he did not have a problem with that.

Chairperson Brownlee introduced Jill Ochs, a graduate student at Wichita State University to give her testimony as a proponent for **HB 3004**. Ms. Ochs presented written testimony. (Attachment 3) Ms. Ochs stated she had taken AP classes for college credits while she was still in high school. She has graduated from Wichita State University and is now working on a master’s degree in accounting. Her transcript includes 156 college hours. Of these, 14 are credits from AP classes she took while

attending high school. The Board of Accountancy, upon a deficiency review, determined these classes did not count towards the legislative requirement of 150 college hours in order to sit for the CPA exam. AP classes are college level courses required to be taught by instructors with advanced degrees excelling in their field of study with college textbooks and exams. She stated these classes are recognized by both Wichita State University and the Kansas Board of Regents as semester hours completed towards receiving her 126-semester hour degree. She stated she had followed everything the Board of Accountancy asked her to do. She asked for a review of her transcript and petitioned the Board to reconsider their decision on this matter. In closing, she urged the Committee to accept this bill allowing AP course work to be considered college semester hours in the same way the Kansas Board of Regents and all state universities do.

Upon completion of Ms. Ochs testimony there was discussion with the Committee. Senator Emler asked Ms. Ochs when she first became aware that her AP credits were not acceptable to the Board of Accountancy. Ms. Ochs stated she became aware in January of this year. Senator Brownlee asked if she had taken the AP exam and if she had a high score. Ms Ochs stated she took the AP exam and did score high.

Chairperson Brownlee introduced Diane Gjerstad representing the Wichita Public Schools to give her testimony as a proponent for **HB 3004**. Ms. Gjerstad did not present written testimony. Ms. Gjerstad stated she contacted the Wichita Public Schools Counseling Department and asked if they had heard of an organization or group that did not accept the AP class credits. They stated no. Ms. Gjerstad stated AP is a national organization and they set their curriculum nationally. They are only taught by teachers that are master levels at the high schools. They use the same books that are used at the universities. She also called the College Board and asked if they had ever had a problem with this issue. The College Board was surprised to hear there was an issue with AP classes not being recognized as college credits. Ms. Gjerstad believes AP classes should be accepted and this bill should be passed out in the cleanest form possible.

Chairperson Brownlee introduced Susan Somers, the Executive Director of the Kansas Board of Accountancy to give her testimony as an opponent on **HB 3004**. Ms. Somers presented written testimony. (Attachment 4) Ms. Somers stated **HB 3004** originated out of a student who, in her last semester of graduate school, requested a pre-evaluation of her college transcripts for eligibility to sit for the CPA exam. The Board determined she did not meet the educational requirements. K.S.A. 1-302a requires 150 hours of course specific education obtained at a college or university recognized by the Board in order to sit for the CPA exam. The Board interprets the law to successfully complete the course work at a college or university and therefore, would not include AP classes as course credits. The candidate requested reconsideration of the pre-evaluation from the Board and the Board denied her request based upon the interpretation of the law. She stated that **HB 3004** will require the Board of Accountancy to accept all courses, whether actually taken or tested out of, to qualify to sit for the exam, regardless of the type of course or the number of hours obtained through some method other than actually taking the course. She also stated in December of 2005, the Board of Accountancy formed a task force to meet this summer and fall, to look at all of its rules and bring forth a bill package to the legislature in 2007. In closing, she strongly urged the Committee not allow the bill to continue through the legislative process.

Upon the conclusion of Ms. Somers' testimony the Committee entered into a discussion. Senator Schodorf had questions for Ms. Somers. She wanted to know how many people the Board of Accountancy had turned down for having AP credits. Ms. Somers stated Ms. Ochs was the only one. Ms. Somers stated they had pre-evaluated several transcripts with AP credits. Senator Emler entered the discussion with questions for Ms. Somers. He asked how Ms. Somers proposed Ms. Ochs should be able to sit for the exam. He wanted to know what the solution would be. She stated the solution was the law and the Board could not change its mind. She stated there was no solution for Ms. Ochs other than take the courses again at a Community College for no credit. Senator Emler had concerns; he does not interpret the law to mean courses must be taken at the college or university. He asked Ms. Somers about classes over video and she stated they give credit for those courses. Senator Kelly entered the discussion stating she had experience with certification and she appreciates the frustration of Ms. Ochs. Senator Kelly is concerned if the Committee sets

precedence with this sort of thing coming to the Legislature it will create problems for others. Senator Kelly stated the AP issue is controversial issue across the country and stated she is opposed to the bill. Senator Emler entered the discussion regarding online telecommuting courses and understood by Ms. Somer's earlier statements that they would not accept these credits either. Senator Emler suggested changing the language on line 28 ; the word "at" to "by" and asked Ms. Somers if this was a change the Board of Accountancy would accept. Ms. Somers stated she could not speak for the Board. Senator Kelly asked Ms. Somers if Ms. Ochs had followed the appeals process. Ms. Somers stated Ms. Ochs chose not to have a Judicial review but came to the Legislature instead. Senator Reitz entered the discussion stating rules are rules and the CPA organization has tight rules. He is opposed to the bill. Chairperson Brownlee entered the discussion regarding AP courses. She stated that this program had been around for a few years now and good money is paid for these courses expecting them to be accepted as college course credits. Ms. Somers entered the discussion stating AP classes are high school classes taken at a high school to get college credit and that is how it shows up on a transcript.

Chairperson Brownlee introduced Tony Scott representing the Kansas Society of Certified Public Accountants, to give his testimony as an opponent to **HB 3004**. Mr. Scott presented written testimony. (Attachment 5) Mr. Scott stated **HB 3004** relates to the Kansas Board of Accountancy's obligation to accept certain academic credits awarded by educational institutions to prospective CPA examination candidates. The Kansas Society of CPA's believes the bill as amended by the House could lead to unintended and adverse consequences as it relates to the Board of Accountancy's ability to set appropriate qualification standards for prospective CPA examination candidates. Proposed legislation will be drafted and presented during the 2007 Legislative session. It is the Kansas Society of Certified Public Accountants' intent that such legislation will address, among other things, the issue of academic credits awarded by educational institutions to prospective CPA examination candidates. He urged the Committee to vote no on **HB 3004**.

Upon the conclusion of Mr. Scott's testimony Chairperson Brownlee closed the hearing on **HB 3004** and opened the floor for discussion. Senator Kelly entered the discussion stating she would like to come up with a solution to help Ms. Ochs and also give the Board of Accountancy time to look at its laws and bring forth a bill package to the 2007 legislature. Senator Schodorf joined the discussion and stated this is bureaucracy at its finest. She stated when you are a junior and senior in high school you take AP classes to try to start college with a semester under your belt. She stated that if the class was Accounting 101 it shouldn't be counted, but it wasn't. The AP classes are English, History and Calculus. Senator Schodorf addressed Senator Kelly stating she did not see any willingness on the Board of Accountancy's part to try to fix the problem and would not trust them to fix the situation in legislation to be presented to the Legislature in the 2007 session. Senator Schodorf stated kids expect, when they take a class for college credit, that course is accepted as college credit. She stated that many times a good bill starts with one person. Chairperson Brownlee stated her son was taking AP classes and possibly would be going into the CPA field and the AP classes he was taking now would not make him any less of a good CPA. Chairperson Brownlee stated she thinks it is time for the Board of Accountancy to update. Chairperson Brownlee recommended language changes to eliminate some of the things the House added and to put a sunset provision on the bill of one year from July 1, 2007. Senator Emler joined the discussion offering his solutions to this issue. He would change the language "at" to "by" and delete everything on page 1 starting with line 41 through line 13 on page 2 and keep sections 2 and 3. Senator Emler stated that takes care of the opinion but does not take care of whether or not the Board will give credence to AP. He also added he thinks the message to the Board is loud and clear as far as the Legislature is concerned. The other thing they could do, which is not his number one solution, is pass a bill stating Ms. Ochs could take the CPA exam. He stated this is not one I want to do but is a solution to this issue.

**Senator Emler made a motion to delete the word "at" in line 28 after the word accounting and before the word "a" and put in the word "from". Then on the same line after the word university, add the language "whether or not offered at a physical college campus". Then on Page 1 line 41 delete all through line 13 on Page 2 and retain sections 2 and 3. Senator Schodorf seconded. Motion carried with a no vote by Senator Reitz.**

**Senator Kelly made a motion to add a sunset provision for July 1, 2007 to the bill. Senator**

CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 11:30 on March 29, 2006 in Room 234-N of the Capitol.

**Emler seconded. Motion carried.**

**Senator Schodorf made a motion to pass the bill out favorably as amended. Senator Jordan seconded. Motion carried with “no” votes from Senator Kelly and Senator Reitz.**

Chairperson Brownlee adjourned the meeting at 1:15 p.m. with no other meetings scheduled for this session.