CSI - Ohio

The Common Sense Initiative

Business Impact Analysis

Agency Name: Accountancy Board of Ohio

Regulation/Package Title: 4701-17

Rule Number(s): 4701-17-01, 4701-17-02, 4701-17-03, 4701-17-04, 4701-17-06, 4701-17-08

Date: July 21, 2015

Rule Type:

- ☐ New
- ☐ Amended
- x5-Year Review
- ☐ Rescinded

The Common Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

Regulatory Intent

1. **Please briefly describe the draft regulation in plain language.**
   Please include the key provisions of the regulation as well as any proposed amendments.

   4701-17-01 defines important terms in regards to the Education Assistance program.

   4701-17-02 covers the criteria for eligibility of the education assistance scholarship.

   4701-17-03 requirements for tier one scholarship grants, this rule is being rescinded.

   4701-17- 04 guidelines for issuing scholarships.

4701-17-06 covers general procedures relating to publicizing the scholarship program and the authorization of expenses for administration of the program by the Board.

4701-17-08 describes the surcharge designated for the CPA education assistance fund.

2. **Please list the Ohio statute authorizing the Agency to adopt this regulation.**

   ORC 4701.26 is the statutory authority for all rules in this package.

3. **Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?**
   If yes, please briefly explain the source and substance of the federal requirement.

   None of the rules in this package implement a federal requirement.

4. **If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

   Not applicable to rules in this package.

5. **What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

   Chapter 4701-17 sets the guidelines for financial assistance to students completing their fifth year of education in order to meet the requirements to sit for the exam.

6. **How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

   The measure of success of these rules will be assessed by the number of students we can aid in completing the requirements in order to sit for the exam.

Development of the Regulation

7. **Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.**
   If applicable, please include the date and medium by which the stakeholders were initially contacted.

   Copies of the proposed rule changes were provided (via electronic mail) to the Ohio Society of CPA's(OSCPA),National Association of State Boards of Accountancy (NASBA) and the American Association of Accounting Ohio Chapter on July 21, 2015.

8. **What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?**

During the initial review period, we received no comments on the proposed changes nor have we received any emails or comments from the general public.

9. **What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?**

   Scientific data was not used to develop these rules, as the rules are not data driven.

10. **What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?**

    There are no alternative regulations (or specific provisions within the regulation) to be considered.

11. **Did the Agency specifically consider a performance-based regulation? Please explain.** ***Performance-based regulations define the required outcome, but don't dictate the process the regulated stakeholders must use to achieve compliance.***

    The Board did not see an application for the rules in this package to be performance based.

12. **What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?**

    There is no other agency that regulates the practice of public accounting in Ohio.

13. **Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.**

    The Board will continue to use its web site to educate and update licensees on its rules. The Ohio Society of CPAs also ensures that new rules and rule changes are provided to their members through communications and continuing education opportunities. Staff training is conducted to ensure that regulations are applied consistently and predictably.

Adverse Impact to Business

14. Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:

a. Identify the scope of the impacted business community;

There is no direct impact to the business community, regarding this rule.

b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and

c. Quantify the expected adverse impact from the regulation.

The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a "representative business." Please include the source for your information/estimated impact.

A ten dollar fee from each CPAs yearly permit fee is placed into a surcharge account covering the funds granted by the Education Assistance Program. This additional fee is authorized by statute (division (H)(1)(b) of section 4701.10 or the Revised Code).

15. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?

When the educational requirements to sit for the exam increased, the General Assembly mandated that assistance be made available to cover the additional year of college education. This assistance is to be made available to those who were determined to be a minority or financially needy.

Regulatory Flexibility

16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.

There are no specific exemptions, or alternative means of compliance, outlined in the rules for small businesses.

17. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?

Paperwork violations are not applicable to this rule package.

18. What resources are available to assist small businesses with compliance of the regulation?

The Board's website provides information regarding the rules. The website also provides contact information for all staff members of the board. Board staff personally answers each phone call, email, and correspondence sent to the Board.