

BILL ANALYSIS

C.S.H.B. 2440
By: McCall
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In 1991, the sunset bill reauthorizing the Texas State Board of Public Accountancy and the regulation of certified public accountants included, for the first time, a requirement that candidates for the CPA examination have a minimum of 150 hours of higher education.

Recognizing that this additional year of education could be difficult for some students, the legislation included a \$10 per year assessment on all CPA licensees to endow a scholarship fund to be available to students planning to take the CPA examination for their fifth year of accounting study. The legislation provided for the board to collect the funds, but for the Texas Higher Education Coordinating Board to administer the funds and award the scholarships. The legislation also provided for a designated advisory board to assist the coordinating board with the administration of the scholarships.

Last year, the state board and the coordinating board entered into discussions about the possibility of transferring the administration of the fifth-year scholarship program to the state board because the administration of these scholarship funds is more pertinent to the state board's mission, as opposed to that of the coordinating board. Both parties and the advisory board have concurred that it would be more appropriate for the state board to administrate the scholarship funds.

C.S.H.B. 2440 transfers the administrative responsibility for the fifth-year accounting scholarship funds to the state board by transferring the applicable portion of the Education Code enacted by the sunset legislation of 1991 to the Occupations Code and by designating those provisions as a new subchapter of the Occupations Code in the section of the law regulating the board and certified public accountants.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority previously granted to the Texas Higher Education Coordinating Board is transferred to the Texas State Board of Public Accountancy in SECTION 2 of this bill and that rulemaking authority is expressly granted to the Texas State Board of Public Accountancy in SECTION 4 of this bill.

ANALYSIS

C.S.H.B. 2440 amends the Occupations Code to specify that a scholarship fund for fifth-year accounting students is a trust fund held by the Texas State Board of Public Accountancy outside the state treasury and to change from \$20 to \$10 per year the additional fee that accompanies the fee for each license issued or renewed by the state board and that is designated for deposit to the credit of the trust fund. The bill lowers the cap on administrative costs incurred to collect and distribute the fee from 15 percent to 10 percent of the total money collected. The bill removes a provision specifying an allocation of the money for administrative cost between the Texas Higher Education Coordinating Board and the Texas State Board of Public Accountancy.

C.S.H.B. 2440 transfers provisions relating to scholarships for fifth-year accounting students from Subchapter N, Chapter 61, Education Code, to the Occupations Code, redesignates those provisions as Subchapter N, Chapter 901, Occupations Code, and makes conforming changes. The bill transfers functions and authority, including rulemaking authority, relating to these provisions from the Texas Higher Education Coordinating Board to the Texas State Board of Public Accountancy. The bill specifies that the state board is authorized to use any money from the trust fund, rather than any money appropriated to it from the fund.

C.S.H.B. 2440 transfers Section 61.081, Education Code, relating to a report on the scholarship program for fifth-year accounting students, to the Occupations Code, redesignates it as Section 901.660, and makes conforming changes.

C.S.H.B. 2440 requires the Texas State Board of Public Accountancy, not later than January 1, 2010, to adopt the rules required to implement provisions concerning the scholarship trust fund for fifth-year accounting students and requires the Texas Higher Education Coordinating Board on September 1, 2009, to transfer to the Texas State Board of Public Accountancy for deposit in the trust fund any money in the general revenue account 0106—scholarship fund for fifth-year accounting students and any money appropriated to the coordinating board for scholarships to fifth-year accounting students that has not yet been awarded to students.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2440 differs from the original by specifying that a scholarship fund account for fifth-year accounting students is a trust fund, rather than a trust fund account as in the original, and that the additional fee that accompanies the fee for each license issued or renewed by the Texas State Board of Public Accountancy is designated for deposit to the credit of the trust fund, rather than the credit of the trust fund account in the general revenue fund as in the original. The substitute adds provisions not in the original establishing that the scholarship trust fund is held by the state board outside the treasury and specifying that the state board is authorized to use any money from the trust fund, rather than any money appropriated to it from the fund.

C.S.H.B. 2440 adds a provision not in the original requiring the Texas Higher Education Coordinating Board to transfer to the state board for deposit in the trust fund any money in the general revenue account 0106—scholarship fund for fifth-year accounting students, in addition to any money appropriated to the coordinating board for scholarships to fifth-year accounting students that has not yet been awarded to students as in the original.