

STATE OF MICHIGAN

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

BUREAU OF PROFESSIONAL LICENSING

- - -

PUBLIC HEARING

MONDAY, APRIL 18, 2025

AT ABOUT 9:00 A.M.

- - -

OTTAWA BUILDING

611 W. OTTAWA STREET, UL-4

LANSING, MICHIGAN

- - -

RE: Accountancy -- General Rules
(MOAHR #2024-54 LR)

Task Force on Physicians Assistants - General Rules
(MOAHR #2024-53 LR)

- - -

HEARING FACILITATOR:

WESTON MacINTOSH
Bureau of Professional Licensing
611 W. Ottawa Street
Lansing, Michigan 48909

REPORTED BY: Lori Anne Penn, CSR-1315

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I N D E X

Opening Statement - Weston MacIntosh

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- - -

COMMENTS:PAGE

Paul Balas -- Accountancy - General Rules

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Lansing, Michigan

Monday, April 18, 2025

At 9:00 a.m.

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(Public hearing commences pursuant to due notice.)

MR. MacINTOSH: Good morning. My name is Weston MacIntosh, and I'm a Departmental Specialist for the Bureau of Professional Licensing in the Department of Licensing and Regulatory Affairs, and I will be conducting the hearing today.

This is a public hearing on the proposed administrative rules titled "Accountancy - General Rules" and "Physicians Assistants - General Rules". We are conducting this hearing under the authority of the Administrative Procedures Act, Public Act 306 of 1969, on behalf of the Department of Licensing and Regulatory Affairs, Bureau of Professional Licensing.

We are calling this hearing to order at 9:00 o'clock a.m. on April 18, 2025, in UL-4, at 611 West Ottawa Street, Lansing, Michigan. Publication of the notice of public hearing was in three newspapers of general circulation, including the Flint Journal on March 13, 2025, the Grand Rapids Press on March 13, 2025, the Escanaba Daily Press on March 29, 2025, as well as the *Michigan Register*, Issue #6, published on April 15,

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1 2025.

2 We are here today to receive your
3 comments on the proposed rules. If you wish to speak,
4 please make sure you have signed in and said that you
5 wish to speak. You may use the cards supplied for this
6 purpose. I will organize the cards by rule set so that
7 the comments for that profession are in a group together
8 in the transcript. If you would like to testify and have
9 not signed in, please do so now. For those of you who do
10 not wish to sign in with a card, you may speak once we
11 have exhausted the stack of cards that you give to me.

12 If you have comments, please make sure
13 that they relate directly to the proposed rules. If you
14 have questions about the rules, please include your
15 questions as part of your testimony for the Department's
16 review. If you have suggested changes to the proposed
17 rules, please include the specific reasons why the
18 changes would be in the public interest.

19 For the record, when you testify, please
20 give us your name by spelling your name and the
21 organization, if any, that you may be speaking for today.
22 This will help the Department prepare the hearing record
23 that will go before the Boards. You can give written
24 statements directly to me at the table. The Department
25 will also accept written statements emailed or postmarked

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1 until 5:00 o'clock p.m. today.

2 The Department staff from the Bureau of
3 Professional Licensing also includes Kerry Przybylo.

4 So the first rule set that we'll take
5 comments for are the "Accountancy - General Rules". The
6 first card I have for that profession is from Paul Balas.
7 Go ahead.

8 MR. BALAS: Good morning. My name is
9 Paul Balas, B-a-l-a-s, and I've been a proud Michigan CPA
10 for approximately 43 years. I currently serve on several
11 nonprofit boards, including the executive committee and
12 chairman of the audit committee for the YMCA of
13 Metropolitan Detroit, treasurer of Troy People Concerned,
14 a family crisis agency, and I'm an Executive in Residence
15 in the business school at Michigan State University.
16 While I serve in these different capacities, the comments
17 today are personal comments and my own views.

18 I'm here to express my strong opposition
19 to the proposed removal the 24-hour general business
20 course requirement from the definition of "Accounting
21 Concentration" in the Michigan "Accountancy - General
22 Rules".

23 Prior to my retirement from
24 PriceWaterhouseCoopers, I was most recently responsible
25 for global audit quality and global regulator

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1 relationships for PriceWaterhouseCoopers firms. The
2 first thing my team did when we identified audit quality
3 matters was try and determine the root cause of the
4 problem: How did it happen? How was the issue missed?
5 What did the client or the auditor not get right? As we
6 evaluated the conditions present when there was a
7 negative event, one of the factors we considered was the
8 competency and educational background of the partners and
9 staff assigned to the engagement.

10 As I look at the current proposed change
11 to the rules, which effectively reduces the required
12 business education hours by 50%, I'm deeply concerned
13 that we are lowering the standards to a level that will
14 cause the next generation of Michigan CPAs to lack the
15 necessary qualifications to properly understand and
16 assess the complex business transactions that are
17 currently being undertaken in the marketplace. We are
18 sending the message that a broad-based business education
19 is not important, while I believe a well-rounded business
20 education is imperative for a certified public
21 accountant. While technical accounting knowledge is
22 important, the complexity of today's business environment
23 demands a broader base of business knowledge to enable
24 the CPA to understand the substance of activities and
25 transactions that are subject to bookkeeping, auditing,

1 and tax treatments. Areas such as business law, ethics,
2 and economics are foundational to the role of the CPA.

3 The regulatory impact statement included
4 comments relating to comparisons to other states in the
5 U.S. and the Great Lakes states. Currently only seven
6 states or jurisdictions do not have a general education
7 credit requirement, while the impact statement says that
8 we are similar to all states around the U.S. In
9 addition, the impact statement indicates that we are
10 similar to Great Lakes states, while in truth all states
11 near Michigan, including Indiana, Ohio, Wisconsin,
12 Illinois, and Minnesota, have a general business
13 requirement that is similar to the current requirement in
14 the State of Michigan. In addition, Ohio just completed
15 a full review of their CPA requirements which included
16 alternative paths to licensure, but notably retained the
17 general education credit requirements.

18 I believe we will be doing a disservice
19 to students studying in the State of Michigan if their
20 early post-graduation personal or professional lives
21 resulted in a need to become licensed in a state that had
22 a general business credit requirement. They may not
23 qualify for licensure due to reciprocity rules. They may
24 not meet the education requirements of that state. In my
25 role at Michigan State University, I consult with

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1 students that are looking ultimately to move to Chicago
2 and New York on a regular basis, and both those states
3 have significant requirements that are in excess of what
4 this rule would provide for Michigan.

5 In addition, there are several areas
6 where the Accountancy rules and statutes may be changing
7 in the near term. It is likely that the State of
8 Michigan will be reconsidering overall education
9 requirements with a focus on a the current requirement of
10 150 credit hours.

11 In addition, the Michigan Department of
12 Licensing and Regulation recently published a cutting red
13 tape report which includes several items relating to
14 Accountancy rules and statutes. Many of these appear to
15 have merit, but should be subject to further discussion
16 and consideration, including input from the Board of
17 Accountancy and the public. I believe the proposed rule
18 change should be deferred until any changes to the
19 education requirements, as well as the items included in
20 the cutting red tape report, can be considered in
21 totality.

22 The Accountancy Board's primary role is
23 to protect the public interest. Lowering the education
24 requirements for CPAs, in my view, would not benefit the
25 public, nor serve to increase public trust in the

1 accounting profession. Thank you very much.

2 MR. MacINTOSH: Thank you, Paul.

3 Is there anyone else who wishes to speak
4 on the "Accountancy - General Rules"? (No response.)

5 Hearing none. The second rule set that
6 we'll take comments for are the "Physicians Assistants -
7 General Rules". Is there anyone who wishes to speak on
8 the "Physicians Assistants - General Rules"? (No
9 response.)

10 Hearing none.

11 If there are no other people who wish to
12 speak at this time, we'll take a short recess.

13 (Recess from 9:07 a.m. until 9:25 a.m.)

14 MR. MacINTOSH: Okay. We're back on the
15 record. One last time, is there anyone who wishes to
16 speak on the "Accountancy - General Rules"? (No
17 response.)

18 Hearing none. Is there anyone who wishes
19 to speak on the "Physicians Assistants - General Rules"?
20 (No response.)

21 Hearing none.

22 If there are no further comments at this
23 time, I hereby declare the hearing closed. The record
24 will remain open until today at 5:00 o'clock p.m. for any
25 other comments you may wish to share about the proposed

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1 rules. Thank you for coming.

2 (Public hearing concluded at 9:26 a.m.)

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1 STATE OF MICHIGAN)
2)
3 COUNTY OF MACOMB)

4 I, Lori Anne Penn, certify that this
5 transcript consisting of 11 pages is a complete, true,
6 and correct record of the proceedings held in the
7 captioned matters on Monday, April 18, 2025.

8 I further certify that I am not
9 responsible for any copies of this transcript not made
10 under my direction or control and bearing my original
11 signature.

12 I also certify that I am not a relative
13 or employee of or an attorney for a party; or a relative
14 or employee of an attorney for a party; or financially
15 interested in the action.

16
17 April 23, 2025
18 Date

Lori Anne Penn

Lori Anne Penn, CSR-1315
Notary Public, Macomb County, Michigan
My Commission Expires June 15, 2025