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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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1                   Lansing, Michigan

2                   Monday, April 18, 2025

3                   At 9:00 a.m.

4                   - - -

5                   (Public hearing commences pursuant to due notice.)

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

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

18                  We are calling this hearing to order at  
19                  9:00 o'clock a.m. on April 18, 2025, in UL-4, at 611 West  
20                  Ottawa Street, Lansing, Michigan. Publication of the  
21                  notice of public hearing was in three newspapers of  
22                  general circulation, including the Flint Journal on  
23                  March 13, 2025, the Grand Rapids Press on March 13, 2025,  
24                  the Escanaba Daily Press on March 29, 2025, as well as  
25                  the *Michigan Register*, Issue #6, published on April 15,  
                    Penn Reporting, LLC - lori.penn@yahoo.com

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

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 COUNTY OF MACOMB )

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

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

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

15  
16  
17 April 23, 2025  
Date

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

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