

## SCHEDULE F: AGENCY WORKFORCE PLAN

### I. Agency Overview

The Texas State Board of Public Accountancy (the Board) operates under the authority of the *Texas Occupations Code, Chapter 901* (West, 2023), hereinafter the *Act*. According to *Section 901.005(d)* of the *Act*, "The terms 'accountant' and 'auditor' and derivations, combinations, and abbreviations of those terms, have an implication of competence in the profession of public accountancy on which the public relies in personal, business, and public activities and enterprises." To this end, the Board examines, certifies and licenses CPAs and restricts the use of this term to these licensees.

The Board has the responsibility and authority to regulate the practice of public accountancy in Texas. This is accomplished through activities that include Qualifications and Licensing, Enforcement, Public Information, and Administration and Support. The Board's office is located in Austin, Texas.

During the early 1990s, the agency's budgeted full-time equivalent employees (FTEs) was 43. Since the 1990s, the total number of licensees has almost doubled but the staff size has not. The Board has taken advantage of technology and incorporated efficiencies to reduce the staff of FTEs to 36.

### A. Agency Mission

The mission of the Board is to protect the public by ensuring that persons issued certificates as CPAs possess competency and integrity in the practice of public accountancy.

### B. Board Goals

#### 1. Goal 01 - Public Standards

Establish standards in education, examination, and experience for Texas CPAs in the private and public sectors that will protect the public and meet the requirements for certification, licensing, and practice throughout domestic and international jurisdictions.

- a. Objective - In each year of the biennium, qualify only those individuals and accounting firms that have met the requirements of the *Act*.
  - (1) Strategy – Examination. Promote uniformity and reciprocity with other licensing jurisdictions and ensure that all sections taken by candidates are graded consistently.
  - (2) Strategy – Licensing. Manage a comprehensive examination and licensing program.
- b. Objective – Ensure that only those accounting firms providing services according to the industry standards are allowed to offer a full range of accounting services to the public.
  - (1) Strategy – Peer Review. Develop and implement a comprehensive peer review program for all accounting firms utilizing industry standards as the measure of competence and oversight through the Peer Review Oversight Board.
- c. Objective – Ensure that only registered CPE sponsors provide beneficial CPE for Texas CPAs.
  - (1) Strategy – Sponsor Review. Develop and implement a comprehensive sponsor review program to ensure the availability of high-quality CPE courses.

#### 2. Goal 02 - Protect Public/Enforcement

Enforce state regulations relating to the accounting profession; ensure timely due process, and effective disciplinary action for violators of these standards; and require the re-education and rehabilitation of those violating these laws. To aggressively develop and implement high standards for the accounting profession in emerging issues as they relate to the welfare of the general public.

- a. Objective – Ensure that complaints are resolved timely according to established time frames, emphasizing voluntary compliance and education as the preferred means of resolution, and ensure that enforcement actions are effective and fair.

- (1) Strategy – Enforcement. Operate a system of enforcement that includes investigation and resolution of complaints and promulgating rules to effectuate the *Act*.

**3. Goal 03 - Public Education**

Inform the public concerning Board functions and the procedures by which complaints are filed, processed, and resolved so that the citizens of Texas may better utilize CPA services and be protected from unprofessional and incompetent practices.

- a. Objective – In each year of the biennium, ensure that 100% of active licensees receive information on Board activities, rules, new legislation, disciplinary actions and other pertinent information; respond to 100% of all requests for information within 30 days.

- (1) Strategy – Provide education. Develop and operate a coordinated system of public information to provide all interested parties information concerning the *Act*, as well as Board *Rules* and procedures pertaining to qualification, examination, licensing, enforcement, and peer review.

**4. Goal 04 - Historically Underutilized Businesses**

Establish and carry out policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses.

- a. Objective - To include historically underutilized businesses (HUBs) in at least 10% of the total value of contracts and subcontracts awarded annually by the agency in purchasing and public works contracts and subcontracts.

- (1) Strategy - Develop and implement a plan for increasing the use of historically underutilized businesses through purchasing and public works contracts and subcontracts.

**5. Goal 05 – Customer Service**

Develop and carry out procedures to provide quality customer service to external customers.

- a. Objective – To provide customer satisfaction on background information, the Board facilities, the Board staff, the Board’s website, printed information, and overall performance.

- (1) Strategy – Develop and implement procedures to provide quality customer service in each of the agency’s divisions.

**C. Anticipated Changes in Strategies**

**1. Computer-Based Exam**

The computer-based examination makes the CPA Exam available to candidates year round. Since Texas does not have a residency requirement, the exam is available to candidates at Prometric testing centers in any of the 56 licensing jurisdictions affiliated with NASBA and at selected international sites.

Beginning in January 2024, the format of the CPA Exam changed. The exam now consists of three core subjects and three disciplines. This change allowed the AICPA to refresh the exam questions to stay current with changes in the accounting profession. The exam is more representative of the changes in technology and its affect on the profession.

## 2. Trends in Number of Expected Licensees and Exam Candidates

Since 1980, the number of licensees (individuals and firms) regulated by the Board has increased 243% (from 22,806 to 78,261 in 2023). The growth rate over this period was 2.91% annually and the Board anticipates that it will hold steady at that rate over the next five years.

The number of examination candidates taking the Uniform CPA Examination has recently declined. The number of examination candidates in 2023 was 9,488.

## 3. Legislative Changes

The 78<sup>th</sup> Legislature, Regular Session (2003), approved amendments to the *Act*, which became effective September 1, 2003: Article 8930, *Tex. Rev. Civ. Stat. (West, 2012)* as amended by Senate Bill 736, 77<sup>th</sup> Legislature, and SB 1382 of the 78<sup>th</sup> Legislature, established the *Self-Directed, Semi-Independent Agency Project Act*. This *Act* created self-directed, semi-independent status for three agencies, the Texas State Board of Public Accountancy, the Texas Board of Architectural Examiners, and the Texas Board of Professional Engineers.

The 80<sup>th</sup> Legislature, Regular Session (2007), approved additional amendments to the *Act*:

Legislation effective September 1, 2007, created a “practice privilege” for CPAs and CPA firms licensed in a substantially equivalent state to temporarily practice in Texas without licensure and without providing notice or paying a fee prior to practicing in Texas unless preparing financial statements or attestations.

Two pieces of additional legislation (1) defined rules for reinstatement of a license for certain individuals who had moved to another state and (2) set the requirements for exemption from payment of the \$200 professional fee for certain government employees.

The 81<sup>st</sup> Legislature, Regular Session (2009), passed legislation transferring authority for administering the Fifth-Year Accounting Students Scholarship Program from the Texas Higher Education Coordinating Board to the Texas State Board of Public Accountancy. The transfer was effective September 1, 2009, and, after close coordination between the two agencies during the fall of 2009, the Accountancy Board put rules into place and assumed full responsibility for the program on January 1, 2010. Fees to support the program come from a \$10 fee charged to each Texas CPA at the time of annual license renewal. The Board was able to triple the amount of money committed to the trust fund and, for the 2009-2010 and 2010-2011 academic years, to offer larger scholarships to a greater number of accounting students.

The 83rd Legislature, Regular Session (2013), codified *Article 8930, T.R.C.S.* into *Texas Government Code, Chapter 472, Section 472.110(d)*. Effective September 1, 2013, House Bill 1685 requires the agency to remit all administrative penalties collected to the comptroller for deposit into the general revenue fund.

The 84<sup>th</sup> Legislature, Regular Session (2015), passed House Bill 7, which eliminated the \$200 professional fee for certified public accountants and other licensed professionals in Texas after September 1, 2015.

The 86<sup>th</sup> Legislature, Regular Session (2019), passed House Bill 1520, which required the fingerprinting of all licensees, eliminated the need for firm licenses for firms licensed in another state, and continued the agency’s operations to September 1, 2031 pursuant to the *Sunset Act*.

The 87<sup>th</sup> Legislature, Regular Session (2021), passed Senate Bill 297, which extended the deadline for fingerprint-based background checks for all Texas CPAs to August 31, 2022.

The 88<sup>th</sup> Legislature, Regular Session (2023), approved additional amendments to the *Act* and agency operations. House Bill 2217 expanded the scholarship for fifth-year accounting students to all Texas accounting students who have completed 15 semester hours of upper-level accounting coursework. HB 2217 also made housekeeping updates to the *Act*, and allows our Board members to serve for consecutive terms. This assists our agency’s mission to protect the public by ensuring that our volunteer-based Board is fully staffed with exceptional members who are dedicated to serving the public and the profession. Additionally, the Board is now emailing license expiration notices in response to the passage of HB 2217.

Senate Bill 510 protects the privacy of Texas CPAs. Certain data such as electronic mail addresses, home addresses, and date of birth have been added to the list of information the agency is required to maintain confidential.

Senate Bill 159 allows Texas CPA candidates to take the CPA Exam with 120 total hours and a bachelor's degree, including no fewer than 21 semester hours of upper-level accounting courses. Effective September 1, 2023, the new education requirements to be eligible to take the CPA Exam in Texas are as follows:

- Hold a baccalaureate or graduate degree, or its equivalent as determined by Board Rule, conferred by a Board recognized institution of higher education;
- Complete no fewer than 120 semester hours or quarter-hour equivalents in Board-recognized courses, including no fewer than 24 semester hours of accounting or equivalent courses as determined by Board Rule, and within the 24 semester hours of accounting with no fewer than 21 semester hours of upper-level accounting courses as determined by Board Rule, including two semester hours of accounting/tax research and analysis;
- Complete no fewer than 24 semester hours of upper level business coursework, including two semester hours of accounting/business communications coursework.

Effective September 1, 2023, the new requirements for CPA certification in Texas include:

- Additional semester credit hours to attain a total of 150 semester hours;
- Six additional semester credit hours of upper-level accounting;
- Complete a three-semester hour, Board-approved ethics course.

## II. Current Workforce Profile

### A. Critical Workforce Skills

The skills listed below are important to the agency to provide basic business functions.

#### 1. Legal Skills

- Analyzing professional accounting guidelines
- Conducting investigations
- Interpreting legal statutes
- Providing effective communication

#### 2. Personal Computing skills

- Use a Windows PC
- Use a physical or digital phone
- Use a printer
- Use a multi-functional device (printer/copier/scanner)
- Use a scanner
- Use online portals from service providers (e.g., Cisco Jabber, Cisco Finesse, BoardEffect, etc.)
- Use a 3270-emulator software for using the mainframe/green-screen applications

#### 3. Analytical skills

- Solve problems
- Analyze issues
- Determine new solutions to issues
- Ability to understand communications between outside entities and our agency
- Ability to test new solutions

#### 4. Change Management skills

- Ability to understand new technology and how it can be used to modernize legacy systems
- Ability to participate in the transformation of legacy system modernizations
- Ability to consider uses of artificial intelligence (AI) to streamline redundant processes currently performed by agency staff

#### 5. Training and presentation skills

- Training of staff in agency processes
- Training of staff in use of equipment and software
- Training of staff in use of online portals from service providers

**6. Data Processing Skills**

- Data entry
- Submitting batch jobs manually
- Finding reports from the printer spool file
- Releasing reports to various printers
- Attaching PDFs of printouts to emails

**7. IT skills**

- IT department administration and policy-making
- IT procurement
- Project management
- Understanding of technical contract language
- Network administration
- Server administration
- Cybersecurity monitoring
- Programming/coding skills
- Database development and maintenance
- System design, development, and installation
- Upgrading and installation of software and hardware
- PC management
- Mobile device management
- Understanding of State of Texas service offerings
- Understanding of the Texas legislative cycle as it pertains to Information Resources
- Understanding of Continuity of Operations planning
- Understanding of Disaster Recovery planning
- Understanding of Accessibility requirements for Information Resources
- Understanding of Data Governance
- Understanding of Data Privacy
- Understanding of Records Management (both physical and digital)
- Understanding of Identity and Access Management

**8. Customer Service**

- Providing customer satisfaction surveys
- Providing timely responses to calls and written requests or emails
- Distributing information quickly and accurately
- Providing information in a courteous manner

**9. Budgeting**

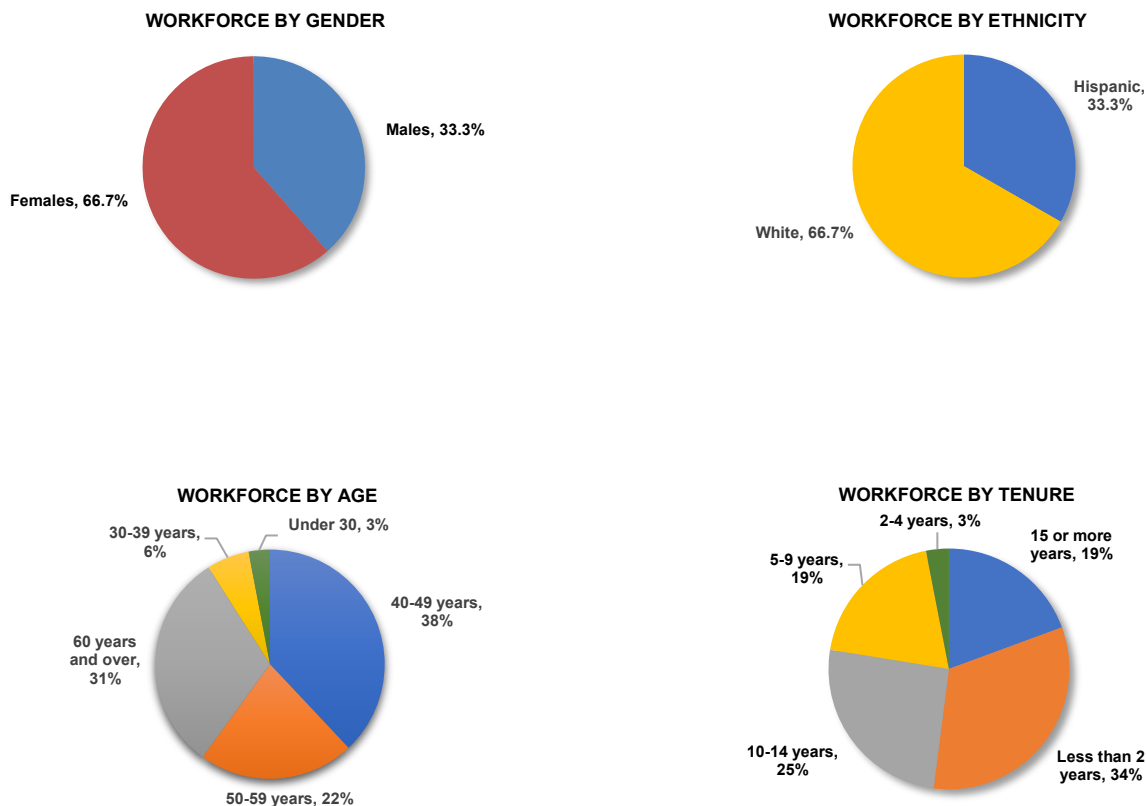
- The most challenging task facing the Board is to provide the services that will protect the public. To meet this challenge, the Board must be able to hire qualified staff and avail itself of other resources necessary to carry out its functions. The Board and two other state agencies are currently operating under *Texas Government Code, Chapter 472, the Self-Directed, Semi-Independent (SDSI) Agencies*. This legislation allows TSBPA to operate in a more business-like manner to meet the challenges of the 21st century.

**10. Regulatory Process Experience**

- Staff will need to keep current with rules concerning CPE, licensing, peer review, and enforcement.

**B. Workforce Demographics**

The Board's staffing level was 36 full-time employees for FY 2023. The following graphs profile the agency's workforce by age, ethnicity, gender, and tenure as of December 31, 2023:



The table that follows compares the percentages of African American, Hispanic American, and Female employees (as of December 31, 2023), to the statewide civilian workforce as reported by the Texas Commission on Human Rights.

Job Category	African American		Hispanic American		Females	
	TSBPA %	State %	TSBPA %	State %	TSBPA %	State %
Officials, Administration	0	8.6	0	25.2	50.0	40.2
Professional	0	10.6	42.9	23.0	71.4	53.0
Para-Professional	0	N/A	0	N/A	0	N/A
Administrative Support	0	15.2	0	38.3	0	74.1

**C. Employee Turnover**

The Board's employee turnover rate in FY 2023 was 18.7%, compared to the statewide turnover rate of 18.7%.

Younger employees (by age and length of service) have a higher turnover rate. The greatest area of turnover is with employees with less than one year of experience who are under the age of 40.

Recruiting and competing with other state agencies and private industry for qualified applicants remains a challenge. Generally, the Board is able to hire applicants with the minimal requirements for entry-level positions. Typically, entry-level employees stay from 12 to 18 months before accepting higher paying jobs elsewhere. In some instances, the Board has offered entry-level positions to employees who accepted better paying jobs before reporting to work or who stayed only for a short period of time before accepting a better paying position.

With the implementation of SDSA, the Board's management is exercising its authority and flexibility to manage workforce issues within the parameters of general state guidelines.

**D. Retirement Eligibility**

42% of the workforce will be eligible to retire in the next five years.

**III. Future Workforce Profile**

**A. Critical Functions**

- The CPA Examination is administered electronically by the Board in conjunction with the AICPA, NASBA, and Prometric and utilizes a computer-based format at Prometric testing centers. This format and delivery provides opportunities for the AICPA to refresh the exam and keep the questions and skills current and in line with accounting material and pronouncements. The Board periodically updates information on its website for examination candidates, educational institutions, and the general public, as well as implements changes to the Board's operating processes and procedures.

**B. Expected Workforce Changes**

- Employees cross-trained in functional areas to address increased demands.
- Increased use of technology to revise and streamline work processes.

**C. Anticipated Increase/Decrease in Numbers of Employees Needed**

- No significant increase anticipated in FTE count.

**D. Future Workforce Skills Needed**

The agency relies on a competent and knowledgeable staff to carry out its functions efficiently and effectively; therefore, the future workforce skills are essentially the same as the critical workforce skills.

#### **IV. Gap Analysis – Anticipated Surplus or Shortage of Workers or Skills**

Faced with the magnitude of the issues in the field of public accounting, the Board has emerged as a leader among the 55 state and territorial boards of accountancy under the NASBA umbrella. The Board recognizes that the language of trade is accounting, and, without accountants, the exchange of goods and services cannot take place. Legislation, such as the Sarbanes-Oxley Act, for example, continues to increase the need for competent accountants, and accounting has proven to be a growing field even in a depressed economy. Technological advances, however, have enabled Board staff to perform existing duties more efficiently so that it can absorb new responsibilities that come its way, such as the administration of the Accounting Students Scholarships and the ever increasing number of licensees.

Therefore, this state's CPAs, more than any other group or profession, are at the forefront of the economic conditions. The Board must have the resources to enable its staff to provide quality services to its licensees. It must be able to respond to the needs of examination candidates and licensees, as well as to the public.

Providing quality services depends on such basics as being able to respond in a timely manner to public inquiries, requests for information and publications, complaints, and public hearings. It depends on being able to afford supplies and services, the cost of which are often beyond the Board's control. The Board will continue to expand its online services for firms and individual licensees to lessen the need for requests by telephone, email, and mail that require direct staff responses. Finally, it depends on being able to hire and retain the most qualified staff available. Hiring employees with more education and experience not only increases the professional level of the staff, but allows for more advancement opportunities and maintenance of a viable career ladder.

Despite the many challenges facing the Board, no significant changes are anticipated in the number of employees. The Board will provide training to increase the skills of its employees and, to increase flexibility, will continue to cross-train, where feasible, throughout the agency.

#### **V. Strategy Development**

##### **A. Develop a competent, well-trained workforce**

1. Development of skills and expertise to improve the effectiveness and productivity of the agency by providing opportunities to enhance the employee's present skills and to learn new ones.
2. Management and leadership development – outside training opportunities provided for all levels of agency supervisors and division directors.
3. Organizational development – support services and training activities provided to divisional/cross-functional workgroups and individual employees in the areas of planning, goal setting, managing change, team building, group process, consulting, problem solving, conflict resolution, and other identified areas.
4. Continuing education for certified professional staff – complete continuing education requirements annually to maintain credentials required to fulfill their job responsibilities.

##### **B. Develop plan to retain employees longer than two years**

1. Develop strategies to prepare lower-level staff to move into jobs with higher-level skill requirements.
2. Implement mentoring programs matching seasoned employees with new employees.
3. Utilize pay incentives to attract and retain staff by adjusting salaries within assigned pay ranges for employees in positions that are critical or have high turnover rates.



**VI. Organization Chart**

**TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY  
ORGANIZATION CHART**

The executive director reports directly to the Board and manages the activities of the various divisions. The agency utilizes management by objectives, allocating resources to those tasks deemed highest in priority to ensure that objectives are met in a timely and efficient manner.

