



# TXCPA’s Annual Meeting of Members and Board of Directors Meeting

By Rhonda Ledbetter, TXCPA Volunteer and Governance Specialist

TXCPA members came together to hold the Annual Meeting of Members and Board of Directors Meeting virtually on June 24-25. They asked questions and shared ideas about the issues that were discussed and learned where their organization – and their profession – are headed.

## CPA Pipeline

AICPA Vice President – CPA Examination and Pipeline, Michael Decker, talked about the challenge posed by a continuing decline in the number of CPA candidates entering the accounting profession pipeline. There is a decline in undergraduate enrollments in accounting programs. The



Michael Decker

percentage of graduates who become candidates is now fewer than 50%. Then, of those who become candidates, the overall pass rate is approximately 57% – meaning that 43% of Exam takers don’t move ahead.

At the top of AICPA’s priority list are the candidates who drop out of the pipeline after passing three or four sections of the Exam. The question is: Why did they leave even though they were nearly there?

Decker expressed that a primary issue is promoting the lifetime value of CPA license. The strongest forces are environmental, not attitudinal. Insufficient employer support, long work hours and starting a family are important factors. Limited resources can prevent those in historically underrepresented population groups from reaching certification.

## Accounting Education and CPA Licensing Initiatives

AICPA initiatives around accounting education to foster the evolving role of CPAs include scholarships to promote diversity, help with the cost of taking the Uniform CPA Exam, engagement with BAP and professors, and information about the Exam.

AICPA is working with CPA firms to learn whether they are getting everything they need with regard to candidates and new CPAs.

The CPA Evolution Initiative is transforming the CPA licensure model. It is a joint project of AICPA and the National Association of State Boards of Accountancy (NASBA). The CPA Evolution Initiative will put in place a flexible and adaptable licensure approach that will serve as the foundation for future-proofing the profession.

A panel of speakers discussed the initiative during the Annual Meeting. (See the following page for more details.)

New technologies and marketplace demands affecting job opportunities include automation, big data, data analytics, machine learning, and System and Organization Controls (SOC) audits. Increasingly, the work is being performed by non-CPAs. Accounting firms need fewer CPAs on their audit teams.

Decker indicated that the World Economic Forum 2020 Future of Jobs Report listed accountants and auditors as number four in its top 20 list of job roles in decreasing demand. Job roles in increasing demand include data analysis, information security, digital transformation and risk management.

There are pipeline supply issues. Reduced birth rates have led to lower school populations. Most students were forced into a COVID-19 gap year. The rising cost of U.S. education has led to lower international student populations. Diverse students don't see themselves in the profession.

The accounting major now competes with the "cool factor" in other areas of study (data analytics, technology, cybersecurity, AI, blockchain, robotic process automation and others). The current generation is more short-term focused; most don't see value in working 30 years at a CPA firm to become a partner.

## AICPA Trends Report

An AICPA Trends Report found that, in 2016, there were almost 20 percent fewer accounting graduate hires by firms compared to 2014. By 2018, that number was almost 30 percent.

Decker said that research findings include:

- **The CPA brand is strong** – Even candidates who drop out before achieving licensure say that being a CPA is valuable but not to them at the present time.
- **A vast majority of Exam sitters work in public accounting** – Firm internships are a major driver of getting them into the pipeline.
- **Obstacles are hitting candidates when they're most challenged to stay on-course** – They are trying to finish their 150 hours to be eligible to start sitting for the Exam, while working hard at an accounting internship or full-time job. The pressure continues during the time they're taking the Exam sections.
- **Employer requirement and incentive for certification is a strong influence** – Some employers increase salary or give a bonus upon completion. Providing paid, structured time off to study motivates candidates.

State CPA societies can influence a CPA-centric culture on university campuses, suggested Decker. They can help connect local employers – including those in business and industry – develop partnerships with educators in accounting programs. Strong support for the local Beta Alpha Psi chapter is important. There can also be underwriting for the cost of CPA Exam review providers.

The states and AICPA must continually look at the barriers to profession entry – including education, the Exam, experience and ethics education – to find ways they can be rebalanced.

### 2021-2022 Executive Board

[Go to TXCPA's website](#)

### 2020-2021 Award Recipients

Listed in the [Annual Meeting summary on TXCPA's website](#)

[Award descriptions and previous recipients](#)

Also, please see the Chapters column in this *Today's CPA* issue for highlights from the Outstanding Chapter Awards.

## CPA Evolution Initiative

A panel of speakers discussed the emerging CPA licensure model that's based upon changing marketplace demands. The group – all of whom have been public practitioners earlier in their careers – included:

- Anna Howard, CPA; Senior Manager of Academic Initiatives; AICPA;
- Daniel Dustin, CPA; Vice President, State Board Relations; National Association of State Boards of Accountancy (NASBA);
- Carl Mayes, CPA; Associate Director, CPA Quality and Education; AICPA; and
- Tracie Miller-Nobles, CPA-Austin; Associate Professor; Austin College.

They presented the trends and changes that led to CPA Evolution; gave a brief overview of the model and structure; discussed the education curriculum; talked about the impact on educators, candidates, employers and current practitioners; and projected expected outcomes.

For more information about the CPA Evolution Initiative, see the cover article on page 24 in this *Today's CPA* issue.

## State of the Society

2021-2022 Chairman Jason Freeman, JD, CPA-Dallas, called on 2020-2021 Chairman Jerry Spence, CPA-Corpus Christi, to present highlights from a [video showcasing TXCPA achievements](#) during the unprecedented service year. For more details, read the [Year in Review](#) article in the May/June issue of *Today's CPA*.

Also, a report after the conclusion of the regular session of the Texas Legislature provides an [update about TXCPA's legislative priorities](#).

## Strategic Planning

An update on reaching the 2020-2024 [Strategic Plan](#) goals was given by TXCPA Chairman Jason Freeman. The strategic destination is:

"We are a unified, influential and adaptive association driven by technology to deliver customized service and value to the evolving accounting profession."

The core components of the Strategic Plan are three pillars, a mission statement, a vision statement and four guiding principles. The [statement on diversity, inclusion, equity and belonging](#) has been updated.

To turn the plan into measurable action, the Strategic Planning Committee has developed a set



Jason Freeman



Anna Howard



Carl Mayes



Daniel Dustin



Tracie Miller-Nobles

of three goals – focused on governance, technology and growth – and [nine objectives](#). Groups at work on details include a 501(c)(3) Task Force, chaired by Gary McIntosh, CPA-Austin, and a Membership Task Force with Tim Pike, CPA-Dallas, CGMA, as its chair.

## Priorities for the Year

Freeman shared priorities for the 2021-2022 year. [Read about them](#) in the July/August issue of *Today's CPA*.

## CPA-PAC

[CPA-PAC](#) Chair Terri Hornberger, CPA-Dallas, explained that the committee's purpose is to encourage TXCPA members to participate in the Texas elections process. Nonpartisan campaign contributions are made to candidates for office in Texas who understand and support the profession's protection of the public interest.

The committee is moving into the 2022 election cycle. You can continue to preserve and protect the CPA license by making a [donation](#) to the CPA-PAC.

## Related Entities

The annual meetings of the Accounting Education, CPE and Peer Assistance foundations were held.

**Accountants Confidential Network (ACAN)** – Peer Assistance Committee Chair George Arce, CPA-San Antonio, shared an update about [ACAN's](#) success in helping those with alcoholism, chemical dependency or emotional distress issues. Lives and livelihoods are saved through the work of those who serve as mentors.



ACAN's vision is to be a champion of wellness resources for all current and future CPAs. [Monetary donations](#) supplement the annual grant from the Texas State Board of Public Accountancy to support the program and provide training for volunteers.

**Accounting Education Foundation (AEF)** – Art Agulnek, CPA-Dallas, presented information about the programs of the [AEF](#). Scholarships are the significant portion of the Foundation's work, with \$126,000 given during 2020-2021.

Other projects are a donation for [AICPA Minority Scholarships](#), funding for the Accounting Education Conference, CPA pipeline initiatives, and recognition of outstanding accounting faculty and students.

The Kenneth W. Hurst Award is presented to individuals who have provided outstanding service to the Foundation or contributed at least \$5,000 in the last five years. This year's recipients are Kym Anderson, CPA-El Paso, CGMA, and Harold B. Krom, CPA, (posthumously).

Just two of the ways to help the AEF are by designating the organization when buying through Amazon Smile and an [online donation page](#) on TXCPA's website.

An election for members of the AEF Board of Trustees was held, with terms ending May 2025. The members include:

- Kathryn W. Kapka, CPA-East Texas, CGMA;
- Tram P. Le, CPA-Fort Worth;
- Anne-Marie T. Lelkes, Corpus Christi;
- Jerry D. Love, CPA-Abilene, CGMA; and
- Gary D. McIntosh, CPA-Austin.

## CPE Foundation

Chair of the CPE Advisory Board Kelly Hunter, CPA-Houston, reported on virtual learning through the [TXCPA CPE Foundation](#) during the 2020-2021 year.

There was free programming exclusively for members, with up to 20 hours available. Content included the

### Win a 2022 Annual Meeting Prize Pack!

Your contributions could make you the winner of a 2022 Annual Meeting Prize Pack! Make a contribution in the amount of at least \$100 to the [Accountants Confidential Assistance Network \(ACAN\)](#) or the [Accounting Education Foundation](#) during the 2021 calendar year and to show our thanks, TXCPA will enter you in a random drawing for a two-night stay at The Kalahari Resort for our 2022 Annual Meeting, a fun welcome amenity, a poolside play package and more! Learn more and contribute [on the TXCPA website](#).

on-demand [Ethics course](#), Texas taxes webcasts and Professional Issues Updates (PIUs).

There were 10 conferences converted to online-only events, as well as 36 cluster courses and thousands of programs offered online.

A significant number of pandemic-related courses were added to the course catalog; these drew more than 8,700 attendees. Many thanks go to the key members who jumped in and helped digest the data to develop new programs quickly.

There was a 27% increase in titles available through the [Passport](#) for a flat fee of \$199.

The Foundation also worked with 13 chapters to provide CPE to members in a variety of virtual programs when chapters were unable to meet because of COVID-19 restrictions. The CPE Chapter Partnership business model continues to evolve to meet the changing needs of learners.

## Business Matters

The 2020-2021 financial report was given. 2021-2022 Treasurer Susan Roberts, CPA-Fort Worth, CGMA, presented budgets for the new fiscal year, which were approved.

## Plan Now for Future Gatherings

The Midyear Board of Directors and Members Meeting is planned for Jan. 21-22, 2022, at The Westin Irving Convention Center at Las Colinas in Irving, TX. Watch the weekly Viewpoint e-newsletter for information.

Kalahari Resorts & Conventions at Round Rock, TX is the site for the 2022 Annual Meeting of Members and Board of Directors Meeting, July 1-2. There will be speakers, ideas and connections to ignite your career. Plan to be there!



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### Thanks to Our Title Sponsor: Goodman Financial

**TXCPA thanks our title sponsor Goodman Financial! They gave away a Peloton Bike during a drawing among those present. Marshall Pitman, Ph.D., CPA-San Antonio, was the winner!**