

**March 28, 2006**

**Board of Accountancy Response to Economic Impact Analysis (EIA)**

The Board of Accountancy (Board) is in agreement with the Economic Impact Analysis (EIA) prepared by the Department of Planning and Budget (DPB).

Virginia exam candidates currently pay an examination administration fee of **\$160** to the CPA Examination Services Inc. (CPAES) for their initial exam application (this fee will be decreased to **\$120** under the Board's proposal), and the candidates pay an examination administration fee ranging from **\$60** to **\$105** to CPAES to re-take the computer-based CPA examination, or "CBT" (the retake fees will be repealed entirely under the Board's proposal). The work by the Board staff occurs during the initial application phase when examination eligibility is determined. There is little staff work involved for candidates to sign up to retake one or more parts.

In the first year of the CBT (April 2004 to April 2005), CPAES collected a total of **\$591,210** from Virginia exam candidates. This included fees from initial examination candidates (which totaled **\$256,770**) and from re-examination candidates (which totaled **\$334,440**).

With this proposal, the Board will decrease the examination administration fee charged to initial exam candidates from **\$160** to **\$120** and repeal entirely the examination administration fee charged to re-exam candidates. So, using the same figures from the first year of the CBT, the total real **savings** passed directly to Virginia exam candidates under the Board's proposal would have been **\$362,970** over the same period.