

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	Virginia Board of Accountancy
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	18 VAC 5-22
<b>VAC Chapter title(s)</b>	Board of Accountancy Regulations
<b>Action title</b>	Education Handbook
<b>Date this document prepared</b>	May 2023
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	Amendment of Guidance Document

**Cost Benefit Analysis**

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

**Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)**

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p>Direct Costs: There are no monetizable direct costs associated with this change.</p> <p>Indirect Costs: There are no monetizable indirect costs associated with this change.</p> <p>Direct Benefits: For the purpose of this form, VBOA is estimating conservatively that about 25% of exam candidates will need one fewer college course to meet the updated requirements in this guidance document. The updated Education Handbook allows three hours of introductory accounting to count toward its 24-hour accounting concentration requirement. This would decrease costs as follows:</p> <ul style="list-style-type: none"> <li>• Approximately 1,200 CPA exam candidates are new to the VBOA each year. Roughly 25% of these, or 300 candidates, will meet the accounting concentration course requirements with one fewer course.</li> <li>• The average cost of a three-credit hour course is \$1,785 for in-state tuition in Virginia. (Total would likely be higher taking out-of-state students into account.)</li> <li>• Total savings is: \$535,500 per year.</li> </ul> <p>Indirect Benefits: There are no monetizable indirect costs associated with this change.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct &amp; Indirect Costs</p>	<p>Direct &amp; Indirect Benefits</p>
	<p>(a) \$0</p>	<p>(b) \$535,500</p>
<p>(3) Net Monetized Benefit</p>	<p>\$535,500</p>	
<p>(4) Other Costs &amp; Benefits (Non-Monetized)</p>	<p>Provides the public a detailed understanding of academic requirements to sit for the CPA exam.</p>	
<p>(5) Information Sources</p>	<p>VBOA’s exam candidate records. Educationdata.org. The previous guidance document.</p>	

**Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)**

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p>Inverse of costs to exam candidates listed above.</p>
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) n/a	(b) n/a
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)	The updated guidance document reflects changes in credit hour requirements to sit for the CPA Exam.	
(5) Information Sources	The previous guidance document.	

**Table 1c: Costs and Benefits under Alternative Approach(es)**

(1) Direct & Indirect Costs & Benefits (Monetized)	No alternatives identified; VBOA is required to regulate requirements to sit for the CPA exam in Virginia.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) n/a	(b) n/a
(3) Net Monetized Benefit	n/a	
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources		

**Impact on Local Partners**

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 2: Impact on Local Partners**

(1) Direct & Indirect Costs & Benefits (Monetized)	None
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) n/a	(b) n/a
(3) Other Costs & Benefits (Non-Monetized)	The changes better reflect what academic institutions are offering in today’s professional landscape and will help them ensure students are prepared for the path to CPA licensure.	
(4) Assistance	n/a	
(5) Information Sources	n/a	

**Impacts on Families**

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 3: Impact on Families**

(1) Direct & Indirect Costs & Benefits (Monetized)	Families could be affected by this changed requirement if they send their children to college in pursuit of a CPA license. Families who are helping their children pay for a degree and who do not change majors would save the (on average) \$1,785 for the three-hour introductory-level course that can now count toward their accounting concentration requirement. See table 1A for cost benefit details.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) Potentially up to \$535,500 in savings. (See explanation above.)
(3) Other Costs & Benefits (Non-Monetized)	The general public may benefit from a workforce better prepared for the realities of today’s business world.	
(4) Information Sources	n/a	

**Impacts on Small Businesses**

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

**Table 4: Impact on Small Businesses**

(1) Direct & Indirect Costs & Benefits (Monetized)	None expected.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) n/a	(b) n/a
(3) Other Costs & Benefits (Non-Monetized)	CPAs entering the workforce may have better training.	
(4) Alternatives	n/a	
(5) Information Sources	n/a	

**Changes to Number of Regulatory Requirements**

**Table 5: Regulatory Reduction**

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

*Change in Regulatory Requirements*

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
	(M/A):				
	(D/A):				
	(M/R):				
	(D/R):				
<b>Grand Total of Changes in Requirements:</b>					(M/A):
					(D/A):
					(M/R):
					(D/R):

*Cost Reductions or Increases (if applicable)*

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases

*Other Decreases or Increases in Regulatory Stringency (if applicable)*

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden

*Length of Guidance Documents (only applicable if guidance document is being revised)*

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count
Education Handbook	2346	2502	156

\*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).