

# The Accounting Education Change Commission: Its History and Impact

## Chapter 3 SETTING THE DIRECTION

The Accounting Education Change Commission brought together 18 individuals, all committed to change in accounting education along the lines of the Big 8 White Paper and the Bedford Committee report. But they differed in perspective, background, and experience. While there may have been a natural agreement on general goals, there was no reason to expect agreement on specific objectives or strategies to achieve them. To achieve the quick impact desired by the sponsors, a plan was needed quickly. Three meetings were scheduled within a 15-week period to develop this plan.

### Initial AECC Meetings

The first meeting of the AECC was held September 8, 1989, in [Chicago](#).<sup>4</sup> The focus of this meeting and the following two meetings (October 31–November 1 in Atlanta and December 14–15 in San Francisco) was to agree on a direction for change and a mechanism for achieving the needed changes.

The 18 Commissioners represented a wide range of academic and professional interests, and all had ideas about how accounting education should change. Their appointment to the Commission indicated a commitment to change, but it quickly became clear that all change agendas were not alike. A combination of outside presentations and internal discussions put the various alternatives on the table. Vigorous debate brought out the common factors and the areas of disagreement.

Due in large part to the skillful leadership of Chairman Doyle Williams, the Commission expeditiously coalesced around a common set of basic objectives. Once the Commission reached agreement, personal agendas took a back seat to the Commission's agenda. I believe that a major factor in the Commission's success was the willingness and ability of all 18 members to buy into the Commission's agenda. Throughout the life of the Commission there were discussions and disagreements during Commission meetings, but once issues were decided, Commission members went forth with a united front.

Two early decisions were instrumental in setting the directions the Commission would take. First, it committed itself to concern for all career paths in accounting. Second, it avoided the politically charged debate on the need for five years of postsecondary education for professional accountants.

The first official action of the AECC was approval of a resolution committing the Commission to be concerned with accounting careers broadly defined:

The Commission will address the preparation of accountants for careers in public accounting as practiced in large, medium, and small firms, corporate accounting (including financial management, controllership, treasury, financial analysis, planning and budgeting, cost accounting, internal audit, systems, tax, and general accounting), and governmental and non-profit accounting....When the Commission uses terms such as "accounting careers," "accounting profession," or "accounting professionals," these terms are understood to refer to accounting broadly defined, including all career paths listed...above. (AECC 1989b, 3)

The Commission made a concerted effort to avoid the stigma of catering only to preparation for public accounting careers.

Sponsorship of the Commission by the major public accounting firms gave some observers the impression that the changes advocated by the Commission would be in the best interest of such firms, possibly to the detriment of other professional accounting careers. For example, a paper by Davis and Sherman (1994) "raises questions concerning the apparent lack of independence of the

Commission and the potential that the AECC may have indeed been 'captured' by the accounting firms which have financed its operation." The paper "further questions whether the interests of all stakeholders have been adequately represented in the Commission's initiatives." However, both industry and small/medium public accounting firms were represented on the Commission. (A legitimate criticism is that government and nonprofit accountants were not represented.) I believe the vast majority of the AECC members were sensitive to the needs of various professional accounting careers. Further, subsequent studies by the Institute of Management Accountants and the Financial Executives Institute have called for most of the same changes as the AECC advocated (see Siegel and Sorensen 1994; Larsen and Ahlstrand 1991).

A less formal, but equally important, decision was to focus on the learning experience provided for the students rather than the administrative structure of accounting programs. Specifically, the Commission elected to not enter the debate over whether college and university accounting programs should be four or five years in length. This was a politically charged issue for which there was a diversity of opinion on the Commission and no obviously right answer. Instead of entering this debate, the Commission supported diversity in the way accounting programs are packaged. However, regardless of the length of the program or the titles and lengths of courses, a common set of learning objectives emerged. The Commission did not develop (or even seriously discuss) a "model curriculum"; degrees and course titles were secondary to the subject matter and process of education. The focus was on students' learning objectives and how best to achieve them.

By diffusing one potential criticism and avoiding another, the AECC tried to pave the way to internal consensus and public acceptance. This worked for internal consensus, but unfortunately, public acceptance did not come as easily. Because the campaign to require five years of accounting education was driven by those in public accounting (and the AICPA, in particular), and because many of those advocating the changes sought by the AECC were also advocates of the five-year requirement, the issues became muddled in many minds. This was exacerbated by the fact that AECC Chairman Williams was an outspoken advocate of five-year programs, despite the fact that he carefully avoided support of five-year programs when speaking on behalf of the Commission. As a result, those opposed to mandated five-year programs in accounting and those advocating less of a public-accounting focus in accounting programs were less inclined to support AECC recommendations. Why? Because they thought AECC reforms were a foot in the door for a public-accounting-driven move to five-year programs.

### **Representation on the Commission**

Even before its first meeting, the AECC was criticized for ignoring important stakeholders. Although the Commission included a broad range of stakeholders, it was not possible to include every interest group. One major group left off the Commission was government and nonprofit accountants. Fortunately, several such accountants provided input to the Commission so that their views could be recognized.

The Commission seemed to be more concerned about the under-representation of minorities, probably because minorities are more likely to be affected differently than are others by changes in accounting education. Between the Commission's first and second meetings, Executive Director Sundem visited Howard University, St. Augustine's College, and the Seattle chapter of the National Association of Black Accountants. He reported that members of those organizations generally supported the thrust of the changes sought by the Commission, but they wanted specific consideration of their impact on minority students. The Commission decided that the best way to achieve this was not with a special "minority" committee or task force but by including minorities on many of the Commission's task forces.

### **Informing the Commission**

Early in the life of the Commission it became clear that many individuals had much knowledge to offer the Commission. Therefore, throughout the life of the Commission, the members were continually being updated on topics that affected their activities. A large number of individuals briefed the Commission on various topics. Of course, many Commission members shared their expertise where appropriate, representatives of the grant schools made presentations about progress, and AAA presidents and other officers often met with the Commission. In addition, the following persons made presentations to the Commission during the years noted:

- B. Needles and M. Powers—"A Comparative Study of the Common Body of Knowledge for Accountants," 1989
- M. Diamond and K. Pincus—Curriculum changes at the University of Southern California, 1989
- R. Laing and M. Larsen—Financial Executives Research Foundation survey on the opinions and attitudes of financial executives on the education required for success as a financial executive, 1990
- D. Skadden—Most recent thoughts of the AACSB Task Force on Accreditation, 1990
- H. Lasker and A. Cantrell—A study that Applied Learning Spectrum did for KPMG Peat Marwick on the knowledge, skills, and abilities required at various levels in the organization and where such knowledge, skills, and abilities were obtained, 1990
- J. D. Edwards—Report on the activities of the Education Committee of the International Federation of Accountants, 1990
- J. Rubin—Update on the activities of the AACSB Accreditation Task Force, 1990
- A. T. Nelson—Discussion about the requirements for a minimum number of accounting hours included in the implementation guidelines for the AICPA/NASBA Model Accountancy Bill, 1990
- M. Helitzer—Proposal by *New Accountant* to prepare a book on the AECC, 1991
- R. Barefield, W. Bentz, and T. Williams—Feedback on the Commission's activities, 1991
- M. Blood—A summary of AACSB activities involving outcome measurement, 1991
- L. Hale, C. Skousen, and R. Pitt—Proposal from Beta Alpha Psi to fund two video program modules to promote accounting careers, 1991
- J. Blum—Report on the results of the "Practice Analysis of Certified Public Accountants in Public Accounting" commissioned by the AICPA's Board of Examiners, 1991
- T. Powell and R. Paligo—Description of the educational initiatives undertaken by the Institute of Internal Auditors, 1992
- L. Davidson—Comprehensive accounting curriculum development project at Florida International University, 1992
- R. Baechle—An overview of the business ethics program sponsored by Arthur Andersen & Co., 1992
- C. Tierney and V. Robinson—Discussion of the need to include the topics of government accounting and auditing in the accounting curriculum, 1992
- H. Roberts—Applications of Total Quality Management to business education, 1992
- N. Walker—The Price Waterhouse approach to continuing professional education, 1992
- T. Beauchemin—The Enterprise 2000 approach to the change process, 1993
- J. Searfoss—The Deloitte & Touche program on "Enhancing the Learning Experience," 1993
- L. Scott—A program to promote continuous improvement for academic accounting programs sponsored by the Practice Involvement Committee of the Administrators of Accounting Programs Group, 1993
- J. Fernandes and G. Sumners—Institute of Internal Auditors program on "How We are Enhancing the Early Employment Experiences of Internal Auditors," 1993
- C. Clark, K. Pincus, L. Scott, and J. Searfoss—Report from the Federation of Schools of Accountancy Committee on Implementing Change, 1993
- P. Chenok—Expressed AICPA's support for the work of the Commission, 1994
- J. Hunnicutt—Update on recent AICPA developments dealing with accounting education, 1996

## Strategic Planning

The unification of the AECC members was aided by a successful strategic-planning effort facilitated by a consultant, Eric R. Baron, of Consultative Resources Corporation. By the end of 1989, the Commission had established a mission statement and five goals. The Mission was similar, but not identical, to the objectives put forth in the *Memorandum of Understanding*:

The mission of the Accounting Education Change Commission (AECC) is to be a catalyst for improving the academic preparation of accountants, so that entrants to the accounting profession possess the skills, knowledge, and attitudes required for success in accounting career paths. The AECC seeks to enhance the quality of education for accountants consistent with the objectives of the AAA's Bedford Committee Report and the Sponsoring Firms' White Paper, *Perspectives on Education*:

By February 1990, the Chairman and Executive Director had established 19 task forces, later reduced to 16 by combining task forces with overlapping objectives, to execute the activities needed to accomplish the goals. Each Commission member was appointed to one or more task forces, with specific duties tied directly to the objectives of the task force. In addition, the task forces included non-Commission members whose expertise was especially valuable.

Because the task forces did most of the actual work of the Commission, the following section will list all 16 of them with their membership and charges. There was a subtle but significant evolution in the language used by the Commission in the goal statements. The discussion of "changes" in accounting education now became one of "improvements." Although this change may be obvious in hindsight, it was important to the Commission. As Barefield (1991, 306) stated in an insightful critique of the AECC, "[F]orces for change have come from the AAA, the AICPA, and the national firms...[and] the convergence of their views is more toward agreement on the need for change than it is toward a common focus on what that change should be." Although both the *Memorandum of Understanding* and the AECC Mission Statement accepted the Bedford Committee and the Big 8 White Paper as the authoritative basis for the direction of change, the AECC goals stated a need to make sure that changes advocated by the Commission were actually improvements.

How was the Commission to determine whether changes are improvements? Barefield (1991, 309) pointed out that the White Paper is "too 'green' or untested a foundation on which to build sweeping educational change." It is hard to disagree with the assertion that many of the suggested changes were not yet proven to be improvements. Yet management, unlike scientists, sometimes cannot wait for such proof. I often tell my students that management decision making is "making irrevocable decisions based on inadequate information." We would always like additional information, but sometimes decisions must be made based on a "best guess" as to their consequences. At times, management of educational institutions must do this also. The Commission at least used its collective wisdom to make "best guesses" at what would constitute improvements, but it remains to be seen if they will be proven to be correct. Nevertheless, the AECC did not blindly accept suggested changes as improvements. Instead, it developed its own views of what parts of the Bedford Committee report and Big 8 White Paper to emphasize.

## **AECC Task Forces**

Sixteen AECC task forces were appointed in February 1990. Categorized by the goal they were intended to achieve, the task forces were:

Goal 1: Identify the goals of education for accountants

Task Force 1A: Objectives of Education for Accountants

James K. Loebbecke, AECC, Chair

Gary L. Sundem, AECC

Charge: Prepare an exposure draft of a position statement on "Objectives of Education for Accountants," drawing from the report of the Bedford Committee and the *Perspectives* paper. Continue to monitor the educational and professional environments for implications for accounting education that may necessitate revision of the position statement.

Goal 2: Foster an environment for improvements in the education of accountants

Task Force 2A: Leadership Support

A. Marvin Strait, AECC, Chair

Steven R. Berlin, AECC

John F. Chironna, AECC

Robert Ellyson, Coopers & Lybrand

Thomas F. Keller, Duke University

Richard J. Lewis, Michigan State University

Paul L. Locatelli, AECC

Melvin C. O'Connor, AECC

Charge: (1) Identify leaders in academe and the profession, by virtue of their position and/or their influence, and develop strategies for enlisting their support for changing accounting education. (2)

Identify stakeholder organizations and develop strategies for the AECC establishing linkages with them.

**Task Force 2B: Information Dissemination**

Gary L. Sundem, AECC

Doyle Z. Williams, AECC

Charge: Disseminate information about the need for change; develop a speaking program for the AECC; publish information about the need for change and about activities of the AECC; conduct symposia on implementing change in accounting education.

**Task Force 2C: Early Employment Experience**

Robert K. Elliott, AECC, Chair

John K. Chironna, AECC

James W. Deitrick, University of Texas at Austin

Brian J. Jemelian, Price Waterhouse

Vincent M. O'Reilly, AECC

A. Marvin Strait, AECC

Charge: Develop a strategy for addressing the effective interfacing of the education of the "new" accountant with the initial (2 to 3 years) employment experience; consideration should also be given to recruiting signaling on campuses and continuing professional education efforts by employers.

**Task Force 2D: Regulatory Issues**

Nathan T. Garrett, AECC, Chair

Rick Elam, AECC

Ladelle Hyman, Texas Southern University

Harold Langenderfer, University of North Carolina at Chapel Hill

Charge: Develop a strategy to promote desired changes in Federal, State, and other regulations that affect the accounting educational environment, with particular attention given to the joint AICPA/NASBA Model Bill, State legislation, and board rules implementing the 150-hour requirement, and the timing of the CPA Examination.

**Goal 3: Promote implementation of improvements in the education of accountants**

**Task Force 3A: Grant Program**

Doyle Z. Williams, AECC, Chair

Gary L. Sundem, AECC, Vice-Chair

Charge: Develop and propose policies and procedures for conducting the grant program to provide an incentive for experimentation in implementing desired changes in accounting education.

**Task Force 3B: Faculty Development**

Ray M. Sommerfeld, AECC, Chair

Charles T. Horngren, AECC

Corine T. Norgaard, AECC

Jan R. Williams, University of Tennessee

Charge: To recommend to the AECC strategies for (1) developing faculty teaching capabilities, in doctoral programs and in continuing education for current faculty, consistent with the AECC's "Objectives for Education of Accountants"; and (2) developing faculty interest and capabilities for program innovation and experimentation.

**Task Force 3C: Student Recruiting**

Rick Elam, AECC, Chair

Steven R. Berlin, AECC

Barron Harvey, Howard University

Charge: Develop a strategy for attracting high-quality students to the study of accounting.

**Task Force 3D: Two-Year Schools**

Corine T. Norgaard, AECC, Chair

Greg Bischoff, Houston Community College

Dennis Greer, Utah Valley Community College

Tom Hilgerman, St. Louis Community College

Lynn Mazzola, Nassau Community College

Gary L. Sundem, AECC

Charge: Develop a strategy for involving community and junior colleges in accounting education change.

Goal 4: Reduce impediments to improvements in the education of accountants

Task Force 4A: Faculty Incentives

Donald E. Kieso, AECC, Chair

Melvin C. O'Connor, AECC

Ronald J. Patten, DePaul University

Richard R. West, AECC

Arthur R. Wyatt, Arthur Andersen & Co.

Charge: To develop and recommend a strategy to the AECC for increasing faculty incentives for undertaking curriculum development, engaging in educational experimentation and research, and developing effective teaching strategies. Consideration should be given to strategies for altering typical faculty reward systems, issuing a position statement, working with other organizations (e.g., accrediting bodies), and other approaches.

Task Force 4B: University Support

Vincent M. O'Reilly, AECC, Chair

John L. Kramer, University of Florida

Cecil Mackey, Michigan State University

Ray M. Sommerfeld, AECC

Charge: To develop and recommend to the AECC a strategy for increasing the level of recognition among university and business school administrators of the importance of high-quality accounting education. Special consideration should be given to developing a strategy for positioning the accounting discipline in a more positive light among the major universities.

Task Force 4C: Instructional Materials

Charles T. Horngren, AECC, Chair

Barry Cushing, Pennsylvania State University

Michael A. Diamond, University of Southern California

Robert K. Elliott, AECC

Kenneth W. Rethmeier, Harcourt Brace Jovanovich

Charge: Develop a strategy for promoting the preparation and marketing of relevant instructional materials designed to achieve the desired learning outcomes for the education of accountants.

Task Force 4D: Professional Examinations

Nathan T. Garrett, AECC, Chair

Rick Elam, AECC

Michael L. Feters, Babson College

Donald E. Kieso, AECC

Charge: Develop a strategy for minimizing the dysfunctional impact of professional examinations on accounting education. Consideration should be given to the timing of such examinations, publication of pass rates as a measure of program quality, and content.

Task Force 4E: Accreditation

Melvin C. O'Connor, AECC, Chair

Robert K. Elliott, AECC

Richard R. West, AECC

Charge: To develop a strategy for influencing accreditation as a positive force for enhancing quality improvements in accounting education and to develop a paper reflecting the AECC's views on accreditation for submission to the AACSB Task Force on Accreditation. Continue to monitor accreditation developments and bring issues to the AECC as warranted.

Goal 5: Measure improvements in the education of accountants

Task Force 5A: Measurement of Educational Change

James K. Loebbecke, AECC, Chair

Robert K. Elliott, AECC

Brent C. Inman, Coopers & Lybrand

Joan S. Stark, AECC

Charge: To develop and recommend to the AECC a strategy for measuring the results of the Change Commission's efforts to enhance the skills and capabilities of accounting graduates. Consideration should be given to establishing benchmarks and measuring student skills and capabilities over time. Additionally, consideration should be given to measuring changes in faculty responses to the call for educational reform and program changes. Special consideration should be given to measuring change on the campuses of grant recipients.

Task Force 5B: Change Commission Progress

Vincent M. O'Reilly, AECC, Chair

Steven R. Berlin, AECC

Charge: To recommend a strategy for measuring the success of the AECC, focusing initially on the Commission's efforts. Consideration should be given to developing an annual report card. In the long term, consideration should be given to the interfacing of these measures with the measurements developed by the Educational Change Task Force.

## Revisiting the Strategic Plan

For its first three years the Commission followed the strategic plan and task force organization it originally established. By 1992–93 the environment for change had been significantly altered, and the five-year horizon planned for the Commission was rapidly approaching. Therefore, the Commission revisited its strategic plan.

The original 16 task forces organized around the five goals of the AECC were consolidated into nine task forces and committees in three areas (with the chair shown in parentheses):

- Major thrust task forces:
  - \*Curriculum Dissemination (Mueller)
  - \*Faculty Development (Schipper)
  - \*Assessment (Landsittel)
- Current projects task forces:
  - \*Early Employment Experience (Elliot)
  - \*Faculty Incentives (Kieso)
  - \*Professional Examinations (Blake)
- Chairman coordinated committees:
  - \*Information Dissemination (Williams)
  - \*Grant Monitoring (Williams)
  - \*Strategic Planning (Williams)

Later, two additional sub-groups were established to deal with specific agenda items, an *ad hoc* Articulation Task Force (W. Shenkir, chair) and a Dissemination Conferences Project Team (M. O'Connor, chair).

The main effect of the reorganization was to focus future activities in three areas, curriculum dissemination, faculty development, and assessment. The disposition of the 16 original task forces and my assessment of the success of the disbanded task forces follow:

- 1A: Objectives of Education for Accountants—Mission accomplished with publication of Position Statement No. One, *Objectives of Education for Accountants*.
- 2A: Leadership Support—One of the most difficult tasks and one that was only partially successful. Support within the academic accounting community was excellent; within the higher echelons of the practicing accounting community, good but with little penetration into the rank and file; and outside the accounting community, far short of what was hoped. Especially disappointing was lack of recognition and support from deans of business schools, despite many efforts to involve them in the process.
- 2B: Information Dissemination—A continuing task force that carried out its responsibilities throughout the life of the Commission by publishing articles, making presentations at a large variety of meetings, and conducting symposia.
- 2C: Early Employment Experience—Continuing task force. Completed task with

publication of Issues Statement No. Four, *Improving the Early Employment Experience of Accountants*.

- 2D: Regulatory Issues—Incorporated into Professional Examinations Task Force, which was ongoing.
- 3A: Grant Program—Set the criteria, prepared the request for proposals, and recommended proposals to the AECC for funding. After the grant projects were up and running, this task force was replaced by the Curriculum Dissemination Task Force and the Grant Monitoring Committee. The former was one of the major thrusts of the second half of the Commission's life, and the latter was an operational committee making sure the contracts with the grant schools were fulfilled.
- 3B: Faculty Development—One of the three major thrusts for the second half of the Commission's life. The late Ray Sommerfeld, first chair of this task force, maintained that faculty development was critical to the Commission's success. It became the major continuing activity that the AECC passed on to the American Accounting Association, with the long-term success of the Commission still riding on the AAA's success in this area.
- 3C: Student Recruiting—Collected and disseminated materials from schools on strategies for student recruiting. Much of this task force's agenda became subsumed under other activities such as the Two-Year Schools Task Force and the grant projects.
- 3D: Two-Year Schools—Major progress was made with publication of Issues Statement No. 3, *The Importance of Two-Year Colleges for Accounting*, but relationships between two- and four-year schools remains problematic in many areas. Later, an *ad hoc* task force was established to carry forward the issue of articulation between two- and four-year schools, resulting in publication of Issues Statement No. 6, *Transfer of Academic Credit for the First Course in Accounting Between Two-Year and Four-Year Colleges*.
- 4A: Faculty Incentives—A continuing task force that completed its charge with publication of Issues Statement No. Five, *Evaluating and Rewarding Effective Teaching*. This task force did a good job with a limited part of the broader charge. To significantly affect the faculty performance evaluation and reward system is a monumental task, and the main thing this task force could do was to bring the issue to the table.
- 4B: University Support—This was another extremely difficult task, and little progress was made. Institutional support at the universities of the grant recipients was good, but little influence on university administrators beyond these schools was accomplished.
- 4C: Instructional Materials—This task force worked primarily behind the scenes, including supporting AAA efforts to recognize curriculum innovations and encouraging publishers to evolve textbooks along lines consistent with AECC recommendations. I would judge their efforts a qualified success. Much lip service was given to accommodating AECC recommendations in most textbooks, and new textbooks and other teaching materials incorporating the recommendations emerged. The end-of-chapter materials of almost every textbook changed to include more active learning options. Still, the majority of the textbook market remained remarkably resistant to major changes.
- 4D: Professional Examinations—A continuing task force that mainly worked directly with the AICPA Board of Examiners and NASBA. It commented on and thereby influenced the model accountancy bill prepared jointly by the AICPA and NASBA, produced Issues Statement No. 2, *AECC Urges Decoupling of Academic Studies and Professional Accounting Examination Preparation*, and seems to have had some influence on the format and content of the CPA examination (although the extent of the influence is not yet fully known).
- 4E: Accreditation—This was one of the most successful task forces. Most of its work was done early in the life of the Commission, but even though it did not continue as a task force after reorganization, its members continued to monitor accreditation activities. Although the Commission made no public pronouncements on accreditation, the task force's work with the AACSB had a great influence on the

new, mission-based accreditation standards that were approved in April 1991 (see chapter 7 for details).

5A: Measurement of Educational Change—Continued as one of the three major thrusts, relabeled the Assessment Task Force. It was impossible for the task force to develop a complete assessment program in the short life of the Commission, but it contributed to this development with the publication of *Assessment for the New Curriculum: A Guide for Professional Accounting Programs* (Gainen and Locatelli 1995).

5B: Change Commission Progress—Developed a framework to keep the Commission focused on its objectives. Although few concrete measures of success were developed, the task force monitored activities and undertook periodic surveys to assess the Commission's impact.

## Extending the Commission's Life

At a meeting in November 1992, with the original end of the Commission's life less than two years away, AAA President Gary Sundem presented to the Sponsors' Task Force a proposal to extend the life of the Commission by two to three years to allow implementation of the initiatives currently under way. The proposal asked for an additional \$1 million for the AECC and another \$500,000 to underwrite a faculty development effort at the AAA that was deemed necessary to continue the work of the Commission. Accompanying Sundem to the meeting and supporting the proposal were AAA Past President Art Wyatt, AAA President-Elect Andy Bailey, and AECC Chairman Doyle Williams. The discussion showed general pleasure with the work of the AECC but skepticism about the ability of the AAA to carry forward the activities.

The presentation of the proposal started a protracted dialog about the hand-off of AECC activities to the AAA. Extending the life of the AECC was not particularly controversial, but the additional \$500,000 to the AAA was. Although no immediate commitment was made to extend the life of the Commission, it was apparent after the November 1992 meeting that the Commission would have some time beyond August 1994 to complete its activities. On February 28, 1994, a formal agreement was signed committing the Big 6 Sponsoring Firms to "an additional \$1 million to extend the funding of the Accounting Education Change Commission for *at most* an additional three years through fiscal 1997." In fact, the Commission was terminated at its meeting on August 13, 1996.

The signing of an agreement on October 31, 1994 facilitated the hand-off to the [AAA](#).<sup>5</sup> It committed the Sponsoring Firms to providing the \$500,000 to the AAA's faculty and program development project in addition to \$1 million for the extension of the AECC's life. This document specified the following about the AECC:

The additional \$1 million approved in February 1994 will be used to extend the administrative life of the Commission *up to* an additional three years and directed primarily to three program areas:

- Curriculum Dissemination—To effectively disseminate the innovations that are taking place at the grant schools, a number of workshops need to be held to share these results with many accounting faculty.
- Assessment—To assess impact of accounting education change on both curricula as well as on the skills and knowledge of graduating students.
- Faculty Development—To work with the American Accounting Association to develop new teaching skills to implement revised and new accounting curriculum.

The Commission completed the curriculum dissemination task rather successfully by the end of its life. Two major steps were taken in assessment, publication of a monograph (Gainen and Locatelli 1995) and sponsorship of an assessment workshop. However, assessment is a complex issue that will require continuing attention. Finally, although most of the Commission's activities had some faculty development components to them, the main thrust in faculty development was passed to the AAA.

It is too early to fully judge the AAA's faculty development effort, and such an evaluation is beyond

the scope of this monograph. However, I think it is off to a good start after some initial rough spots. In 1993, the Sponsor's Task Force authorized use of part of the \$500,000 requested by the AAA to undertake a needs analysis in faculty development. The commitment of the full amount would be contingent on the results of the analysis. In 1994, the AAA hired Strategic Initiatives, Inc., to undertake a needs analysis in faculty development. Although the study was highly criticized by some because it came up with few new insights, it served the purpose of confirming the importance of faculty development and the approach advocated by the Commission and the AAA. This led to the October 1994 approval of the full \$500,000 by the Sponsor's Task Force.

Building on groundwork laid by the AECC, the Educational Advisory Committee of the AAA developed a strategic approach to faculty development, and the AAA hired Dr. Tracey E. Sutherland to implement the program. I have been impressed with the AAA's activities in faculty development. Although the full impact of the AAA's efforts is not yet clear, there are many promising signs. For example, continuing education sessions at both national and regional AAA meetings have grown quickly. At the 1990 AAA Annual Meeting there were 21 continuing education sessions preceding the meetings that attracted 691 participants. By 1998 this had grown to 33 sessions with 919 participants. The lasting impact of the AECC's activities, especially achieving continuous change and improvements in accounting education, depends greatly on the success of the AAA's faculty development effort.

The last half of the Commission's life was less exciting than the first half, but the activities were essential to its success. The scope of its activities was more limited, and there was less creating and more implementing. But if the later activities had not been undertaken with dedication and enthusiasm, the early gains might have been lost. It is to the credit of the Commission members and leadership that no momentum was lost, and the hand-off to the AAA of ongoing activities, primarily faculty development, was smooth.

## Stewardship

In total, the sponsoring firms pledged \$5 million to support the seven-year life of the AECC. Of course, the major portion of the support was for the grant program. However, the Commission also used the funds for its other activities. The \$5 million was invested as follows:

Grant program, including direct payments to 13 colleges and universities	\$3.0 million
Dissemination of AECC work products, including workshops, publications, presentations, etc.	.5
Administrative expenses, including compensation to AECC Chairs and Executive Directors, meetings expenses, and office expenses	<u>1.5</u>
Total	\$5.0 million



The support of the sponsoring firms was essential for the success of the Commission. Nevertheless, \$5 million is only a fraction of the cost of the needed changes. As Barefield (1991, 310) pointed out, "IBM's effort to develop MIS curricula cost more than \$10 million and the effort was focused on a much smaller academic discipline." The AECC and the accounting academy in general had to highly leverage these funds to gain improvements across a majority of the accounting programs in the country. The grant schools provided leverage through matching funds, but the real leverage came from convincing colleges and universities to undertake change activities without external funding. Several of the programs doing so were described in the special AECC issues of *Accounting Education News* (see chapter 5). The Commission may have been a catalyst for some of these changes, but without the leadership of a number of schools and individuals around the country, the change effort would not have succeeded.

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<sup>4</sup>The Commission meetings were rotated to different cities in different parts of the country to allow interested persons to observe a meeting in person without undue travel time and costs.

<sup>5</sup>Signing the agreement for the Big 6 Sponsors' Education Task force were: Brent C. Inman, Coopers & Lybrand; Dennis R. Reigle, Arthur Andersen & Co.; Mark M. Chain, Deloitte & Touche; Charles B. Eldridge, Ernst & Young; Robert K. Elliott,

KPMG Peat Marwick; and Larry P. Scott, Price Waterhouse. All six of these signers also made significant contributions to the work of the Commission in a variety of ways.