To: Shelley Rhoades-Catanach, President
American Taxation Association

From: Kathleen E. Sinning, Chair
Undergraduate Assessment and Accreditation Issues Committee

Re: Annual Committee Report

1. The following ATA members served on the Assessment and Accreditation Issues Committee for 2008/09: Susan Anderson, Kathleen Bauer, Bambi Hora, Andrew Judd, Anne Magro, Nancy Nichols, Judith Sage, Louise Single, and Jerrold Stern.

2. The Committee shared a number of charges with the Graduate Assessment and Accreditation Issues Committee and several ATA members served as members of both committees. As a result, the Undergraduate and Graduate committees agreed to work jointly on a number of charges.

3. The following charges were completed by the joint Committees:

a. Kathleen Sinning and Caroline Strobel sent several e-mail messages to ATA members during the fall and early winter semesters asking them to send us copies of new or revised syllabi for undergraduate and graduate tax classes. The Committee received 49 graduate and undergraduate syllabi for a wide variety of courses. The syllabi were organized by type of course (undergraduate vs. graduate) and sent to the ATA Webmaster in February 2009 to be placed on the ATA webpage.

E-mail messages were also sent to ATA members asking them to send us copies of their assessment processes and materials. Despite several requests, the Committee received only one example of assessment materials.

b. Three members of the joint Committee, Bambi Hora, Anne Magro, and Judith Sage, developed a session on assessment in tax courses that was presented at the ATA Mid-year meeting.

c. Louise Single and Jerrold Stern monitored issues related to the National Association of State Boards of Accountancy (NASBA) proposal for the accounting curriculum and changes in the CPA exam. They learned that the NASBA recently adopted new guidelines concerning the educational credentials of CPA candidates. The changes that affect tax courses are the requirements that students complete a minimum of two semester credit hours of research and analysis (Rule 5-2(d)(3)), and two semester credit hours of communications (Rule 5-2(d)(5)). A copy of Louise and Jerrold's report, **"Current Status of NASBA's Changes to the UAA Model Rules 5-1 and 5-2 and Implications for Tax Faculty,"** is included at the end of this annual report and should be read by all ATA members.

Report to the ATA Curriculum and Assessment Committee

Subject: Current Status of NASBA's Changes to the UAA Model Rules 5-1 and 5-2 and Implications for Tax Faculty

From: Louise E. Single, Ph.D., St. Edwards' University
Jerrold J. Stern, Ph.D., Indiana University

Date: June 3, 2009

The National Association of State Boards of Accountancy has recently adopted new guidelines for evaluating the educational credentials of CPA candidates. The new guidelines are contained in UAA Rules 5-1 and 5-2. Of particular relevance to tax faculty are the requirements that students complete a minimum of two semester credit hours of research and analysis (Rule 5-2(d)(3)), and two semester credit hours of communications (Rule 5-2(d)(5)). The credit hours may be earned at the undergraduate and/or the graduate level. Alternatively, the credit may be earned via an integrated approach whereby the topics are covered in several different courses to a sufficient degree that the required 4 semester credit hours are obtained.

The changes in the guidelines were built around the new CPA exam content specifications which are also in the process of being changed. According to Elaine Rodeck, CPA, PhD., a senior manager of Examination Content for the AICPA, the upcoming changes to the exam include expansion of the simulations included in the REG section. Currently the research simulations focus on locating and extracting information, but the new simulations will also test candidates' ability to "comprehend, interpret and apply" the information they find as a result of their research efforts. In a May 29 presentation to the Texas State Board of Public Accountancy's Educators Seminar, Dr. Rodeck discussed these changes and gave an example in which a tax simulation would look like a "shoebox" problem in which candidate is given numerous documents and is required to "figure out what to do with them". As another example, she mentioned the ability to research case law as something that may be tested in the future. Hence, candidates will need the educational background that will prepare them to successfully complete these kinds of tasks such as more training in research and more development of their ability to communicate the results of their research.

State boards will need to evaluate their educational requirements as a result of these changes. As an example, the Texas State Board recently incorporated the research and communications course requirements recommended by NASBA as part of their board rules governing education requirements for CPA exam candidates. Originally the change was scheduled to take effect for all candidates submitting letters of intent to sit for the exam on or after July 23, 2009. However, in response to overwhelming objections from the academic community, they have agreed to hold off on the implementation of the new rules for the time being. The new implementation date is to be decided at their next board meeting on July 23, 2009.

At the May 29 TSBPA Educators Seminar, representatives of the board responded to feedback and answered questions from faculty regarding the practical implementation of the changes. In attendance were representatives from NASBA (Melanie Thompson, CPA and chair of the NASBA Education Committee) and Dr. Rodeck of the AICPA who also responded to questions. One question raised was whether the communication and research credit could both be earned in one course such as a tax research class that requires students to communicate their findings in the form of client letters or memos to their supervisors. The response was that the credit needed to be earned in two separate courses and could not be combined in one so that students could “double up” and earn all four required hours (two research and two communication) in one three hour course. Another issue raised was the lack of guidance regarding documentation of credit when the research and communication hours are earned via an integrated approach in several different courses. The NASBA rules do state that course coverage that meets the evaluation criteria of agencies such as the AACSB or the ACBSP would suffice for documentation (see Rule 5-2(e)). The Texas state rules simply state that documentation of courses being used to satisfy the requirements must be provided to the board by the universities.

What are the implications of these changes for tax faculty? Because of the nature of the tax curriculum, it seems likely that tax faculty will be called upon to bear some of the burden of adjusting course content to meet the new requirements for both research and communication. Although a tax research course would cover the research requirements or the communication requirements, the course would have to be required of all accounting majors, not just the “tax track” students. Schools that rely solely on tax faculty to provide this content will greatly increase the burden on their tax faculty. Faculty at schools who teach only one or two tax classes (i.e. Entities, or Individual and Advanced) may be called upon to integrate more research and/or communications components so that the curriculum can meet the standard through the integration approach. The administrative burden on faculty will also increase since state boards will require some documentation of how course content satisfies the credit hour requirements and the form of the documentation may differ from what is already required by relevant accrediting agencies in various regions of the country. It is also incumbent on tax faculty to take careful note of the CPA exam content changes and to incorporate more depth of coverage in the kinds of problem solving that will be required in the simulations if they have not already done so, in particular at those schools that do not offer a free-standing tax research course. Finally, faculty should be proactive with their state boards and lobby for adequate time to incorporate curriculum changes before the new coursework is required of their students to qualify to sit for the CPA exam.