

**Meeting Agenda**  
**SOUTH DAKOTA BOARD OF ACCOUNTANCY**

Zoom Meeting – Conference Call

<https://state-sd.zoom.us/j/95741861303?pwd=MUdaRjc5ZEgxK0ZtNWpYbnRSbFptdz09>

or Call +1-346-248-7799 Meeting ID:729 257 1422 Passcode: 957016

January 13, 2021, 9:00 a.m. (CT)

A=Action  
D=Discussion  
I=Information

A. Call to Order.....	Budahl
B. Public Comment.....	Oratory
C. A-Approval of Minutes of Meeting December 2, 2020.....	2-3
D. A-Approval of Certificates & Firm Permits.....	4-5
E. A-Approval of Financial Statements through November 2020.....	6-15
F. A-Requests from Candidates.....	16-18
G. D-Executive Director's Report.....	19-39

**NASBA**

H. 9:30 – Remote Testing Presentation from Colleen Conrad.....	Oratory
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**AICPA**

I. D-Board of Examiners Meeting Highlights October-November 2020....	40-44
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**EXECUTIVE SESSION**

J. Equivalent Reviews, Follow ups & Draft AUP Report for Board Approval.	Spt. Pkt.
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**FUTURE MEETING DATES (all times CT)**

- K. Meeting Dates  
March 24, 2021 – 9:00 Zoom Meeting
- L. Adjournment

**Meeting Minutes**  
**SOUTH DAKOTA BOARD OF ACCOUNTANCY**

Zoom Meeting  
December 2, 2020 9:00 a.m. CT

Chair Deidre Budahl called the meeting to order at 9:02 a.m. Nicole Kasin called the roll. A quorum was present.

**Members Present:** Jay Tolsma, Russell Olson, David Pummel, Jeff Smith, Jeff Strand, and Deidre Budahl.

**Others Present:** Nicole Kasin, Executive Director; Julie Iverson, Sr. Secretary; Graham Oey, Staff Attorney; and Tommy Pollema, SD CPA Society Executive Director.

Jay Tolsma made a motion to approve the agenda. Jeff Strand seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Olson-excused; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

The Chair opened the floor for public comment. No comments were received.

Jeff Strand made a motion to approve the October 29, 2020 meeting minutes. David Pummel seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Olson-excused; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

David Pummel made a motion to approve the issuance of certificates through November 23, 2020. Jeff Smith seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Olson-excused; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Jeff Strand made a motion to approve the financial statements through October 2020. Jay Tolsma seconded the motion. A roll call vote was taken. **MOTION PASSED.** (Tolsma-yea; Olson-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

Executive Director Kasin discussed her report with an update on CPE Audits, follow-up from NASBA Annual Conference held November 2-4, 2020, state laws, and the Board AUP.

Graham Oey left the meeting at 9:55.

The Board discussed the NASBA Board of Director's meeting minutes from July 24, 2020; the meeting highlights from October 20 and November 3, 2020; the Quarterly Focus questions; and the Executive Summary and Responses to the October Focus questions.

Tommy Pollema left the meeting at 10:05.

Jeff Strand made a motion to enter executive session for the deliberative process for peer reviews. Russell Olson seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma-yea; Olson-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)


The Board came out of executive session.

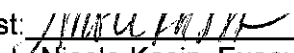
Jay Tolsma made a motion to accept the peer reviews as discussed in executive session. Jeff Strand seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma-yea; Olson-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

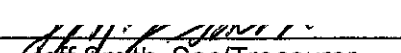
**FUTURE MEETING DATES** (all times CT)  
January 13, 2021 – 9:00 a.m. Zoom meeting  
March 24, 2021 – 9:00 a.m. Zoom meeting

Russell Olson made a motion to adjourn the meeting. David Pummel seconded the motion. A roll call vote was taken. **MOTION PASSED** (Tolsma-yea; Olson-yea; Pummel-yea; Smith-yea; Strand-yea; Budahl-yea)

All business having come before the board was concluded and Chair Deidre Budahl adjourned the meeting at 10:20 a.m.

  
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Deidre Budahl, CPA, Chair

11 12  
Attest:   
\_\_\_\_\_  
Nicole Kasin, Executive Director

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\_\_\_\_\_  
Jeff Smith, Sec/Treasurer

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATES  
BOARD COPY**

**Issued Through January 7, 2021**

Number	Name	Date Issued	Location
3506	Ethan Frederick Smith	12/11/20	Sioux Falls, SD
3507	Erik Christopher Rossing	12/30/20	Omaha, NE
3508	Isaac Harrison Allen	01/07/21	Rapid City, SD

**FIRM PERMITS TO PRACTICE PUBLIC ACCOUNTANCY  
BOARD COPY**

**Issued Through  
January 7, 2021**

<b>Number</b>	<b>Name</b>	<b>Date Issued</b>	<b>Basis/Comments</b>
1751	Danielle L. Berg, Ltd. Revere, MN	12/15/20	New Firm
1752	S.R. Snodgrass, PC Cranberry Township, PA	01/05/21	New Firm

AGENCY: 10 LABOR & REGULATION  
BUDGET UNIT: 1031 BOARD OF ACCOUNTANCY - INFO

COMPANY	CENTER	ACCOUNT	BALANCE	DR/CR	CENTER DESCRIPTION
6503	103100061802	1140000	502,838.55	DR	BOARD OF ACCOUNTANCY
COMPANY/SOURCE TOTAL 6503 618			502,838.55	DR *	
COMP/BUDG UNIT TOTAL 6503 1031			502,838.55	DR **	
BUDGET UNIT TOTAL 1031			502,838.55	DR ***	

STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 11/30/2020

AGENCY 10 LABOR & REGULATION  
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO  
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL #, OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/ CR
COMPANY NO 6503 COMPANY NAME PROFESSIONAL & LICENSING BOARDS										
6503	103100061802	51010100	CGEX201112	11/18/2020					2,732.52	DR
6503	103100061802	51010100	CGEX201123	11/24/2020					255.00	DR
OBJSUB: 5101010 F-T EMP SAL & WAGES										
6503	103100061802	51010200	CGEX201112	11/18/2020					2,987.52	DR
OBJSUB: 5101020 P-T/TEMP EMP SAL & WAGES										
6503	103100061802	51010300	CGEX201112	11/18/2020					1,827.46	DR
OBJSUB: 5101030 BOARD & COMM MBRS FEES										
OBJECT: 5101 EMPLOYE SALARIES										
6503	103100061802	51020100	CGEX201112	11/18/2020					960.00	DR
6503	103100061802	51020100	CGEX201123	11/24/2020					5,774.98	DR
OBJSUB: 5102010 OAST-EMPLOYER'S SHARE										
6503	103100061802	51020200	CGEX201112	11/18/2020					404.22	DR
6503	103100061802	51020200	CGEX201123	11/24/2020					250.31	DR
OBJSUB: 5102020 RETIREMENT-ER SHARE										
6503	103100061802	51020600	CGEX201112	11/18/2020					265.61	DR
OBJSUB: 5102060 HEALTH/LIFE INS.-ER SHARE										
6503	103100061802	51020800	CGEX201112	11/18/2020					931.31	DR
6503	103100061802	51020800	CGEX201123	11/24/2020					8.21	DR
OBJSUB: 5102080 WORKER'S COMPENSATION										
6503	103100061802	51020900	CGEX201112	11/18/2020					4.56	DR
6503	103100061802	51020900	CGEX201123	11/24/2020					.26	DR
OBJSUB: 5102090 UNEMPLOYMENT COMPENSATION										
OBJECT: 5102 EMPLOYER BENEFITS										
GROUP: 51 PERSONAL SERVICES										
6503	103100061802	52040500	19-1000-061 9280	11/13/2020	00685315	GLSOLUTION	12290765		1,614.63	DR
OBJSUB: 5204050 COMPUTER CONSULTANT										
6503	103100061802	52041800	DP110096	11/18/2020					7,389.61	DR
OBJSUB: 5204180 COMPUTER SERVICES-STATE										
6503	103100061802	52042000	PL110057	11/18/2020					1,918.13	DR
OBJSUB: 5204200 CENTRAL SERVICES										
6503	103100061802	52042200	C101-155	11/20/2020	262277	ABBUSINESS	12036980		505.80	DR
6503	103100061802	52042200	IN776005	11/13/2020	02363895				505.80	DR
OBJSUB: 5204220 EQUIPMENT SERV & MAINT										
6503	103100061802	52042300	211006SER-JUN21	11/18/2020	466618	SUNSETOFFI	12627537		307.69	DR
OBJSUB: 52042300 EQUIPMENT SERV & MAINT										
									84.91	CR
									83.14	DR
									1.77	CR
									142.46	DR

STATE OF SOUTH DAKOTA  
MONTHLY EXPENDITURE REPORT  
FOR PERIOD ENDING: 11/30/2020

AGENCY 10 LABOR & REGULATION  
BUDGET UNIT 1031 BOARD OF ACCOUNTANCY - INFO  
CENTER-5 10310 BOARD OF ACCOUNTANCY

COMP	CENTER	ACCOUNT	DOCUMENT NUMBER	POSTING DATE	JV APPL OR PAYMENT #	SHORT NAME	VENDOR NUMBER	VENDOR GROUP	AMOUNT	DR/CR
6503	1031000061802	5204230	JANITORIAL & MAINT SERV	11/11/2020	407016	MCGINNISRO	12074040		142.46	DR *
6503	1031000061802	52044900	ACCOUNTRENT20-21	11/18/2020					1,380.75	DR *
6503	1031000061802	5204530	RENTS-PRIVATE OWNED PROP.	11/04/2020	00034110	ATTMOBILIT	12279233		1,380.75	DR *
6503	1031000061802	52045300	TT110151	11/04/2020					97.01	DR
6503	1031000061802	52045300	8381416X10242020	11/04/2020					102.78	DR
6503	1031000061802	5204540	TELECOMMUNICATIONS SRVCS	11/04/2020	02362521	XCELENERGY	12023853		199.79	DR *
6503	1031000061802	52047400	ELECTRICITY	12/02/2020	262988				55.98	DR *
6503	1031000061802	52047400	CT101A-013	12/02/2020					105.69	DR
6503	1031000061802	52049600	BANK FEES AND CHARGES	11/04/2020	00682923	NATLASSNST	12005047		3,384.66	DR *
6503	1031000061802	52049600	441						105.69	DR
6503	1031000061802	52050200	OTHER CONTRACTUAL SERVICE	11/20/2020	00686469	HPINC	12125515	11	3,384.66	DR *
6503	1031000061802	52050200	CONTRACTUAL SERVICES	11/20/2020	00686659	ECONATERSY	12627232		7,999.18	DR **
6503	1031000061802	52050200	210667	11/20/2020					22.35	DR
6503	1031000061802	52050400	OFFICE SUPPLIES	12/02/2020	00687507	CCHINC	12005063		23.43	DR *
6503	1031000061802	52050400	4804991360						392.98	DR
6503	1031000061802	52053200	EDUC & INSTRUC SUPPLIES	11/11/2020	00684681	PREFERREDP	12308425		392.98	DR *
6503	1031000061802	52053200	28327	12/02/2020	00688118	PREFERREDP	12308425		20.70	DR
6503	1031000061802	52053200	PRINTING-COMMERCIAL	11/13/2020					27.60	DR
6503	1031000061802	52053200	SUPPLIES & MATERIALS						48.30	DR *
6503	1031000061802	5228000	T101-065						464.71	DR **
6503	1031000061802	5228000	OPER TRANS OUT -NON BUDGT						867.24	DR *
6503	1031000061802	5228000	NONOP EXP/NONBGTD OP TR						867.24	DR **
6503	1031000061802	5228000	OPERATING EXPENSES						9,331.13	DR ***
6503	1031000061802	5228000	COMP: 6503						16,720.74	DR ****
6503	1031000061802	5228000	CNTR: 1031000061802						16,720.74	DR *****
6503	1031000061802	5228000	B. UNIT: 1031						16,720.74	DR *****



**South Dakota Board of Accountancy**  
**Balance Sheet**  
As of November 30, 2020

	Nov 30, 20
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1130000 · Local Checking - Great Western	384.53
1140000 · Pool Cash State of SD	502,838.55
<b>Total Checking/Savings</b>	503,223.08
<b>Other Current Assets</b>	
1131000 · Interest Income Receivable	18,356.04
1213000 · Investment Income Receivable	2,086.30
<b>Total Other Current Assets</b>	20,442.34
<b>Total Current Assets</b>	523,665.42
<b>Fixed Assets</b>	
1670000 · Computer Software	
Original Cost	34,075.00
1770000 · Depreciation	-14,671.34
<b>Total 1670000 · Computer Software</b>	19,403.66
<b>Total Fixed Assets</b>	19,403.66
<b>TOTAL ASSETS</b>	543,069.08
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2110000 · Accounts Payable	7,970.17
<b>Total Accounts Payable</b>	7,970.17
<b>Other Current Liabilities</b>	
2430000 · Accrued Wages Payable	9,683.65
2810000 · Amounts Held for Others	22,742.40
<b>Total Other Current Liabilities</b>	32,426.05
<b>Total Current Liabilities</b>	40,396.22
<b>Long Term Liabilities</b>	
2960000 · Compensated Absences Payable	28,538.78
<b>Total Long Term Liabilities</b>	28,538.78
<b>Total Liabilities</b>	68,935.00
<b>Equity</b>	
3220000 · Net Position	298,421.08
3300100 · Invested In Capital Assets	19,403.94
3900 · Retained Earnings	2,414.64
Net Income	153,894.42
<b>Total Equity</b>	474,134.08
<b>TOTAL LIABILITIES &amp; EQUITY</b>	543,069.08

**South Dakota Board of Accountancy**  
**Profit & Loss Budget vs. Actual**  
**July through November 2020**

Ordinary Income/Expense	Jul - Nov 20	Budget	\$ Over Budget	% of Budget
<b>Income</b>				
4293550 · Initial Individual Certificate	1,350.00	2,500.00	-1,150.00	54.0%
4293551 · Certificate Renewals-Active	66,700.00	62,500.00	4,200.00	106.7%
4293552 · Certificate Renewals-Inactive	21,250.00	21,000.00	250.00	101.2%
4293553 · Certificate Renewals-Retired	1,480.00	1,450.00	30.00	102.1%
4293554 · Initial Firm Permits	50.00	700.00	-650.00	7.1%
4293555 · Firm Permit Renewals	15,550.00	14,500.00	1,050.00	107.2%
4293557 · Initial Audit	120.00	900.00	-780.00	13.3%
4293558 · Re-Exam Audit	780.00	2,460.00	-1,680.00	31.7%
4293560 · Late Fees-Initial Certificate	50.00	0.00	50.00	100.0%
4293561 · Late Fees-Certificate Renewals	2,550.00	3,000.00	-450.00	85.0%
4293563 · Late Fees-Firm Permit Renewals	750.00	500.00	250.00	150.0%
4293564 · Late Fees-Peer Review	1,250.00	1,300.00	-50.00	96.2%
4293566 · Firm Permit Owners	122,340.00	109,000.00	13,340.00	112.2%
4293567 · Peer Review Admin Fee	1,575.00	5,500.00	-3,925.00	28.6%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	0.0%
4293569 · Initial FAR	360.00	1,140.00	-780.00	31.6%
4293570 · Initial REG	120.00	660.00	-540.00	18.2%
4293571 · Initial BEC	150.00	930.00	-780.00	16.1%
4293572 · Re-Exam FAR	480.00	1,860.00	-1,380.00	25.8%
4293573 · Re-Exam REG	586.12	2,310.00	-1,723.88	25.4%
4293574 · Re-Exam BEC	480.00	2,310.00	-1,830.00	20.8%
4491000 · Interest and Dividend Revenue	11,016.74	5,500.00	5,516.74	200.3%
4896021 · Legal Recovery Cost	0.00	1,000.00	-1,000.00	0.0%
<b>Total Income</b>	<b>248,987.86</b>	<b>241,120.00</b>	<b>7,867.86</b>	<b>103.3%</b>
<b>Gross Profit</b>	<b>248,987.86</b>	<b>241,120.00</b>	<b>7,867.86</b>	<b>103.3%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	27,062.90	86,257.00	-59,194.10	31.4%
5101020 · P-T/Temp Emp Sal & Wages	16,804.39	45,096.00	-28,291.61	37.3%
5101030 · Board & Comm Mbrs Fees	2,400.00	4,969.00	-2,569.00	48.3%
5102010 · OASI-Employer's Share	3,165.91	10,048.00	-6,882.09	31.5%
5102020 · Retirement-ER Share	2,456.62	7,881.00	-5,424.38	31.2%
5102060 · Health /Life Ins.-ER Share	9,242.70	10,809.00	-1,566.30	85.5%
5102080 · Worker's Compensation	78.93	276.00	-197.07	28.6%
5102090 · Unemployment Insurance	43.92	131.00	-87.08	33.5%
5203010 · Auto--State Owned	0.00	250.00	-250.00	0.0%
5203020 · Auto-Private-Ownes Low Mileage	0.00	400.00	-400.00	0.0%
5203030 · In State-Auto- Priv. High Miles	0.00	1,500.00	-1,500.00	0.0%
5203060 · In State-Air Commercial Carrier	0.00	0.00	0.00	0.0%
5203080 · In State-Other Public Carrier	0.00	0.00	0.00	0.0%
5203100 · In State-Lodging	0.00	1,000.00	-1,000.00	0.0%
5203120 · In State-Incidentals to Travel	0.00	100.00	-100.00	0.0%
5203130 · Nonemployment Travel	0.00	0.00	0.00	0.0%
5203140 · InState-Tax Meals Not OverNigt	0.00	100.00	-100.00	0.0%
5203150 · InState-Non-Tax Meals OverNight	0.00	400.00	-400.00	0.0%
5203220 · OS-Auto Private Low Mileage	0.00	0.00	0.00	0.0%
5203230 · OS-Auto Private High Mileage	0.00	200.00	-200.00	0.0%

**South Dakota Board of Accountancy**  
**Profit & Loss Budget vs. Actual**  
 July through November 2020

	Jul - Nov 20	Budget	\$ Over Budget	% of Budget
5203260 · OS-Air Commercial Carrier	0.00	7,000.00	-7,000.00	0.0%
5203280 · OS-Other Public Carrier	0.00	700.00	-700.00	0.0%
5203300 · OS-Lodging	0.00	9,000.00	-9,000.00	0.0%
5203320 · OS-Incidentals to Travel	0.00	500.00	-500.00	0.0%
5203330 · OS-Nonemployment Travel	0.00	0.00	0.00	0.0%
5203340 · OS-Taxable Meals-Not Overnight	0.00	0.00	0.00	0.0%
5203350 · OS-Non-Taxable Meals Overnight	0.00	1,000.00	-1,000.00	0.0%
5204010 · Subscriptions	392.98	1,000.00	-607.02	39.3%
5204020 · Dues and Membership Fees	3,200.00	3,900.00	-700.00	82.1%
5204030 · Legal Document Fees	0.00	300.00	-300.00	0.0%
5204040 · Consultant Fees-Accounting	0.00	3,600.00	-3,600.00	0.0%
5204050 · Consultant Fees - Computer	3,836.26	15,000.00	-11,163.74	25.6%
5204060 · Consultant Fees-Educat/Training	0.00	0.00	0.00	0.0%
5204080 · Consultant Fees--Legal	0.00	0.00	0.00	0.0%
5204130 · Consultant Fees-Other	0.00	0.00	0.00	0.0%
5204160 · Workshop Registration Fees	0.00	7,500.00	-7,500.00	0.0%
5204180 · Computer Services-State	2,631.78	5,000.00	-2,368.22	52.6%
5204181 · Computer Development Serv-State	120.40	2,000.00	-1,879.60	6.0%
5204190 · Computer Services-Private	0.00	0.00	0.00	0.0%
5204200 · Central Services	2,147.43	9,000.00	-6,852.57	23.9%
5204220 · Equipment Service & Maintenance	25.80	300.00	-274.20	8.6%
5204230 · Janitorial/Maintenance Services	712.30	1,725.00	-1,012.70	41.3%
5204320 · Audit Services-Private	0.00	0.00	0.00	0.0%
5204340 · Computer Software Maintenance	0.00	1,000.00	-1,000.00	0.0%
5204360 · Advertising-Newspapers	0.00	500.00	-500.00	0.0%
5204390 · Advertising-Brochures	0.00	0.00	0.00	0.0%
5204440 · Newsletter Publishing	0.00	100.00	-100.00	0.0%
5204460 · Equipment Rental	1,739.72	4,000.00	-2,260.28	43.5%
5204480 · Microfilm and Photography	0.00	0.00	0.00	0.0%
5204490 · Rents Privately Owned Property	6,903.75	16,569.00	-9,665.25	41.7%
5204500 · Rents-County/Municipal	0.00	0.00	0.00	0.0%
5204510 · Rent-Other	0.00	500.00	-500.00	0.0%
5204530 · Telecommunications Services	986.89	5,500.00	-4,513.11	17.9%
5204540 · Electricity	281.88	865.00	-583.12	32.6%
5204560 · Water	61.24	240.00	-178.76	25.5%
5204580 · Trucking, Drayage, and Freight	0.00	0.00	0.00	0.0%
5204590 · Insurance Premiums/Surety Bonds	0.00	1,710.00	-1,710.00	0.0%
5204730 · Maintenance Contracts	0.00	0.00	0.00	0.0%
5204740 · Bank Fees and Charges	4,579.01	6,500.00	-1,920.99	70.4%
5204960 · Other Contractual Services	0.00	0.00	0.00	0.0%
5205020 · Office Supplies	55.60	3,000.00	-2,944.40	1.9%
5205028 · OFFICE SUPPLIES-2	12.53	0.00	12.53	100.0%
5205060 · Maintenance/Janitorial Supplies	0.00	0.00	0.00	0.0%
5205310 · Printing State	0.00	350.00	-350.00	0.0%
5205320 · Printing/Duplicating/Binding Co	82.80	500.00	-417.20	16.6%
5205330 · Supplemental Publications	0.00	700.00	-700.00	0.0%
5205340 · Microfilm Supplies/Materials	0.00	0.00	0.00	0.0%
5205350 · Postage	0.00	2,000.00	-2,000.00	0.0%
5207430 · Office Machines	0.00	100.00	-100.00	0.0%
5207440 · Filling Equipment	0.00	0.00	0.00	0.0%
5207450 · Office Equipment and Fixtures	0.00	0.00	0.00	0.0%
5207490 · Telephone Equipment	0.00	0.00	0.00	0.0%
5207900 · Computer Hardware	640.78	6,800.00	-6,159.22	9.4%
5207950 · System Development	0.00	1,000.00	-1,000.00	0.0%
5207955 · Computer Hardware Other	0.00	500.00	-500.00	0.0%
5207960 · Computer Software Expense	0.00	1,000.00	-1,000.00	0.0%
5228000 · Operating Transfers Out-NonBudg	3,060.62	8,000.00	-4,939.38	38.3%
5228030 · Depreciation Expense	2,366.30	5,679.12	-3,312.82	41.7%
<b>Total Expense</b>	<b>95,093.44</b>	<b>304,055.12</b>	<b>-208,961.68</b>	<b>31.3%</b>
<b>Net Ordinary Income</b>	<b>153,894.42</b>	<b>-62,935.12</b>	<b>216,829.54</b>	<b>-244.5%</b>

**South Dakota Board of Accountancy**  
**Profit & Loss Budget vs. Actual**  
 July through November 2020

	Jul - Nov 20	Budget	\$ Over Budget	% of Budget
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
5228090 · SecuritiyLendingRebateFees	0.00	0.00	0.00	0.0%
<b>Total Other Expense</b>	0.00	0.00	0.00	0.0%
<b>Net Other Income</b>	0.00	0.00	0.00	0.0%
<b>Net Income</b>	<u>153,894.42</u>	<u>-62,935.12</u>	<u>216,829.54</u>	<u>-244.5%</u>

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR MONTHLY COMPARISON**  
**November 2020**

	Nov 20	Nov 19	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	200.00	200.00	0.00	0.0%
4293551 · Certificate Renewals-Active	0.00	150.00	-150.00	-100.0%
4293554 · Initial Firm Permits	0.00	150.00	-150.00	-100.0%
4293558 · Re-Exam Audit	210.00	30.00	180.00	600.0%
4293561 · Late Fees-Certificate Renewals	0.00	150.00	-150.00	-100.0%
4293564 · Late Fees-Peer Review	50.00	50.00	0.00	0.0%
4293566 · Firm Permit Owners	0.00	1,585.00	-1,585.00	-100.0%
4293569 · Initial FAR	0.00	60.00	-60.00	-100.0%
4293571 · Initial BEC	30.00	30.00	0.00	0.0%
4293572 · Re-Exam FAR	60.00	120.00	-60.00	-50.0%
4293573 · Re-Exam REG	106.12	90.00	16.12	17.9%
4293574 · Re-Exam BEC	90.00	150.00	-60.00	-40.0%
<b>Total Income</b>	<b>746.12</b>	<b>2,765.00</b>	<b>-2,018.88</b>	<b>-73.0%</b>
<b>Gross Profit</b>	<b>746.12</b>	<b>2,765.00</b>	<b>-2,018.88</b>	<b>-73.0%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	2,987.52	8,262.90	-5,275.38	-63.8%
5101020 · P-T/Temp Emp Sal & Wages	1,827.46	3,778.15	-1,950.69	-51.6%
5101030 · Board & Comm Mbrs Fees	960.00	1,080.00	-120.00	-11.1%
5102010 · OASI-Employer's Share	404.22	894.71	-490.49	-54.8%
5102020 · Retirement-ER Share	265.61	722.45	-456.84	-63.2%
5102060 · Health /Life Ins.-ER Share	931.31	2,601.37	-1,670.06	-64.2%
5102080 · Worker's Compensation	8.67	15.67	-7.00	-44.7%
5102090 · Unemployment Insurance	4.82	5.32	-0.50	-9.4%
5203030 · In State-Auto- Priv. High Miles	0.00	61.32	-61.32	-100.0%
5203260 · OS-Air Commercial Carrier	0.00	3,017.53	-3,017.53	-100.0%
5203280 · OS-Other Public Carrier	0.00	147.56	-147.56	-100.0%
5203300 · OS-Lodging	0.00	4,109.43	-4,109.43	-100.0%
5203320 · OS-Incidentals to Travel	0.00	274.00	-274.00	-100.0%
5203350 · OS-Non-Taxable Meals Overnight	0.00	416.00	-416.00	-100.0%
5204010 · Subscriptions	392.98	0.00	392.98	100.0%
5204050 · Consultant Fees - Computer	0.00	1,875.00	-1,875.00	-100.0%
5204180 · Computer Services-State	102.78	466.45	-363.67	-78.0%
5204200 · Central Services	307.69	1,512.60	-1,204.91	-79.7%
5204220 · Equipment Service & Maintenance	-1.77	4.87	-6.64	-136.3%
5204230 · Janitorial/Maintenance Services	142.46	139.67	2.79	2.0%
5204460 · Equipment Rental	672.36	79.00	593.36	751.1%
5204490 · Rents Privately Owned Property	1,380.75	1,380.75	0.00	0.0%
5204530 · Telecommunications Services	0.00	51.12	-51.12	-100.0%
5204540 · Electricity	148.32	75.64	72.68	96.1%
5204560 · Water	22.35	0.00	22.35	100.0%
5204740 · Bank Fees and Charges	105.69	90.57	15.12	16.7%
5205028 · OFFICE SUPPLIES-2	1.08	0.47	0.61	129.8%
5205320 · Printing/Duplicating/Binding Co	27.60	0.00	27.60	100.0%
5228000 · Operating Transfers Out-NonBudg	867.24	540.49	326.75	60.5%
5228030 · Depreciation Expense	473.26	473.26	0.00	0.0%
<b>Total Expense</b>	<b>12,032.40</b>	<b>32,076.30</b>	<b>-20,043.90</b>	<b>-62.5%</b>
<b>Net Ordinary Income</b>	<b>-11,286.28</b>	<b>-29,311.30</b>	<b>18,025.02</b>	<b>61.5%</b>
<b>Net Income</b>	<b>-11,286.28</b>	<b>-29,311.30</b>	<b>18,025.02</b>	<b>61.5%</b>

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
 July through November 2020

	Jul - Nov 20	Jul - Nov 19	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4293550 · Initial Individual Certificate	1,350.00	4,085.00	-2,735.00	-67.0%
4293551 · Certificate Renewals-Active	66,700.00	62,850.00	3,850.00	6.1%
4293552 · Certificate Renewals-Inactive	21,250.00	19,710.00	1,540.00	7.8%
4293553 · Certificate Renewals-Retired	1,480.00	1,240.00	240.00	19.4%
4293554 · Initial Firm Permits	50.00	250.00	-200.00	-80.0%
4293555 · Firm Permit Renewals	15,550.00	11,000.00	4,550.00	41.4%
4293557 · Initial Audit	120.00	90.00	30.00	33.3%
4293558 · Re-Exam Audit	780.00	720.00	60.00	8.3%
4293560 · Late Fees-Initial Certificate	50.00	50.00	0.00	0.0%
4293561 · Late Fees-Certificate Renewals	2,550.00	2,700.00	-150.00	-5.6%
4293563 · Late Fees-Firm Permit Renewals	750.00	300.00	450.00	150.0%
4293564 · Late Fees-Peer Review	1,250.00	250.00	1,000.00	400.0%
4293566 · Firm Permit Owners	122,340.00	112,940.00	9,400.00	8.3%
4293567 · Peer Review Admin Fee	1,575.00	75.00	1,500.00	2,000.0%
4293568 · Firm Permit Name Change	0.00	100.00	-100.00	-100.0%
4293569 · Initial FAR	360.00	270.00	90.00	33.3%
4293570 · Initial REG	120.00	90.00	30.00	33.3%
4293571 · Inital BEC	150.00	150.00	0.00	0.0%
4293572 · Re-Exam FAR	480.00	720.00	-240.00	-33.3%
4293573 · Re-Exam REG	586.12	900.00	-313.88	-34.9%
4293574 · Re-Exam BEC	480.00	870.00	-390.00	-44.8%
4491000 · Interest and Dividend Revenue	11,016.74	9,932.08	1,084.66	10.9%
<b>Total Income</b>	<b>248,987.86</b>	<b>229,292.08</b>	<b>19,695.78</b>	<b>8.6%</b>
<b>Gross Profit</b>	<b>248,987.86</b>	<b>229,292.08</b>	<b>19,695.78</b>	<b>8.6%</b>
<b>Expense</b>				
5101010 · F-T Emp Sal & Wages	27,062.90	29,982.84	-2,919.94	-9.7%
5101020 · P-T/Temp Emp Sal & Wages	16,804.39	16,013.53	790.86	4.9%
5101030 · Board & Comm Mbrs Fees	2,400.00	3,120.00	-720.00	-23.1%
5102010 · OASI-Employer's Share	3,165.91	3,356.42	-190.51	-5.7%
5102020 · Retirement-ER Share	2,456.62	2,645.16	-188.54	-7.1%
5102060 · Health /Life Ins.-ER Share	9,242.70	9,586.74	-344.04	-3.6%
5102080 · Worker's Compensation	78.93	59.84	19.09	31.9%
5102090 · Unemployment Insurance	43.92	20.28	23.64	116.6%
5203010 · Auto--State Owned	0.00	47.79	-47.79	-100.0%
5203020 · Auto-Private-Ownes Low Mileage	0.00	104.42	-104.42	-100.0%
5203030 · In State-Auto- Priv. High Miles	0.00	749.28	-749.28	-100.0%
5203100 · In State-Lodging	0.00	338.00	-338.00	-100.0%
5203150 · InState-Non-Tax Meals OverNight	0.00	138.00	-138.00	-100.0%
5203260 · OS-Air Commercial Carrier	0.00	3,017.53	-3,017.53	-100.0%
5203280 · OS-Other Public Carrier	0.00	147.56	-147.56	-100.0%
5203300 · OS-Lodging	0.00	4,109.43	-4,109.43	-100.0%
5203320 · OS-Incidentals to Travel	0.00	274.00	-274.00	-100.0%
5203350 · OS-Non-Taxable Meals Overnight	0.00	416.00	-416.00	-100.0%
5204010 · Subscriptions	392.98	363.83	29.15	8.0%
5204020 · Dues and Membership Fees	3,200.00	3,200.00	0.00	0.0%
5204050 · Consultant Fees - Computer	3,836.26	3,750.00	86.26	2.3%
5204160 · Workshop Registration Fees	0.00	3,006.44	-3,006.44	-100.0%

**South Dakota Board of Accountancy**  
**PREVIOUS YEAR TO DATE MONTHLY COMPARISON**  
**July through November 2020**

	<u>Jul - Nov 20</u>	<u>Jul - Nov 19</u>	<u>\$ Change</u>	<u>% Change</u>
5204180 · Computer Services-State	2,631.78	2,342.30	289.48	12.4%
5204181 · Computer Development Serv-State	120.40	274.51	-154.11	-56.1%
5204200 · Central Services	2,147.43	3,763.35	-1,615.92	-42.9%
5204220 · Equipment Service & Maintenance	25.80	32.40	-6.60	-20.4%
5204230 · Janitorial/Maintenance Services	712.30	698.33	13.97	2.0%
5204460 · Equipment Rental	1,739.72	998.00	741.72	74.3%
5204490 · Rents Privately Owned Property	6,903.75	8,284.50	-1,380.75	-16.7%
5204530 · Telecommunications Services	986.89	857.72	129.17	15.1%
5204540 · Electricity	281.88	396.47	-114.59	-28.9%
5204560 · Water	61.24	22.35	38.89	174.0%
5204740 · Bank Fees and Charges	4,579.01	4,559.02	19.99	0.4%
5204960 · Other Contractual Services	0.00	580.68	-580.68	-100.0%
5205020 · Office Supplies	55.60	458.76	-403.16	-87.9%
5205028 · OFFICE SUPPLIES-2	12.53	6.42	6.11	95.2%
5205320 · Printing/Duplicating/Binding Co	82.80	58.65	24.15	41.2%
5207900 · Computer Hardware	640.78	653.40	-12.62	-1.9%
5228000 · Operating Transfers Out-NonBudg	3,060.62	2,347.51	713.11	30.4%
5228030 · Depreciation Expense	2,366.30	2,366.30	0.00	0.0%
<b>Total Expense</b>	<u>95,093.44</u>	<u>113,147.76</u>	<u>-18,054.32</u>	<u>-16.0%</u>
<b>Net Ordinary Income</b>	<u>153,894.42</u>	<u>116,144.32</u>	<u>37,750.10</u>	<u>32.5%</u>
<b>Net Income</b>	<u>153,894.42</u>	<u>116,144.32</u>	<u>37,750.10</u>	<u>32.5%</u>

## **Request from Candidates**

Nicole Kasin

The following are the separate requests from exam candidates to request for an extension on an expired exam section.

The Board has to make a determination on each case in accordance with ARSD 20:75:01:07 which states: Upon good cause shown by the applicant or licensee, the board may waive any application or administrative fees or any deadlines set in this article. For the purpose of this section, good cause includes any personal emergency, act of God, administrative error made by the board or the board of another state, military deployment, or substantial compliance with SDCL chapter 36-20B or article 20:75.

### **Candidate 1 –**

Dear South Dakota Board of Accountancy:

I am writing to you to request an extension of my FAR exam that is due to expire December 31, 2020. I am requesting a six month extension; a new expiration date of June 30, 2021.

I am requesting this extension due to the COVID circumstances. There are several reasons why the COVID situation has made it difficult to complete the rest of my CPA exams.

My children have been in and out of school since the spring of 2020. This has resulted in me having to stay home with them and take on an educator role. There was a huge learning curve for all parties involved with the distance learning, at times resulting in a tremendous amount of frustration for everyone. We survived it, but I can say I have a whole new appreciation for teachers. God bless our teachers!

I work at a public accounting firm, consisting of my boss, a secretary, and myself, a staff accountant. With the COVID situation I've been working from home when the children are distant learning. I would try to have my children get their school work done in the mornings and then I would try to get my work done in the afternoons. Due to constant interruptions, there were many evenings I ended up going into the office to attempt to get caught up. This year has truly been a year like no other I've ever experienced. It's been a struggle to keep up with the changing legislation, but necessary to help keep our struggling clients afloat. We've managed to be successful in helping them, but it's been an extremely time consuming process.

My family and work have been my top priorities since COVID has hit. I've strived to keep my children educated and physically and mentally healthy as we maneuver through the situation. At work, we are trying to keep our client's afloat so we don't see a tremendous economic decline in our local area. We've spent hours working on PPP loans, COVID grants, and researching new legislation on top of our regular responsibilities. The COVID situation is no fault of any of ours, and I ask that you consider granting myself and other candidates some grace during these times.

Thank you for taking the time to consider this extension. I am extremely grateful for your time.



**Background of record:**

Section 1 passed (sat April 2018)- grade expiring December 31, 2019

Sat for section 2 – March 2019 Failed

Section 2 passed – (sat June 2019) grade expiring December 31, 2020

Section 1 Expired

Section 1 passed – (sat March 2020) grade expiring September 30, 2021

Sat for section 3 – August 2020 Failed

Sat for section 4 – No Showed for Exam – August 2020

Sat for section 3 – October 2020 Failed

Section 2 now considered expired due to not passing all 4 sections in 18 month window

Prometric closed USA test centers effective March 17-April 30, 2020

Has open NTS to schedule re-exam of section 4 and pass before September 30, 2021

Currently has to apply for re-exam of section 3 and pass before September 30, 2021

Currently has to apply for re-exam of section 2 and pass before September 30, 2021

**Candidate 2-**

Although not unusual with the ongoing pandemic, the extension request is generally tied with COVID. I am appreciative of the initial extension that was granted to everyone. Although, with the pandemic, there are many other factors besides the availability of seats that everyone must now deal with. The mental health impact the pandemic has had is not necessarily undocumented, but is impossible to be measured. Depression and anxiety are likely as high as we have ever acknowledged, and I think we have all been impacted in one way or another during the last year. Over the course of the pandemic, my family has suffered through a life and career altering loss of an employer/friend/mentor, and have been dealing with the ongoing ramifications of that loss coupled with the unique mental health impacts brought on by the pandemic. I am not sure what constitutes an extension, and I considered foregoing this request, losing a portion of the exam that I have passed, and moving on in the background. Ultimately and obviously, I decided to request the extension anyhow, because I believe I deserve it and I owe it to myself to try to do the best thing for me from a mental, physical, personal, and career standpoint. I have also recently been indirectly exposed to the virus, and potentially will have to schedule/reschedule my remaining exams to a date in 2021, depending on whether myself or my wife fall ill during the waiting period. As my occupation falls within public accounting, the options to reschedule in 2021 would fall in early January or post April 15th, as my availability to test and study between those dates is highly limited.

I am formally requesting a six month extension of my credit, which would change the expiration date of the portion of the exam that I have passed to 6/30/21. The pandemic will likely still be impacting the population in one way or another, but I believe this extension is what I would need to complete the remaining sections of the exam. If the board feels this extension is too long or too much to ask for, I would accept any extension less than what I have requested.

I will be a CPA one day. Whether the board chooses to grant me an extension and it happens sooner, or I have to prove that I am capable of passing the exam section after a year of unprecedented uncertainty and chaos, the result of this request won't define me.

Background of Record:

Section 1 passed (sat May 2019) – grade expiring December 31, 2020

Section 2 passed (sat September 2020) – grade expiring March 10, 2022

Sat for section 3 – November 2020 Failed

Section 1 now considered expired due to not passing all 4 sections in 18 month window

Prometric closed USA test centers effective March 17-April 30, 2020

Has open NTS to schedule exam of section 4 and pass before March 10, 2022

Currently has to apply for re-exam of section 3 and pass before March 10, 2022

Currently has to apply for re-exam of section 1 and pass before March 10, 2022

## EXECUTIVE DIRECTOR'S REPORT

Nicole Kasin

### **CPE Audits**

The list of licensees has been selected for CPE audits and letters were sent out to those selected on September 22, 2020. The documentation is due in our office no later than October 30, 2020. The following is the current status of the audits as of January 7, 2021:

	<b>Selected</b>	<b>Complied</b>	<b>Not Complied</b>	<b>Granted Extension</b>	<b>Approved CPE Audit</b>	<b>Failed CPE Audit</b>
<b>CPA (Active)</b>	119	119	0	1	116	2
<b>CPA – Out of State Affidavit</b>	138				138	

### **NASBA Issues**

1. CPA Exam - Discussion on remote testing/proctoring
  - a. Questions
  - b. Concerns
  - c. Other Board Actions – multiple boards are discussing this issue
    - i. Alabama – voted on 11-20-20 that they will not accept grades from those who tested remotely, no transfers or reciprocity.
    - ii. Kansas – 12-4-20 meeting determined that they will not accept grades from those who tested remotely, no transfers or reciprocity.
2. CPA Evolution
  - a. Model Rules approved by NASBA/AICPA. The following are conflicts with our rules:
    - i. Principles 1 & 2 undergrad or introductory accounting at grad level – not counting towards 24 hours in accounting
      1. There are 12 states including SD that currently have a requirement of 24 hours in accounting and include principles in those hours
      2. There are 2 states that require less than 24 hours in accounting and do not include principles in those hours.
      3. There is 1 state that requires less than 24 hours in accounting and does include principles in those hours
    - ii. Data analytics - courses count toward business or accounting, even if the course prefix is from a different college or university program (engineering, computer science or math)
    - iii. A maximum of 9 credit hours for internship/independent study
  - b. Implementation proposed for January 2024

## **Legislation**

**House Bill 1014** <https://sdlegislature.gov/Session/Bill/21924>

An act to establish uniform complaint and declaratory ruling procedures for agencies regulating certain professions and occupations.

The full draft of the bill is on the following pages, but page 11-13 addresses specific changes for chapter 36-20B.

## **Board Discussion**

- Any New Business/topics?



## 2021 South Dakota Legislature

# House Bill 1014

*Introduced by: The Committee on Commerce and Energy at the request of the Department of Labor and Regulation*

1 **An Act to establish uniform complaint and declaratory ruling procedures for**  
 2 **agencies regulating certain professions and occupations.**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:**

4 **Section 1.** That a NEW SECTION be added:

5 **36-1C-1. Definitions.**

6 Terms used in this Act mean:

- 7 (1) "Administrator," the executive director, executive secretary, or other person  
 8 designated as being responsible for a professional or occupational licensing's  
 9 board, commission, or agency operation;  
 10 (2) "Agency," a professional or occupational licensing board, commission, or agency  
 11 set forth in title 36;  
 12 (3) "Complaint," an allegation of a violation of the laws or rules of a professional or  
 13 occupational licensing board, commission, or agency set forth in title 36;  
 14 (4) "Investigative committee," one or more persons employed or contracted by a  
 15 professional or occupational licensing board, commission, or agency set forth in  
 16 title 36 to review and investigate complaints;  
 17 (5) "License," any certification, license, permit, or other authorization related to the  
 18 practice of any profession or occupation regulated under title 36.

19 **Section 2.** That a NEW SECTION be added:

20 **36-1C-2. Complaints--Jurisdiction.**

21 Any person claiming that a licensee or an applicant for a license under title 36 has  
 22 engaged in or is engaging in conduct constituting grounds for disciplinary action, as  
 23 enumerated in the laws or rules of the agency, may file with the agency a written  
 24 complaint. The agency shall require the complaining party to file a complaint stating the  
 25 name of the applicant or licensee against whom the complaint is made and setting out, in

1 full detail, the conduct that is alleged to be in violation and may prescribe the form on  
2 which a written complaint is made.

3 The administrator shall request the complainant provide additional information if  
4 the complaint does not state a claim within the jurisdiction of the agency.

5 Failure of the complainant to comply with this section is basis for the administrator  
6 to reject the complaint without further action.

7 **Section 3.** That a NEW SECTION be added:

8 **36-1C-3. Receipt of complaint--Time to respond--Failure to respond.**

9 Upon receipt of a properly submitted complaint within the agency's jurisdiction, the  
10 administrator shall serve a copy of the complaint by mail or electronic mail upon the  
11 applicant or licensee complained against.

12 The applicant or licensee complained against shall send a response to the complaint  
13 to the administrator of the agency within ten business days after service of the complaint  
14 on the applicant or licensee. Upon receipt of the response of the applicant or licensee, or  
15 upon expiration of the time for the applicant or licensee complained against to respond,  
16 the administrator shall assign an investigative committee to determine if the complaint  
17 has probable cause and constitutes grounds for disciplinary action or lacks probable cause  
18 and should be dismissed.

19 The ten business days may be extended by the administrator for good cause.

20 Failure to respond to the complaint is grounds for disciplinary action.

21 **Section 4.** That a NEW SECTION be added:

22 **36-1C-4. Investigation--Dismissal permitted.**

23 Upon completion of the investigation, the investigating committee shall  
24 recommend to the agency whether the complaint should be dismissed for lack of probable  
25 cause, resolved by informal disposition, or settled by a formal hearing. The failure of an  
26 applicant or licensee to comply with the investigation is grounds for denial of the  
27 application or disciplinary action.

28 An agency may allow the investigative committee to dismiss a complaint. Any  
29 dismissal by the investigative committee must be reported to the agency at its next  
30 scheduled meeting or within thirty days, whichever is shorter.

31 An investigative committee includes the agency's legal counsel.

32 **Section 5.** That a NEW SECTION be added:

1           **36-1C-5. Option to authorize limited administrative fines for specified**  
2 **violations.**

3           The agency may authorize the administrator to impose an administrative fine upon  
4 proof of a violation of specified statutes or rules without additional prior approval. Any  
5 action taken pursuant to this section shall be reported to the agency at its next scheduled  
6 meeting or within thirty days, whichever is shorter.

7           Any administrative fine issued under this section may be appealed by requesting a  
8 contested case under chapter 1-26. Notice of appeal must be submitted to the  
9 administrator within twenty calendar days of service of the fine.

10           Any fine issued under this section may not exceed five hundred dollars.

11 **Section 6.** That a NEW SECTION be added:

12           **36-1C-6. Informal disposition--Notice.**

13           The agency may accept an informal disposition regarding a violation of the laws or  
14 rules under the agency's jurisdiction. The agreed upon disposition must be in writing and  
15 is subject to the approval of the agency.

16           Failure to comply with the terms of an informal disposition is grounds for  
17 disciplinary action or allows the agency to institute or reinstitute formal proceedings.

18           The administrator shall notify, in writing, any complaining party of the results of  
19 the informal disposition of a complaint and the action taken, if any.

20 **Section 7.** That a NEW SECTION be added:

21           **36-1C-7. Formal complaint.**

22           If an alleged violation has probable cause constituting grounds for disciplinary  
23 action, the legal counsel for the agency may commence formal proceedings by serving a  
24 formal complaint by mail or electronic mail upon the applicant or licensee complained  
25 against.

26           The formal complaint must include the name of the applicant or licensee  
27 complained against, and a statement of facts setting forth the nature of the violations  
28 being charged that constitute grounds for disciplinary action.

29 **Section 8.** That a NEW SECTION be added:

1           **36-1C-8. Response to formal complaint.**

2           The applicant or licensee shall file an answer with the administrator within twenty  
3 calendar days after service of the complaint admitting, denying, qualifying, or explaining  
4 all facts alleged in the formal complaint and all defenses of the applicant or licensee or  
5 mitigating factors.

6           **Section 9.** That a NEW SECTION be added:

7           **36-1C-9. Notice of hearing.**

8           After the receipt of the response in § 36-1C-8, the agency's counsel shall file a  
9 notice of hearing pursuant to § 1-26-17. The notice of hearing must be served no later  
10 than twenty calendar days prior to the hearing date.

11           The agency may continue the date of the hearing as necessary. The agency's  
12 counsel shall serve notice of any new date by electronic mail to the applicant or licensee's  
13 address on file with the agency. If the applicant or licensee does not have electronic mail,  
14 communication shall be sent to the mailing address on file with the agency.

15           **Section 10.** That a NEW SECTION be added:

16           **36-1C-10. Appearance required of applicant or licensee.**

17           The applicant or licensee appearing before the agency at a formal hearing shall  
18 appear in person unless otherwise waived by the agency. If an applicant or licensee fails  
19 to appear, the hearing may proceed without the applicant or licensee.

20           **Section 11.** That a NEW SECTION be added:

21           **36-1C-11. Board or commission member disqualified.**

22           If an alleged violation against an applicant or licensee is filed by a member of the  
23 agency's board or commission, or if a member of the agency's board or commission  
24 participates in the investigation of a violation by an applicant or licensee, that agency's  
25 board or commission member is disqualified from participating in the final decision  
26 rendered by the agency board or commission.

27           **Section 12.** That a NEW SECTION be added:

28           **36-1C-12. Written waiver of procedures.**

29           An applicant for a license or licensee may, in writing, waive any procedure granted  
30 to the applicant or licensee under this chapter.



1            Notwithstanding any other provision of law, nothing in this chapter shall be  
2            construed to limit an agency's authority for emergency action under § 1-26-29.

3    **Section 13.** That a NEW SECTION be added:

4            **36-1C-13. Promulgation of rules.**

5            The Departments of Agriculture, Health, Labor and Regulation, and Social Services  
6            shall promulgate rules, pursuant to chapter 1-26, to make any modification or addition to  
7            the procedures in this chapter in order to comply with any federal statutes or any rules  
8            and regulations regarding a profession or occupation within their respective department.

9    **Section 14.** That a NEW SECTION be added:

10           **36-1C-14. Petition for declaratory ruling.**

11           A person seeking a ruling as to the applicability to that person of a law, rule, or  
12           order of an agency under title 36 may file with the agency a petition for declaratory ruling  
13           in substantially the following form:

14           Pursuant to the provisions of SDCL 1-26-15, I, (name of petitioner), of (address of  
15           petitioner), am (title or capacity of petitioner), and do hereby petition the professional or  
16           occupational board or commission of (state name of body) for its declaratory ruling in  
17           regard to the following:

18           (1) The statutes or rules or order in question is: (here identify and quote the pertinent  
19           statute, rule, or order.):

20           (2) The facts and circumstances that give rise to the issue to be answered by the  
21           professional or occupational board or commission's declaratory ruling:

22           (3) The precise issue to be answered by the professional or occupational board or  
23           commission's declaratory ruling:

24  
25           Dated at (city and state), this                      day of                      .

26  
27           \_\_\_\_\_  
28           (Signature of Petitioner)

29    **Section 15.** That a NEW SECTION be added:

1           **36-1C-15. Action on petition.**

2           Upon receipt of the petition, the administrator may request from the petitioner any  
3 information that may be required for the issuance of its ruling. At the agency's next  
4 regularly scheduled meeting following the receipt of the petition or following receipt of  
5 requested information, or within ninety days, whichever is shorter, the agency shall issue  
6 its declaratory ruling and serve a copy of it by mail or electronic mail upon the petitioner.

7 **Section 16.** That a NEW SECTION be added:

8           **36-1C-16. Appeal of declaratory ruling.**

9           Any person seeking a declaratory ruling hereunder, is considered aggrieved if,  
10 within thirty days of the agency's declaratory ruling, a request is made for the agency to  
11 conduct a formal hearing. The hearing must be held at the earliest convenience of the  
12 agency following the receipt of the request. A hearing under this section is a contested  
13 case under chapter 1-26.

14 **Section 17.** That § 36-4A-42 be AMENDED.

15           **36-4A-42. Promulgation of rules by board.**

16           The board shall promulgate rules pursuant to chapter 1-26 pertaining to fees,  
17 licensure of physician assistants, and supervision requirements, ~~and disciplinary~~  
18 ~~proceedings.~~

19 **Section 18.** That § 36-4C-23 be AMENDED.

20           **36-4C-23. Investigation of violations.**

21           The board shall investigate every alleged violation of this chapter ~~and pursuant to~~  
22 the procedures set forth in chapter 36-1C. If the alleged violation is committed by a  
23 nonlicensee, the board shall report it to the proper law enforcement officials of the county  
24 wherein the alleged violation has occurred.

25 **Section 19.** That § 36-5-20 be AMENDED.

26           **36-5-20. Disciplinary committee--Immunity from liability--Conditions--**  
27 **Official immunity unaffected.**

28           The ~~Notwithstanding any provision of chapter 36-1C,~~ the Board of Examiners may  
29 act as a disciplinary committee or may appoint other chiropractors licensed to practice in  
30 this state to perform such functions to maintain the professional standards of the board.

1 No monetary liability on the part of, and no cause of action for damages may arise against  
 2 any member of a duly appointed disciplinary committee for any act or proceeding  
 3 undertaken or performed within the scope of the functions of the committee, if the  
 4 committee member acts without malice, has made a reasonable effort to obtain the facts  
 5 of the matter on which the member acts, and acts in a reasonable effort to obtain the  
 6 facts. The provisions of this section do not affect the official immunity of an officer or  
 7 employee of a public corporation.

8 The board may promulgate rules pursuant to chapter 1-26 governing the  
 9 administration and enforcement of this section and the conduct of licensees, including:

- 10 (1) Purpose—~~The purpose of the~~ disciplinary committee;  
 11 (2) Composition—~~The composition of the~~ disciplinary committee; and  
 12 (3) Qualifications—~~The qualifications of the~~ disciplinary committee;  
 13 (4) ~~Procedure governing the conduct of investigations and hearings by the disciplinary~~  
 14 ~~committee.~~

15 **Section 20.** That § 36-9-21 be AMENDED.

16 **36-9-21. Promulgation of rules.**

17 The board shall promulgate rules pursuant to chapter 1-26 pertaining to:

- 18 (1) Licensing and licenses;  
 19 (2) The practice of nursing;  
 20 (3) Scope of nursing practice;  
 21 (4) Except as otherwise provided in § 36-9-28, the delegation of nursing functions to  
 22 unlicensed assistive personnel under the supervision of a licensed nurse;  
 23 (5) Except as otherwise provided in § 36-9-28, the training, registration, and  
 24 supervisory requirements for unlicensed personnel performing delegated nursing  
 25 functions under the supervision of a licensed nurse;  
 26 (6) ~~Disciplinary proceedings;~~  
 27 (7) ~~Fees; and~~  
 28 (8)(7) Approval of nursing education and clinical enrichment programs.

29 **Section 21.** That § 36-9A-41 be AMENDED.

30 **36-9A-41. Promulgation of rules.**

31 The board may promulgate rules pursuant to chapter 1-26 pertaining to: licensure  
 32 and licenses, practice, prescriptive authority, ~~disciplinary proceedings,~~ and approval of  
 33 education programs.

1 **Section 22.** That § 36-9C-32 be AMENDED.

2 **36-9C-32. Promulgation of rules.**

3 The board shall promulgate rules pursuant to chapter 1-26 pertaining to:

- 4 (1) Licensing and licenses;
- 5 (2) The practice and scope, pursuant to § 36-9C-13, of certified professional midwives
- 6 and certified professional midwife students;
- 7 (3) ~~Disciplinary proceedings;~~
- 8 (4) Fees;
- 9 (5)(4) Approval of certified professional midwife education programs; and
- 10 (6)(5) Criteria for low-risk pregnancy and delivery.

11 **Section 23.** That § 36-10-49 be AMENDED.

12 **36-10-49. Investigation of violations--Employment of counsel to assist in**

13 **prosecution.**

14 The Board of Examiners ~~and/or~~ or the physical therapy committee, or both, shall

15 investigate every ~~supposed~~ alleged violation of this chapter, ~~and pursuant to the~~

16 procedures set forth in chapter 36-1C. If the alleged violation is committed by a

17 nonlicensee, the board shall report the same violation to the proper law enforcement

18 officials wherein the act is committed. The board ~~is authorized to~~ may employ special

19 counsel subject to the supervision, control and direction of the attorney general, ~~to assist~~

20 in the prosecution of violations of this chapter, ~~and to expend the necessary funds for such~~

21 purpose.

22 **Section 24.** That § 36-11-11 be AMENDED.

23 **36-11-11. Promulgation of rules .**

24 The Board of Pharmacy may promulgate rules pursuant to chapter 1-26 ~~as follows:~~

- 25 (1) Pertaining to the practice of pharmacy;
- 26 (2) Relating to the sanitation of persons and establishments licensed under the
- 27 provisions of this chapter;
- 28 (3) Pertaining to establishments licensed under the provisions of this chapter wherein
- 29 any drug is compounded, prepared, dispensed or sold;
- 30 (4) Providing for minimum equipment and standards of establishments licensed under
- 31 the provisions of this chapter;
- 32 (5) Pertaining to the sale of drugs by or through any mechanical device;

- 1 (6) In cooperation with other governmental agencies where there exists a joint  
 2 responsibility for protecting the public health and welfare;
- 3 (7) Pertaining to the sale of nonprescription drugs;
- 4 (8) To adopt such publications or supplements thereto as shall from time to time be  
 5 deemed necessary to describe the drugs, medicines, prescription drugs, dispensing  
 6 physician or other terms ~~used~~defined in § 36-11-2;
- 7 (9) Pertaining to the posting of prescription prices on the premises of a pharmacy  
 8 department to provide consumers with comparative pricing information;
- 9 (10) Pertaining to registration of drug wholesalers and manufacturers;
- 10 (11) Pertaining to home health care and service;
- 11 (12) Pertaining to computerized pharmacy;
- 12 (13) Pertaining to the registration of registered pharmacy technicians~~and the suspension~~  
 13 ~~or revocation of registration~~; an annual registration fee not to exceed thirty dollars;  
 14 and tasks that may not be delegated by a licensed pharmacist to a registered  
 15 technician;
- 16 (14) Redispensing of pharmaceuticals; and
- 17 (15) Pertaining to the dispensing of biological products.

18 **Section 25.** That § 36-18A-22 be AMENDED.

19 **36-18A-22. Board to promulgate rules--Scope of rules--Existing rules**  
 20 **remain in effect.**

21 The board shall, pursuant to chapter 1-26, promulgate rules~~which~~that may be  
 22 reasonably necessary for the performance of its duties, the regulation of proceedings  
 23 before it, and the licensure of the professions it regulates. The existing rules promulgated  
 24 under the previous chapter 36-18 remain in effect until replaced. The board shall  
 25 promulgate rules, pursuant to chapter 1-26, for the licensure of professional engineers,  
 26 architects, land surveyors, landscape architects, and petroleum release assessors and  
 27 remediators in the following areas:

- 28 (1) Forms such as applications, renewals, licenses or certificates, and receipts for  
 29 applicants, licensed professionals, and business entities;
- 30 (2) Fees for applications, examinations, renewals, late penalties, lists and labels of  
 31 licensees, returned checks, reinstatement, inactive status, ability to allow a vendor  
 32 to collect fees for examinations, waiver of fees;
- 33 (3) Criteria for types of education degrees, approval of accredited programs, intern  
 34 programs, type of experience, length of experience, national and state specific

- 1 examinations, use of computer examinations, criteria from other countries,  
 2 procedure to evaluate foreign degrees, eligibility of applicants, dual licenses;  
 3 (4) Continuing professional education and development content, hours, carryovers, and  
 4 requirements;  
 5 (5) How, when, and where to seal plans and documents; type of seal; required services  
 6 to be provided; and criteria to define complete plans, minimum standards of  
 7 practice, and guidelines;  
 8 (6) Description of and criteria for construction administration, including a designation  
 9 of who is to perform construction administration and criteria for a prime professional  
 10 or a coordinating professional;  
 11 (7) Requirements for compliance with local building code; and  
 12 (8) The adoption of a code of professional conduct;  
 13 ~~(9) Procedures for disciplinary proceedings; and~~  
 14 ~~(10) Procedures for contested cases pursuant to chapter 1-26.~~

15 **Section 26.** That § 36-19-9 be AMENDED.

16 **36-19-9. Officers of board--Scope of rules--Bond required of treasurer.**

17 The State Board of Funeral Service ~~shall have the power to~~ may elect, out of its  
 18 own number, a president, a vice-president, and secretary-treasurer, and, pursuant to  
 19 chapter 1-26, promulgate the rules as may be reasonable and proper to:

- 20 (1) Establish the minimum physical standards of licensees' funeral establishments;  
 21 (2) Regulate the inspection of each funeral establishment;  
 22 (3) Establish the educational, training, reciprocity and renewal requirements for  
 23 licensure; and  
 24 (4) However, the board may not regulate the method and manner of providing funeral  
 25 service; ~~and~~  
 26 ~~(5) Conduct investigations and implement disciplinary proceedings.~~

27 The treasurer of ~~such the~~ the board shall give bond in the sum of five thousand dollars  
 28 with sufficient sureties to be approved by ~~such the~~ the board, conditioned for the honest and  
 29 faithful discharge of ~~his the treasurer's~~ the treasurer's duties.

30 **Section 27.** That § 36-20B-41 be AMENDED.

1           **36-20B-41. Investigations--Probable cause determination--Subpoena power**  
2 **of board.**

3           The board may, upon receipt of a complaint or other information suggesting  
4 violations of this chapter or of the rules of the board, conduct investigations in accordance  
5 with chapter 36-1C to determine whether there is probable cause to institute proceedings  
6 under chapter 1-26 or of this chapter against any person or firm for such violation.  
7 However, no investigation under this section may be a prerequisite to ~~such~~ the  
8 ~~proceedings in the event that~~ if a determination of probable cause can be made without  
9 investigation. In aid of such investigations, the board or the chair thereof may issue  
10 subpoenas to compel witnesses to testify and to produce evidence.

11 **Section 28.** That § 36-20B-42 be AMENDED.

12           **36-20B-42. Investigating officer--Confidentiality of information.**

13           ~~The board may designate a member, or any other person of appropriate~~  
14 ~~competence, to serve as investigating officer to conduct an investigation. Upon completion~~  
15 ~~of an investigation, the investigating officer shall file a report with the board. The board~~  
16 ~~shall find probable cause or lack of probable cause upon the basis of the report or shall~~  
17 ~~return the report to the investigating officer for further investigation. Unless there has~~  
18 ~~been a determination of probable cause, If an investigation committee determines a~~  
19 ~~complaint or other information suggesting a violation under § 36-20B-41 lacks probable~~  
20 ~~cause, the report of the investigating officer committee, the complaint, if any, the~~  
21 ~~testimony and documents submitted in support of the complaint or gathered in the~~  
22 ~~investigation, and the fact of pendency of the investigation shall must be treated as~~  
23 ~~confidential information and may not be disclosed to any person except law enforcement~~  
24 ~~authorities and, to the extent ~~deemed~~ considered necessary in order to conduct the~~  
25 ~~investigation, the subject of the investigation, ~~persons~~ the person whose complaints are~~  
26 ~~complaint is being investigated, and ~~witnesses~~ any witness questioned in the course of~~  
27 ~~the investigation.~~

28 **Section 29.** That § 36-20B-43 be AMENDED.

29           **36-20B-43. Findings of investigation--Effect.**

30           ~~Upon a finding of probable cause, At the conclusion of the investigation under §~~  
31 ~~36-1C-4, if the subject of the investigation is a licensee or an individual with practice~~  
32 ~~privileges under the provisions of § 36-20B-66 or 36-20B-67, the board staff shall proceed~~  
33 ~~in accordance with chapter 1-26. If the subject of the investigation is not a licensee or an~~

1 individual with privileges under this chapter, the board shall take appropriate action under  
2 this chapter. Upon a finding of no probable cause, the board shall close the matter and  
3 shall thereafter release information relating thereto only with the consent of the person  
4 or firm under investigation.

5 **Section 30.** That § 36-20B-45 be AMENDED.

6 **36-20B-45. Issuance of complaint--Administrative hearing--Service of**  
7 **complaint and notice of hearing.**

8 If probable cause with respect to a violation by a ~~licensee or~~ an individual with  
9 practice privileges granted under the provisions of § 36-20B-66 or 36-20B-67 has been  
10 determined by the board, or upon receipt of notice of a decision by the board of another  
11 state furnishing grounds for a determination of probable cause, the board may issue a  
12 complaint setting forth appropriate charges and set a date for hearing before the board  
13 on such charges. If a complaint is issued and a hearing date set, the board shall, not less  
14 than thirty days prior to the date of the hearing, serve a copy of the complaint and notice  
15 of the time and place of the hearing upon the ~~licensee or an~~ individual with practice  
16 privileges granted under the provisions of § 36-20B-66 or 36-20B-67, together with a  
17 copy of the ~~board's rules governing proceedings under this section, either by personal~~  
18 ~~delivery or by mailing a copy thereof by registered mail to the licensee at the licensee's~~  
19 ~~address, last known to the board. In the case of an individual exercising practice privileges~~  
20 ~~under the provisions of § 36-20B-66 or 36-20B-67, service contested case proceedings~~  
21 under chapter 1-26. Service shall be by certified or registered mail to the address last  
22 known to the board, or pursuant to chapter 1-26.

23 **Section 31.** That § 36-20B-46 be AMENDED.

24 **36-20B-46. Respondent to have access to investigatory report and evidence.**

25 A ~~licensee or an~~ An individual with practice privileges under the provisions of § 36-  
26 20B-66 or 36-20B-67 against whom a complaint has been issued under this section may,  
27 reasonably in advance of the hearing, examine and copy the report of investigation, if  
28 any, and any documentary or testimonial evidence and summaries of anticipated evidence  
29 in the board's possession relating to the subject matter of the complaint. The board shall  
30 adopt rules, promulgated pursuant to chapter 1-26, governing proceedings under this  
31 section to specify the manner in which such right may be exercised.

32 **Section 32.** That § 36-20B-47 be AMENDED.



1           **36-20B-47. Appearance at hearing--Examination and presentation of**  
2           **witnesses and evidence--Subpoenas.**

3           The respondent licensee ~~or an~~ shall appear at the hearing as required by § 36-1C-  
4           10. An individual with practice privileges granted under the provisions of § 36-20B-66 or  
5           36-20B-67 may appear at the hearing in person or, in the case of a firm, through a partner,  
6           officer, director, shareholder, member, or manager, and by counsel, examine witnesses  
7           and evidence presented in support of the complaint, and present evidence and witnesses  
8           on the licensee's or an individual's own behalf. The licensee or an individual granted  
9           practice privileges under the provisions of § 36-20B-66 or 36-20B-67 is entitled, on  
10          application to the board, to the issuance of subpoenas to compel the attendance of  
11          witnesses and the production of documentary evidence.

12       **Section 33.** That § 36-21A-89 be AMENDED.

13           **36-21A-89. Administration and enforcement of chapter--Promulgation of**  
14           **rules.**

15          The commission may promulgate rules pursuant to chapter 1-26 relating to the  
16          administration and enforcement of the provisions of this chapter in the following areas:

- 17       (1) Procedures for conducting the commission's business;
- 18       (2) Procedures and qualifications for application, minimum requirements for  
19       examination, procedures for the examination and the administration of the  
20       examination, the required score for passing the examination, and procedures for  
21       replacement of a license;
- 22       (3) Requirements for dividing a commission with a broker in another state,  
23       requirements for application for licensure by reciprocity and the practice of a  
24       nonresident licensee in the state;
- 25       (4) Procedures for application to provide classroom instruction or correspondence work  
26       for prelicensing education, qualifications of the instructors and facilities, and  
27       procedures for approving classroom instruction and correspondence work and for  
28       withdrawing the approval;
- 29       (5) ~~Procedures for disciplinary proceedings, including requirements for filing a~~  
30       ~~complaint, dismissal of a complaint, informal and formal resolution of a complaint,~~  
31       ~~formal complaint and answer requirements, final action and review, disqualification~~  
32       ~~of a commission member from a hearing and authorization for per diem and~~  
33       ~~mileage;~~
- 34       (6) ~~Procedures for declaratory rulings, petitions for rules and contested cases;~~

- 1       ~~(7)~~—Requirements for a real estate auction, use of unlicensed persons to call or take  
 2            bids, and the requirements, duties and responsibilities of an auctioneer;  
 3       ~~(8)~~(6) Requirements for mortgage brokers, including areas such as trust accounts, record-  
 4            keeping, written contracts, full disclosure and restrictions on chargeable costs and  
 5            expenses;  
 6       ~~(9)~~(7) Requirements for continuing education including procedures for granting a  
 7            certificate of accreditation; notification of a material change in an approved course  
 8            offering; suspension, revocation and denial of course approval; notice to students  
 9            regarding the course and opportunity for comment; auditing; certificates of  
 10           attendance; preregistration and limits on correspondence courses;  
 11       ~~(10)~~(8)       Requirements for property managers, including areas such as trust accounts,  
 12            auditing, contracts, disclosure, disciplinary matters, financial obligations and  
 13            records, and property management accounting; and  
 14       ~~(11)~~(9)       Requirements for establishing and maintaining teams and the requirements,  
 15            duties, and responsibilities of team leaders.

16       **Section 34.** That § 36-21B-3 be AMENDED.

17            **36-21B-3. Promulgation of rules.**

18            The secretary of the Department of Labor and Regulation may promulgate rules  
 19            pursuant to chapter 1-26 relating to appraisers and appraisals in the following areas:

- 20       (1)   Certification, licensing, and registration of appraisers;  
 21       (2)   Definition of terms;  
 22       (3)   Uniform standards of professional appraisal practice;  
 23       (4)   Application for and issuance of certificates;  
 24       (5)   Examinations and examination procedures;  
 25       (6)   Pre-certification education criteria and continuing education;  
 26       (7)   Qualifications for and upgrading of a certificate;  
 27       (8)   Transactions requiring certified, licensed, or registered appraisers;  
 28       (9)   Renewal and late renewal procedures;  
 29       (10)  Certificate by reciprocity;  
 30       (11)  Temporary practice and permits;  
 31       (12)  ~~Complaints and grounds~~ Grounds for disciplinary actions including denial,  
 32            revocation, suspension, censure, and reprimand;  
 33       (13)  Conflict of interest and investigation;  
 34       (14)  Advertising by certified, licensed, or registered appraisers;

- 1 (15) Retention and inspection of records, and rosters of appraisers;
- 2 (16) Appraiser membership, competency, and independence;
- 3 (17) Review of appraisals and contracting for investigations;
- 4 (18) Inspection, examination, and photocopy of appraisal records for audit purposes;
- 5 (19) Inactive status; and
- 6 (20) Exemptions and standards allowing appraisers to perform an evaluation for a
- 7 federally insured depository institution.

8 **Section 35.** That § 36-21C-6 be AMENDED.

9 **36-21C-6. Promulgation of rules for licensing and registration.**

10 The commission shall promulgate rules pursuant to chapter 1-26 for licensed and  
11 registered home inspectors in the following areas:

- 12 (1) Standards and requirements for prelicense and continuing education, including  
13 qualifications of instructors, procedures for granting a certificate of accreditation,  
14 notification of a material change in an approved course offering, suspension,  
15 revocation, and denial of course approval, certification of attendance,  
16 preregistration, and hours required to renew a license or registration;
- 17 (2) A code of ethics and standards of practice;
- 18 (3) Fees for applications, examinations, registration, licensure, and renewals, not to  
19 exceed two hundred dollars for application and one hundred dollars for renewal;  
20 and
- 21 (4) Procedures and qualifications for application, minimum requirements for  
22 examination, procedures for the examination and the administration of the  
23 examination, the required score for passing the examination, and procedures for  
24 replacement of a license;
- 25 ~~(5) Procedures for disciplinary proceedings, including requirements for filing a~~  
26 ~~complaint, dismissal of a complaint, informal and formal resolution of a complaint,~~  
27 ~~formal complaint and answer requirements, final action and review, disqualification~~  
28 ~~of a commission member from a hearing, and authorization for per diem and~~  
29 ~~mileage; and~~
- 30 ~~(6) Procedures for declaratory rulings, petitions for rules, and contested cases.~~

31 **Section 36.** That § 36-21D-4 be AMENDED.

1           **36-21D-4. Promulgation of rules regarding companies and services.**

2           The secretary of the Department of Labor and Regulation may promulgate rules  
3 pursuant to chapter 1-26 relating to appraisal management companies and appraisal  
4 management services ~~as follows~~ in the following areas:

- 5           (1) Registration of appraisal management companies;  
6           (2) Definition of terms;  
7           (3) Responsibilities and duties;  
8           (4) Application for and issuance of certificate of registration;  
9           (5) Renewal and late renewal procedures;  
10          (6) ~~Investigation and contracting~~ Contracting for investigations;  
11          (7) Complaints and grounds for disciplinary actions, including denial, revocation,  
12             suspension, censure, and reprimand;  
13          (8) Retention and inspection of records;  
14          (9) Roster;  
15          (10) Review of appraisal related records;  
16          (11) Inspection, examination, and photocopy of records;  
17          (12) National registry fee collection and remittance; and  
18          (13) Filing of surety bonds or irrevocable letters of credit.

19          **Section 37.** That § 36-26-41 be AMENDED.

20           **36-26-41. Investigation and report of violations--Employment of special**  
21           **counsel--Expenses.**

22           The board shall investigate every ~~supposed~~ alleged violation of this chapter, ~~and~~  
23 pursuant to the procedures set forth in chapter 36-1C. If the board violation is committed  
24 by a nonlicensee, the board shall report the same to the proper law enforcement officials  
25 wherein the act is committed. The board is authorized to employ special counsel subject  
26 to the supervision, control and direction of the attorney general, to assist in the  
27 prosecution of violations of this chapter and to expend the necessary funds for such  
28 purpose.

29          **Section 38.** That § 36-27A-34 be AMENDED.

30           **36-27A-34. Investigation and prosecution of violations.**

31           The Board of Examiners of Psychologists shall investigate every alleged violation  
32 of this chapter pursuant to chapter 36-1C. The board may employ special counsel, subject  
33 to approval, supervision, control, and direction by the attorney general, to assist in the

1 prosecution of violations of this chapter, and to spend the necessary funds for that  
2 purpose.

3 **Section 39.** That § 36-29-26 be AMENDED.

4 **36-29-26. Investigation and report of violations.**

5 The Board of Medical and Osteopathic Examiners shall investigate every ~~supposed~~  
6 alleged violation of this chapter and pursuant to the procedures set forth in chapter 36-  
7 1C. If the alleged violation is committed by a nonlicensee, the board shall report the same  
8 to the proper law enforcement officials wherein the violation is committed.

9 **Section 40.** That § 36-31-22 be AMENDED.

10 **36-31-22. Investigation and report of violations.**

11 The board shall investigate every ~~supposed~~alleged violation of this chapter ~~and~~  
12 pursuant to the procedures set forth in chapter 36-1C. If the alleged violation is committed  
13 by a nonlicensee, the board shall report the same to the proper law enforcement officials  
14 wherein the violation is committed.

15 **Section 41.** That § 36-32-80 be AMENDED.

16 **36-32-80. Complaints--Investigation--Dismissal--Hearing--Appeal.**

17 ~~The board shall receive complaints~~Complaints regarding any person licensed under  
18 this chapter shall be processed pursuant to chapter 36-1C. A record of each complaint  
19 shall be maintained ~~by~~in the board office.

20 ~~An~~Notwithstanding any provision of chapter 36-1C, an investigation ~~shall~~may be  
21 conducted by a member, agent, or an appointee of the board to determine whether the  
22 alleged violation has been committed. The investigator, if a member of the board, may  
23 dismiss a complaint if it appears to the member, in consultation with the board president,  
24 that no violation has been committed. If the investigator is an agent or an appointee of  
25 the board, dismissal of the complaint may only be made by the board president. Any  
26 disposition agreed upon between the investigator and the licensee or permit holder shall  
27 be made known to and approved by the board.

28 Any disciplinary proceeding ~~shall~~must be conducted in accordance with chapter 1-  
29 26. Any decision of the board entered in a contested proceeding may be appealed to the  
30 circuit court within thirty days. A license or permit ~~shall remain~~remains in effect during  
31 the pendency of an appeal, unless suspended under § 36-32-86.

1 **Section 42.** That § 36-32-89 be AMENDED.

2 **36-32-89. Violations reported to law enforcement officials--Prosecution of**  
3 **violations.**

4 The board shall investigate ~~and report~~ an alleged violation of any provision of this  
5 chapter, pursuant to the procedures set forth in chapter 36-1C, and report the alleged  
6 violation. The board may employ special counsel subject to the supervision, control, and  
7 direction of the attorney general to assist in the prosecution of alleged criminal violations  
8 and may expend the necessary funds for this purpose.

9 **Section 43.** That § 36-33-58 be AMENDED.

10 **36-33-58. Complaints--Investigation--Dismissal--Hearing--Appeal.**

11 The board shall receive complaints regarding the enforcement of the provisions of  
12 this chapter pursuant to the procedures set forth in chapter 36-1C. A record of each  
13 complaint shall be maintained by the board. ~~An investigation shall be conducted by a~~  
14 ~~member, agent, or an appointee of the board to determine whether an alleged violation~~  
15 ~~has been committed.~~

16 ~~The~~ Notwithstanding chapter 36-1C, the investigator, if a member of the board,  
17 may dismiss a complaint if it appears to the member, in consultation with the board  
18 president, that no violation has been committed. If the investigator is an agent or an  
19 appointee of the board, dismissal of the complaint may only be made by the board  
20 president. Any disposition agreed upon between the investigator and the licensee or  
21 permit holder shall be made known to and approved by the board.

22 Any disciplinary proceeding shall be conducted in accordance with chapter 1-26.  
23 Any decision of the board entered in a contested proceeding may be appealed to the circuit  
24 court within thirty days. A license or permit shall remain in effect during the pendency of  
25 an appeal unless suspended under § 36-33-64.

26 **Section 44.** That § 36-34-18 be AMENDED.

27 **36-34-18. Receipt and log of complaints--Investigation--Disciplinary**  
28 **proceeding.**

29 The board shall receive complaints concerning a practitioner's professional  
30 practices. Each complaint received shall be logged by the secretary-treasurer, or the  
31 board's designee, recording the practitioner's name, name of the complaining party, date  
32 of the complaint, a brief statement of the complaint, and its ultimate disposition. The

1 board shall investigate each alleged violation of this chapter pursuant to the procedures  
2 set forth in chapter 36-1C. All disciplinary proceedings held under the authority of this  
3 chapter ~~shall~~ must be conducted in accordance with chapter 1-26.

4 **Section 45.** That § 36-35-20 be AMENDED.

5 **36-35-20. Investigation of complaints--Inspections.**

6 The board ~~may~~ shall receive and investigate any complaint filed with the board  
7 alleging a violation of this chapter pursuant to the procedures set forth in chapter 36-1C.  
8 The board may inspect the place of business of the licensee named in a complaint during  
9 normal business hours or upon written notice.

10 **Section 46.** That § 36-36-12 be AMENDED.

11 **36-36-12. Promulgation of rules.**

12 The board shall promulgate rules pursuant to chapter 1-26 pertaining to fees,  
13 licensure, investigations, ~~disciplinary proceedings,~~ and continuing education.

14 **Section 47.** That § 36-38-21 be AMENDED.

15 **36-38-21. Investigation of suspected violations--Prosecution of violations.**

16 The board shall investigate each suspected violation of this chapter ~~and~~ pursuant  
17 to the procedures set forth in chapter 36-1C. If the suspected violation is committed by a  
18 nonlicensee, the board shall report the violation to the proper law enforcement official  
19 where the act is committed. The board is authorized to employ special counsel subject to  
20 the supervision, control, and direction of the attorney general to assist in the prosecution  
21 of violations of this chapter, and to expend the necessary funds for such purpose.

22 **Section 48.** That section 47 of this Act is repealed on July 1, 2024.

*Please note that some of this information was not known at the time of the BOE meetings in October and November. Therefore, this document includes both BOE meeting highlights and current information.*

*Due to the Covid-19 pandemic, BOE meetings have been held remotely via Zoom. Rather than a single, standard 12-hour meeting, two shorter Zoom calls were held remotely in October and November. This Meeting Highlights document covers both meetings.*

### **Impact of COVID-19 on the CPA Exam**

Thankfully the AICPA Exams Team is safe and healthy and can work completely remotely with no negative impact on operations.

21,161 sections were delivered in 20Q2, 43% of 19Q2.  
49,445 sections were delivered in 20Q3, 87% of 19Q3.

Prometric centers are open at full capacity and we understand that Candidates across all professions are hesitant to return to testing in test centers.

Regarding the launch of Continuous Testing in 20Q3, 12,852 test sections were delivered June 11<sup>th</sup> – 30<sup>th</sup>, approximately 26% of the entire quarter. 3,008 test sections were delivered to Candidates retesting a failed section within 20Q3 with 1,588 of those test sections having a passing grade.

20Q4 has increased to 63,238 sections scheduled, 8% higher than 19Q4. Note that 2019 testing ended on December 10<sup>th</sup> and 2020 testing ends on December 31<sup>st</sup> with continuous testing. 20Q4 could finish 10% higher than 19Q4 if Candidates continue scheduling and potentially retest failed sections in 20Q4.

21Q1 is still down and is currently forecasted to be only 58% of 20Q1. We are hopeful that 21Q1 will rebound as Candidates receive their scores and schedule for 21Q1.

Significant cost savings have resulted from a travel ban, all BOE, Committee and Subcommittee meetings being held remotely, and reductions in our profession services expenditures.

Much of the \$4M surplus will be depleted in 2020. AICPA had previously announced a \$10 increase for 2021 which will support the AICPA's meeting the break-even provision of the contract in 2024 and support initial development of CPA Evolution.

NASBA and the AICPA continue negotiations on the renewal of their CPA Exam agreement.





**Current Practice Analysis**

The BOE Content Subcommittees, the BOE Content Committee, and the BOE approved the recommendations to the CPA Exam blueprints and CPA Exam content.

A CPA Exam Practice Analysis Final Report and an updated CPA Exam blueprint were published in November 2020 and the updated CPA Exam from this Practice Analysis will launch on July 1, 2021. They are available here:

<https://www.aicpa.org/becomeacpa/cpaexam/examinationcontent.html>

**International (12/4/20 calculations)**

**India**

June 2020: 652 sections delivered  
September 2020: 1,199 sections delivered  
December 2020: 1,207 sections scheduled  
21Q1: 275 sections scheduled  
21Q2: 10 sections scheduled

**Nepal**

December 2020: 0 sections scheduled  
21Q1: 0 sections scheduled

**South Korea**

20Q4: 1,269 scheduled sections  
21Q1: 575 scheduled sections

**Egypt**

20Q4: 84 sections scheduled  
21Q1: 20 sections scheduled

**Jordan**

20Q4: 106 sections scheduled  
21Q1: 14 sections scheduled

**Canada**

Launch scheduled for December 8<sup>th</sup>, 2020

## **Remote Testing**

Remote testing is being explored as a delivery alternative to a lockdown of test centers and potentially to be used in “emergency situations”.

The AICPA is in the midst of software modifications to our Test Delivery Driver to support remote testing. Note that the current Driver was developed with web-based technology but operates in a client-server-based Prometric test center as it is deployed from a Prometric server. Development of the Remote Testing Driver means modifying the current Driver to support more candidates, hosting it in the cloud, updating the scratch spreadsheet, and interfacing with Prometric’s WebLaunch application.

### **Why Remote Testing:**

- Allows Candidates to test during a test center shutdown
  - Where test centers are shut down for any reason
  - 26,000 CPA Exam sections were cancelled in 20Q2
- Keep Candidates in the CPA pipeline
- Will Remote Testing be required for Candidates that are immune compromised?

### **How does Remote Testing Work?**

- Standard eligibility, scheduling, and score reporting with NASBA and the state boards
- Candidate tests in their home or other location (4 walls, doors, etc.)
- Candidate uses their own computer, monitor, camera and wifi *that must meet minimum requirements*
  - *Legal has approved this requirement*
- Candidate walks through initial steps by themselves – ID capture, image capture and checklist
- Prometric Readiness Agent walks Candidate through candidate detail confirmation, 360-degree camera environmental check and candidate ID check
- Candidate then proceeds to a Prometric Proctor for examination observation
- If any concerns are noted, Prometric ProProctor Security Agent engaged
- Software and CPA Exam content are securely deployed from the cloud and Exam answers secured transmitted back to the AICPA
- Psychometric and legally approved software and process

### **Security:**

- Limited versions of the Exam will be used for remote testing and remote testing only
- Candidate is monitored and videotaped the entire time they are testing
- Prometric may stop the Exam, interrogate the Candidate, and / or abort the Exam at any time
- Candidate videos may be reviewed during and after the test administration
- Candidate’s computer is locked down so that only allowed software can be accessed



**Next Steps:**

- The goal is to have the software “launch-ready” by 20Q4 and ready for NASBA-AICPA-Prometric internal testing in January and February 2021.
- Securing approval of Pilot Testing (Lifeboat Testing) only
  - Test in small lifeboat sizes before any future wide-spread adoption
  - March 12 – 31, 2021 only
  - 250 – 1,000 sections
  - No first-time test takers, no retesting of a failed section within a quarter
  - Domestic only
- Tests communications, operations, procedures, processes, software, user interface, etc.
- Continue to share best practices with ICAEW, ICAS, Chartered Accountants of Ireland, etc. where remote testing is underway!

**Future Considerations / To Be Determined:**

- Definition of “emergency”?
- When might wider-scale Remote Testing be used?
- ADA test accommodations support?
- Remote Testing of International Candidates not in the US?

**CPA Evolution**

The AICPA Exams Team’s work is underway in the “Foundation and Framework” preliminary phase of the CPA Evolution Practice Analysis with the high-level definition of the Core and Disciplines.

The Exams Team has been meeting monthly with the AICPA-NASBA CPA Evolution Task Force to review the starting definition of the Core and Disciplines as well as possible transition policies, overall schedules, etc.

The Exams Team continues to meet with the BOE and the BOE CPA Evolution Sponsor Group so they may oversee the CPA Evolution Practice Analysis.

At this time, NASBA and the AICPA have reviewed and concur on the high-level Core and Discipline definitions and the AICPA is prepared to launch the Practice Analysis with our vendor AIR on focus groups and ranking exercises.

**New State Board Toolkit**

The State Board Committee made a recommendation for the creation of a clearinghouse-type web page where Exec Directors, board members and board staff could go to easily get CPA Exam-related information from the AICPA.

We developed and launched a new website:

<https://www.aicpa.org/becomeacpa/cpaexam/state-board-toolkit.html>

The toolkit is not a site for the public. It is designed for use by boards of accountancy. Instead of searching the AICPA website for information, all the most relevant links to information are provided, including: Blueprints, Score Release Dates, Pass Rates, Videos, Podcast, etc.

Additionally, you'll have access to a general PowerPoint presentation you can use when you have requests to speak to outside groups. We'll continue to add more resources of this type.

Lastly, there is an opt-in button if you would like to receive period CPA Exam-related emails from the AICPA. This is a new system we began using earlier this year to reach candidates and other stakeholders. There is a contact button to email the Examinations Team's communications staff with any questions or suggestions you may have to improve the toolkit.

We hope you find it to be an easy access resource for you and your teams.

We'll send the toolkit link out to everyone after this meeting so you can bookmark and share it.