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Senate File 1660 Interested Party Written Testimony
Senate State and Local Government and Veterans Committee

Chair Dziedic and members of the State and Local Government and Veterans Committee, I am grateful to Sen. Rasmussen and the MNCPA for taking leadership on addressing the accounting industry pipeline issue by reducing barriers to becoming a CPA. My name is Jen Leary, and I am a CPA and CEO of CLA (CliftonLarsonAllen LLP), the eighth largest accounting and professional services firm in the US, and the largest here in Minnesota.

I believe adding alternative pathways beyond the 150-hour requirement for CPA licensure will help make our essential and rewarding profession available to more well-deserving candidates. I would like to share my point of view as a leader of a firm that's been impacted by the pipeline shortages and my own story about why this issue is so personally important to me.

There is no question, that if unaddressed, businesses and communities will suffer due to the shortage in the pipeline. Let me share with you why:

Accountants play a vital role in the economy primarily by ensuring the trust, stability and fiscal responsibility of businesses and our communities. This is especially true for CLA because while we are a big firm – 9,000 people serving more than 200,000 clients across the country – we are quite different in that we serve Main Street, not Wall Street. Our clients are privately owned small to medium businesses, individual entrepreneurs, colleges and universities, State and local governments, and non-profits. These are the very organizations that collectively drive our economy, provide opportunity to thousands of individuals, and knit together the fabric of our local communities. My responsibility is to continue to build a stronger future for CLA by prioritizing succession and growth, so that we can continue to provide exceptional service to our clients and help them leave their own legacy. Talent is at the heart of this.

The numbers don't lie.

It is troubling that for years we've seen a decline in the number of accounting majors, CPA candidates, and CPAs. Not only is this a rapid and worrisome change from the past, but it also impacts all service lines (audit, tax and outsourced accounting). Given the decrease in new accountants entering the profession as well as retirements, career changes, and attrition, we expect a continued erosion of our workforce. However, this is a trend that we are actively working to solve.

CLA is investing time and resources to mentor and develop future CPAs and leaders.

Here are three examples of the actions we are taking to address this challenge:

- Working to build interest in accounting careers earlier in high school students through paid internships, and partnerships with Future Business Leaders of America (FBLA), Christo Rey, Business Professionals of America, and organizations such as NABA (formerly National Association of Black Accountants).
- Making commitments to hire college interns two years out so that we can keep that connection to bring in new associates.
- In April of this year, we will pilot a paid apprenticeship program to train non-finance majors and non-traditional students in the fundamentals of accounting, QuickBooks, and tax to support our client-service teams.

We believe investing in communities is the right thing to do.

Some firms are actively offshoring work to solve the workforce shortage issue. CLA leaders made a conscious decision to not offshore work. Instead, we are staying true to the communities we live and work by developing a diverse, skilled local workforce. This commitment to skill-building is a significant investment. It includes our recent 16-year lease and \$10M investment in an advanced connection center at Viking Lakes in Eagan, Minnesota where we will train thousands of people in the coming years, investing in both our own future and businesses in the area. All of these commitments and programs are built on top of a half-billion-dollar investment in the technology we know we will need to stay competitive and to be an employer of choice for future talent.

On a more personal level, I have been a CPA for more than 20 years working in assurance, consulting, mergers & acquisitions, and global services. Accounting is a field I could not be more proud of. I was fortunate to become a CPA before the 150-hour rule with 120-credit hours. The truth is, I could not have afforded another day of school if I had to. I truly love accounting and am grateful for the career and life it's given me and my family.

Growing up in a family that struggled financially, we lived paycheck to paycheck. That uncertainty had an impact that I never wanted my children to experience. More than that I want others to have the same opportunity for a pathway to success and financial stability that I was so fortunate to have. I would not have chosen the CPA route as I could not have afforded another year of courses.

What I am aware of is that there are countless individuals throughout the country who are in a similar situation to the one I was in. Pursuing another year of education could result in an additional debt and the inability to earn an income during that time. For many people, not being able to work is not a viable option. It's disheartening to think that this barrier might prevent someone who truly has the potential to be the next leader at our firm, from pursuing their career of choice.

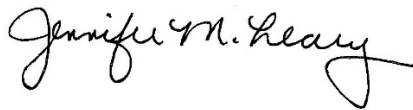
The changes we make today will enable the whole profession to grow and thrive.

There are multiple studies that show that the 150-hour requirement has created barriers for students, especially minority students, to becoming CPAs. There is no evidence that the 150-hour requirement has improved the quality of the profession.

We have the power to change this. Minnesota's exemplary actions to broaden the pathways and increase accessibility to the accounting profession have the potential to increase the number of CPAs overall and encourage hard working, diverse talent to join the profession. Through our offices across the country and our commitment to serving our communities, we would like to continue to work alongside MN to ensure mobility remains viable for future generations of CPAs.

My hope as a CPA, a firm leader, and an advocate of the profession, is that we take action now to create the opportunities needed in Minnesota to welcome and foster future generations into successful careers in accounting.

Sincerely,

A handwritten signature in black ink that reads "Jennifer M. Leary". The signature is written in a cursive style with a large, looped initial "J".

Jen Leary, CPA

CEO

CLA (CliftonLarsonAllen LLP)