**University of Hawai`i at Manoa**

**Shidler College of Business**

**School of Accountancy Advisory Board**

**Minutes of the School of Accountancy Advisory Board, November 2, 2016**

**Attendees:**

Board Members: Terri Fujii (Chair), Manny August, Shawn Hasegawa, Brent Igawa, Kent Kasaoka, Addie Lui, Lucas Sayin, Dean Shigemura, Donny Shimamoto, Karen Silverstein, Howard Todo, Danny Wong, and Edwin Young

Guest: Susan Hall

Faculty and Staff: Qimei Chen (Associate Dean), Hamid Pourjalali (Director), Shirley Daniel, Roger Debreceny, Devan Mescall, Thomas Pearson, Mary Woollen, Jian Zhou, Maile Au, Marlene Sagapolutele

Students: Christopher Moon (Accounting Club President), Jacob Baysa, Samantha Lee

**The meeting of the Advisory Board commenced at 7:35 a.m.**

**Reports from Associate Dean Chen:**

* Chair Terri Fujii and Mr. Larry Rodriguez jointly chaired Shidler Strategic planning sessions that were concluded in September. The final plan will be finalized within the next couple of weeks.
* The SOA Data Analytics sessions was very successful with 130 participants. The next session will be taught by Roger Debreceny next spring.
* The Shidler College is currently negotiating with SOA’s top two faculty candidates. A decision will be made the week of November 7th.
* The Hawaii Accounting and Research Conference (HARC) will be held in January 2018. Director Pourjalali originally aimed for 150 attendees, but is now predicted that 250 will attend.

**Reports from SOA Director Pourjalali:**

*HARC*

HARC 2018 will be the first conference that Shidler will support in accounting. The conference will be open to professionals. It is projected that the conference will have two panel sessions and approximately 150 research paper presentations. The maximum capacity will be that of the UHM Campus Center Ballroom (300 attendees). Five faculty members at SOA are working on the details of the conference. When plans are finalized, SOA will send out an email to the SOA Advisory Board with all the relevant information.

UHM dorms will be provided for those who cannot afford high hotel rates. The dorm rooms cost from $45 to $75 per night. There will also be a couple of hotels associated with the HARC conference.

*Scholarship Fund*

Pourjalali extended his thanks to Board member Mr. Manny August for his generous donation of $50,000 to create a SOA scholarship fund for accounting students.

Chair Fujii mentioned that SOA’s foundation account is used for community conferences and other needs of the SOA. The money contributed to the fund is only for the use of the SOA. She encouraged Board members to donate to this fund. It was mentioned that the check point database and funding for accounting clubs (BAP and Accounting Club-- each $2,000) are supported by this fund.

*CPA Review Session*

New CPA Review Sessions will be starting on January 2017. Because the SOA’s community fund (fund referred to above) has been depleted, this time the SOA is charging $200 per session. The sessions will be taught by Mr. Bob Hatanaka and Mr. Duane Seabolt. SOA asks the Advisory Board to support their staff to attend these sessions as the SOA cannot continue to offer these courses when there is a low enrollment for each section. When tuition revenue is not enough to pay faculty’s salary, this offering will be supplemented by the Don Corbin Professorship Fund.

*MAcc Brochure*

A copy of MAcc brochure was provided to the Board. SOA would like the Advisory Board to encourage their staff and students to get their master’s degree.

**MAcc Enrollment**

SOA was successful in placing all its graduates without visa problems in positions last semester. Even those students who were recruited into the 3/2 or MAcc program obtained jobs, and as a result, changed their mind and started working. MAcc recruitment is also partially lost due the fact that the market does not differentiate between a MAcc and bachelor’s degree.

Daniel reported that the MAcc program was started in the ‘80s when the 150-hour CPA requirement was initiated. The Hawaii Board of Accountancy has since “watered down” the requirements by requiring students to take only 24 accounting credits when the requirement used to be 24 upper division credits of accounting. This has resulted in students not taking classes such as business law, federal income tax, and advanced accounting. Thus, students are not taking the classes needed to pass the CPA exam. Those students who accept a job offer do not take the necessary courses and are likely not to take the CPA exam (unless in public accounting); limiting their career options. Furthermore, the CPA exam has started to add more corporate tax questions. The regulatory portion of the exam also has a lot of business law questions. Daniel believes the top 20% of undergraduates need to go through the MAcc program. AAanother 20%-30% should double major with the second major being one that is relevant to accounting profession. Pourjalali reminded the Board that in early 2000s, when MAcc tuition was low and the upper division credit hours requirement was 24 credits, the SOA had 120 MAcc students. Tuition had to be increased to the level of other graduate programs. It was articulated that the State Board of Accountancy faced political pressure to drop the required upper division credits to 18 allowing undergraduates take the CPA exam. But with the CPA exam revisions and it’s becoming tougher, our undergraduates are not ready to pass the Exam.

Pearson added that classes cannot be added to the undergraduate program since the accounting curriculum is already the longest program in the College with 19 required credit hours. The College also looks at adding classes as a cost. DOE and University expect that students graduate within a certain time (4 years). However, if the State Board of Accountancy requires that to become a CPA students must have 24 upper level accounting credit hours, SOA could justify adding them as a requirement to its undergraduate program. Pearson reported that Shidler College will be adding one-year, specialty masters programs in other areas, which will compete with the MAcc program.

Pourjalali mentioned that there were examples of MAcc graduates that show academic excellence and benefits to the MAcc program. All MAcc classes are offered during the evening so students can work and there were $35,000 in scholarship funds available for MAcc students.

He mentioned that in early 2000s, the SOA was the first unit in the university to offer 24 credit hours of undergraduate online, and some MAcc classes as well. The undergraduate offerings were successful, but the MAcc was not. Debreceny mentioned that the required interaction and the intensity of the master’s courses is not compatible with online classes.

The following were recommended:

1. Define the selling point of the MAcc program
2. Provide statistics or advantages that differentiate a bachelor’s degree from a MAcc beyond anecdotal evidence
3. Have data to show firms and students that the MAcc is important. Students need value to be willing to pay for a higher education.
4. Consider revising MAcc curriculum and possibly offering some MAcc classes on-line.
5. Determine if there is a higher percentage of success in the industry when one graduates with a MAcc. The average starting salary of a MAcc graduate should be determined and its growth should be differentiated.
6. Discuss MAcc education with Accounting firms and their staff so they all know the value of MAcc degree.
7. Create more MAcc concentrations on specializations like AIS (Data Analytics) or corporate taxation instead of it being a general program
8. Create new scholarships to help students pay for the MAcc tuition. The Advisory Board’s help in fundraising make MAcc costs more affordable for the best and brightest students
9. Request that accounting professionals offer apprenticeships or internships that coincide with the MAcc program so students can work while being educated, and professionals get the best workers.
10. Differentiate starting salaries for those with a MAcc; however, that differentiation does not last long since promotions are based on merit and performance. Bonuses are given to those who take the CPA exam because they need to be given an incentive to take it.
11. Educate the professionals that the curriculum has changed since they have been in school. The classes that everyone remembers having to take are no longer required.
12. Have the faculty create something to give recruiters that they can then pass on to their staff regarding the changes in curriculum.
13. Have more professionals come into the classes to talk to students and emphasize how it is important for them to broaden their knowledge. Create a pool of professionals that are willing to be speakers.
14. Educate students that even when working in a specialized job, all jobs need all areas of accounting knowledge and skills that comes with being a CPA.
15. Offer certificates for bachelor’s degrees so that it would add upper division credits and provide specialization.

This process to change requirements and views will be a multiple year process. It will also be determined by who is sitting on the State Board of Accountancy at the time. If we want to change the credit hour requirements for becoming a CPA, we will need to develop a strategy and plan to start working with the Board of Accountancy.

**CPA Passing Rate**

Pearson reported that even though the CPA exam rate improved, it has come back down. To raise the passing rate, professionals should encourage students to get a master’s degree so they have more of a foundation. The State Board of Accountancy needs to increase upper division accounting credits to 24 hours.

It was suggested that courses be offered with advanced certificates. It does not help to increase MAcc enrollment, but will help CPA passing rate.

**Student Feedback**

Board member Danny Wong reported he and Ross Murakami met with accounting students on the evening of October 6th, 2016 and asked students about their professors and the classes they’ve taken last year. They found that students have similar concerns with the acknowledgment that they were appreciative that their feedback from 2015 resulted in changes in curriculum and faculty teaching certain classes.

**Speaker Sessions**

Chair Fujii reported that she would like to start putting together a pool of professionals that would be willing to talk to students one or two days out of the semester. That would help the SOA faculty to figure who they can call and tap into.

**The meeting of the Advisory Board adjourned at 9:05 a.m.**