

**Statement of**

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**Before**

**The Department of the Treasury**

**(Advisory Committee on the Auditing Profession)**

**December 3, 2007**

The National Association of State Boards of Accountancy (NASBA) appreciates the opportunity to offer comments relating to the role of 55 State Boards of Accountancy (State Boards) in contributing to the effectiveness of the auditing profession, promoting reasonable access to professional services, and providing necessary controls and safeguards to enhance the public interest. To ensure that all stakeholders are presented with financial information that has been audited in accordance with standards, every state has enacted laws creating state boards of accountancy which have been authorized to adopt and enforce public protection rules which are critical in regulating the profession. This system of regulation, reflects direct input and influence from the public, and has proven successful for over 100 years in protecting the public interests at virtually all levels of professional accounting including not only the relatively small percent directly within the scope of SEC regulation, but the large percent that has been and should remain below the SEC's radar. Furthermore, as problems arise, State Boards and NASBA are poised to identify the underlying issues and determine effective approaches to solutions.

In accordance with Amendment X, the Constitution of the United States reserves the activity of professional licensing for the States. Through this Constitutional authority, the States have empowered boards of accountancy with the sole authority to establish licensing requirements for becoming a certified public accountant (CPA) in each of the 50 states and 5 other jurisdictions (Guam, Puerto Rico, Virgin Islands, Northern Mariana Islands and Washington D.C.). This regulatory authority is necessary to assure the reliability of audited financial information by persons professing special competence. This regulatory model qualifies individuals for public practice that have 1) met specific minimum educational requirements; 2) demonstrated ability by passing a thorough uniform examination; 3) obtained appropriate experience under the supervision of others; 4) maintained current competency through continuous education; and, 5) complied with rigorous on-going regulatory processes that emphasize quality assurance.

My testimony highlights the role of NASBA and State Boards as integral parties of this regulatory model, provides comments pertaining to the value and efficacy of State Boards, and emphasizes assurance to a trusting public that auditors adhere to appropriate professional standards.

## **Background**

First, I would like to provide some background information that will help the Committee understand the roles of State Boards and NASBA.

### **Mission of State Boards and NASBA**

The primary mission of each State Board is to protect the public through regulation, as well as work with governmental entities, both Federal and State, which also represent and serve the public. The State Boards, as well as other jurisdictions that have a board of accountancy, are responsible for administering the CPA examination, determining whether an applicant has met the education, examination, and experience qualifications to be licensed as a CPA and enforcing the state's accountancy laws and regulations.

NASBA's mission is to enhance the effectiveness of State Boards. This mission is achieved by

- serving as a forum for State Boards;
- providing high quality, effective programs and services;
- identifying, researching, and analyzing major current and emerging issues affecting State Boards and developing solutions;
- maintaining effective communications with State Boards to facilitate the exchange of ideas and opinions; and
- developing and enhancing relationships with organizations that impact the regulation of public accounting (includes but is not limited to governmental agencies, quasi governmental agencies, professional societies and associations, industry and other special interest groups).

NASBA is guided by a board of directors consisting of current and former State Board members from throughout the country. Many of the board members are CPAs who provide a rich, extensive background in public accounting, industry and government. The Board is supported by a staff of approximately 200 professional and administrative individuals who operate out of the Nashville and New York City offices. In addition, there are approximately 30 NASBA Committees comprised of current and former State Board members working to help achieve NASBA's mission.

Through an extensive volunteer network, NASBA has been able to work as a partner in the development of the Uniform Accountancy Act, model legislation which has been substantively adopted by most all of the 55 State Boards. Among the issues currently being studied with great interest by NASBA's volunteer professional community is the progress on convergence of international and U.S. accounting standards; researching and recommending improvements to increase the effectiveness of peer reviews, a quality assurance process mandated by 42 jurisdictions as a requirement for firms engaged in the attest (audit/assurance) function; and revisiting the interaction between State Boards and Federal regulatory bodies through NASBA's recently developed Government Agency Referral Task Force. In summary, NASBA is attuned to the needs of State Boards as they fulfill their charge of protecting the public and it is those needs that drive the activities of NASBA.

## **State Board Activities**

### **Role of State Boards**

State Boards of Accountancy have been established to protect the citizens of the individual states and jurisdictions. As evidenced by Amendment X, individuals should be protected from those who have superior privilege through a licensing process and 100 years of history validates state-based accounting regulation as an effective, but not perfect, system. Nevertheless, state boards of accountancy have protected the public through a regulatory system that has been relatively efficient and effective by using, in effect, 55 field offices, over 400 volunteer state board members, 350 full time staff, and approximately 53 million dollars (derived from fees rather than taxes) to regulate over 658,000 individual licenses and over 48,000 CPA firms. Even if constitutionally permitted, a nationalized approach to accountancy regulation would demand far

more resources yet leave unprotected the majority of consumers and the public who depend upon CPA services. [By contrast, the PCAOB polices 1820 firms using a staff of over 300 and a budget of about 100 million dollars.] The limitations of a federal system also include a focus concentrated more on a group of stakeholders as opposed to a single stakeholder and may lead to the misunderstanding that regulation occurs only when the stakes are collectively high. As any person who has been taken advantage of by an incompetent professional can attest, the experience of one person matters and regulators must resist the temptation to dissect the current regulatory model in an attempt to focus only on one area of competency that only impacts majorities.

Typically, State Boards consist of members of the accounting profession who have demonstrated participation in the development of the profession. The members are generally appointed by the Governor to serve terms ranging from 3-6 years. Most State Boards also have “public members” who are not part of the accounting profession (e.g. California has an effective public-member majority of board members). Board members are instrumental in identifying issues that affect the profession, as well as issues that impact the public interest. While state legislatures enact the laws by which the State Boards are guided, the Board members have authority to develop, enact and enforce the rules that guide licensees in their professional endeavors. As indicated previously, NASBA has partnered to develop the Uniform Accountancy Act which has been substantively adopted by most all of the 55 State Boards to ensure consistency throughout the country.

Although State Boards are most visible when enforcement actions are taken against CPAs they are critical in the continuing process of the professional competence, ethics awareness, education, and overall evaluation of its licensees. State Boards set forth education requirements for potential CPA candidates to ensure that they are adequately trained in accounting and business. The development of the college and university curriculum is discussed frequently among NASBA, State Boards, and academicians to provide for a robust profession. More than 20 years ago, stakeholders recognized that the increase in authoritative literature and the complexity of transactions encountered by CPAs should be evaluated to determine if a different educational structure was necessary. This resulted in a model which instituted a requirement of 150 hours of college/university credit hours as part of the qualifications to be a licensed CPA.

Once potential candidates have obtained the necessary education, they are required to pass the Uniform CPA Examination before they can obtain a license to practice accounting. A Practice Analysis of the CPA exam is performed every 5-7 years to ensure that the exam reflects the knowledge and skills of individuals professing competency in the accounting/auditing profession. The State Boards recognize the need for timely material so the exam is continually reviewed for relevance. After completing the CPA examination, most states have adopted the UAA language which requires candidates to complete 1 year of acceptable accounting/auditing experience. Many states also require candidates to take a course and pass an examination on professional ethics prior to licensure. Assuming that they also possess the “good moral character” required by most states, they will then obtain a CPA license.

State Boards focus on maintaining competency of CPAs through their continuing education programs. Typically, license renewal requires 40 hours of continuing education annually. Most

State Boards implement a process by which they audit the continuing education certificates of CPAs for validity and propriety. Failure to present the continuing education certificates may result in disciplinary action by the State Board. Additionally, State Boards work to improve the practices of firms who are providing attest services (audits, reviews, and compilations) by requiring periodic quality assurance reviews of the firms' activities as they relate to these services. Firms with deficiencies are given time to take remedial action and are often disciplined if they fail to do so. State boards and NASBA have endeavored to work collaboratively with other federal government agencies and the PCAOB in establishing quality assurance review (inspection) processes so that the public benefits from the collective results achieved through the review and inspection processes.

State Boards also serve as a critical educational tool for the public and the profession. Most State Board websites include information for the public, guiding them through the selection of a CPA as well as other important issues which they may not have previously considered in their selection. These websites also provide the public with a means whereby they can formally lodge complaints against offending CPAs that will result in an investigation and enforcement action if appropriate. In addition, State Boards serve to educate CPAs and further assure the public in requiring ethics training as part of the CPA's continuing education program. Since laws and rules are the guidelines for regulating the profession, CPAs find that the State Board is often the best place for assistance when guidance or an advisory opinion is needed.

## **Enforcement Activities**

In fulfilling their mission to protect the public, State Boards actively investigate and discipline CPAs who have violated Federal and State laws and rules and professional standards. For example, the Texas State Board of Public Accountancy was the first governmental agency to take disciplinary action against Arthur Andersen as a result of their involvement with Enron. As a result of the competent leadership within the Board, steps were taken to swiftly investigate the activities of that former firm and take action based on the facts that were presented, regardless of the activities of other governmental agencies. But the vigilance of The Texas Board (as well as the other state boards) extends to enforcement and disciplinary cases much less publicized and national than an Arthur Andersen matter. As an illustration of this daily commitment to the protection of Texas citizens, the Texas Board disciplines one out of every 25 CPAs for failure to comply with state law and rules.

The commitment to enforcement is also evidenced by the activities of the Ohio State Board of Accountancy which has one of the strongest histories of disciplinary action in the country. During one meeting, the Board revoked the licenses of 3 CPAs for violations ranging from SEC reporting violations to a felony conviction for presenting a false claim against the government. Ideally, regulators would prefer that the aforementioned situations never occur; however, it should comfort members of the public to know that professional violations are met with due processes that result in harsh actions.

A visit to the California Board of Accountancy website provides extensive information regarding violations and the disciplinary actions taken against CPAs and/or CPA firms. Not only is the licensee disciplined but the website allows the public to review disciplinary actions before hiring

a CPA. Education of the public will undoubtedly result in informed decisions pertaining to the use of a CPA.

State board enforcement differs from federal enforcement not only in scope but in direct results. SEC discipline of a CPA can deprive an individual of the ability to practice before the SEC. State board discipline can result in taking away the individual's ability to practice as a CPA anywhere. Although there is room for improvement in the referral system, states have improved enforcement efforts regarding CPAs sanctioned by the SEC as well as other federal agencies. For example, in the most recent year for which data is available, state board investigation and discipline against CPAs sanctioned by the SEC has increased by at least 50%. Indeed, despite the fact that SEC actions often included no admission of wrongdoing and sometimes did not identify the CPA's state of licensure, state board enforcement directly or indirectly resulted in the loss of ability to practice or other appropriate discipline in about 75% the cases concluded by the SEC in 2004.

NASBA's recently developed Accountancy Licensee Database (ALD) reflects for all CPAs in participating states any disciplinary action taken by a State Board. ALD when fully adopted by all states will be a national database of information to assist State Boards, other state and federal regulators, the PCAOB and the public in being aware of the quality of specific CPAs throughout the country. This information is vital as ease of mobility of CPAs proliferates. NASBA is also assisting state boards in coordination of more effective enforcement for cases involving trans-border activity. The Uniform Accountancy Rules, developed primarily by NASBA, has added several rules requiring self-reporting and sharing of investigative information to enhance public protection through state board cooperation.

## **Mobility - The Solution at Work**

Serving the needs of clients outside of an individual CPA's principal place of business has become a reality in today's global marketplace characterized by an on-going increase in electronic commerce. Today, most CPAs can expect to serve clients resident throughout the U.S. and internationally. The internet and converging standards of practice and communication have accelerated this trend. At the same time, CPAs and CPA firms are faced with navigating a complex set of varying regulations and procedures that will grant them practice privileges in other jurisdictions. In order for our capital market system to continue to prosper and grow, NASBA recognized the need to ensure that an efficient, effective mobility system is in place that will allow CPAs and their firms, as professional service providers, to serve the needs of American businesses, wherever they are located. At the same time, we must assure that the public is adequately protected. In other words, a system was needed that allowed a client's trusted CPA to be in the right place at the right time – without unnecessary obstacles that do not add to the protection of the public interest.

Members of the 55 State Boards recognized this need and took action through an amendment to the UAA. In November 2006, only four states offered practice privileges without notification or registration fees which meant that in 51 jurisdictions CPAs practicing in states other than their home state would need to go through the notification or reciprocity process. Recognizing the need to facilitate the mobility of CPAs, NASBA stepped forward to assist State Boards in

developing a solution. Our mobility initiative facilitates cross -border practice with a minimum of red tape yet still assures no escape from applicable state jurisdiction where violations have or might occur. This is the preferred approach for recognizing the appropriate balance of local based regulation and the need for CPAs to practice globally.

These recent mobility revisions to the Uniform Accountancy Act (UAA) provide a comprehensive system for permitting licensees to practice unfettered of unnecessary regulation. At the same time this system makes explicit that State Boards have authority to regulate all CPAs who offer or render professional services within their respective jurisdiction regardless of the domicile of the CPA providing those services. More specifically, the UAA includes model language to allow CPAs, who are properly licensed in their home state, to enjoy practice privileges in other states which have enacted the mobility language. These provisions allow CPAs to practice with the regulatory oversight needed to protect the public.

Currently, 11 states have adopted the UAA language pertaining to mobility with 3 more states poised to take legislative action in their next legislative session. In addition, 12 additional states have committed to adopt the model language by the end of 2008. With these 28 states establishing momentum, we believe that it's highly probable that by the end of 2009 that 45-50 states and jurisdictions will have adopted the mobility provisions of the UAA. NASBA has dedicated resources to assist State Boards with the legislative process to ensure that all CPAs have the option to enjoy practice privileges. Mobility provides the benefits of a "national" license without incurring the costs and burdens associated with a complete administrative overhaul of the current regulatory system. These changes achieve the goals of enhancing public protection, facilitating consumer choice and supporting the efficient operation of the capital markets.

## **Conclusion**

State-based accountancy regulation is in totality the largest accountancy regulatory system in the world. And I believe, for the resources expended, it is the most effective in protecting its citizenry. State boards' history of success derives from evaluation of competence, education and experience of its licensees, continued monitoring of on-going education requirements and assessment of the quality of firm practice and the enforcement of state rules and regulations.

Recognizing this important role, Congress included specific references to the responsibilities of state boards when it passed into law the Sarbanes-Oxley Act in 2002. Since then, those responsibilities have expanded and can be expected to continue to expand as the self-regulatory model of the past is modified to include the protection of the public interest as an overriding obligation of professional accountants.

NASBA appreciates the opportunity to address the Advisory Committee and embraces the beginning of collaboration that will not only benefit the general public, but the companies, individuals, and other entities utilizing the professional services of CPAs and their firms.

**Selected Sample of Large States (> 30,000 licensees)  
General Data**

<b>CALIFORNIA:</b>	
<b>Licensure Oversight:</b>	Certified Public Accountants and Public Accountants.
<b>Annual Budget:</b>	10,449,118
<b>Who select Members:</b>	The governor appoints many board members, but the Legislature makes appointments as well.
<b>Annual Fee:</b>	\$100
<b>Status of Reciprocity:</b>	State has more than one path to licensure, with at least one path meeting the 3E criteria of the UAA (degree with 150 hours, 1 year experience and Uniform CPA Examination). Applicant must have a valid United States Social Security Number.

<b>TEXAS:</b>	
<b>Licensure Oversight:</b>	Certified Public Accountants.
<b>Annual Budget:</b>	5,072,607
<b>Who select Members:</b>	Governor appoints Board members, with the advice and consent of the Senate, for six-year staggered terms. Board members are required to be citizens of the United States and residents of Texas.
<b>Annual Fee:</b>	\$55
<b>Status of Reciprocity:</b>	Complies with 3E criteria of the UAA.

<b>NEW YORK:</b>	
<b>Licensure Oversight:</b>	Certified Public Accountants and Public Accountants.
<b>Annual Budget:</b>	800,000
<b>Who select Members:</b>	NYS Board of Regents appoints Accountancy Board Members
<b>Annual Fee:</b>	\$115
<b>Status of Reciprocity:</b>	Complies with 3E criteria of the UAA.

<b>OHIO:</b>	
<b>Licensure Oversight:</b>	Certified Public Accountants and Public Accountants.
<b>Annual Budget:</b>	1,092,246
<b>Who select Members:</b>	<p>Governor appoints Board Members with the advice and consent of the senate.</p> <p>Eight of the members shall be certified public accountants of whom:</p> <ul style="list-style-type: none"> <li>(A) At least two shall be in active public accounting practice in public accounting firms having offices only in this state;</li> <li>(B) At least two shall be in active public accounting practice in public accounting firms having offices in at least one-half of the states;</li> <li>(C) At least two shall not be engaged in the public practice of accounting.</li> </ul> <p>One member of the board shall be a representative of the general public who has never had any direct relationship with the accounting profession except as a user of the services of accountants from time to time. Not more than one member shall be affiliated with the same accounting firm, and all members of the board shall be citizens of the United States and residents of the state.</p>
<b>Annual Fee:</b>	\$50
<b>Status of Reciprocity:</b>	Complies with 3E criteria of the UAA.



**Selected Sample of Medium States (10,001 – 30,000 licensees)  
General Data**

<b>TENNESSEE:</b>	
<b>Licensure Oversight:</b>	Certified Public Accountants and Public Accountants.
<b>Annual Budget:</b>	980,000
<b>Who select Members:</b>	Governor selects Board Members.
<b>Annual Fee:</b>	\$60
<b>Status of Reciprocity:</b>	Complies with 3E criteria of the UAA.

<b>PENNSYLVANIA:</b>	
<b>Licensure Oversight:</b>	Certified Public Accountants and Public Accountants.
<b>Annual Budget:</b>	55,000
<b>Who select Members:</b>	Governor select Board Members; 9 CPA's - 2 from the eastern part of the state, 2 from the western part of the state, 2 from the central part of the state, 2 from any part of the state; 1 public accountant; 3 public members; 1 Representative from the Consumer Protection Agency; The Commissioner of the Bureau of Professional and Occupational Affairs or his designee
<b>Annual Fee:</b>	\$45
<b>Status of Reciprocity:</b>	State has more than one path to licensure, with at least one path meeting the 3E criteria of the UAA (degree with 150 hours, 1 year experience and Uniform CPA Examination).

<b>VIRGINIA:</b>	
<b>Licensure Oversight:</b>	Certified Public Accountants.
<b>Annual Budget:</b>	690,000
<b>Who select Members:</b>	Governor selects; 1 from Big Four; 2 from other audit firms; 4 independent of audit firms
<b>Annual Fee:</b>	\$29
<b>Status of Reciprocity:</b>	Complies with 3E criteria of the UAA.

**Selected Sample of Small States (1 – 10,000 licensees)  
General Data**

<b>NEVADA:</b>	
<b>Licensure Oversight:</b>	Certified Public Accountants.
<b>Annual Budget:</b>	580,585
<b>Who select Members:</b>	Governor selects Board Members; 5 members coming from public accounting; 1 member in industry; 1 a non-licensee member of the public. The Board likes one member to represent the larger firms; however that has not always been the case with past appointments.
<b>Annual Fee:</b>	\$200
<b>Status of Reciprocity:</b>	Complies with 3E criteria of UAA plus requires an additional year of experience (1000 hrs of attest including 700 hours in audit).

<b>NEW HAMPSHIRE:</b>	
<b>Licensure Oversight:</b>	Certified Public Accountants.
<b>Annual Budget:</b>	450,000
<b>Who select Members:</b>	
<b>Annual Fee:</b>	\$67
<b>Status of Reciprocity:</b>	Does not comply with 3E criteria of the UAA; does not require 150 hours.

<b>NORTH DAKOTA:</b>	
<b>Licensure Oversight:</b>	Certified Public Accountants.
<b>Annual Budget:</b>	360,000
<b>Who select Members:</b>	Governor selects Board Members; no Big Four offices in state; members are CPAs and 1 LPA from public and private context throughout the state.
<b>Annual Fee:</b>	\$45
<b>Status of Reciprocity:</b>	Complies with 3E criteria of the UAA.

- Prior to 2004, the “pencil and paper” CPA examination was offered in May and November and the statistics were calculated after each exam. In 2004, the CPA examination became computerized and the statistics began to be compiled on an annual basis. The following tables will reflect this information.

**Selected Sample of Large States  
Exam and Licensure Stats**

<b>CALIFORNIA:</b>	<b># take exam (May)</b>	<b># take exam (Nov)</b>	<b>% pass exam (May)</b>	<b>% pass exam (Nov)</b>	<b># licensees</b>	<b># initial</b>	<b># reciprocal</b>
1997	5952	6904	31.30%	29.00%	60641	1669	166
1998	5974	7389	29.60%	30.40%	63613	1931	156
1999	6703	8266	31.80%	26.80%	64798	1710	145
2000	6602	7952	31.60%	29.00%	66435	1827	160
2001	7513	9199	28.20%	27.60%	60147	2107	186
2002	8001	8243	27.00%	26.60%	61656	2729	233
2003	7080	8709	29.80%	22.80%	63165	2812	286
*2004	6042		4.70%		67000	2871	267
2005	9340		39.39%		72000	2980	332
2006	10157		39.14%		69595	2666	282

<b>NEW YORK:</b>	<b># take exam (May)</b>	<b># take exam (Nov)</b>	<b>% pass exam (May)</b>	<b>% pass exam (Nov)</b>	<b># licensees</b>	<b># initial</b>	<b># reciprocal</b>
1997	5975	6827	30.40%	29.00%	33685	1577	130
1998	6229	7044	28.40%	29.30%	33685	1665	172
1999	6188	7046	30.60%	26.70%	34697	1699	143
2000	5857	6521	31.70%	28.20%	35329	1643	170
2001	5515	6460	30.20%	26.20%	34739	1631	175
2002	5638	6564	29.70%	24.90%	34354	1711	264
2003	6042	6821	28.30%	25.60%	36261	1479	335
*2004	4380		2.10%		35736	1242	338
2005	5157		35.10%		35469	1283	339
2006	5326		36.48%		36820	1102	461

<b>TEXAS:</b>	<b># take exam (May)</b>	<b># take exam (Nov)</b>	<b>% pass exam (May)</b>	<b>% pass exam (Nov)</b>	<b># licensees</b>	<b># initial</b>	<b># reciprocal</b>
1997	5280	7245	18.10%	12.70%	58383		
1998	4139	4079	20.90%	21.30%	74610		
1999	3450	3854	22.10%	19.20%	74610		
2000	2936	3054	25.90%	21.90%	83793		
2001	2666	3169	20.20%	23.40%	66272		
2002	2841	3323	23.50%	21.10%	66272		
2003	3171	3341	24.20%	26.20%	57964		
*2004	2657		7.40%		57964		
2005	4101		41.33%		59612		
2006	4138		43.74%		59738		

<b>OHIO:</b>	<b># take exam (May)</b>	<b># take exam (Nov)</b>	<b>% pass exam (May)</b>	<b>% pass exam (Nov)</b>	<b># licensees</b>	<b># initial</b>	<b># reciprocal</b>
1997	2180	2465	23.00%	21.00%	36713		
1998	2333	2760	20.80%	21.30%	36713		
1999	2675	4333	20.10%	13.70%	38640		
2000	2070	1864	22.50%	21.40%	29415		
2001	1359	1604	19.40%	21.50%	29415		
2002	1280	1546	20.10%	21.20%	29056		
2003	1273	1553	22.00%	20.40%	28971		
*2004	1344		6.00%		32467		
2005	1794		39.13%		32131		
2006	2049		42.22%		32131		

**Selected Sample of Medium States  
Exam and Licensure Stats**

<b>TENNESSEE:</b>	<b># take exam (May)</b>	<b># take exam (Nov)</b>	<b>% pass exam (May)</b>	<b>% pass exam (Nov)</b>	<b># licensees</b>	<b># initial</b>	<b># reciprocal</b>
1997	524	660	22.10%	19.40%	11465		
1998	572	720	20.30%	22.20%	11264		
1999	630	797	24.90%	24.60%	11732		
2000	676	833	23.20%	18.70%	12030		
2001	734	955	18.70%	16.60%	12231		
2002	866	944	20.30%	18.10%	14290		
2003	904	959	23.50%	17.80%	23000		
*2004	820		5.40%		22000		
2005	1135		34.45%		22000		
2006	1302		39.78%		20000		

<b>PENNSYLVANIA:</b>	<b># take exam (May)</b>	<b># take exam (Nov)</b>	<b>% pass exam (May)</b>	<b>% pass exam (Nov)</b>	<b># licensees</b>	<b># initial</b>	<b># reciprocal</b>
1997	2909	3345	20.40%	18.10%	19000	1229	3
1998	2709	3382	19.70%	18.10%	19000	1008	
1999	2680	3587	18.80%	18.30%	20500	902	2
2000	2479	3111	21.40%	17.80%	20500	1054	1
2001	2320	2935	19.00%	16.90%	20000	776	60
2002	2284	2963	21.40%	17.10%	20000	878	159
2003	2319	2848	19.50%	18.80%	20000	675	154
*2004	1985		3.80%		21000	654	261
2005	2457		36.59%		22500	489	227
2006	2858		36.56%		22500	644	364

<b>VIRGINIA:</b>	<b># take exam (May)</b>	<b># take exam (Nov)</b>	<b>% pass exam (May)</b>	<b>% pass exam (Nov)</b>	<b># licensees</b>	<b># initial</b>	<b># reciprocal</b>
1997	1620	1833	24.00%	22.10%	13000		
1998	1614	1556	22.30%	25.80%	N/A		
1999	1651	1969	22.70%	21.30%	13594		
2000	1659	2057	20.90%	19.50%	13497		
2001	1804	2231	21.80%	19.70%	14000		
2002	1953	2551	21.20%	20.40%	15913		
2003	2237	2750	22.80%	20.40%	16002		
*2004	2265		4.90%		16002		
2005	3620		35.25%		19816		
2006	4603		30.31%		19200		

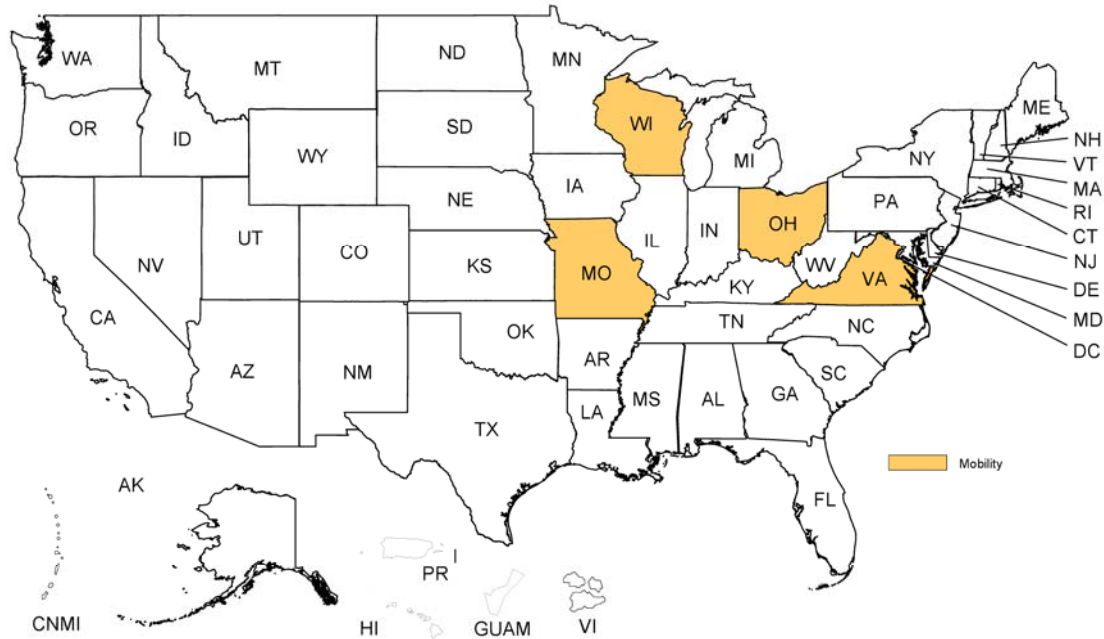
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<b>NEVADA:</b>	<b># take exam (May)</b>	<b># take exam (Nov)</b>	<b>% pass exam (May)</b>	<b>% pass exam (Nov)</b>	<b># licensees</b>	<b># initial</b>	<b># reciprocal</b>
1997	190	249	28.40%	24.90%	1935	90	49
1998	202	247	26.20%	26.70%	2051	84	64
1999	212	261	25.50%	26.40%	2051	111	65
2000	222	285	22.10%	18.20%	2051	99	68
2001	106	113	34.90%	25.70%	2303	100	62
2002	94	164	26.60%	28.70%	2457	64	59
2003	149	179	28.20%	22.90%	2487	70	78
*2004	128		2.30%		2591	99	54
2005	215		37.67%		2650	58	99
2006	262		36.26%		2766	45	106

<b>NEW HAMPSHIRE:</b>	<b># take exam (May)</b>	<b># take exam (Nov)</b>	<b>% pass exam (May)</b>	<b>% pass exam (Nov)</b>	<b># licensees</b>	<b># initial</b>	<b># reciprocal</b>
1997	129	123	28.70%	22.00%	1900		
1998	106	167	20.80%	20.40%	1900		
1999	153	218	27.50%	23.90%	1900		
2000	233	344	27.90%	27.90%	1900		
2001	316	507	24.40%	31.40%	2100		
2002	463	804	29.20%	29.70%	2800		
2003	766	1296	27.00%	25.60%	2800		
*2004	1059		8.30%		2200		
2005	1629		36.03%		2200		
2006	1858		37.78%		2600		

<b>NORTH DAKOTA:</b>	<b># take exam (May)</b>	<b># take exam (Nov)</b>	<b>% pass exam (May)</b>	<b>% pass exam (Nov)</b>	<b># licensees</b>	<b># initial</b>	<b># reciprocal</b>
1997	147	166	23.10%	25.90%	2400	71	35
1998	178	196	25.30%	21.90%	2475	89	37
1999	214	200	18.20%	19.00%	2542	84	17
2000	177	163	27.10%	21.50%	2583	114	32
2001	162	132	22.80%	21.20%	2652	53	15
2002	127	166	16.50%	21.10%	2652	45	12
2003	141	189	16.30%	23.30%	2374	68	20
*2004	168		5.40%		2400	64	2
2005	165		47.27%		2800	78	6
2006	197		48.73%		2600	56	1

## November 2006



Mobility began with four states in November 2006. By August 2007, seven new states passed language that implemented full mobility. Twenty-six state boards have either passed legislation or voted to support the concept of mobility. Nineteen new states have been targeted by NASBA for pushing legislation in 2007 and 2008. Thirteen states have been identified as 'Future' states where no signs of movement or progress toward implementation of mobility.

## August 2007

