



ACCOUNTANCY BOARD OF OHIO

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RONALD J. ROTARU, EXECUTIVE DIRECTOR

**Testimony of Ronald Rotaru, Executive Director, Accountancy Board of Ohio
Before the Senate Finance Committee (Chris Widener, Chair)
May 4, 2011**

Chairman Widener and Members of the Committee:

I am Ronald Rotaru, Executive Director of the Accountancy Board of Ohio. You already have the Accountancy Board of Ohio budget summary, so today I'll highlight the most important portions of our budget request and then answer any questions that I can.

Our Board is totally funded by fees from our registrants and applicants; we do not spend any money from the General Revenue Fund (GRF). In fact, our revenues historically exceed our expenditures despite our having one of the lowest average overall license fees of any state in the United States. Despite this our surplus for fiscal year 2010 was \$493,070. The surpluses are deposited in the 4K9 fund which is maintained on behalf of 22 licensing boards in order to provide administrative functions common to all of the boards and to fund joint purchases (such as the recently purchased licensing systems). In addition, over \$2,400,000 was transferred from just the Accountancy Board's balance in the 4K9 fund to the GRF during 2003-2006 to help relieve GRF budget shortages. This amount represented 40% of the total amount taken from the 4K9 fund (\$6,000,000) during that period. In addition, approximately one-half of the 4K9 fund balance will be transferred to the GRF on June 30, 2011, of which the Accountancy Board's share is over \$1,500,000.

Our investigative program is recognized as one of the nation's best among accountancy boards, and the Accountancy Board of Ohio is recognized nationally as a leader in pioneering substantial equivalency provisions for reciprocal licensure and temporary practice provisions facilitating the interstate mobility of CPAs. Our Board members are active nationally with the National Association of State Boards of Accountancy (NASBA), and our members and past members serve on many NASBA committees.

The recommended budget amounts represent small decreases from our original budget request of \$22,800 in fiscal year 2012 and \$23,500 in fiscal year 2013 in the Board's payroll account. We will attempt to eliminate overtime for the next two fiscal years in order to accommodate the reductions in the payroll account.

We are currently requesting additional scholarship funds from the Controlling Board in excess of our fiscal year 2011 appropriation for minority and financially needy students. Our fiscal year 2012 and fiscal year 2013 scholarship appropriations are the same as this fiscal year. Since we have available funds in our CPA education assistance fund, we request that consideration be given to increasing the authorized scholarship fund appropriation (line item 889-601) for the fiscal year 2012-2013 biennium.

In conclusion, we request that our efficient and "revenue positive" operations be maintained by funding us for the next biennium at the levels recommended in the Executive Budget Request.