Senator Cassano, Representative Jutila, members of the Government Administration and Elections Committee. My name is John Schuyler. I'm the appointed chair of the State Board of Accountancy. As such, I and my fellow board members, both CPAs and public members, are charged with protecting the public trust placed in the CPA profession to exercise an important independent attest function. I am testifying today in strong opposition to the proposed changes in Section 5 of Governor's Bill Number 6842, "An Act Implementing the Budget Recommendations of the Governor Concerning General Government."

I am very aware that the state needs to reduce expenses and we all must do our share, but I believe that the proposal as presented will not ultimately save money and will emasculate the oversight and enforcement function of the board. Please let me be specific:

- The Act transfers the function from the Office of the Secretary of the State to the department of Consumer Protection without transferring the related staff, including the acting executive director who also serves as the board's staff attorney.
- In order to be effective, the staff requires specialized knowledge about a very technical and changing profession, knowledge that is gained over time through experience, great effort and study. The licensing, regulatory, enforcement and continuing education functions specifically pertaining to the accounting profession differ greatly from the trades regulation performed by the consumer protection department. Specialized enforcement knowledge is not a fungible commodity.
- The Board was once housed under consumer protection, and it did not work. The current proposal is even worse than that former set-up because previously when the Board was under Consumer Protection, it at least had its own executive director.
- Enforcement actions had been seriously delayed and backed up for several years due to previous turnover and organizational moves, when the board was without a staff attorney for two years. The Board has now almost caught up, thanks to a knowledgeable, competent, hardworking, and I might add, underpaid staff. Further organizational change and staff turnover at this time could only set the oversight and enforcement function back.
- Connecticut has by far the most expensive licensure fee in the nation, a fee collected to fund the regulatory effort, which is approximately 2.3 times the next highest licensure fee and over 6.5 times the national average. And yet we could unintentionally end up with the weakest enforcement effort coupled with a likely reduction in the assessment and collection of fines, which combined with the very real costs of turnover, I believe would end up costing the state more, not saving money.

I understand that this proposal is made by good people with a tough job and the best of intentions to improve efficiency in state government and improve our

finances, finances that are suffering from decisions made in past decades by others who don't now have to deal with the results. Nor am I opposed to change or smart restructuring, and certainly am not opposed to further efficiencies. Many efficiencies will have to be introduced into state government over time. I just don't believe this particular proposal meets the standards required to initiate change. As a CPA, I can attest that moving numbers and boxes doesn't make it so - and often has unintended consequences.

The board now has a staff with the skills it should have, the management it should have, all efficiently, at a cost of 10% of the revenues collected to fund the regulatory function. It is working, working well, and at a bargain price. Please don't break it.