Minutes of Faculty Meeting

April 3, 2023

11:30 a.m. – 2:00 p.m.

BusAd G-301

Attendees: Terri Fujii, Liming Guan, Boochun Jung, Manu Ka'iama, Jee-hae Lim, Myron Mitsuyasu, Chris Park, Tom Pearson, Hamid Pourjalali, Kristine Santaniello, Jenny Teruya, Mary Woollen, David Yang, Edwin Young, and Jian Zhou

Pourjalali provided a background on the decline in accounting students and the danger it may have for the long-term viability of accounting programs and accounting faculty. Given that decline is nationwide, the School must understand why students choose other business majors instead of accounting.

Among the reason mentioned were low starting salaries, the difficulty of the CPA exam, 150 hours of credit requirements for CPA licensing, and the cost of the graduate programs when the market pays a similar starting salary for undergraduate and Master's degrees.

Also, the following issues may influence students in the selection of accounting as a major:

* Lack of appropriate advice at OSAS: "Students do not understand what accounting is."
* Introductory accounting courses are boring and not modernized
* Lack of ways to motivate first-year and second-year students (like pizza that Jenny did)
* Providing different perspectives about accounting (should start in high schools)
* Accounting professionals and Faculty need to have present in private and public schools
* Guest speakers should be younger so students can relate to them.
* Addressing structural barriers in choosing to account as a major

Faculty considered that the main focus should be on ACC 200/210, where the Faculty can make the courses more attractive to weaker students so they would not get scared of accounting as their major

Furthermore, it was noted that the starting salaries for accounting graduates in Hawaii were lower than those on the West Coast.

The Faculty emphasized that we must continue encouraging students to choose Accounting as their major and select a mentor who can easily help them in their course selection and career. Pourjalali reported that about 120 accounting professionals are available to mentor students; however, few accounting students take advantage of available mentors. He encouraged the Faculty to incentivize their students to use the opportunity and select a mentor.

Because of changes in the accounting profession and its demand, the Faculty considered changes in an accounting education environment necessary. Among the suggestions were training students for other-than CPA licensing requirements, creating more than one track in accounting undergraduate degree, and realigning courses taught in community colleges for upper-level accounting courses. Other suggestions were as follows:

* Making it more practical for students to do accounting, software for elective accounting courses, or in ACC 210, such as Peachtree
* The length of the major; should be only 15 credits: twelve accounting credits and one non-accounting. Requiring 19 credits is too much and more than other majors.
* We should have an option for students to have fewer accounting courses
* We can use the Master's program to cover the upper-level classes
* It is challenging to reexamine the curriculum to create new programs besides pushing the CPA examination.

Given that the community colleges by design are two-year colleges, offering upper-level accounting courses at community colleges cannot be acceptable. Furthermore, even community colleges are suffering from the lack of students with accounting majors in their classes. The Faculty considered possible other alternatives (such as more than one accounting track). However, Faculty must consider the structure of the new CPA exam in the curriculum design.

To address attracting students to accounting major and curriculum changes, Pourjalali suggested creating two volunteer Faculty committees of the Faculty.

Pourjalali reemphasized that only qualified Ph.D. students are admitted to the program (with better funding), and students be directed to produce good first and second-year papers)

Furthermore, with the current market decline in the number of positions in accounting, Faculty should increase their demand for producing rigorous dissertation proposals and comprehensive exams. Otherwise, the School will not be able to place its graduates.

The meeting adjourned at 2:00 p.m.

In anticipation to the meeting, Nishikawa sent the following two emails (colors are added by Pourjalali)

**Nishikawa's partial notes from March 29, 2023 emails** (red colors are added by Pourjalali)**:**

…I have some thoughts about the issue of the decrease in accounting majors. Obviously, this is a nationwide problem and not just isolated to Hawaii. Some of the concerns vocalized have been the difficulty of passing the CPA exam, the perception of accounting being a boring profession, and the changing attitudes of students of not being willing to spend time listening to monotonous lectures.

The decrease in CPA candidates is causing some state CPA societies to consider replacing the 150-credit hour requirement of the CPA exam with a 120-credit hour requirement and increasing the experience requirement from two years to three or four years. In fact, at the Hawaii State Board of Public Accountancy's January 2023 board meeting, discussion was held concerning the difficulty of some students in attaining the 150-credit hours.

As far as the SOA, … having the introductory accounting courses being taught by the younger or newer faculty members. They would have a greater rapport with the students. And, as far as the SOA Advisory Board, we should consider activating the Student Advisory Committee. The Committee could meet with the student representatives of Beta Alpha Psi and Accounting Club to consider increasing the interest in being an accounting major, and also meet with the Hawaii Society of CPAs to discuss ways to visit the Honolulu public and private high schools to make presentations on careers in accounting. Since Ryan Suekawa is on the Advisory Board and is the president of HSCPA, it would be easy to get him involved in this matter.

**Gary's second partial notes from 3/29/2023 (students' reaction to 150 credit hours)**

During this morning's auditing class, I held a discussion on keeping the 150-credit requirement for the CPA exam, versus amending the requirement to a 120-credit hour requirement but increasing the work experience requirement. The results were more-or-less evenly split.

Those preferring the 150-credit-hour requirement expressed the following views:

* The accounting courses included in a 120-hour-credit requirement were not sufficient to be able to pass the CPA exam. Additional accounting courses are necessary, so it makes sense to keep the 150-credit-hour requirement.
* It would be easier to complete the 150 credit hours while attending school and then taking the CPA exam, versus working full-time for a CPA firm and trying to study for the exam at the same time. Many felt that it would be too tiring to study for the exam after a long day's work.

Those preferring the 120-credit-hour requirement with additional years' of work expressed the following views:

* Since the additional 30 credit hours after the 120 credit hours for the baccalaureate degree don't have to be related to accounting courses, the 30 credit hours may not be relevant to the CPA exam.
* If some of the elective accounting courses in the 120 credit hours are necessary for the CPA exam (e.g., corporate tax, business law, and advanced accounting), such courses should be mandatory, while the auditing course should be an elective, since not all accounting majors want to be auditors in a CPA firm.
* The additional work experience may be more relevant to the CPA firm and CPA license since one would be actually learning something relevant, versus taking additional accounting courses that may not be relevant to the work related to his/her employer.

Obviously, the limited interaction would not constitute any valid measure of the students' consensus, but I thought it was a good beginning discussion on the subject matter. Especially considering that all 20 students