



CALIFORNIA
MASSAGE THERAPY
COUNCIL

Board of Directors Meeting

AGENDA

November 2, 2017

Hilton San Francisco Airport Bayfront

Burlingame, CA



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MISSION STATEMENT

California Massage Therapy Council's mission is to protect the public by certifying massage professionals in California that meet the requirements in the law and approving massage programs that meet the minimum standards for training and curriculum.

California Massage Therapy Council

Board Members

Mark Dixon, Chairman, Appointed by American Massage Therapy Association, California Chapter

Jeff Forman, Vice Chair, Appointed by the Office of the Chancellor of the California Community Colleges

Michael Marylander, Treasurer, Appointed by Board

Allison Budlong, Secretary, Appointed by California Association of Private Postsecondary Schools

Ronald Bates, Appointed by League of California Cities

Michael Callagy, Appointed by Board

Shana Faber, Appointed by Board

Heather Forshey, Appointed by San Mateo County Department of Health

Minouche Kandel, Appointed by Department of Consumer Affairs

Stephany Powell, Appointed by Journey Out, Anti-Human Trafficking Organization

Alejandro Diaz, Appointed by California Police Chiefs Association

Dixie Wall, Appointed by American Massage Council



RULES OF DEBATE AND DISCUSSION

1. Only one item, the item on the floor, is discussed at a time.
2. Only one person speaks at a time:
 - The person introducing the item;
 - The person speaking for or against the item;
 - Or the person asking or answering a question or raising a point of order.
3. Side conversations will be ruled out of order.
4. Directors debating a motion will have two minutes to speak, once on each motion, with three each from supporting and opposing sides, at which time the motion will go to a vote. The board may vote to extend time for debate.
5. When you want to speak, raise your hand and wait to be called on by the Chair.
6. A question is not an occasion to make an argument.

See accompanying Parliamentary Procedures At-A-Glance

Parliamentary Procedures At-A-Glance

To Do This (1)	You Say This	May You Interrupt Speaker?	Must You Be Seconded?	Is the Motion Debatable?	Is the Motion Amendable?	What Vote is Required?
Adjourn the meeting (before all business is complete)	"I move that we adjourn."	May not interrupt speaker	Must be seconded	Not debatable	Not amendable	Majority vote
Recess the meeting	"I move that we recess until..."	May not interrupt speaker	Must be seconded	Not debatable	Amendable	Majority vote
Complain about noise, room temperature, etc.	"Point of privilege"	May interrupt speaker	No second needed	Not debatable (2)	Not amendable	None (3)
End debate	"I move the previous question"	May not interrupt speaker	Must be seconded	Not debatable	Not amendable	Majority vote
Amend a motion	"I move that this motion be amended by.."	May not interrupt speaker	Must be seconded	Debatable	Amendable	Majority vote
Object to a procedure or to a personal affront	"Point of Order"	May interrupt the speaker	No second needed	Not debatable	Not amendable	None (3)
Request information	"Point of information"	If urgent, may interrupt speaker	No second needed	Not debatable	Not amendable	None

Notes:

1. These motions or points are listed in established order of precedence. When any one of them is pending, you may not introduce another that's listed below it. But you may introduce another that's listed above it.
2. In this case, any resulting motion is debatable.
3. Moderator decides.



CALIFORNIA MASSAGE THERAPY COUNCIL

One Capitol Mall, Suite 800 | Sacramento, CA 95814
tel 916.669.5336 fax 916.669.5337 www.camtc.org

Sent and Posted: October 20, 2017

NOTICE OF PUBLIC MEETING

Thursday, November 2, 2017 – 8:30 a.m.

Hilton San Francisco Airport Bayfront
600 Airport Boulevard
Burlingame, CA 94010

AGENDA

1. Call to order, roll call, and establish quorum
2. Chair's Comments
 - Welcome/Introductions
 - Rules of Debate
3. Approval of minutes from September 6 & 7, 2017
4. Presentation of Legislator of the Year Award
5. Approval of 2018 strategic priorities
6. Legislation – 2018
7. Amendments to revenue deferral recognition model
8. Implementation of community college application fee
9. Preliminary 2018 budget
10. Chief Executive Officer's Report
 - Update on 2017 strategic priorities
 - Operations
 - Finance
 - Outreach

11. Audit Committee report
12. Treasurer's report
 - Applications Received
 - Financial Statements
 - Conclusions
 - Comments/Discussion on Financial Reports
13. Proposed amendments to recertification reminder schedule
14. Thai Consulate presentation/MBLEx Thai translation
15. Director of Governmental Affairs and Special Projects' report
 - Local government issues
 - Legislation
 - Human Trafficking
 - Database Development and implementation
 - Other state laws
 - CAMTC Consumer surveys
16. Director of ESD's report
 - School Statuses
 - Recent Events
 - Future Plans
17. Schools Advisory Committee update and recommendations
18. Meeting schedule for 2018
19. Closed session with CAMTC legal counsel pursuant to California Government Code Section 11126(e) – schools; lawsuits
20. Review Out-of-Country Education Policy
21. Proposed amendments to career opportunity mailing program
22. Proposed change of application wait period for certain denials based on education
23. Director of PSD's report
 - Interaction with law enforcement agencies
 - Training
 - Media
24. Outreach Director's report
25. Public comments regarding issues not in this agenda/suggested agenda items for future meetings

26. Closed Session regarding the appointment, employment, evaluation of performance, or dismissal of an employee pursuant to California Government Code Section 11126(a)
27. Return to open session and announce action taken in closed session, if any, under item 26
28. Items/suggestions from Board members for future meeting agendas
29. Adjourn

All agenda items are subject to discussion and possible action. All interested parties are invited to attend the meeting. Time will be allowed for members of the public to make comments on each agenda item (up to 2 minutes). To make a request for more information, to submit comments to the Board, or to make a request regarding a disability-related modification or accommodations for the meeting, please contact Jon Walter at (916) 669-5336 or One Capitol Mall, Suite 800 Sacramento CA 95814 or via email at camtc@amgroup.us. Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. This notice and agenda is available on the Internet at <http://www.camtc.org>



November 2, 2017

TO: Board of Directors

FROM: Mark W. Dixon, Chairman

SUBJECT: Federation of State Massage Therapy Boards Annual Meeting - Tampa
September 28 - 30, 2017

CAMTC CHAIRMAN'S REPORT TO MEMBER BOARDS

Opened with a brief history of CAMTC and current number of certified massage professionals (52,500) and recent developments:

- Educational Standards Division has processed 164 applications for school approval; approved 88, denied 3.
- The recent hiring of an Outreach Director will sharpen our communication with stakeholders.
- The Board of 12 comprises members from Industry, Education Programs, Professional Associations and State and Municipal Government.

Current issues of importance to the Board:

- Public Safety - Working in close collaboration with the California Police Chiefs Association; CAMTC will have a strong presence at their next Annual Meeting;
- Customer Service - Making sure that all who depend on CAMTC certification for their livelihood are able to certify and recertify quickly;
- Non-English speakers - A report on the needs of non-English speakers is pending submission to the Legislature;
- Local Government - CAMTC works with cities and counties that are updating their ordinances to ensure that they're congruent with the California Massage Therapy Act. In the name of "Human Trafficking abatement", some cities enact inappropriate regulations;
- Data Analytics - Incorporating staff with data analytics expertise into CAMTC's team to ensure the efficient use of data;
- Human Trafficking is a concern in California as it is in all states, but has not been verified with adequate data to be an actual problem in the massage industry.

ANNUAL MEETING HIGHLIGHTS

The mission of the Federation is to support its Member Boards in their work to ensure that the practice of massage therapy is provided to the public in a safe and effective manner. The FSMTB is a fully autonomous, non-profit organization. It operates under Section 501(c)(3) of the Internal Revenue Code. All revenue collected by the organization is used to enhance FSMTB programs; improve the quality of its examinations and services; and provide support to its Members in fulfilling their responsibility of protecting the public from unsafe practices.

PRIORITIES

A sustainable future for the Federation

Outreach to stakeholders

The first Member Board Executives Summit, attended by the CAMTC CEO, was held this year. Details on the Federation's Education Records Center, which went into effect on 07 01 2017, can be found at www.fsmtb.org

MBLEx

The Massage and Bodywork Licensing Examination requires constant vigilance; is a tool for member boards to assess individual competency. "The Federation and its examinations belong to the member boards". See comments in Educational Standards Division Report on the Director's recent participation in a meeting of the Exam Review Committee in this Board Packet.

Current Pass Rate	72.8%
Retake Pass Rate	42.8%
Overall	66.7%

A report by the Exam Security Manager provided information on the current means of providing security of the MBLEx.

As of 07 01 2017, California applicants wishing to take the MBLEx must have graduated from a CAMTC approved school. Whenever there is a conflict between the CA Bureau of Private Postsecondary Education (BPPE) and CAMTC, CAMTC shall prevail.

For details on MBLEx Testing Accommodations and Pass Rate, see the Federation Annual Report at www.fsmtb.org

JOB TASK ANALYSIS

Conducted every five years, this year's JTA collects data to determine the frequency and criticality of tasks by responding massage professionals. For details on the JTA see the Federation's Annual Report at www.fsmtb.org

New Candidate Handbook was published in July and is available on the website.

HUMAN TRAFFICKING

Recommended:

- Public awareness action
- Uniform national approval body for massage education programs
- Creation of a work group on establishment regulation
- Report to the Massage Therapy Licensing Database (MTLD)
- Train Staff - watch for details in In Touch with FSMTB newsletter
- Establish relationships with Law Enforcement (up to the Attorney General)

EDUCATION PANEL

Rick Boden - Massage Envy (ME) Director of Employee Brand Engagement

Craig Knowles - FSMTB Board Member (GA)

Joe Bob Smith - CAMTC Director of Educational Standards Division

Darlene Campo - WI Massage Provider

Each member of the Panel provided a brief presentation, followed by Q&A

Q: How does CAMTC prevent fraudulent education?

JBS: CAMTC is a private non-profit board. California's Department of Consumer Affairs' BPPE was not effective. Prior to the establishment of its Educational Standards Division (ESD), CAMTC unapproved 60 massage therapy schools, all of which were approved by the BPPE. The Legislature mandated creation of the ESD; now CAMTC has a list of approved massage programs, which can be found at www.camtc.org.

CAMTC conducts detailed analysis of school-reported data, including attendance, class dates, doubling up of classes on the same day, etc. On-site inspections, announced and unannounced, determine who and whether there are students, whether there is a school facility at the address of record, etc.

Campo discussed handling of out-of-state applicants

Knowles discussed obstacles to the identification of school criteria

Boden asked member boards to share demographics; he maintains information of population diversity, education (prior and MT), gender, transiency from state to state, etc.

Q: What do you find missing in the education of ME employees?

Boden: Intake and follow-up; professional language and communication skills for new massage professionals; helping customers feel good about massage and the ME brand (This is critical to the success of any massage business, including ME); Ethics training takes place annually for all ME providers.

BREAKOUT SESSION - COMMUNICATING WITH STAKEHOLDERS

In a small group discussion format, stakeholders were identified, followed by issues important to participants.

Protections and redress provided by CAMTC were explained

REPORT FROM COMMISSION ON MESSAGE TRAINING ACCREDITATION (COMTA)

Presented by Dawn Hogue, :COMTA Liaison to FSMTB

Clock hour requirement range from 330 to 1000 in the United States (Delaware has two tiers: 300 and 500 hours (per ABMP report)

Massage professionals average 630 hours nationwide

The Model Practice Act (MPA) and Entry Level Analysis Project (ELAP) are two resources for guiding massage education. See <https://www.amtamassage.org/articles/1/News/detail/2884> for details.

Q: Why are massage therapists serving on state boards?

Hogue: They provide subject matter expertise, which leads to efficiency and helps to avoid reinvention of the wheel. The more we know about the profession we regulate, the better we regulate. Also, helps to deal with the vicissitude of an ever-evolving environment.



2018 Strategic Priorities and Objectives

(Proposed November 2, 2017)

Goal 1: Public Safety

- 1.1 Work with the California Police Chiefs Association ("CPCA") to devise a system that will deliver important information about CAMTC's protocols (such as the use declarations) to officers.
- 1.2 Submit a proposal to CPCA for a presentation and a booth at their annual convention in order to reach as many police chiefs as possible and to educate them on the Massage Therapy Act, what they can or cannot do, and on how CAMTC can help them.
- 1.3 Invite all code compliance officers to CAMTC's law enforcement training.
- 1.4 Educate local government officials on the use of revocable registration as a tool to eradicate illicit establishments in their jurisdiction.

Goal 2: Customer Service

- 2.1 Have at least 80% of incoming calls answered by a customer service representative in four rings or less.
- 2.2 Have all email inquiries responded to within one business day.
- 2.3 Achieve an average approval turnaround time for new applications without any background or educational issues of 45 calendar days or less from the time a completed application is received.
- 2.4 Achieve an average approval turnaround time for recertification applications without any background or educational issues of 30 calendar days from the time

a completed application is received (so long as the application was received at least 30 days prior to expiration date).

Goal 3: Non-English speakers

3.1 Provide a report to the Legislature on the findings of CAMTC's assessment of contact with non-English speakers on or before January 1, 2019.

Goal 4: Schools

4.1 Continue the Schools Advisory Committee.

4.2 Continue close relationship with schools by enhancing communication and the accessibility of relevant information.

4.3 Actively seek feedback from schools.

Goal 5: Local government

5.1 Encourage cities and counties to enact ordinances which are congruent with the Massage Therapy Act.

5.2 Have Board members and staff who are familiar with local government challenges work together with the CEO or his designee to provide cities and counties the expertise needed to effectively protect local communities.

Goal 6: Data Analytics

6.1 Develop a budget to pay for the subject matter expertise to extract and analyze CAMTC's data and present it in a concise and useful manner to better support the organization's mission and the Board's strategic priorities.

From: "Silva, Elissa" Elissa.Silva@sen.ca.gov

Subject: BP&ED Committee Bills - Proposal Request

Date: October 12, 2017 1:49:31 PM PDT

Cc: "Gage, Bill" <Bill.Gage@SEN.CA.GOV>, "Huchel, Sarah"

<Sarah.Huchel@sen.ca.gov>, "Mason, Sarah"

<Sarah.Mason@SEN.CA.GOV>, "McKenzie, Krimilda"

<Krimilda.McKenzie@SEN.CA.GOV>

Greetings,

Yes, it's that time again. The Senate Committee on Business, Professions and Economic Development (BP&ED) plans to introduce two technical, non-substantive committee bills during the 2018 legislative year that revise provisions in the Business and Professions Code relating to the state's licensure of non-health and health professions and vocations under the Department of Consumer Affairs. The committee bills may also include revisions to other codes that typically fall under this Committee's jurisdiction.

Proposals received by licensing entities and other stakeholders will be reviewed and approved by BP&ED staff as well as staff to the Senate Republican Caucus. Proposals should include statutory changes that are non-controversial and non-substantive, intended to clarify, update, and strengthen current law.

If at any time provisions are perceived to be controversial or beyond the technical cleanup intended, they will likely be removed from the committee bills. If a proposal is determined to be more substantive or potentially controversial thus not included in either committee bill, we are happy to work with you to determine the best step forward as you work to make a statutory change.

Please submit proposals for consideration to be included in these BP&ED Committee bills on the attached form when possible, but no later than January 9, 2018. Please note that the form requests a mockup of the actual statutory revisions/additions/deletions. The form and any supporting materials may be emailed directly to me. If you need additional time to review legislative needs, please let me know so we can determine the best way to proceed.

Committee staff is happy to work with you, so please do not hesitate to contact me or any of the BP&ED Committee consultants if you have questions or would like to discuss whether your proposal may be appropriate for inclusion in one of the BP&ED committee bills.

Please forward this message and accompanying documents to others who may be interested in submitting a proposal for inclusion in a BP&ED committee bill.

Thank you, and I look forward to working with you.

Elissa Silva, Consultant

Senate Committee on Business, Professions and Economic Development

916-651-4104

Elissa.silva@sen.ca.gov

Senate Business, Professions and Economic Development Committee
COMMITTEE BILL: PROPOSED LEGISLATION

Note: Submit the completed form to the Committee electronically by email and attach any additional information or documentation as necessary.

REQUESTOR & CONTACT INFORMATION:

DATE SUBMITTED:

SUMMARY:

IDENTIFICATION OF PROBLEM:

PROPOSED SOLUTION:

PROGRAM BACKGROUND & LEGISLATIVE HISTORY:

JUSTIFICATION:

ARGUMENTS PRO & CON:

PROBABLE SUPPORT & OPPOSITION:

FISCAL IMPACT:

ECONOMIC IMPACT:

FINDINGS FROM OTHER STATES:

PROPOSED TEXT (use underline & strikeout):



CALIFORNIA MASSAGE THERAPY COUNCIL

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November 2, 2017

TO: BOARD OF DIRECTORS
CALIFORNIA MASSAGE THERAPY COUNCIL

FROM: AHMOS NETANEL, CEO

RE: REASONS FOR PROPOSED AMENDMENTS TO CAMTC'S
REVENUE RECOGNITION MODEL

Per the Board motion on changes to policies, the following information is provided:

The language of the current policy and when the policy was adopted.

Currently CAMTC uses the following revenue recognition model:

New applicants - 37% when application is received, 39% when certificate is issued, 24% over 24 month of the certification.

Renewals - 46% when application is received, 42% when application is approved, 12% over 24 months of certification.

The Board first established the method for recognizing accrued revenue for 2010 and beyond on September 14, 2010. The percentages were adjusted for the budget and financial statements of 2012, 2013, 2014. In 2015 the same model was applied to revenue from school approval fees.

A short description of why the policy should be changed.

The complexity and magnitude of the CAMTC revenue recognition model (actually tracking and deferring each individual application fee) has become so unwieldy that it is no longer possible to provide accurate financial reporting.

The new model, if adopted, will implement a uniform set of rules to all applications instead of tracking each individual application fee. We are also recommending applying a simpler revenue deferral model to all applications, (new, rectification, and schools) in a manner that better reflects the timing and cost of providing services.

For individuals: 88% of the fee will be recognized during the month that the fee is received and the remaining 12% will be evenly spread over the following 24 months. For schools: 88% will be recognized during the month that fee is received and the remaining 12% will be evenly spread over the following 24 month for new applications and 48 months for re-approvals. The new model was successfully tested.

The language of related statutes that may have an impact on the decision: **None**

Potential pros and cons if the new policy is adopted:

Pros – The requested changes provide a simpler and more reliable financial reporting that better reflects the actual fiscal needs and patterns of the organization.

Cons – Since the current model is highly conservative, the implementation of the new model will provide a reduced cash cushion and will require constant careful monitoring of cash flow.

The impact on current certificate holders and applicants. **None**

A suggested date for the change to be implemented. **Effective January 1, 2017.**

CALIFORNIA MASSAGE THERAPY COUNCIL

(11/2/17)

PROPOSED PRELIMINARY BUDGET 2018

Presented by Ahmos Netanel, CEO

Approval process

CAMTC is a young organization that has been constantly adjusting to perpetually changing legislation. In addition, CAMTC operates in a highly dynamic industry ecosystem. The Board has always been keenly aware of the impact these factors have on the organization's revenues and expenses and has chosen to take an agile approach to the development of the budget, consisting of a two-step protocol as follows:

1. Initial introduction and a preliminary budget approval at the November 2, 2017 Board meeting.
2. A final updated budget approval at the February 2018 Board meeting.

This approach has served the organization well and has played an important role in CAMTC's fiscal viability. I recommend that the Board deploy this protocol for the 2018 budget for the following reasons:

1. It is essential that the final budget reflect the Board's strategic priorities. The Board had an open and robust discussion at its September 2017 meeting but no formal set of objectives was adopted. While some of the ideas discussed have been integrated into this preliminary budget, the adaptation of additional objectives will likely alter the final budget.
2. Cash flow projections in a budget prepared in January 2018 will be based on actual 2018 starting cash, not a projected figure.
3. Key assumptions will be more accurately recalibrated.
4. The Board will be better able to evaluate the 2018 budget in comparison to the actual financial results of 2017 and not just 2017 budgeted numbers.

Format

In order to provide more details this year budget is presented in two formats:

1. Statement of Functional Activity - Budget Overview by Department.
2. Statement of Functional Activity - Comparison. The notes for key assumptions will provide information to individual line items in the Comparison format.

Overview

The **\$5,634,712** total operating expenditures for 2018 will be offset with **\$4,429,246** from 2018 operating revenues and **\$1,205,466** of prior years retained earnings. The cash reserve at the end of 2018 is projected to be **\$1,785,493**, which is equal to almost three months of annual operating expenses. If the Board has the option to change the cash reserve relatively to operating expenses by cutting expenses and amending its strategic priorities and/or reevaluate the fees structure. The Board may also consider waiting until its February meeting when actual financial results will be available and revenues and expenses can be more accurately projected.

Key assumptions and significant changes

Revenues

Revenue is recognized using the following new deferral model:

For individual applicants and new schools, 88% when fee is received and 12% over the subsequent 24 months. Previously approved schools that receive their second approval will have 88% of their fee recognized when fee is received and the remaining 12% will be recognized over the subsequent 48 months. All other fees will be recognized when received. Revenue is based on current fee schedule.

4110 New Certification Fees - Current Year (CY)- based on 275 new applications per month

4115 New Certification Fees - Pryor Years (PY)- The significant drop in comparison to the 2017 budget is due to the use on the new revenue recognition model

4120 Recertification fees – CY - The significant increase over 2017 budget is driven by three factors:

1. Increase of projected re-certification rate from 70% to 90%
2. New revenue recognition model
3. Since CAMTC started certifying individuals in September of its first year of operation (2009) a cycle was established in which a larger pool of certificate holders are eligible to re-apply during even years.

4125 Recertification Fees – PY- Significant drop is due to the new revenue recognition model

4130 Recertification Late Fees - in line with actual 2016 numbers

4125 Limited Recertification- This was a limited time program, which is no longer offered

Expenses

8220 Salaries Outreach Director - The significant increase is due to the fact that 2018 will be the first full year for the Outreach Director on the payroll.

7114 Office Rental- Sacramento - This item was rolled into 8110 (Application Processing)

8110 Application Processing - This is by far the largest increase in expenses. This is an initial estimate of all the necessary resources needed to implement the Board's customer service strategic priority. It will require an expansion of the organization's operational bandwidth, which will include an increase in staff size, professional proficiency, compensation levels, office space, equipment programs and licenses. A detailed plan is currently under development and will be incorporated into a new contract with AMG. The Board will have an opportunity to review the new proposed contract prior to it being finalized and executed.

8120 Legal General - The hourly rate of CAMTC's General and Special Counsels are going up. They have not raised their rate in 7 years so it will go from 200/hr to 225/hr on Jan. 1, 2018. At this point we anticipate that the amount of time needed from our General Counsel in 2018 will be less than what was anticipated for 2017, resulting in a net reduction in total expense. The projected amount for 2018 is less than what was budgeted for 2017.

7190 Database Development - As of September 1, 2017, \$188,022 was still unspent. All of the remaining balance of this item will be rolled over into 2018.

7340 Legal Attorneys Denial/Litigation - In spite of the increase in hourly rate for our Special Counsel, the total amount for this item is line with the 2017 budget. The reason is that it is expected that more of the Special Counsel time will be shifted to **Educational Standards/ schools denials (7532)**

7527 Committee Travel and Meetings - Number of meetings are reduced from 4 to 2.

CA Massage Therapy Council

Statement of Functional Activity - Budget Overview by Department

January through December 2018

	Education Standards/Schools	Executive Staff, Board & Committee	General Administrative	Outreach/ Marketing	Professional Standards Division	TOTAL
	Jan - Dec 18	Jan - Dec 18	Jan - Dec 18	Jan - Dec 18	Jan - Dec 18	Jan - Dec 18
Income						
4000 · REVENUE						
4100 · Certification Fees - Individual						
4110 · New Certification Fees - CY			449,213			449,213
4115 · New Certification Fees - PY			42,809			42,809
4120 · Recertification Fees - CY			3,130,718			3,130,718
4125 · Recertification Fees - PY			217,319			217,319
4130 · Recertification Late Fees			137,000			137,000
Total 4100 · Certification Fees - Individual	-	-	3,977,059	-	-	3,977,059
4200 · Hearing Fees - Individuals			24,000			24,000
4300 · APPLICATION FEES - SCHOOLS						
4310 · New Application Fees - CY	8,303					8,303
4315 · New Application Fees - PY	1,283					1,283
4320 · Reapplication Fees - CY	200,993					200,993
4325 · Reapplication Fees - PY	38,205					38,205
Total 4300 · APPLICATION FEES - SCHOOLS	248,782	-	-	-	-	248,782
4400 · Background Check Fees - School	16,605					16,605
4500 · Hearing Fees - Schools	10,800					10,800
4910 · Interest & Other Income			22,000			22,000
4999 · Miscellaneous Fees			130,000			130,000
Total 4000 · REVENUE	276,187	-	4,153,059	-	-	4,429,246
Total Income	276,187	-	4,153,059	-	-	4,429,246
Expense						
5000 · Salaries						
5010 · Salaries - Outreach Director				77,136		77,136
7210 · Salaries - Sr. Management		365,892				365,892
7303 · Salaries - Paralegals					535,232	535,232
7304 · Salaries - Field Investigations					257,136	257,136
7305 · Salaries - Legal In-House					396,200	396,200
7501 · Salaries - Management	98,224				109,062	207,286

CA Massage Therapy Council
Statement of Functional Activity - Budget Overview by Department
January through December 2018

	Education Standards/Schools	Executive Staff, Board & Committee	General Administrative	Outreach/ Marketing	Professional Standards Division	TOTAL
	Jan - Dec 18	Jan - Dec 18	Jan - Dec 18	Jan - Dec 18	Jan - Dec 18	Jan - Dec 18
7504 · Salaries - School Inspection	61,167					61,167
7505 · Salaries - Hearing Officers	36,595					36,595
Total 5000 · Salaries	195,986	365,892	-	77,136	1,297,630	1,936,644
7510 · Employee Benefits	12,341	83,665		6,140	85,092	187,238
7405 · Payroll Taxes	16,368	30,520		6,440	100,225	153,553
8210 · Communications & Outreach				48,000		48,000
8250 · Public Relations				31,000		31,000
7115 · Printing/Copying			22,500			22,500
7401 · Payroll Services	820	1,700		380	5,400	8,300
7410 · Insurance - Workers' Comp	1,320	2,880		660	9,000	13,860
7520 · Supplies	336	1,300	7,500		2,700	11,836
7113 · Office Furniture/Equipment		600	12,400			13,000
7521 · Cell Phones	4,140	1,800		360	21,500	27,800
7120 · Telephone/Fax		5,089	5,650			10,739
7125 · Postage/Mailing	1,008		25,700			26,708
7130 · Dues /Subscrip/Licenses			15,300			15,300
7135 · Insurance-D&O/E&O/GL			59,000			59,000
7140 · Banking/Credit Card Fees			69,000			69,000
7523 · Travel	20,880	15,000	4,600		15,000	55,480
7160 · On and Off-Site Storage/Two Office Rents		26,340	3,810			30,150
Staff Training			14,000			14,000
7180 · Certification/Mat's/Print/Mail			90,000			90,000
7190 · Database Development			203,000			203,000
7191 · Database Maintenance			32,120			32,120
7193 · Depreciation Expense			2,760			2,760
7524 · Conference Calls	240				8,400	8,640
7540 · School Background Checks	16,605					16,605
8110 · Application Processing			1,800,000			1,800,000
7532 · Legal Service - Denials/Litigation	168,780				305,124	473,905
8120 · Legal - General			52,010			52,010
7347 · Court Record Fees					900	900

CA Massage Therapy Council

Statement of Functional Activity - Budget Overview by Department

January through December 2018

	Education Standards/Schools	Executive Staff, Board & Committee	General Administrative	Outreach/ Marketing	Professional Standards Division	TOTAL
	Jan - Dec 18	Jan - Dec 18	Jan - Dec 18	Jan - Dec 18	Jan - Dec 18	Jan - Dec 18
7348 · Proposed Denials Mail/Supplies					2,000	2,000
7527 · Committee Travel & Meetings	10,500	28,000				38,500
6110 · Facility / Banquet		33,400				33,400
7538 · Committee Legal General	7,044					7,044
Miscellaneous Contingencies			100,000			100,000
7599 · Miscellaneous	120	900	2,700		1,000	4,720
8190 · Accounting/Tax/Audit			35,000			35,000
Total Expense	456,488	597,086	2,557,050	170,116	1,853,972	5,634,712
Excess Revenue Over Expenses	(180,301)	(597,086)	1,596,009	(170,116)	(1,853,972)	(1,205,466)

CA Massage Therapy Council
Statement of Functional Activity - Comparison
January through December 2018

	Actual	Budget	Proposed	Budget
	2016	2017	2018	Variance
Income				
4000 · REVENUE				
4100 · Certification Fees - Individual				
4110 · New Certification Fees - CY	537,278	484,894	449,213	(35,681)
4115 · New Certification Fees - PY	69,644	895,375	42,809	(852,566)
4120 · Recertification Fees - CY	2,715,552	1,177,899	3,130,718	1,952,819
4125 · Recertification Fees - PY	503,827	1,021,671	217,319	(804,352)
4130 · Recertification Late Fees	133,705	77,139	137,000	59,861
4125 · Limited Recertification Late Fees	82,250	77,139	-	(77,139)
4125 · Limited Recertification Fees	73,342	-	-	-
Total 4100 · Certification Fees - Individual	4,115,598	3,734,116	3,977,059	242,942
4200 · Hearing Fees - Individuals	20,170	14,978	24,000	9,022
4300 · APPLICATION FEES - SCHOOLS				
4310 · New Application Fees - CY	36,000	12,645	8,303	(4,343)
4315 · New Application Fees - PY	-	14,340	1,283	(13,058)
4320 · Reapplication Fees - CY	-	-	200,993	200,993
4325 · Reapplication Fees - PY	-	-	38,205	38,205
Total 4300 · APPLICATION FEES - SCHOOLS	36,000	26,985	248,782	221,797
4400 · Background Check Fees - School	7,667	10,584	16,605	6,021
4500 · Hearing Fees - Schools	-	19,800	10,800	(9,000)
4910 · Interest & Other Income	28,934	18,960	22,000	3,040
4999 · Miscellaneous Fees	99,353	71,280	130,000	58,720
Total 4000 · REVENUE	4,307,722	3,896,704	4,429,246	532,542
Total Income	4,307,722	3,896,704	4,429,246	532,542
Expense				
6000 · BOARD & COMMITTEE				
6115 · Board Travel	28,190	28,433	28,000	(433)
6110 · Facility / Banquet	26,733	28,336	33,400	5,064
Supplies	2,169	2,000	-	(2,000)
Miscellaneous	11	650	-	(650)
Total 6000 · BOARD & COMMITTEE	57,103	59,419	61,400	1,981
8200 · OUTREACH / MARKETING				
8220 · Salaries - Outreach Director	-	56,500	77,136	20,636
7405 · Payroll Taxes	-	6,292	6,440	148
7510 · Employee Benefits	-	-	6,140	6,140
8221 · Cell Phones	-	-	360	360
7410 · Insurance - Workers' Comp	-	700	660	(40)
7401 · Payroll Services	-	370	380	10
Law Enforcement/Local Govt Support	13,554	-	-	-
8210 · Communications & Outreach	26,601	48,000	48,000	-
8250 · Public Relations	26,258	31,000	31,000	-
Total 8200 · OUTREACH / MARKETING	66,413	142,862	170,116	27,254
7000 · GENERAL ADMINISTRATIVE				
7110 · Office Supplies	4,737	5,000	7,500	2,500
7113 · Office Furniture/Equipment	7,434	3,000	12,400	9,400

CA Massage Therapy Council

Statement of Functional Activity - Comparison

January through December 2018

	Actual	Budget	Proposed	Budget
	2016	2017	2018	Variance
7114 · Office Rental - Sacramento	48,480	48,480	-	(48,480)
8190 · Accounting/Tax/Audit	10,767	42,000	35,000	(7,000)
8110 · Application Processing	1,035,996	1,223,258	1,800,000	576,742
8120 · Legal - General	58,675	67,000	52,010	(14,990)
Consulting	12,111	-	-	-
Software	2,172	-	-	-
Miscellaneous Contingencies	-	144,888	100,000	(44,888)
Sunset Review/Feasibility Study	179,793	-	-	-
Staff Training	-	7,000	14,000	7,000
7115 · Printing/Copying	20,452	21,680	22,500	820
Records Scanning/Shredding	392	500	-	(500)
7120 · Telephone/Fax	531	570	5,650	5,080
7125 · Postage/Mailing	16,680	17,680	25,700	8,020
7130 · Dues /Subscrip/Licenses	11,571	12,250	15,300	3,050
7135 · Insurance-D&O/E&O/GL	48,107	51,000	59,000	8,000
7140 · Banking/Credit Card Fees	68,307	60,000	69,000	9,000
7150 · Staff Travel	1,720	2,100	4,600	2,500
7160 · On and Off-Site Storage	3,365	3,810	3,810	-
7180 · Certification/Mat's/Print/Mail	121,250	100,000	90,000	(10,000)
7190 · Database Development	91,306	285,082	203,000	(82,082)
7191 · Database Maintenance	18,555	32,120	32,120	-
7193 · Depreciation Expense	2,752	-	2,760	2,760
7199 · Miscellaneous	1,028	2,900	2,700	(200)
Total 7000 · GENERAL ADMINISTRATIVE	1,766,181	2,130,318	2,557,050	426,732
7200 · EXECUTIVE STAFF				
7210 · Salaries - Sr. Management	329,881	351,559	365,892	14,333
Vacation Expense	-	14,582	-	(14,582)
7510 · Employee Benefits	77,353	80,448	83,665	3,217
7405 · Payroll Taxes	27,892	29,850	30,520	670
7401 · Payroll Services	1,456	1,760	1,700	(60)
7410 · Insurance - Workers' Comp	2,774	2,800	2,880	80
7212 · Two Off-Site Office Rentals	26,180	25,487	26,340	853
7217 · Travel & Meetings	11,738	15,000	15,000	-
7231 · Cell Phones	1,796	1,890	1,800	(90)
7232 · Supplies	781	1,000	1,300	300
7113 · Office Furniture/Equipment	227	600	600	-
7235 · Phones - Land Lines - DSL	4,364	4,625	5,089	464
7290 · Miscellaneous	-	950	900	(50)
Total 7200 · EXECUTIVE STAFF	484,442	530,551	535,686	5,135
7300 · PROFESSIONAL STANDARDS DIVISION				
7303 · Salaries - Paralegals	409,313	459,404	535,232	75,828
7304 · Salaries - Field Investigations	216,396	242,878	257,136	14,258
7305 · Salaries - Legal In-House	347,294	389,795	396,200	6,405
7210 · Salaries - Management	95,156	106,800	109,062	2,262
7405 · Payroll Taxes	90,313	98,050	100,225	2,175

CA Massage Therapy Council
Statement of Functional Activity - Comparison
January through December 2018

	Actual	Budget	Proposed	Budget
	2016	2017	2018	Variance
7310 · Employee Benefits	73,489	54,589	85,092	30,503
7401 · Payroll Services	4,715	5,270	5,400	130
7410 · Insurance - Workers' Comp	8,983	9,100	9,000	(100)
7320 · Supplies	1,894	2,000	2,700	700
7321 · Cell Phones	21,079	22,575	21,500	(1,075)
Telephone/Fax	150	-	-	-
Dues/Subscriptions/Licenses	1,202	-	-	-
7323 · Travel	10,391	11,100	15,000	3,900
7324 · Conference Calls	6,153	6,100	8,400	2,300
7340 · Legal Attorneys Denials/Litigat	348,942	306,511	305,124	(1,387)
7347 · Court Record Fees	431	1,400	900	(500)
7348 · Proposed Denials Mail/Supplies	1,797	1,900	2,000	100
7399 · Miscellaneous	2,511	3,000	1,000	(2,000)
Total 7300 · PROFESSIONAL STANDARDS DIVISION	1,640,209	1,720,472	1,853,972	133,500
7500 · EDUCATION STANDARDS / SCHOOLS				
7501 · Salaries - Management	80,800	98,106	98,224	118
7504 · Salaries - School Inspection	48,400	58,821	61,167	2,346
7505 · Salaries - Hearing Officers	21,738	26,460	36,595	10,135
7405 · Payroll Taxes	12,762	16,000	16,368	368
7510 · Employee Benefits	11,423	11,885	12,341	456
7401 · Payroll Services	666	800	820	20
7410 · Insurance - Workers' Comp	1,269	1,300	1,320	20
7520 · Supplies	237	324	336	12
7521 · Cell Phones/Land Lines	1,323	2,604	4,140	1,536
7523 · Travel	23,354	17,400	20,880	3,480
7524 · Conference Calls	508	240	240	-
7540 · School Background Checks	13,802	10,584	16,605	6,021
7550 · Research - Schools. Access	-	10,000	-	(10,000)
7548 · Mailings	754	1,008	1,008	-
7532 · Legal Service - Denials	-	120,000	168,780	48,780
7527 · Committee Travel & Meetings	-	18,000	10,500	(7,500)
7538 · Committee Legal General	-	7,000	7,044	44
7599 · Miscellaneous	321	120	120	-
Total 7500 · EDUCATION STANDARDS / SCHOOLS	217,357	400,652	456,488	55,836
Total Expense	4,231,705	4,984,274	5,634,712	650,438
Excess Revenue Over Expenses	76,017	(1,087,571)	(1,205,466)	(117,895)
Starting Cash	905,709	3,521,612	2,500,000	(1,021,612)
Cash Received	2,256,085	3,448,965	4,510,771	1,061,806
Cash Expended	2,180,892	4,906,946	5,634,712	727,766
Ending Cash	980,902	2,063,631	1,376,059	(687,572)



CEO Report

November 2, 2017

Strategic Priorities – Update

So far this year, CAMTC has achieved 8 out of its 9 top strategic priority action items and projects related to public protection, schools and accountability. Staff is currently working on an additional schools-related project (informing prospective students on the ramification of enrolling in massage programs which are not approved by CAMTC). For the remainder of the year we will be focusing on another 9 action items and projects relating to local government, businesses and certificate holders. The next CEO report will include a comprehensive review of all the 2017 strategic priorities outcomes.

Disciplinary Performance Measures

Attached are CAMTC's 2017 first three quarters Disciplinary Performance Metrics. In order to ensure that all stakeholders can review CAMTC's progress in meeting its public protection mission, CAMTC regularly tracks these measures and makes them easily available by prominently posting them on the website. While we exceeded our goals in all four categories, the most impressive significant measure is the average number of days to complete formal discipline against a certificate holder.

Operations

The transition between Jon Walters, the new Operations Manager, and his predecessor did not go as smoothly as we had hoped. Jon had to face a multitude of challenges and met them with focus, professionalism, hard work and an impressive “can do” attitude. In less than two months Jon has already identified numerous areas that need improvement and has implemented changes that enable the application processing operation to work at a higher level of efficiency. CAMTC senior staff has been closely collaborating with Jon on a daily basis. I have authorized the creation of a new position - Operational Support Specialist. We will be searching for a high caliber business professional to assist Jon and who may be groomed to be his deputy.

Finance

As of September 30, 2017, cash position was \$3,015,271, exceeding the projected \$2,359,510. A CAMTC bank accounts summary is attached.

PERFORMANCE METRICS – 1st, 2nd, and 3rd Quarters, 2017

PM1 – VOLUME

TOTAL NUMBER OF COMPLAINTS RECEIVED – ALL (actionable and non-actionable)

FIRST QUARTER 2017: 46 complaints received on average per month.

SECOND QUARTER 2017: 43 complaints received on average per month.

THIRD QUARTER 2017: 43 complaints received on average per month.

PM1.1 – VOLUME – CERTIFICATE HOLDERS

TOTAL NUMBER OF COMPLAINTS RECEIVED AGAINST CERTIFICATE HOLDERS

FIRST QUARTER 2017: 28 complaints against certificate holders received on average per month.

SECOND QUARTER 2017: 30 complaints against certificate holders received on average per month.

THIRD QUARTER 2017: 26 complaints against certificate holders received on average per month.

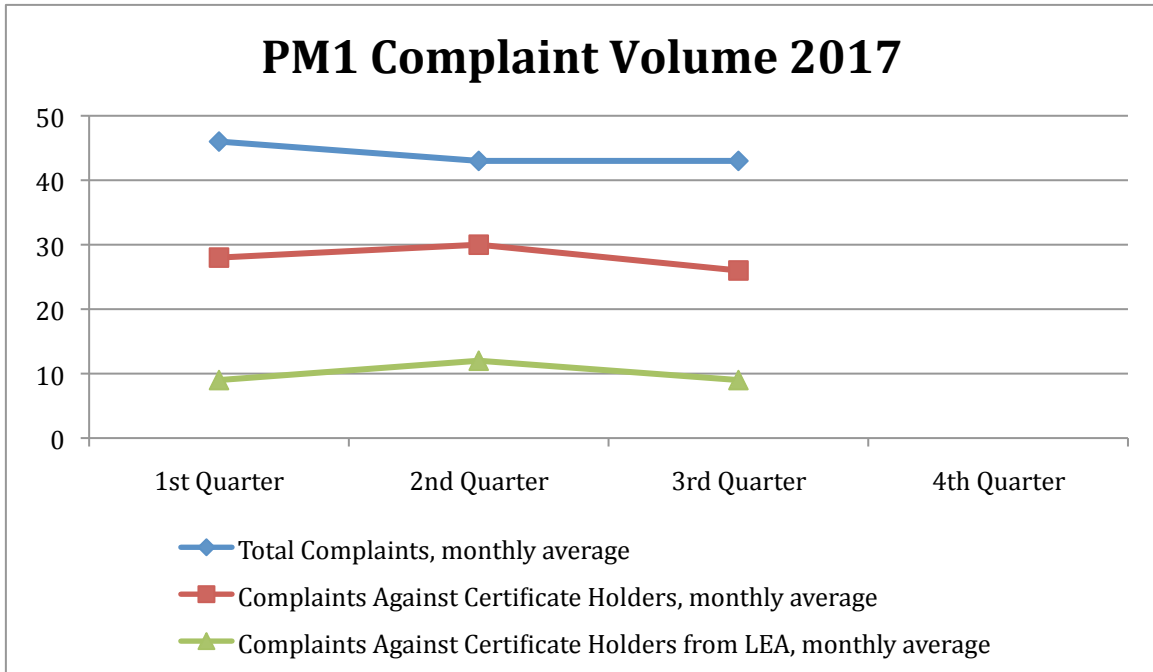
PM 1.2 – VOLUME – CERTIFICATE HOLDERS – COMPLAINTS FROM LAW ENFORCEMENT

Total number of complaints received against certificate holders from law enforcement agencies or government agencies with the responsibility to regulate massage. Does not include complaints against those who are not certified.

FIRST QUARTER 2017: 9 complaints from LEA received against certificate holders on average per month.

SECOND QUARTER 2017: 12 complaints from LEA received against certificate holders on average per month.

THIRD QUARTER 2017: 9 complaints from LEA received against certificate holders on average per month.



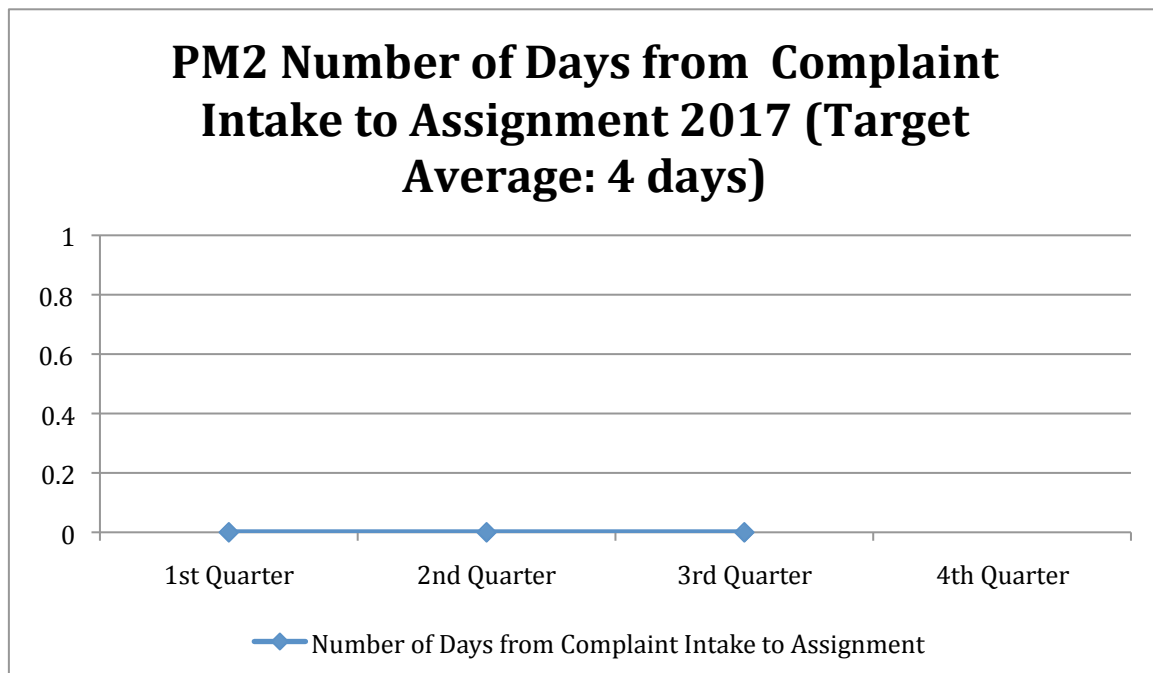
PM2 – INTAKE – ALL COMPLAINTS

Number of days from when a complaint is received to when it is sent to an investigator. All complaints received are immediately forwarded to an investigator.

FIRST QUARTER 2017: 0 days to assignment

SECOND QUARTER 2017: 0 days to assignment

THIRD QUARTER 2017: 0 days to assignment



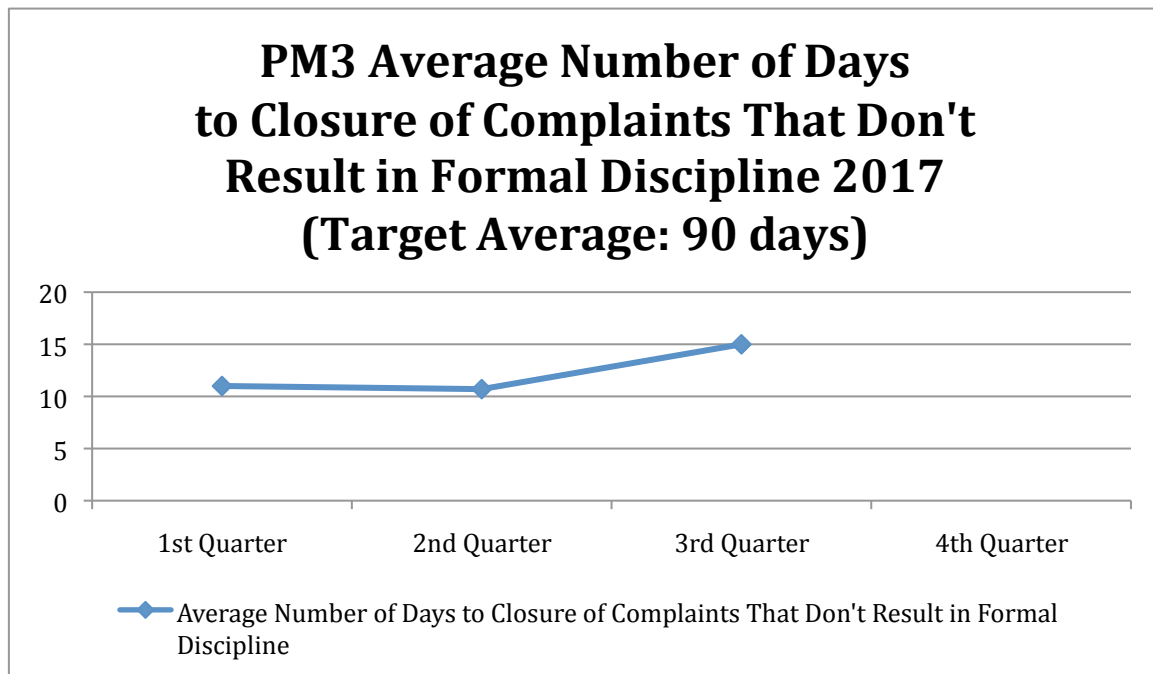
PM3 – INTAKE AND INVESTIGATION

Average time in days from date complaint was received to date complaint was resolved/closure of the investigation process. This number includes ALL complaints, not just those against Certificate Holders, which are resolved prior to being referred to Legal for formal discipline. It does NOT include cases against certificate holders sent to Legal for formal discipline (proposed revocation, suspension, or imposition of probationary conditions).

FIRST QUARTER 2017: 11 days is the average number of days to closure.

SECOND QUARTER 2017: 10.7 days is the average number of days to closure.

THIRD QUARTER 2017: 15 days is the average number of days to closure.



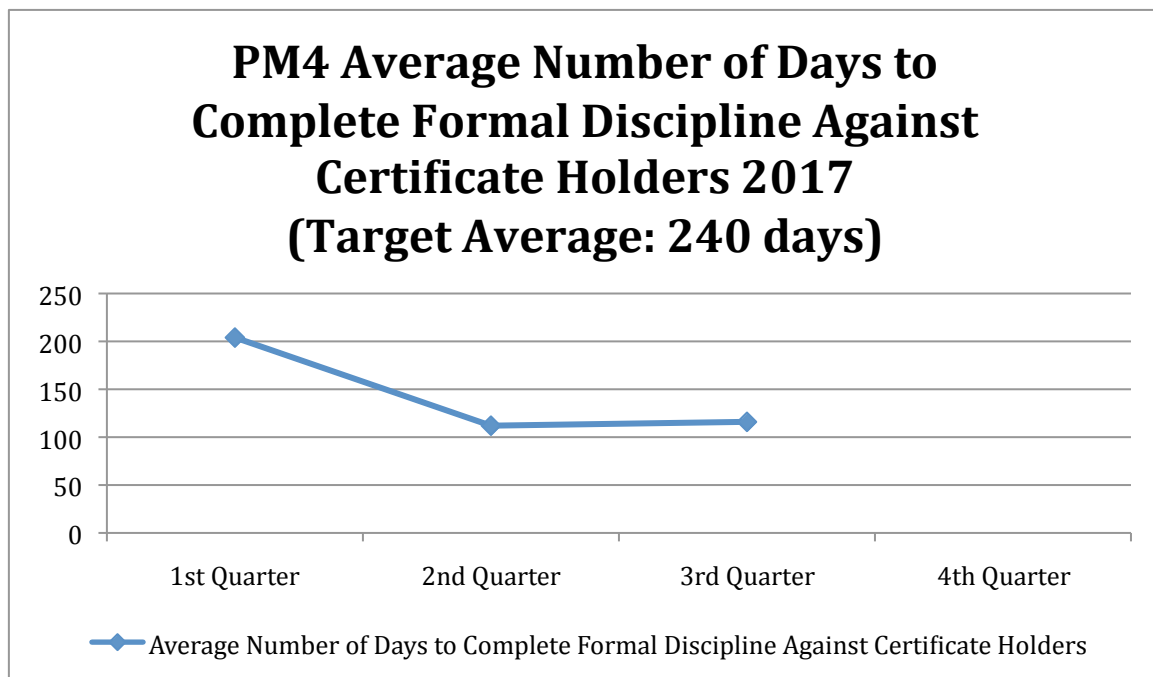
PM4 – FORMAL DISCIPLINE AGAINST CERTIFICATE HOLDERS

Average number of days to complete the entire disciplinary process against certificate holders for cases resulting in formal discipline by CAMTC. Formal discipline includes permanent revocation, revocation, suspension, and imposition of probationary conditions. Average number of days is calculated from date of intake to final date of disciplinary action.

FIRST QUARTER 2017: 204 days is the average number of days from intake to final date of formal discipline.

SECOND QUARTER 2017: 112 days is the average number of days from intake to final date of formal discipline.

THIRD QUARTER 2017: 116 days is the average number of days from intake to final date of formal discipline.



CAMTC Bank Account Summary
As of 9/30/2017

	Bank	Type	Term	Maturity Date	Rate	Interest Deposits to:	Value	% of Portfolio	Valuation Date
1	Umpqua Bank	Checking	NA	NA	0.000%	NA	484,702.21	16.1%	9/30/2017
2	Preferred Bank	MM	NA	NA	0.400%	Self	252,556.99	8.4%	9/30/2017
3	California Bank & Trust	MM	NA	NA	0.070%	Self	250,271.66	8.3%	9/30/2017
4	Synchrony	CD	12 Mos	11/10/2017	1.242%	Self	258,571.03	8.6%	9/30/2017
5	CalFirst	CD	12 Mos	10/2/2017	1.230%	Umpqua-Chk	250,000.00	8.3%	9/30/2017
6	State Farm Bank	CD	36 Mos	11/26/2017	1.490%	Self	260,788.76	8.6%	9/30/2017
7	Centennial Bank	CD	36 Mos	11/26/2017	1.250%	Umpqua-Chk	250,000.00	8.3%	9/30/2017
8	EH National Bank	CD	24 Mos	12/5/2018	1.120%	323-602-2000	255,320.12	8.5%	12/5/2016
9	First Internet Bank of Indiana	CD	24 Mos	12/8/2018	1.350%	Umpqua-Chk	250,059.60	8.3%	9/30/2017
10	Tab Bank	CD	12 Mos	11/12/2017	0.950%	Umpqua-ACH	250,000.00	8.3%	9/30/2017
11	Golden State Bank	CD	36 Mos	6/21/2019	1.000%	Self	253,101.24	8.4%	9/30/2017
							<u>3,015,371.61</u>		



Financial Statements and
Independent Auditor's Report

For the Year Ended December 31, 2016

California Massage Therapy Council

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December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
California Massage Therapy Council
Sacramento, California

We have audited the accompanying financial statements of the California Massage Therapy Council, which comprise the statement of financial position as of December 31, 2016, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Massage Therapy Council as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Damore, Hamric & Schneider Inc". The script is cursive and fluid.

DAMORE, HAMRIC & SCHNEIDER, INC.
Certified Public Accountants

October 23, 2017

California Massage Therapy Council
STATEMENT OF FINANCIAL POSITION

December 31, 2016

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 980,902
Certificates of Deposit	1,751,594
Prepaid Expenses	<u>34,414</u>
 Total Current Assets	 \$ 2,766,910

Noncurrent Assets:

Certificate of Deposits	756,616
Software in Progress	142,100
Fixed Assets, Net of Accumulated Amortization and Depreciation	<u>92,417</u>
 Total Assets	 <u><u>\$ 3,758,043</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 114,383
Accrued Payroll Liability	12,553
Accrued Vacation	22,472
Accrued PTO	36,445
Deferred Certification Fees - Current Portion	<u>953,266</u>
 Total Current Liabilities	 \$ 1,139,119

Noncurrent Liabilities:

Deferred Certification Fees - Noncurrent Portion	<u>158,219</u>
 Total Liabilities	 \$ 1,297,338

Net Assets:

Board Designated Net Assets	\$ 322,867
Unrestricted Net Assets	<u>2,137,838</u>
 Total Net Assets	 <u>2,460,705</u>
 Total Liabilities and Net Assets	 <u><u>\$ 3,758,043</u></u>

The accompanying notes are an integral part of the financial statements.

California Massage Therapy Council

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2016

Support and Revenue:

Applications Received	\$ 309,694
Certificates Issued	202,720
Renewals - Applied	1,475,039
Renewals - Approved	1,240,513
Schools - Applied	12,600
Schools - Approved	23,400
Current Year Deferrals Recognized in 2016	142,986
Prior Year Deferrals Recognized in 2016	503,827
Denied Applications	19,561
Hearing Fees, Late Fees, Purged/Revoked Applications	241,428
Background Check Fees	7,667
Miscellaneous Fees	99,353
Interest Income	<u>28,934</u>
Total Support and Revenue	<u>\$ 4,307,722</u>

Expenses:

Outreach and Marketing	\$ 66,413
Board of Directors and Committees	57,103
Professional Standards Division	1,640,209
Professional Services	1,119,880
General and Administrative	646,301
Executive Staff	484,442
Educational Standards Division	<u>217,357</u>
Total Expenses	<u>\$ 4,231,705</u>

Change in Net Assets	\$ 76,017
Net Assets, Beginning of Year	<u>2,384,688</u>
Net Assets, End of Year	<u><u>\$ 2,460,705</u></u>

The accompanying notes are an integral part of the financial statements.

California Massage Therapy Council

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2016

	Outreach and Marketing	Board of Directors and Committees	Professional Standards Division	Professional Services	General and Administrative	Executive Staff	Educational Standards Division	Total
Salaries	\$	\$	\$ 1,068,159	\$	\$	\$ 329,881	\$ 150,938	\$ 1,548,978
Employee Benefits			73,489			77,353	11,423	162,265
Payroll Taxes			90,313			27,892	12,762	130,967
	\$	\$	\$ 1,231,961	\$	\$	\$ 435,126	\$ 175,123	\$ 1,842,210
Communications and Promotions	\$ 26,601	\$	\$	\$	\$	\$	\$	\$ 26,601
Public Relations	26,258							26,258
Law Enforcement/Local Govt Support	13,554							13,554
Facility and Banquet		26,733						26,733
Travel Expenses		28,190	10,325		1,720	11,738	23,354	75,327
Conference Calls		285	6,153				508	6,946
Printing and Reproduction		1,884			20,452			22,336
Records Scanning					392			392
Office Supplies			1,894		4,737	755	237	7,623
Office Furniture/Equipment					7,434	227		7,661
Office Rental					48,480	26,180		74,660
Telephone and Fax			150		531	4,364		5,045
Postage/Mailing					16,680		754	17,434
Insurance					48,107			48,107
Banking/Credit Card Fees					68,307			68,307
Filing Fees					640			640
Sunset Review/Feasibility Study					179,793			179,793
On Site Storage					2,917			2,917
Off Site Storage					448			448
Software				2,172				2,172
Certification Materials and Shipping					121,250			121,250
Dues/Subscriptions/Licenses			342		10,931	26		11,299
Accounting/Tax/Audit				10,767				10,767
Database Development					91,306			91,306
Database Maintenance					18,555			18,555
Cellular Phones			21,079			1,796	1,323	24,198
Staff Meetings			66					66
Court Record Fees			431					431
Denial Mailings/Supplies			1,797					1,797
Application Processing				1,035,996				1,035,996
Legal - In House Dues			860					860
Legal Service - Denials			348,942					348,942
Legal Fees - General				58,675				58,675
Consulting - IT				12,111				12,111
School Background Checks							13,802	13,802
Payroll Services			4,715			1,456	666	6,837
Workers Compensation			8,983			2,774	1,269	13,026
Miscellaneous		11	2,511	159	869		321	3,871
Total Expense Before Amortization and Depreciation	\$ 66,413	\$ 57,103	\$ 1,640,209	\$ 1,119,880	\$ 643,549	\$ 484,442	\$ 217,357	\$ 4,228,953
Amortization					972			972
Depreciation					1,780			1,780
Total Expenses	\$ 66,413	\$ 57,103	\$ 1,640,209	\$ 1,119,880	\$ 646,301	\$ 484,442	\$ 217,357	\$ 4,231,705

The accompanying notes are an integral part of the financial statements.

California Massage Therapy Council

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2016

Cash Flows from Operating Activities:

Change in Net Assets	\$ 76,017
Adjustments to Reconcile Net Cash Provided by Operating Activities:	
Amortization and Depreciation	2,752
(Increase) Decrease in:	
Prepaid Expenses	(439)
Increase (Decrease) in:	
Accounts Payable	32,949
Accrued Payroll Liability	12,553
Accrued Vacation	(6,172)
Accrued PTO	1,315
Deferred Certification Fees	<u>141,674</u>
Cash Provided by Operating Activities	<u>\$ 260,649</u>

Cash Flows from Investing Activities:

Maturity of Certificates of Deposit	\$ 1,988,825
Purchases of Certificates of Deposit	(2,004,146)
Purchases of Fixed Assets and Software	(<u>170,135</u>)
Cash Used by Investing Activities	<u>(\$ 185,456)</u>
Net Increase in Cash and Cash Equivalents	\$ 75,193
Cash and Cash Equivalents, Beginning of Year	<u>905,709</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 980,902</u></u>

Supplemental Information for Cash Flows:

Interest Paid in Cash	<u><u>\$</u></u>
Filing Fees Paid in Cash	<u><u>\$ 640</u></u>

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

California Massage Therapy Council's mission is to protect the public by certifying massage professionals in California that meet the requirements in the law and approving massage programs that meet the minimum standards for training and curriculum.

The Council utilized the following significant accounting policies in preparing the accompanying financial statements:

- A. Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- B. Financial Statement Presentation - Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Council and changes therein are classified and reported as follows:
 - 1. Unrestricted Net Assets - Net assets over which the Board of Directors has discretionary control and that are neither permanently restricted nor temporarily restricted by grantor-imposed stipulations. The Board has designated \$322,867 as of December 31, 2016 for priority projects and objectives not funded by 2016 operations.
 - 2. Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Council and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There were no temporarily restricted net assets at December 31, 2016.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

B. Financial Statement Presentation (Continued):

3. Permanently Restricted Net Assets - This component of net assets consists of stipulations that certain assets are to be maintained permanently by the recipient. Generally, the donors of these assets permit the recipient to use all or part of the income earned on any related investments for general or specific purposes. The Council did not have permanently restricted net assets at December 31, 2016.

C. Income Taxes - CAMTC is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d(c)(1) under California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in these statements.

D. Cash and Cash Equivalents - For purposes of the statement of cash flows, the Council considers all temporary cash investments with an original maturity of three months or less to be cash equivalents.

E. Concentration of Credit Risk - CAMTC maintains cash accounts with three financial institutions. The total balance of the cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. While CAMTC may maintain cash balances which at times exceed the federally insured limits, CAMTC has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk regarding cash. At December 31, 2016 CAMTC's uninsured cash balance totaled \$328,215.

F. Software and Equipment - Software and equipment are stated at cost. The cost of the software and equipment purchased in excess of \$1,000 is capitalized. Depreciation and amortization are provided in amounts sufficient to amortize or depreciate the cost of the software and equipment over the estimated useful lives of the assets (ranging from two to fifteen years) on a straight-line basis. Routine repairs and maintenance are expensed as incurred.

California Massage Therapy Council

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

- G. Deferred Certification Fees - Deferred revenue consists of the portion of certification fees to be earned over the two-year certification period as the costs of maintaining the certificates are realized.
- H. Subsequent Events Review - Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued.

NOTE 2 CASH:

At December 31, 2016, cash consisted of the following:

Cash and Cash Equivalents:

Cash - Operating Accounts	\$ 479,127
Cash - Savings Account	<u>501,775</u>
	<u>\$ 980,902</u>

Current Assets:

Certificates of Deposit	\$ 1,751,594
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Noncurrent Assets:

Certificates of Deposit	<u>756,616</u>
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Total Cash	<u><u>\$ 3,489,112</u></u>
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NOTE 3 PROPERTY AND EQUIPMENT:

The following is a summary of software and equipment, less accumulated amortization, at December 31, 2016:

Software	\$ 105,805
Equipment	<u>30,802</u>
	136,607
Accumulated Amortization and Depreciation	(<u>44,190</u>)
	<u><u>\$ 92,417</u></u>

California Massage Therapy Council

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 3 PROPERTY AND EQUIPMENT (Continued):

The Council developed software for use in its certification application process. The software was amortized over the estimated useful life. In 2015, the Council began Phase I for a new database that was completed in 2016. The total amount capitalized to Software in 2016 was \$87,486. The Council began Phase II of the database in 2016 and incurred \$142,100 in costs at December 31, 2016.

NOTE 4 ACCRUED BENEFITS:

Management employees of the Council receive vacation benefits. Accumulated unpaid employee vacation benefits are recognized as liabilities of the Council. The amount of accumulated vacation benefits at December 31, 2016 was \$22,472.

Beginning in April 2012 all other full-time employees of the Council began receiving twelve days of paid time off (PTO) a year. Accumulated unpaid PTO benefits are recognized as liabilities of the Council. The amount of accumulated PTO at December 31, 2016 was \$36,445.

The employees do not have a vested right to accumulated sick leave. For this reason, the Council does not accrue a liability for accumulated sick leave benefits. Sick leave benefits are recorded as expenditures in the period sick leave is taken.

NOTE 5 CONTINGENCIES:

As discussed in Note 1, CAMTC was created pursuant to California Senate Bill 731 and was reauthorized pursuant to California Assembly Bill 2194 during 2016. This legislation remains in effect until January 1, 2021. Unless new legislation is enacted before January 1, 2021 to extend this date, this statute will be repealed.

NOTE 6 FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Treasurer's Report through August 31, 2017 Board Meeting: (November 2, 2017)

Applications Received and Re-Certifications Billed

New Applications and Re-Certifications

Two hundred and eighty six (286) New Paid Applications were received during August, 2017 compared with 382 during August, 2016. The year-to-date average of 65 per week in 2017 is the lowest level to date.

Not only were New Applications down for August and year-to-date from 2016, Re-Certifications Billed were below the very high levels in 2016.

Year	New Applications Received Per Week	Re-Certifications Billed Per Week	Total	Re-Certifications as a % of Total
2017 *	65	263	328	80%
2016*	86	585	671	87%
2017**	67	403	470	86%
2016**	106	535	641	83%
2016	103	512	615	83%
2015	80	409	489	84%
2014	244	451	696	65%
2013	219	248	467	53%
2012	207	296	503	59%
2011	264	54	318	17%
2010	259	0	259	0%
*Month of August **Year to date				

Through 2015 there had been a fairly consistent pattern of Renewals Billed that were paid. About three-quarters of those who were billed renewed their certification. It was

hypothesized that this figure may be a reasonable approximation of the churn in the industry; roughly 25% of therapists who have been certified are no longer active or no longer practice in California every 24 months.

However, in 2016, there was a change. The percent of Paid Re-Certifications increased to 82% of Billed Re-Certifications. This higher level was thought to be the result of a change in Board policy which extended the 250 hour grandfather clause.

In 2017 year-to-date, the percent of Paid Re-Certifications that were billed increased even further, to 92%. While the reason is not certain, it appears to be a combination of the balance of the paid grandfathered applications from 2016 being processed in 2017 (the numerator in the computation) and the lower number of bills sent out in 2017 (the denominator).

	Renewals Billed	Renewals Paid	% Billed That Are Paid
2017*	13976	12842	92%
2016*	18562	15168	82%
2016	26632	21844	82%
2015	21309	16136	76%
2014	23484	18618	79%
2013	12913	9871	76%
2012	15368	11687	76%

*Through August 31

Processing Time

A partial explanation for the decline in both Renewals and New Applications being counted in 2017 is the processing time. The average number of days from the time documents that had no background or education issues are received until they are processed:

- Was 77 days through August in 2017
- Was much shorter, 27 days, through August 2016

What It All Might Mean

In terms of both New Applications and Renewals, has not been strong relative to the recent past. Further, the long processing time in 2017 has penalized the 2017 figures somewhat.

The “bonus” in Renewals in 2016 raises the issue of whether the extension of the 250 hour grandfather clause brought in therapists who would have eventually renewed anyway or whether a number of hours less than 500 would bring in more certificate holders on an ongoing basis.

Financial Statements

Statement of Functional Activities (Income Statement)

Overview – A Major Change in Reporting of Revenue

Starting with the Statement of Functional Activities for the year-to-date ending August 31, 2017, 88% of all revenue for New Applications and Renewals will be recognized at the time of receipt. The balance, 12%, will be accounted for over the subsequent 24 months at 0.5% per month.

This differs with the past procedures in which:

- Revenue for New Applications has been recognized as follows: 37% of the \$150 initial application when the application is received, 39% when the certificate is issued and the balance, 24%, over 24 months
- Renewal revenue has been reported as follows: 46% when received, 42% when approved and the balance over 24 months.

The result of this change in accounting procedure is to substantially increase the revenue for 2017 over what it would have been under the previous accounting procedure. Going forward, this practice will tend to make revenues look stronger during periods of substantial New Applications and weaker during slower periods than would have been the case before.

Another factor, unrelated to the accounting change, also increased revenues for 2017. It is the late fees for those who renewed under the extension of the grandfather clause. Although these people were allowed to renew with 250 hours, rather than 500, they had to pay late fees. Such fees amounted to just under \$105,000. This revenue source is non-recurring and will not help future revenue.

The new formula for recognizing revenue is shown on the Statement of Functional Activities; however, the budget has not been modified to reflect that change. (Hopefully the budget will reflect the change in the next statement.) As a result, the

analysis of Revenue will not be based on the Budget. Further, because of the accounting change, comparisons with previous periods cannot be meaningfully made.

The change in handling of revenue does not affect the reported expenses; therefore the analysis of expenses will still compare them to the budgeted amounts.

Revenue through August 31, 2017 exceeded expenses by \$389,730. This Net Income figure not only is the result of the new procedure for recognizing Revenue, it is because expenses were \$341,724 below budget. Since the reduction in expenses accounted for most (88%) of the Net Income, without the new change which caused an increase in revenue recognition there would have been a substantial loss.

SUMMARY OF FUNCTIONAL ACTIVITIES
2017 Through August 31

Total Revenue	\$3,352,060
Total Expenses	\$2,962,330
Net Revenue	\$389,730

The following sections discuss the Revenue figures without regard to the budget and the Expenses relative to budget.

Revenue Detail

Re-Certifications – CY (Current Year) accounted for 43% of Total Revenue, with *New Certification Fees* – CY adding an additional 8%. These two amounts, which total over 50% of Revenue, would have been substantially smaller under the old accounting procedures. Past Year New Certification Fees, which make up 29% of Revenue, account for the majority of the balance.

The *Limited Recertification Fees*, which are composed of late fees paid by those who renewed under the grandfathered 250 hour provision, are a one-time source of funds.

REVENUE JANUARY THROUGH AUGUST 2017

	Amount	% of Total
CERTIFICATION FEES		
New Certification Fees - CY	\$281,516	8.4%
New Certification Fees - PY	\$966,250	28.8%
Re-Certifications - CY	\$1,444,695	43.1%
Re-Certifications - PY	\$186,652	5.6%
Recertification Late Fees	\$94,175	2.8%
Limited Recert Late Fees	\$104,925	3.1%
· Limited Recertification Fees	\$111,575	3.3%
Total · CERTIFICATION FEES	\$3,189,787	95.2%
 Hearing Fees - Individuals	 \$16,425	 0.5%
School Certification Fees - CY	\$5,528	0.2%
School Certification Fees-CY	\$26,258	0.8%
School Certification Fees - PY	\$1,845	0.1%
School Background Check Fees	\$7,955	0.2%
School Hearing Fees	\$15,118	0.5%
Interest and Other Income	\$89,145	2.7%
Miscellaneous Fees		
 Total· REVENUE	 \$3,352,060	 100.0%

Performance Relative to Budget by Major Expense Categories.

Expenses were 10%% below budget

Listed below are the major expense categories, in the order shown on the Statement of Functional Activities compared to the budgeted amount.. In most categories, Actual was at or below the Budgeted amounts. In absolute dollar terms, General Administrative was the lowest relative to the Budget (\$77,173 below the budgeted amount).

Two categories, Professional Standards and Professional Services, together account for 61% of all expenses:

EXPENSES JANURARY THROUGH AUGUST 2017			
Actual and Budget			
Item	Actual	Budget	% of Actual Expenses
Board & Committee	\$39,666	\$39,613	1%
Outreach marketing	\$50,702	\$76,884	2%
General Administrative	\$371,143	\$448,316	13%
Executive Staff	\$318,009	\$330,763	11%
Professional Standards	\$980,446	\$1,056,737	33%
Educational Standards/Schools	\$245,228	\$254,449	8%
General Staffing	\$117,023	\$119,528	4%
Professional Services	\$840,113	\$881,174	28%
Miscellaneous	\$0	\$96,592	0%
TOTAL	\$2,962,330	\$3,304,055	100%

Statement of Financial Position (Balance Sheet)

Overview

As of August 31, 2017, CAMTC continues to be in a healthy financial position. Equity is strong and liabilities (most of which are composed of deferred fees which will soon

become revenue) are relatively low. As with other financial measures, the current Balance Sheet is not directly comparable with those in previous periods. However, in terms of the individual balance sheet elements:

- The asset position is strong. Assets, at \$3,428,089 are composed primarily (88%) of cash or cash equivalents

Liabilities are \$518,812, just 15% of total assets. Further, most of the liabilities are composed of Application Fees, which are deferred income.

Equity is \$2,909,277.

Conclusions

- CAMTC is in a strong financial position.
- Areas of concern:
 - o Much of the financial health is a result of the strong performance in 2016 (in large part due to extending the 250 hour grandfather clause). The number of New Applications and Renewals to date in 2017 is not particularly high.
 - o The new accounting procedure, which recognizes most of the income in the first year, means that years of weaker performance will not meaningfully benefit from revenue carried over from prior years. This puts more importance on getting both Renewal and New Applicants every year. Most of the expenses are fixed, rather than variable, so they will not decline very much if revenue declines.
 - o In 2017, CAMTC is benefiting from the late payment fees generated by extending the grandfather clause. This one-time benefit cannot be relied on in the future.
- One issue that is raised by the data is whether the 500 hour requirement is discouraging New Applicants and Renewals. Judging by the strong response to the extended grandfathering of 250 hours, one might consider

whether this was a one-time event or whether a lower requirement would motivate greater participation.

Respectfully submitted by
Michael Marylander,
Treasurer
October 25, 2017



CALIFORNIA MASSAGE THERAPY COUNCIL

One Capitol Mall, Suite 800 | Sacramento, CA 95814

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October 26, 2017

TO: BOARD OF DIRECTORS CALIFORNIA MASSAGE THERAPY COUNCIL

FROM: BEVERLY MAY, DIRECTOR OF GOVERNMENTAL AFFAIRS

RE: PROPOSED CHANGES TO RECERTIFICATION NOTIFICATION SCHEDULE

Staff proposes that numerous changes be made to the "Recertification Notification Schedule." As a courtesy, CAMTC sends multiple reminder notices regarding recertification to certificate holders. It is the responsibility of the certificate holder to apply for recertification with a complete application and payment before their expiration date.

Proposed new policy:

- 120 days prior to expiration, an email reminder will be sent.
- 90-120 days prior to expiration, a hard copy reminder will be sent.
- 75 days prior to expiration, an email reminder will be sent.

All of the above reminders will state that Certificate Holders who have submitted a complete application for recertification that is received at least 60-days before expiration, with no background issues, should have a new certificate and ID card mailed to them 5 days or more prior to the date of expiration.

Immediately upon expiration, an email will be sent that states that the individual is no longer certified. It will include the late fee schedule and a reminder that failure to apply for recertification within six months of expiration will require that a new application be submitted. Within 30 days of expiration, a similar hard copy notification will be sent.

Staff also requests that they be provided authority to add text messages at appropriate intervals in the future. More and more people use smart phones, and people tend to change home, work and email addresses more frequently than cell numbers. It is easy to miss emails, which may end up in junk mailboxes, whereas texts are easily seen and read. Adding easy to view text reminders may help avoid late fees for certain certificate holders.



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October 26, 2017

TO: BOARD OF DIRECTORS CALIFORNIA MASSAGE THERAPY COUNCIL

FROM: BEVERLY MAY, DIRECTOR OF GOVERNMENTAL AFFAIRS

RE: REASONS FOR PROPOSED CHANGES TO RECERTIFICATION NOTIFICATION SCHEDULE

Per the Board motion on changes to policies, the following information is provided.

The language of the current policy and when the policy was adopted:

Current Board Policy:

At the March 26, 2015 meeting, the Board approved the following reminder schedule:

- 90 days prior to expiration – Email and hardcopy notification regarding recertification
- 6 weeks prior to expiration – Email and hardcopy notification regarding recertification
- 14 days before expiration - email reminder
- Immediately after expiration - hardcopy reminder
- 30 days after expiration - email reminder
- 60 days after expiration - email reminder
- 90 days after expiration - email reminder
- 120 days after expiration - email and hardcopy reminder
- 150 days after expiration - final email reminder and hardcopy reminder
- 180 days after expiration – must start application process from the beginning

Along with adding notifications and allowing certificate holders to apply for recertification 90-days prior to expiration, the Board also added to the policy that only recertification applications that are received and approved at least 30-days before expiration, with no pending background issues, will have a new certificate and ID card by date of expiration.

A short description of why the policy should be changed.

With the implementation of the new database system, it has not been possible to send out all of these notices in order to comply with this policy. The system is not currently able to automatically identify those needing the notifications and send these

notifications automatically. Additionally, the time to process recertification applications has increased and it has become necessary to provide certificate holders with more notice that it is time to recertify. Staff is requesting this change in policy to streamline processes in the new system and to avoid overwhelming certificate holders with excess emails.

Staff has posted a notice on the website stating:

“Certificate Holders who have submitted a complete application for recertification that is received at least 60-days before expiration, with no background issues, should have a new certificate and ID card mailed 5 days or more prior to the date of expiration.”

The database system now allows certificate holders to submit an application up to 120 days prior to expiration. Certificate Holders who meet the criteria in the notice above are having a new certificate and ID card mailed 5 days or more prior to the date of expiration.

CAMTC has been sending recertification reminder notices by mail 90-120 days in advance of expiration. With new capability in the database system, staff will soon be able to implement a new policy, awaiting Board approval. Currently CAMTC has the ability to verify that both hard copy and email notices have been sent.

The language of related statutes that may have an impact on the decision: **None**

The fiscal impact the proposed changes may have on CAMTC and certificate holders and applicants: There will be savings in staff time and printing/mailing costs by reducing the number of hard copies from five to two. Additional effects of reduced revenue from late fees may occur, but not from the change of policy so much as from utilizing a dependable system of reminders.

Potential pros and cons if the new policy is adopted:

Pros: There will be less cost to this system. Email reminders should be less likely to be treated as spam. It does not seem sensible to send eight reminders to individuals who have expired and may not plan to recertify, when we can instead generate timely reminders that are sent at reasonable intervals. Staff should be able to confirm the list of recertification reminder notice recipients.

Cons: Certificate holders will not receive as many reminders as the former policy required.

The impact on current certificate holders and applicants.
See above

A suggested date for the change to be implemented.
Immediately



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To: CAMTC Board of Directors

From: Beverly May, Director of Governmental Affairs and Special Projects

Report for Board Meeting November 2, 2017

Local Government Issues; No major changes have occurred in my ongoing communication with city planners, city attorneys, law enforcement and municipal and county massage permit staff. Santa Maria is the latest city to consider grandfathering existing massage therapists into the new ordinance, while requiring certification for others.

I continue to help many massage therapists understand the law and how to work with their local governments and state legislators when they feel that the local regulations are unreasonable or do not comply with state law.

Highlights of massage legislation in other states: Delaware passed a bill setting forth the framework for the massage board to license, regulate and inspect massage establishments. After many years of trying, Indiana finally converted a voluntary certificate to a mandatory state license. The prior certification did not provide any exemption from additional local massage practice requirements. Maine failed to pass a bill that would have de-regulated a number of professions, including massage. N. Carolina has a bill pending that would regulate massage establishments and another to require English proficiency in order to qualify for a massage license. Nevada approved granting of authority to the Massage Board to regulate reflexology and structural integration, and to regulate establishments for each.

H.R. 1023 (2017-2018), a federal bill to require mandatory reporting of complaints of sexual assault by massage therapists has had no action taken since introduction February 13, 2017 and referral to Subcommittee on Crime, Terrorism, Homeland Security and Investigations

Human Trafficking:

The highlight of CAMTC's involvement on the issue of Human Trafficking since the September Board meeting is the annual conference of the San Francisco Collaborative Against Human Trafficking (SFCaHT) which will take place October 30th. The title of the conference is "Industries Impacted by Human Trafficking: Business and Community Fighting Back". After being invited to present again, as last year, I offered to help organize the conference. This allowed me to choose the speakers for the roundtable that I was asked to participate in as well

as to serve as Moderator. See the following Tentative Schedule. One speaker I am proud to have confirmed who will be on a panel on use of “Digital Technology to Counter Human Trafficking” is Jennifer Kimball, a senior data engineer with Palantir software. Jennifer recently came to Palantir from her former work as a data analyst with Polaris Project, the international anti-trafficking NGO that runs the Trafficking Hotline. There will be four roundtables on different industries impacted by human trafficking and so far the one I organized has double the sign-ups of the others..

Polaris Project is preparing to release a major report in January intended to educate the public on what Illicit Massage Businesses (IMB) trafficking looks like and ways to stop it. They have asked me to discuss sections of the report that will specifically focus on how traffickers may be using the cover of massage therapy and how to frame these sections in ways that will resonate with massage therapists. We have a call scheduled for the day after the Board meeting and I have asked that Rick McElroy participate as well. Polaris has been working with nearly 80 jurisdictions nationwide, with several in California. They state that they have been identifying patterns, trends, best practices and lessons learned from stakeholders, including CAMTC.

I have attended the most recent meetings of the Alameda Heatwatch Taskforce, which is primarily focused on labor issues with no massage cases that I have heard of, and the general SF Trafficking Taskforce, which also is not currently focused on massage. In San Francisco, the main Trafficking Taskforce I participate in has changed titles and focus three times. Initially it was something like the “Massage Parlor Taskforce on Human Trafficking” to the “Commercial Sex Massage Establishment” to “Labor trafficking” to now “Adult Trafficking”. Although no longer specifically focused on massage, I am very interested in the outreach to immigrant women in massage businesses as well as the outreach and education to clients and employees at nail salons. San Francisco has engaged a research group to evaluate the effectiveness of their Human Trafficking efforts. As part of their project I have been interviewed.

I attended a recent meeting of Stop the Traffik, and international organization based out of London. In partnership with the Bay Area Anti-Trafficking Coalition (BAATC) and Facebook, they are planning on a trial basis targeted Facebook messages in the SF Bay area. The intent is to increase awareness of human trafficking. If they choose to create messages involving possible trafficking in massage venues, they will have me help to develop the messages. My sense is that with child sex trafficking and labor trafficking most prominent in the SF Bay area, massage is not likely to be involved at this time.

The Human Trafficking Taskforce of the American Massage Therapy Association, of which I am a member, has been tasked by the AMTA Board with determining whether or not AMTA should have an official position statement on Human Trafficking. My vote is yes, for the reason that I have been attending so many Human Trafficking Taskforces and meetings – to make sure that it is understood that massage therapists are not trafficked, don’t hire trafficking victims and should not be subjected to onerous laws intended for those who may misuse the profession as a cover for sexual services. I have been an advocate for data on actual confirmed cases of human trafficking that meet the legal definition. Too often policy is drafted that negatively impacts the profession, and by extension, consumers who have less access, in particular to

independent massage practices, and higher prices due to increased expenses. I believe that policies to address illicit establishments should stand on their own merit, without justifying what can be extreme measures for a problem of nebulous size. There are others, both on this Taskforce and in other associations, who disagree with me and feel that human trafficking is not an issue for the profession but rather is a law enforcement issue alone.

I attended the annual conference of the Federation on State Massage Therapy Boards (FSMTB). Their 2017 Human Trafficking Task Force Report was released. One recommendation is that their Board study the efficacy of state establishment regulations and whether to create draft language. I have volunteered to participate should this be approved, as I see the Revocable Registration, as implemented in San Mateo County, as an effective program for local jurisdictions and with minimal cost and burden to massage businesses.

At the FSMTB conference I also attended a roundtable discussion on scope of practice for massage in various states.

Database: We continue to work on completion of the new database system. In June we reported that this system is “commercial-off-the-shelf” (COTS). That refers to a fully designed system that is adapted within the limitations of the system for the client—companies who select COTS often times change their business practices to match the system. A “modified-off-the-shelf” (MOTS) allows for an additional level of system customization to match the company’s existing business practices. The system we choose is fairly new using newer technology. Ideally we are creating a far more custom built system to meet our unique needs than would be possible with any MOTS. In reality, it has caused a tremendous amount of extra work finding ways around a system that is not complete and has bugs yet to be resolved. In addition we have been identifying new features that will improve system function and the user experience and asking that many of these enhancements be built into the system now. We evaluate each of these very carefully to be sure that the benefits in time saved and usefulness of data justify delaying full implementation of the system. Those enhancements that do not justify implementation now are added to a future “wish list” and may be considered for implementation later if still needed. At this time, Project Manager Chris Maneely and I are the only ones testing the database, both before and after putting additional requirements, enhancements and bug fixes into production. We will work with PSD, Legal and ESD as those sections get completed. Each of those components are in progress but are not ready for testing yet. We are committed to delay putting any of those sections into production until they have been fully tested and verified in a safe test environment.

The Federation of State Massage Therapy Boards introduced their new nationwide database, nicknamed “Matilda” for Massage Therapy Licensing Database. The first couple of state boards have uploaded licensee data and more will do so as it is tested. The system will facilitate each state that has access to verify status of an applicant moving from another state. In fact, with key identifying criteria, it will allow a state to determine whether an applicant was previously licensed (or certified) in another state and has undisclosed disciplinary action taken against them. It should also help in evaluating out of state credentials. At this time I don’t know if all member state boards will provide data, and if all data will be accessible to all Boards.

SAN FRANCISCO COLLABORATIVE AGAINST HUMAN TRAFFICKING



Friends of the Commission
on the Status of Women



SAN FRANCISCO
DEPARTMENT ON THE
STATUS OF WOMEN



ADMINISTRATION FOR
CHILDREN & FAMILIES



SFCAHT 2017 Annual Conference

Industries Impacted By Human Trafficking: Business and Community Fighting Back

Monday, October 30, 2017, 8:30AM – 4:00PM | San Francisco Federal Building, Conference Center, 90 7th Street

5 CEU & 3 MCLE available

8:30 am	Registration/Check in
9:00 am - 9:30 am	<u>Morning Plenary Session</u> Moderator: Dr. Emily Murase, Director, San Francisco Department on the Status of Women Welcome Emily Hughes, U.S. HHS, Administration for Children & Families/SFCAHT Steering Committee Opening Video Address Kamala Harris – United States Senator for California Opening Remarks William Scott, San Francisco Police Chief Keynote Speaker Harold D'Souza, Co-chair of the President Obama-appointed, survivor-led U.S. Advisory Council on Human Trafficking
9:30 am – 11:00 am	<u>Panel Presentation: Digital Technology to Counter Human Trafficking</u> Moderator: Dr. Emily Murase, Director of the San Francisco Department on the Status of Women Speakers: • Antonio Flores, SF Police Department, Special Victims Unit, Human Trafficking Task Force • Sarai Smith-Mazariegos, Founder & Executive Director, S.H.A.D.E. • Rebecca Sher, SFCAHT Fellow • Jennifer Kimball, Philanthropic Engineer, Palantir • David Sanborn, Cyber Threat Analysis/Enterprise Intelligence/Video Analytics, IBM • Karuna Nain, Safety Programs Manager, Facebook
11:00 am – 11:10 am	<u>Keynote Speaker:</u> Katy Tang – San Francisco Supervisor, District 4
11:10 am – 12:30 pm	<u>Panel Presentation: Criminal Justice & Policy Response to Human Trafficking</u> Moderator: Marianna Warmee, Federal Administrative Law Judge, U.S. Equal Employment Opportunity Commission Speakers: • Nancy O'Malley, Alameda County District Attorney • Ryan Spradlin, Special Agent in Charge, Homeland Security Investigations • Josie Feemster, Survivor-Thriver, Human Trafficking Expert, S.H.A.D.E. • Kulvinder "Rani" Singh, Assistant District Attorney, SF District Attorney's Office
12:30 pm – 1:30 pm	Lunch & Networking

1:30 pm - 3:30 pm	BREAKOUT ROUND TABLES
	Round Table 1: TRANSPORTATION Industry Moderator: Benita Hopkins, Director of Community Education, Love Never Fails Speakers: • Ruth Silver-Taube – South Bay Coalition to End Human Trafficking • Andy Jensen, Special Agent, Homeland Security Investigations • Susan Kim, Manager, EEO Compliance and Community Programs, SF International Airport • Andrea Hobart, Alaska Airlines • Sonia Dunlap, Peer Advocate and Training Assistant, S.H.A.D.E
1:30 pm – 3:30 pm	Round Table 2: FOOD SUPPLY Industry Moderator: Minouche Kandel, Women’s Policy Director, Department on the Status of Women Speakers: • Doug Bloch, Political Director, Teamsters Joint Council 7 • Harold D’Souza, Co-chair of the President Obama-appointed, survivor-led U.S. Advisory Council on Human Trafficking • Carole Vigne, Legal Aid at Work
1:30 pm – 3:30 pm	Round Table 3: PERSONAL SERVICES Industry Moderator: Beverly May, Director of Governmental Affairs, California Massage Therapy Council Speakers: • DongMei Tan- Newcomers Health Program, Community Health Equity & Promotion branch, Population Health Division- San Francisco Department of Public Health • Sojeatta Khim - SFDPH Massage Program • Victoria Chan - Asian Law Caucus/Healthy Nails Salons • Tony Sciotosis - American Massage Therapy Association, CA Chapter
1:30 pm – 3:30 pm	Round Table 4: JANITORIAL AND DOMESTIC SERVICES Industry Moderator: Fabiola Kramsky, Founder and CEO, Tuiris, Inc. Speakers: • Wilma Gandoy, Consul, Protection & Legal Affairs, Mexican Consulate General • Melissa Saurwein, Special Agent, Homeland Security Investigations • Jennifer Tse, Regional Coordinator, Workplace Crimes, Western Region, U.S. Department of Labor, Wage & Hour Division • Patricia Lavagnino, Consul General of Guatemala • Saerom Choi, Case Management Coordinator, and Katherine Yoo, Staff Attorney, Asian Pacific Islander Legal Outreach (APILO)
3:30 pm – 4:00 pm	Closing Plenary Session Moderator: Teddi Silverman, SFCaHT Steering Committee Member Closing Remarks George Gascon, San Francisco District Attorney Closing Remarks & Conference Evaluation Antonia Lavine, SFCaHT Coordinator
4:00 pm	End/ Clean up



CALIFORNIA MASSAGE THERAPY COUNCIL

One Capitol Mall, Suite 800 | Sacramento, CA 95814

tel 916.669.5336 fax 916.669.5337 www.camtc.org

To: CAMTC Board of Directors

From: Joe Bob Smith, Director of Educational Standards Division

For: Board Meeting – November 2, 2017

School Statutes

We continue to have 88 schools with CAMTC approved programs (91 total campuses including satellites; 81 campuses currently operational). Three schools have been denied. No school applications received since the September Board meeting. Other outstanding applications are incomplete, waiting for corrective actions, proposed for denial, denied, closed, previously unapproved, or on hold until further notice from the school. ESD continues to regularly make unannounced visits to approved and pending schools.

Recent Events

Newsletter - It has been a busy couple of months for ESD. Thanks to our new Outreach Director, ESD emailed its first quarterly newsletter to schools. This newsletter summarized, among other things, changes to school policy adopted at the last board meeting. We hope this quarterly newsletter will improve communication and dialogue between CAMTC and schools.

AMTA National Convention - ESD had a presence at CAMTC's booth at the American Massage Therapy Association national convention in Pasadena. Here we met with and answered questions for numerous approved, pending, and prospective schools; FSMTB; NCBTMB; and other industry leaders as well as massage students and certification applicants. Among topics discussed were foreign education, starting a school, buying a school, timelines for schools on the pending list, and qualifications for teaching massage in California as well as receiving investigative information about fraud.

Thai Consulate - Additionally, Ahmos and I met for the latest in a series of meetings at the Thai Consulate in Los Angeles. Because Thai massage is an important cultural export and because more Thai people live in California than anywhere else outside of Thailand, the Thai government is strongly motivated to help massage therapists from Thailand. Their two biggest goals are 1) make the CAMTC certification process easier for Thai immigrants with education from Thai schools, and 2) have a Thai language version of the MBLEx (currently the MBLEx is only offered in English and Spanish).

ESD continues to work with representatives of the Thai Consulate on ways to improve the application process, particularly with the added expense and time of applicants having to go

through a third-party transcript translation service. In regard to the MBLEx, CAMTC has directed the Thai Consulate to FSMTB which oversees the MBLEx. In response, the Thai Consulate has expressed a desire for the CAMTC Board to provide a letter of support to FSMTB recommending that the MBLEx be offered in Thai.

FSMTB Annual Meeting - I also attended two Federation of State Massage Therapy Board events. In the first, I attended FSMTB's annual meeting with our delegate Mark Dixon and Beverly May. Here I participated as one of four speakers on the Education Panel, addressing a host of national education issues. Massage education is becoming a focus for state boards nationwide.

More state boards have a role in approving or overseeing their state's massage programs than did three years ago when I began researching massage school approval processes. As states crack down on fraudulent schools, the perpetrators of these frauds jump state lines by sending their students to other states or opening schools in other states. They hope that gray areas of the law and lack of communication between states will help them. Therefore, it is important to continue to engage other states in this battle against fraudulent schools.

FSMTB Test Plan Meeting - Two weeks after this meeting, I participated in FSMTB's Job Task Analysis Test Plan meeting. The purpose of this meeting was to analyze the results of the almost 4,000 respondents to FSMTB's recent Job Task Analysis. The JTA is performed every 5 years and is used as the basis for the content outline of the MBLEx. This test plan meeting has made a recommendation to the FSMTB Board for what the MBLEx content outline should look like for the next 5 years. It is expected that the updated content outline will be announced in January with the MBLEx conforming to it starting in July 2018. Considering the consequences this test has for every certification applicant in California, it is important for CAMTC to understand how this test is created and to provide input on its contents. As the primary exam taken for CAMTC certification, CAMTC must monitor that the test is relevant and appropriately difficult for entry-level.

Future Plans

Since initial program approvals are for 2 years, the first schools to receive approval will expire on June 30, 2018. We recommend schools apply for re-approval a minimum of 6 months prior to their school's approval expiration date. Starting now and going through most of next year, ESD will be working with the majority of approved schools on their re-approval process.

The ESD portion of the database will not be complete in time for the first schools to start the application process in November, so a paper application will be used. This should provide a certain level of comfort and consistency to the approved schools as they have already gone through a similar process with initial approval. ESD is working to simplify the re-approval process as much as reasonably possible for these approved schools.

Additionally, ESD will be working to purge schools that have closed or are no longer pursuing approval; help schools with incomplete applications finish the process; and complete open investigations.



CAMTC SCHOOL NEWSLETTER



SCHOOL ADVISORY COMMITTEE ANNOUNCED

CAMTC recognizes the importance of massage schools to the profession; and more specifically, to CAMTC itself and the certification process as a whole. For this reason, the CAMTC Board of Directors created a School Advisory Committee ("SAC"), which held its first meeting in March of this year. SAC has held two subsequent meetings in June and September.

SAC consists of 7 members representing massage programs of various types, sizes, and locations. This committee provides school perspective and knowledge on school-related issues. Dr. Jeffrey Forman is the SAC Chairman. The committee members are:

- **Dr. Jeffrey Forman** - CAMTC Vice Chair; Office of the Chancellor for the California Community Colleges; DeAnza College - retired
- **Allison Budlong** - CAMTC Board Secretary; California Association Private Postsecondary Schools; National Holistic Institute
- **Keith Grant** - Independent Massage School Association of California
- **Selena Lee** - Chair/Treasurer, Independent Massage School Association of California; Owner, McKinnon Body Therapy Center
- **Katie Mickey** - Director/Instructor, Santa Barbara Body Therapy Institute
- **Jan Noble** - Owner/Director, Holistic Life Institute
- **Deborah Reuss** - Dean of Holistic Health and Massage at Pacific College of Oriental Medicine

FIRST SCHOOL NEWSLETTER SEPTEMBER 2017

Welcome to CAMTC's first school newsletter! You can expect these newsletters to arrive approximately once every quarter, a couple of weeks following the CAMTC Board Meeting. These newsletters will highlight recent changes, updates, and reminders regarding school policies and procedures. Additional communications may be sent as appropriate.

Please Note: Communications such as this newsletter are only intended to provide highlights and summaries of policies and requirements related to schools. Schools should refer to the Massage Therapy Act (<http://www.camtc.org/media/1317/massage-therapy-act-2017.pdf>) and the Policies and Procedures for Approval of Schools (<http://www.camtc.org/media/1395/schoolspolicies-and-procedures-for-approval-of-schools-final-9617clean.pdf>) for complete information.

SCHOOL ADVISORY COMMITTEE PROJECTS

At the committee's recommendation, staff has created a map of active approved schools that is linked on CAMTC's website. The map, in conjunction with the approved program list, should better help prospective massage school students find CAMTC approved programs near them.

To view individual CAMTC approved programs go to <http://www.camtc.org/schools/>, click the "Find a School" icon, then click on "Approved." For the map of active CAMTC approved schools, go to: <https://www.google.com/maps/d/viewer?mid=1vC3uE3fya-Q12NUMZZBeYBOnp2a0&ll=36.86724699017827%2C-120.26010984999999&z=6>.

CAMTC staff, including the newly hired Outreach Director, will implement new communications to schools to inform them of the most important changes and updates affecting schools, per the committee's recommendations.

The next SAC meeting will be held on November 1, 2017 and the next Board meeting will be held on November 2, 2017. The location for both is to-be-determined (expected to be in Northern California). The public is invited to attend and will be given an opportunity to make public comments to the Board.

Visit <https://www.camtc.org/information-about-camtc/> and click on the 'Meetings' icon for more information.



BOARD MEETING SCHOOL POLICY AND PROCEDURES SUMMARY

The CAMTC Board of Directors held its most recent quarterly meeting on September 6 & 7, 2017, in Redondo Beach. The Board took several actions affecting schools.

Summary of Amendments to the 'Policies and Procedures for Approval of Schools': (please refer to <http://www.camtc.org/media/1395/schoolspolicies-and-procedures-for-approval-of-schools-final-9617clean.pdf> for the relevant sections of the Policies and Procedures for exact language):

Section 2.B. – Changes the renewal period from 2 years to 4 years for schools that have completed the initial 2-year approval period with no disciplinary action taken against it by CAMTC and no break in the approval period. The fee remains unchanged at \$750/year. This means that programs applying for initial approval will pay an application fee of \$1500 and receive 2 years of approval, if approved. Schools applying for re-approval will pay a \$3000 application fee and receive 4 years of approval, if re-approved.

Section 4. – Specifies that the electronic pdf version of the application submitted by schools should be organized in the same manner as the hard copy application submitted by schools. This corrects the occasions where some schools have submitted a confusing jumble of generically named pdf files.

Section 4.A.a. – Removes the application fee exemption for community colleges and other public schools. Now all schools must pay the same application fees.

Section 4.B. – Schools must now submit all site visit reports, compliance inspections reports, disciplinary actions and other related documents issued to the school by all other agencies approving and accrediting the school, not just the most recent.

Section 4.C.a.(3) – Improves consistency by listing the Administrator Qualification form, which has always been a requirement of the application, even though the form was not previously listed in this document.

Sections 4.E.c. and 5.G.b. – Clarifies that both students and management should be evaluating faculty on a regular basis.

Section 4.G.a. – Provides that schools should submit all online and print advertisements and marketing materials related to the massage programs submitted for approval.

Section 5.A.f. – Clarifies that all classes must be taught and all business must be conducted at only CAMTC approved locations.

Section 5.C. (old) – Removes the Student/Graduate Eligibility List requirement.

Sections 5.C.a.(9) and 5.D.I. – Updates the CAMTC mailing address Suite number to 800. **Please make sure your school uses this updated address for CAMTC:**

**California Massage Therapy Council
One Capitol Mall, Suite 800
Sacramento, CA 95814.**

Sections 5.E. and 5.E.c.(1) – Clarifies that all 500 hours of education submitted for CAMTC certification must be under the active and direct supervision of qualified instructors.

Section 5.E.f. – Adds specifics to the requirement of daily lesson plans. At a minimum, included in those specifics are educational objectives; instructor resources; required or suggested readings; required or suggested assignments; and assessments with assessment criteria, if any, for each class.

Additional language changes do not have a major impact on policies and procedures.



SCHOOL ADVISORY COMMITTEE – ACTION SUMMARY

SAC provides school perspectives and knowledge on school-related issues. Some of the recommendations made by SAC include:

- Recommend extending the deadline for applicants with education from closed schools to apply. The Board passed such a motion.
- Recommend changing the re-approval period from 2 years to 4 years. The Board passed such a motion.
- Recommend an email blast approximately 2 weeks after Board meetings and whenever urgent communication is necessary. This newsletter is part of increased efforts to communicate more frequently with schools.
- Recommend adding a map of approved schools on the website. Such a map was created and a link to it sits near the top of the approved schools list on CAMTC's website. The direct link is listed in this newsletter, near the top of page 2.
- Recommend removing the Student/Graduate Eligibility List requirement. The Board passed such a motion.
- Recommend reviewing application fees paid by schools. The Board voted to not raise the current application fee and will consider SAC's recommendations in the future as budgets are revised.

While the Board did not consider or pass a motion on every SAC recommendation, this committee has proven itself an important and reliable voice of schools when it comes to making decisions that affect massage therapy schools.

RE-APPROVAL PROCESS



Hard to believe that in 2018 the CAMTC massage program re-approval process begins. Seems like only yesterday (actually 2016) that we all went through the initial approval process together.

According to the Policies and Procedures for Approval of Schools (the "Procedures") section 1.E.:

"To prevent a possible lapse of CAMTC School Approval, CAMTC needs to receive an application for re-approval at least six months prior to the school's approval expiration date as stated in the letter of approval. While CAMTC may send a complimentary reminder, it is the school's responsibility to submit the application for re-approval on time."

While it is not an absolute deadline for CAMTC to receive a school's application for re-approval six months prior to the expiration of the school's approval (applications received later will be processed accordingly), it is strongly recommended. Applications will be processed on a first-come, first-served basis. None of us want to see a lapse in a school's approval period, as that could wreak havoc on processing individual applications for certification.

Around the first of November, CAMTC will inform schools regarding the details of the re-approval application process. This will give the first round of schools approximately 2 months to turn in the application so that CAMTC receives the application at least 6 months in advance of the expiration date.

Please check for your school's approval expiration date on the approval letter or certificate you were sent. You may also check for the approval expiration date on CAMTC's website at <https://www.camtc.org/schools/> under the "Find a School" icon.



Proposed Board Meetings Schedule for 2018

February 22

May 31

September 12 &13

November 11



CALIFORNIA MASSAGE THERAPY COUNCIL

Document 20

One Capitol Mall, Suite 800 | Sacramento, CA 95814
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October 25, 2017

TO: BOARD OF DIRECTORS CALIFORNIA MASSAGE THERAPY COUNCIL

FROM: JOE BOB SMITH, DIRECTOR, EDUCATIONAL STANDARDS DIVISION
BEVERLY MAY, DIRECTOR OF GOVERNMENTAL AFFAIRS

RE: PROPOSED CHANGES TO POLICIES REGARDING MASSAGE
EDUCATION RECEIVED OUTSIDE THE UNITED STATES

Staff proposes two changes to the "Policies Regarding Massage Education Received Outside the United States" effective immediately:

1. Adding the following bolded and underlined text to the current policy:

Applicants who are presenting massage education secured elsewhere will, in addition to satisfying transcript requirements described below, need to supply to CAMTC a letter of certification, **certificate of approval, government website address, or other documentation acceptable to CAMTC** from a governmental authority of the country or state in which the school is located stating that the school is/was duly licensed and approved.

2. Adding a third translation/evaluation service:

University Language Services (ULS)
15 Maiden Lane, Suite 300
New York, NY 10038
Phone: 800-419-4601
Fax: 888-754-8438
service@universitylanguage.com
www.universitylanguage.com

See attached memo for additional information and reasons.



CALIFORNIA MASSAGE THERAPY COUNCIL

Document 20.1

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October 25, 2017

TO: BOARD OF DIRECTORS CALIFORNIA MASSAGE THERAPY COUNCIL

FROM: JOE BOB SMITH, DIRECTOR, EDUCATIONAL STANDARDS DIVISION
BEVERLY MAY, DIRECTOR OF GOVERNMENTAL AFFAIRS

RE: REASONS FOR PROPOSED CHANGES TO POLICIES REGARDING
MESSAGE EDUCATION RECEIVED OUTSIDE THE UNITED STATES

Per the Board motion on changes to policies, the following information is provided.

The language of the current policy and when the policy was adopted:

See attached current policy. Original adoption date unknown, but several years ago.

A short description of why the policy should be changed.

The current policy of requiring a letter of certification from a governmental authority is too restrictive and prohibitively difficult. Broadening the language to accept other forms of verification of the legal status of a school better serves both our applicants and CAMTC staff.

Additionally, in the course of receiving transcript translations and evaluations, CAMTC has encountered the excellent work of University Language Services. This service is actually a sub-vendor of one of CAMTC's already approved translation/evaluation services – IERF. Since these types of services tend to specialize in particular global regions, providing applicants a third option for transcript translation/evaluation increases their choices while providing CAMTC staff with better translations and evaluations.

The language of related statutes that may have an impact on the decision: None.

The fiscal impact the proposed changes may have on CAMTC and certificate holders and applicants: Unknown. Likely less money spent trying to obtain a letter from a government agency and more choices when selecting a transcript translation/evaluation service.

Potential pros and cons if the new policy is adopted:

Pros – Students with foreign education will have an easier time providing proof that their school is properly approved and will have additional choice in which translation/evaluation service to use.

Cons – None.

The impact on current certificate holders and applicants.

See above.

A suggested date for the change to be implemented. Effective immediately.



Policies Regarding Massage Education Received Outside the United States

Education and training received outside of California must be at least substantially equivalent to the requirements applied to California school programs.

How will my non-California education be evaluated?

One important aspect of educational program equivalence is whether the educational institution attended has been approved by the national, regional, or state authority with responsibility for vocational program approvals. Such status can readily be ascertained by CAMTC for each of the 50 U.S. states, U.S. territories, and the Canadian provinces of Ontario, British Columbia, Nova Scotia, and Newfoundland and Labrador. Officially sealed transcripts from duly locally approved educational institutions located within those jurisdictions shall be sufficient school material for CAMTC to evaluate.

Applicants who are presenting massage education secured elsewhere will, in addition to satisfying transcript requirements described below, need to supply to CAMTC a letter of certification from a governmental authority of the country or state in which the school is located stating that the school is/was duly licensed and approved.

Who is authorized to translate/evaluate my transcript?

An applicant whose massage education occurred elsewhere outside the U.S. will need to arrange to have course hours on their transcript translated/evaluated by one of the following CAMTC approved evaluation/translation agencies. *NOTE: The costs associated with the evaluation/translation shall be incurred by applicant.* **Applicant must send sealed transcript from foreign massage school directly to one of the approved agencies below.**

International Education Research Foundation, Inc. (IERF)
P.O. Box 3665
Culver City, CA 90231
Phone: 310.258.9451
Fax: 310.342.7086
www.ierf.org

World Education Services
West Coast Director, Todd Rutkin
trutkin@wes.org
www.wes.org

What education material do I need to submit with my CAMTC application?

- (a) An accurate evaluation, by a CAMTC-approved evaluation/translation agency, of the applicant's education and practical training that demonstrates to the satisfaction of the CAMTC that the applicant's education and training are at least substantially equivalent to California requirements .
- (b) An accurate translation of the education documents into English by a CAMTC-approved evaluation/translation agency.
- (c) A notarized affidavit certifying that the translator is competent in both the language of the original document(s) and the English language and stating that the translation provided to CAMTC is a true and complete English translation of the original document.

NOTE: Notwithstanding the general instructions indicating that the original transcript be sent to CAMTC, CAMTC will not return any documents. DO NOT send CAMTC your only copy of any important documents.

The CAMTC does not give the authority to any other agency to determine whether or not an individual has met CAMTC certification requirements. CAMTC does, however, rely on information from the third-party evaluating agency in determining the semester credit hours received.



Agenda item 21 is tabled until next meeting



CALIFORNIA MASSAGE THERAPY COUNCIL

Document 22

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October 26, 2017

TO: BOARD OF DIRECTORS CALIFORNIA MASSAGE THERAPY COUNCIL

FROM: BEVERLY MAY, DIRECTOR OF GOVERNMENTAL AFFAIRS

RE: PROPOSED POLICY CHANGE TO RE-APPLICATION WAIT TIMES FOR
THOSE DENIED BASED ON EDUCATION ONLY AND WHO HAVE NOT
FAILED A HEARING

Under CAMTC's current policy, all applicants who have been denied certification must wait two years from the effective date of denial before being able to re-apply for certification. This policy applies regardless of the reason for the denial and regardless of whether the individual requested or failed to request an oral hearing or consideration of a written statement to challenge the proposed denial.

Some applicants with limited English proficiency have stated that they have misunderstood the proposed denial letters and have therefore failed to respond to the letter in a timely fashion, resulting in a denial of their application for certification, and a two year wait time before they could re-apply.

Staff is therefore recommending that for the limited group of individuals who have been denied certification based on education only, and who failed to timely meet the requirements for an oral hearing or consideration of a written statement, that the wait time for re-application be reduced from two years to one year.

Specifically, the reduction in wait times was requested by an applicant, with the advocacy of her state Assembly member, after she misunderstood her letter. That letter stated that her school had been unapproved and she had 90 days to request a hearing to provide additional evidence of education beyond the transcript. This individual states that due to a language barrier she misunderstood the letter and chose instead to attend a new, CAMTC approved school. She now finds herself unable to re-apply for certification until two years from the date of denial, which was March 9, 2017. This change will allow her to re-apply in March, 2018 – or sooner if the Board chooses a 6 month waiting period as requested by the legislator (see attached letter).

In light of the intent behind SB 315, which addresses language barriers related to the regulation of professionals, this proposed change shows a good faith effort by CAMTC

to lessen the burden on these individuals. CAMTC now requires that applicants must receive education from a CAMTC approved school in order to be certified. For this reason, there is less concern that applicants who have previously attended un-approved schools will again receive education at sub-standard or fraudulent schools.



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Assembly California Legislature

KANSEN CHU

朱感生

CHAIR: ASSEMBLY COMMITTEE ON ARTS, ENTERTAINMENT,
SPORTS, TOURISM, AND INTERNET MEDIA
ASSEMBLYMEMBER, TWENTY-FIFTH DISTRICT

COMMITTEES
INSURANCE
TRANSPORTATION
WATER, PARKS, AND WILDLIFE

SELECT COMMITTEES
CHAIR: HATE CRIMES
ASIA/CALIFORNIA TRADE AND
INVESTMENT PROMOTION
FOSTER CARE
IMPROVING BAY AREA
TRANSPORTATION SYSTEMS

APPOINTMENTS
COMMISSION ON ECONOMIC
DEVELOPMENT

October 24, 2017

Mark Dixon
Chair, Board of Directors
California Massage Therapy Council
1 Capitol Mall #800
Sacramento, CA 95814

Re: Ms. Wei Liu's Application for Certification by the California Massage Therapy Council

Dear Chair Dixon:

I am writing on behalf of my constituent, Ms. Wei Liu, regarding her application for certification as a massage professional by the California Massage Therapy Council (CAMTC).

Ms. Liu reached out to my office after learning her application was denied and she would have to wait two years to reapply for certification. After reviewing her situation, I respectfully ask that she be allowed to reapply for certification in 6 months due to a misunderstanding in the application process.

Ms. Liu attended the Healing Arts Institute's Tuina program in Milpitas to gain education and accreditation to start her career as a massage professional. She applied for certification by the CAMTC, but unfortunately was notified that her certification application would be denied. The letter sent in October of 2016 notified her that the CAMTC must deny her certification because a transcript alone was not sufficient proof of her education, and gave her steps to follow to provide further proof.

Unfortunately, Ms. Liu misunderstood the letter to mean that the school she attended was not accredited by the CAMTC and she must attend another school to receive her certification. This misunderstanding may have been due to a language barrier, as English is Ms. Liu's second language.



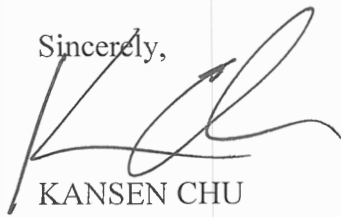
As a result of this misunderstanding, Ms. Liu did not respond to the letter to prove her previous education and instead enrolled in the Academy of Chinese Culture and Health Science in Oakland. After missing the deadline to prove her education and appeal hearing in February, denial of her certification had become final and she could not reapply for two years.

Unfortunately, for Ms. Liu this means she will lose the opportunity to use her education in massage therapy to make a living and provide for her family for those two years.

With this misunderstanding in mind, I respectfully request the CAMTC allows Ms. Liu to reapply in 6 months for certification, rather than wait two years.

Thank you very much for your consideration and please do not hesitate to contact me with any questions you may have about this request.

Sincerely,

A handwritten signature in black ink, appearing to be 'Kansen Chu', written over the word 'Sincerely,'.

KANSEN CHU
Assemblymember, District 25

Cc: Board of Directors Board Members



CALIFORNIA MASSAGE THERAPY COUNCIL

Document 22.2

One Capitol Mall, Suite 800 | Sacramento, CA 95814
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October 25, 2017

TO: BOARD OF DIRECTORS CALIFORNIA MASSAGE THERAPY COUNCIL
FROM: BEVERLY MAY, DIRECTOR OF GOVERNMENTAL AFFAIRS
RE: PROPOSAL TO REDUCE WAITING PERIOD FOR RE-APPLICATIONS
IN CERTAIN CIRCUMSTANCES

Per the Board motion on changes to policies, the following information is provided.

The language of the current policy and when the policy was adopted:

The current policy of a two year waiting period after the effective date of denial for all applicants regardless of the reason for denial was approved by the Board of Directors November 5, 2012.

Proposed language:

For applicants who received education only proposed denial letters ("PDLs") and were auto-denied for failing to timely meet the requirements to request an oral hearing or consideration of a written statement, the waiting period to re-apply will be reduced from two years to one year from the effective date of denial.

The language of related statutes that may have an impact on the decision

None

The fiscal impact the proposed changes may have on CAMTC and certificate holders and applicants

Unknown but this change in policy should result in additional applications and related fees being received one year earlier than under current policy, though it will also increase workload.

Potential pros and cons if the new policy is adopted: A short description of why the policy should be changed

Pros: Applicants with language issues who have misunderstood the education hearing process will have shorter wait times for re-application. Under current policies they will be required to re-apply with education from approved schools.

Cons: This creates a disparity in wait times for those who have been denied certification based on education only and who have had an oral telephonic hearing or consideration of a written statement. This may increase staff workload as they must determine for all education applicants who are re-applying which wait time is applicable to their situation.

Reason to change policy: Changes a policy that has been criticized as being unduly harsh to those with limited English proficiency.



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To: CAMTC Board of Directors
From: Rick McElroy, Director of Professional Standards Division
Re: Board Meeting – November 2, 2017

PSD Training for Law Enforcement

PSD continues to expand its outreach to law enforcement by completing its 125th agency training to over 340 officers YTD. The cumulative total since we first started in 2014 has totaled 450 agencies and 1,338 officers. It is projected by the end of the year that 60% of all officers attending training will be code enforcement. The California Code Enforcement Officers (CACEO), which is a statewide organization for code enforcement officers, is now scheduling me for regular training sessions statewide. They have over a 1,000 officers representing over 400 agencies. I am currently scheduled for three more CACEO training sessions through the end of the year.

PSD Working with LAPD

I have recently contacted Brian Sottile, Assistant City Attorney for Los Angeles to attempt to open a new dialog between CAMTC and LAPD. Brian was the attorney that wrote LA's newest massage ordinance requiring CAMTC certification as of January, 2016. Brian was very positive about re-opening talks and is currently setting up a meeting with Richard Tefank (Los Angeles Police Commissioner) and Carlos De La Guerra (Chief Counsel to LAPD) to discuss getting LAPD on board to release arrest reports and sign declarations. During our discussions Sottile commented that CAMTC does a better job vetting therapist approving schools. I have also contacted the head of the Operations Division of LAPD and am setting up a meeting to further discuss a new liaison. No police department in the state goes to the lengths CAMTC does to protect the public.

PSD Training Day December 19

PSD personnel will be attending the annual training day in Sacramento to discuss new data system processes as well as getting updates on current laws and polices.



Outreach Director Report

To: CAMTC Board of Directors
 From: Roberta Rolnick, Outreach Director
 Re: Board Meeting – November 2, 2017

This has been a productive two months for Outreach.

- AMTA 2017 National Massage Convention September 14th to 16th

Why attend a national event when CAMTC is California based?

In addition to the booth being free of charge, we had significant outreach in terms of the broad population of massage therapists and business owners who would come out for a national, massage-specific event. We were able to promote CAMTC one-on-one to a population of massage professionals and students who are not yet certified. No one knows how many actual massage therapists there are in California, except that the national job outlook from 2016 – 2026 has a 24% growth rate for massage therapists (much faster than average) per a recent “Occupational Outlook Handbook”. This indicates the need for CAMTC to especially inform schools and employers about ways that we can help them.

What staff participated?

Beverly May, Joe Bob Smith, 3 AMG staff members and myself worked at the CAMTC booth. The broader benefit of this event was the relationship-building between CAMTC staff and board members (Mark Dixon and Allison Budlong) that attended the event and massage industry leaders. Those came from FSMTB, NCBTMB, Massage Therapy Foundation, ABMP, and of course AMTA. We also interacted with large massage schools and massage employers.

In addition to goodwill and name recognition, what did CAMTC present?

Free handouts at the booth were CAMTC logo pens, logo lapel pins, one-page handouts for schools/students, one-page handouts for government relations updates, as well as free packets of 20 consumer tri-fold brochures for massage business owners to give their clients and schools to give their students. Paper applications for new applicants and to recertify, and iPads were available for staff to start the application process by paper or online. Staff could also verify status online for applicants.

What activities took place at the booth?

- General application issues
 - Assisted with recertification applications
 - General application process updates
 - Education questions
 - Massage business owners hiring CAMTC CMTs
 - Free CAMTC info brochures given to schools and business owners/admin
 - Received 30 business cards from business owners for the soon-to-be-created CAMTC massage & spa business owner database
 - School issues: Assistance to an applicant with foreign education and transcripts, buying and starting a school, when pending schools would be approved, qualifications for teaching massage in California, and Joe Bob actually received investigative information about some schools
 - Local government and LEA issues: Transcripts, local government implementation issues, applying with background issues, PSD status updates, scope of practice, and Beverly also assisted the applicant with foreign transcripts
 - Staff took info from 17 people who were followed up with after the event
- Beverly May proposed new email templates, to help cut mailing costs of recertification notifications to certified massage professionals. We worked together, with legal review by Alison Seigel, to create 120-day and 75-day email templates that will auto-generate based on individual expiration dates for each person in CAMTC's database. Besides the emails, on our website CAMTC warns that completed applications must be 'received' at least 60 days prior to expiration of his or her CAMTC Certificate. If implementation of our database is ready, auto-emails will take effect this December.
- Thanks to a request from the Schools Advisory Committee (SAC), Joe Bob Smith and I collaborated on the first edition of the CAMTC School Newsletter (see attached). Additionally we created a handout entitled "Tips for Faster CAMTC Application Processing", with input from AMG staff who process applications. We're also working on a tri-fold brochure for Schools: "Is Your Massage Program Approved by CAMTC?"
- Woven throughout these activities have been miscellaneous outreach tasks. Recently my main task has been CAMTC's website (not database). This includes ongoing web edits, reviewing content, clarity, transparency, navigation and consistency throughout the website. Please note that it's still a work-in-progress.



Save \$20 Off Thursday Registration September 14th

Only \$175 All Day Thursday for CAMTC Certificate Holders,
Applicants & Students

Free Exhibit Hall Only 3-Day Pass: (\$25 Value)

Just tell staff that you're a CAMTC Certificate Holder,
Applicant or Massage Student

Register on-site at the Pasadena Convention Center
300 E Green St, Pasadena, CA 91101

Come By To Say Hi at **BOOTH # 122** and Talk With CAMTC Leadership and Staff

- Speed up the massage certification process for your students
- Ask how to increase placement #'s reported to BPPE/accreditation agencies



Joe Bob Smith



**Director, Educational
Standards Division**

A former small massage school owner, large massage school administrator, and massage therapist, Joe Bob Smith now oversees the approval process for over 160 massage schools in California. He enjoys helping schools and students achieve success while maintaining his duty to protect the public.

WHY WAIT?

Email Joe Bob at jbsmith@camtc.org for an appointment to get answers in-person to any school concerns or questions that you may have. CAMTC helps schools to help students. The better schools can prepare and help students apply for certification, the more efficient and faster the application processing can be.

- Help schools through the approval process
- Update schools about new policies
- In person answers for schools and student certification
- Applicants can verify certification status*

***Note:** Schools need permission from the students to verify students' status on their behalf.

**{ On-site Registration & Badge Pickup
at the Pasadena Convention Center }**



Please help spread this valuable information by forwarding our email
to fellow massage professionals, or **print and post this flyer at:**
http://www.camtc.org/media/1369/camtc_ama_eblast-5a-schools.pdf







Tips for Faster CAMTC Application Processing

FOR APPLICANTS:

- All questions answered, to the best of your ability (if the question does not apply, write “N/A” or “NONE”, rather than leave it blank).
- Use your legal name that is on your government issued ID. (If anything other than your legal name is provided and documents showing the name change is not, it will cause a delay.)
- Have all requirements met before submitting your application including, but not limited to:
 1. LiveScan
 2. 500-hours of education from a CAMTC approved massage program, including a minimum of 100 hours of core subjects (e.g., anatomy & physiology, contraindications, health & hygiene, and business & ethics)
 3. Exam passed and results electronically sent to CAMTC (and if you have not passed the exam, update CAMTC by email, mail, phone, or fax when you do pass)
- Provide any additional information needed, as applicable (e.g., non-expired government photo ID; non-expired EA/PR, if not a citizen; name change documents; explanation for any background questions where you answered ‘yes’; etc.).
- Passport photos must meet US government standards (professional quality photos only; refer to: <https://travel.state.gov/content/passports/en/passports/photos.html>).
- If you are submitting the application online and having difficulty uploading documents, email, fax, or mail the documents to CAMTC with your Member ID# on each document.

FOR SCHOOLS:

When Mailing Transcripts

- Transcripts must be signed by an approved signer from the school as previously registered with CAMTC.
- Double-check that student information on each transcript is accurate (e.g., legal name, date of birth, social security number, etc.).
- If a student has had a legal name change since completing the program, please identify the current legal name on that student’s transcript.
- Transcripts must be mailed directly from the school to CAMTC (students may not mail their own transcripts).

Education

- Advise students that, if they attended more than one school, CAMTC will require an official transcript to be sent from each school. (If the school is closed, then students may send copies of the transcripts themselves; these will be evaluated on a case-by-case basis.)
- Advise students that CAMTC will only accept hours from CAMTC approved massage programs. If students take courses outside of the program (e.g., continuing education, advanced courses, courses in non-approved programs, etc.), they will not be applied toward the 500-hour requirement.



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