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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: Monday February 15, 2016

NOTICE OF PUBLIC MEETING

Thursday, February 25, 2016 – 9:30 a.m.
Sheraton Gateway Hotel LAX
Santa Catalina Room
6101 W. Century Blvd., Los Angeles, CA 90045

AGENDA

1. Call to order and establish quorum
2. Chair's Comments
 - Welcome/Introductions
 - Rules of Debate
3. Approval of minutes from November 18 and December 3, 2015 meetings
4. Proposed amendments to 2016 strategic priorities
5. 2016 budget
6. Proposed amendments to Policies and Procedures for Approval of Schools
7. Proposed amendments to Procedures for Un-Approval of Schools
8. Audit committee
9. Closed session with CAMTC legal counsel pursuant to California Government Code section 11126(e)
 - School investigations
10. Massage school presentations
11. Closed Session with CAMTC legal counsel pursuant to California Government Code section 11126(e) – School investigations
12. Closed Session with CAMTC legal counsel pursuant to California Government Code section 11126(e) – Lawsuits

13. Chief Executive Officer's report

- 2015 review
- January 2016 – update
- Operational and financial update
- Sunset presentation

14. Director of Governmental Affairs and Special Projects' report

- Local Government Implementation of AB1147
- Sunset review
- Human Trafficking
- Database Development Update

15. Treasurer's report

- Applications Received
- Financial Statements
- Conclusions

16. Director of PSD's report

- Interaction with law enforcement agencies
- Training
- Media

17. Director of ESD's report

- Applications process update
- Schools and graduates notification
- ESD database

18. Board Duty of Loyalty

19. Proposed protocol regarding warrant and payroll register

20. Proposed presentation on open meeting law

21. Board member resignation

22. Board meetings for 2016

23. Items/suggestions from Board members for future meeting agendas

24. Public comments regarding issues not in this agenda/suggested agenda items for future meetings

25. Adjourn

All agenda items are subject to discussion and possible action. 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 Sheryl LaFlamme 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>



CALIFORNIA MASSAGE THERAPY COUNCIL

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Date: February 25, 2016
To: Board of Directors
From: Ahmos Netanel, CEO
Subject: Proposed amendments to 2016 strategic priorities

On January 25, 2016 the Legislature informed me by phone that the date for submission for the feasibility study on licensure has been moved to January, 1, 2017. CAMTC also received a formal written correspondence from the Legislature to that effect on February 11, 2016.

In order to keep CAMTC's 2016 strategic priorities consistent with the Legislature's decision to move the date change as well as with the Board's 12/3/15 vote regarding the sunset review objective, the adoption of the attached amendments is recommended.



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Proposed **Amended** February 25, 2016 Board Meeting

2016 Strategic Priorities

1. Continue CAMTC **beyond 12/31/16**, as a private, non-profit organization administering voluntary massage certification programs.
2. In preparation for sunset review, to continue to meet the goals and priorities outlined by the Legislature in the AB 1147 process, in particular assisting local governments and law enforcement in meeting their duty to maintain the highest standards of conduct and safety in massage establishments by vetting and disciplining certificate holders, and improving communications with local government and law enforcement.
3. CAMTC to conduct a feasibility study of licensure for the massage profession, including proposed scope of practice, legitimate techniques of massage, and related statutory recommendations by ~~June~~ **January** 1, 2016**7**.



CALIFORNIA MASSAGE THERAPY COUNCIL

DOCUMENT 5.1

One Capitol Mall, Suite 800 | Sacramento, CA 95814
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Date: February 25, 2016

To: Board of Directors

From: Ahmos Netanel, CEO

Subject: Proposed 2016 budget

Projections- Attached is CAMTC's proposed 2016 budget presented with a comparison to 2015 actual financial results. While historical data was considered, we based projected numbers on a conservative set of assumptions. In 2015 CAMTC deposited funds from 6,948 initial applications. There was a huge surge of applications at the end of 2014 because of the change in the law. In 2016 we do not expect any surge and based on current trends in the industry we project 4,200 for the year. In 2015 77% of certificate holders who were eligible to apply for recertification actually reapplied. For 2016, our conservative estimate is a 70% recertification rate. Projected revenues are 8.6% less and projected expenses are 4.94% more than 2015 but still result in **a balanced budget**. As long as revenues don't drop beyond projections and expenses will not exceeds projections, a modest surplus is expected.

Fees- Staff recommends maintaining the current fee structure.

Reserves- To assure fiscal viability of the organization, we strive to maintain cash reserves equal to six months of total annual operating expenses. The propose budget exceeds this objective and projects yearend cash reserves equal to eight months of operating expenses.

Revenue recognition: Revenues are recognized based on accrual accounting. The following revenue recognition formulas (for individuals and schools) for 2016 are unchanged:

New applications - 37% when received, 39% when issued and 24% over 24 months.

Recertification - 46% when received, 42% when approved, and 12% over 24 months.

Please note the following two categories in particular:

Renewals applied vs. Renewals approved (under Revenue) - Even though the number of recertification approved is smaller than the number of applications for recertification CAMTC's financial statements consistently show the number of Renewals Approved to be higher than the number of Renewals Applied. The number of Renewals Applied is based on when the payment is processed. The number of Renewals Approved is based on when the application for recertification is approved. Processing time, incomplete application delays, background reviews and the high number of recertification applications received 30-90 days prior to expiration, contribute to the varying times between a payment being processed and a recertification approval.

Sunset Review/Feasibility study (Under Priority projects/objectives- not funded from 2016 operation)- Includes additional legal, communications and travel expenses directly associated with meeting the Board's Sunset review objectives as well as the cost associated with the development of a feasibility study on licensure.

CAMTC
2016 Proposed Budget (2/25/16)

ver.16

		Actual		Proposed			
		2015		2016		VARIANCE	%
REVENUE							
	Number of new applications deposited	6,948		4,200		(2,748)	-39.55%
1	New Application Fees Recognized (37% of \$150)	\$ 385,614		\$ 233,100		\$ (152,514.00)	-39.55%
	Certificates Issued	6,140		3,696		(2,444)	-39.80%
2	Certificates Recognized (39% of \$150)	\$ 359,190		\$ 216,216		\$ (142,974.00)	-39.80%
	Renewals-Applied	17,787		18,109		322	1.81%
3	Renewals Recognized (46% of \$150)	\$ 1,225,923		\$ 1,249,521		\$ 23,598.00	1.92%
	Renewals-Approved	18,502		18,837		335	1.81%
4	Renewals Recognized (42% of \$150)	\$ 1,165,626		\$ 1,186,731		\$ 21,105.00	1.81%
	Deferred Current / Prior Years						
5	Deferred Current Year (New Apps 24% of \$150 /24),(Renewals 12% of \$150/24)	\$ 137,275		\$ 113,987		\$ (23,288.00)	-16.96%
6	Deferred Prior Yrs (New Apps 24% of \$150 /24),(Renewals 12% of \$150/24)	\$ 575,498		\$ 526,474		\$ (49,024.00)	-8.52%
	Denied Applications	712		642		(70)	-9.83%
7	Denied Applications Recognized (63% of \$150)	\$ 67,284		\$ 60,669		\$ (6,615.00)	-9.83%
	Purged/Revoked/Sus/Cancelled/Nullified	716		646		(70)	-9.78%
8	Purged Applications Recognized (63% of \$150)	\$ 67,662		\$ 61,047		\$ (6,615.00)	-9.78%
	Number of School Applications	102		11		(91)	-89.22%
9	New School Application Fees recognized (37% of \$750)	\$ 28,305		\$ 3,053		\$ (25,252.00)	-89.21%
	Schools Approved	\$ -		110		110	
10	School Approvals recognized (39% of \$750)	\$ -		\$ 32,175		\$ 32,175.00	
	Deferred Current/Prior Years						
11	Deferred Current Year (New Apps 24% of \$750 /24),(Renewals 12% of \$750/24)	\$ 3,593		\$ 3,484		\$ (109.00)	-3.03%
12	Deferred Prior Yrs (New Apps 24% of \$750 /24),(Renewals 12% of \$750/24)	\$ -		\$ 14,175		\$ 14,175.00	
	Denied School Applications			10		10	
13	Denied Applicants Recognized (63% of \$750)	\$ -		\$ 4,725		\$ 4,725.00	
	School Background Checks	\$ 18,696		\$ 2,400		\$ (16,296.00)	-87.16%
14	Hearing Fees	\$ 42,145		\$ 38,000		\$ (4,145.00)	-9.84%
15	Re-certification Late Fees	\$ 162,910		\$ 149,268		\$ (13,642.00)	-8.37%
16	Returned Check/Miscellaneous Fees	\$ 95,950		\$ 86,500		\$ (9,450.00)	-9.85%
17	Total Fee Revenue	\$ 4,335,671		\$ 3,981,524		\$ (354,147.00)	-8.17%
18	Interest	\$ 16,918		\$ 16,800		\$ (118.00)	-0.70%
	Other Income - Employment Opportunities Expired	\$ 22,052		\$ -		\$ (22,052.00)	-100.00%
19	Total Other Revenue	\$ 38,970		\$ 16,800		\$ (22,170.00)	-56.89%
20	TOTAL REVENUE	\$ 4,374,641		\$ 3,998,324		\$ (376,317.00)	-8.60%
	OPERATING EXPENSES						
	Board & Committee Expenses						
21	Board Travel	\$ 20,031		\$ 22,032		\$ 2,001	9.99%
22	Facility/Banquet	29,276		32,208		\$ 2,932	10.02%
23	Printing /Supplies/Postage	1,253		1,380		\$ 127	10.14%
24	Miscellaneous	129		-		\$ (129)	-100.00%
25	Total Board & Committee Expenses	\$ 50,689		\$ 55,620		\$ 4,931	9.73%
	Outreach/Marketing						
26	Communications & Outreach	\$ 13,818		\$ 48,000		\$ 34,182	247.37%
27	Public Relations	27,550		29,904		\$ 2,354	8.54%
28	Communications Reserve	-		-		\$ -	
29	Total Outreach/Marketing	\$ 41,368		\$ 77,904		\$ 36,536	88.32%
	General Administrative						
30	Office Supplies	\$ 5,535		\$ 6,000		\$ 465	8.40%
31	Office Rental - Sacramento	44,440		48,480		\$ 4,040	9.09%
32	Office Furniture/Equipment	2,316		2,544		\$ 228	9.84%
33	Printing/Copying	19,496		21,444		\$ 1,948	9.99%
34	Records Shredding	352		1,200		\$ 848	240.91%
35	Postage/Mailing	19,157		21,072		\$ 1,915	10.00%
36	Telephone/Fax	650		720		\$ 70	10.77%
37	Dues/Subscriptions-Software/Licenses	9,951		9,951		\$ -	0.00%
38	Insurance-D&O/E&O/GL	36,868		38,711		\$ 1,843	5.00%
39	Banking/credit card fees	66,246		62,000		\$ (4,246)	-6.41%
40	Staff Travel	3,390		3,720		\$ 330	9.73%
41	On-Site Storage	2,188		2,940		\$ 752	34.37%

42	Off-Site Storage		1,096		660		\$ (436)	-39.78%
43	Certification/Materials/Printing/Mailing		101,642		114,000		\$ 12,358	12.16%
44	Database Maintenance		22,141		24,360		\$ 2,219	10.02%
45	Database Development				-		\$ -	
46	Miscellaneous		1,790		1,980		\$ 190	10.61%
47	Total General Administrative		\$ 337,258		\$ 359,782		\$ 22,524	6.68%
	Executive Staff							
48	Senior Management Team		\$ 320,878		\$ 337,908		\$ 17,030	5.31%
49	Senior Staff-Contingency-Requires BOD Approval		-		-		\$ -	
50	Benefit Allowance		74,376		77,353		\$ 2,977	4.00%
51	Off Site - Office Rental		23,930		24,328		\$ 398	1.66%
52	Vacation Expense		11,814		13,800		\$ 1,986	16.81%
53	Travel & Meetings		25,970		28,560		\$ 2,590	9.97%
54	Cell Phone		1,474		1,680		\$ 206	13.98%
55	Supplies		213		240		\$ 27	12.68%
56	Equipment/Furniture		565		624		\$ 59	10.44%
57	Phone - land Line-DSL		3,390		3,560		\$ 170	5.01%
58	Miscellaneous		905		950		\$ 45	4.97%
59	Total Executive Staff		\$ 463,515		\$ 489,003		\$ 25,488	5.50%
	Professional Standards Division							
60	Management		\$95,782		\$ 101,012		\$ 5,230	5.46%
61	Paralegals		390,853		406,111		\$ 15,258	3.90%
62	Field Investigators		219,796		233,725		\$ 13,929	6.34%
63	Employee Benefits Allowance		51,104		53,056		\$ 1,952	3.82%
64	PTO Expense		14,751		19,668		\$ 4,917	33.33%
65	Supplies		2,947		3,240		\$ 293	9.94%
66	Cell Phones		20,396		22,200		\$ 1,804	8.84%
67	Travel		23,734		26,112		\$ 2,378	10.02%
68	Conference Calls		7,072		7,800		\$ 728	10.29%
69	Dept Meetings		78		120		\$ 42	53.85%
70	Equipment				-		\$ -	
71	Legal Attorneys - Denials/Litigation		376,240		260,000		\$ (116,240)	-30.90%
72	Legal - In - House (salary & benefit allowance)		255,295		392,532		\$ 137,237	53.76%
73	Court Record Fees		642		720		\$ 78	12.15%
74	Appeals+ Denials Printing/Supplies/Mailing		7,589		8,400		\$ 811	10.69%
75	Miscellaneous		20,840		8,400		\$ (12,440)	-59.69%
76	Total Professional Standards Division		\$1,487,119		\$ 1,543,096		\$ 55,977	3.76%
	Educational Standards Division							
77	Management		-		\$ -		\$ -	
78	Field Investigators		69,848		56,860		\$ (12,988)	-18.59%
79	Hearing Officers		-		20,250		\$ 20,250	
80	Employee Benefits Allowance		12,478		11,334		\$ (1,144)	-9.17%
81	Supplies		287		312		\$ 25	8.71%
82	Cell Phones/Landlines		1,668		2,000		\$ 332	19.90%
83	Travel		18,734		9,300		\$ (9,434)	-50.36%
84	School Background Checks		8,246		1,800		\$ (6,446)	-78.17%
85	Conference Calls		118		-		\$ (118)	-100.00%
86	Mailings		-		-		\$ -	
87	Miscellaneous		48		120		\$ 72	150.00%
88	Total Educational Standards Division		\$ 111,427		\$ 101,976		\$ (9,451)	-8.48%
	Staff General Expenses							
89	Insurance (Workers' Comp)		\$ 15,603		\$ 23,714		\$ 8,111	51.98%
91	Payroll Taxes (Exec Staff and PSD)		118,406		125,160		\$ 6,754	5.70%
92	Payroll Services (all staff)		7,202		8,100		\$ 898	12.47%
93	Total Staff General Expenses		\$ 141,211		\$ 156,974		\$ 15,763	11.16%
	Professional Services							
94	Accounting/Audit		9,761		\$ 10,485		\$ 724	7.42%
95	Application Processing		1,035,996		1,035,996		\$ -	0.00%
96	Consulting		-		-		\$ -	
97	Legal general counsel & routine		92,113		92,000		\$ (113)	-0.12%
95	Total Professional Services		\$ 1,137,870		\$ 1,138,481		\$ 611	0.05%
98	Sub-total Operating Expenses		\$ 3,770,456		\$ 3,922,836		\$ 152,380	4.04%
99	Miscellaneous Contingency		39,425		\$ 72,000		\$ 32,575	

100	TOTAL OPERATING EXPENSES	\$	3,809,881	\$	3,994,836	\$	184,955 4.85%
101	OPERATING SURPLUS / (DEFICIT)	\$	564,760	\$	3,488	\$	(561,272) -99.38%
102	OPERATING SURPLUS / (DEFICIT) YTD	\$	564,760	\$	3,488	\$	(561,272) -99.38%
	PRIORITY PROJECTS/OBJECTIVES (Not funded by 2016 Operations)						
	Database Development		88,467		335,980	\$	247,513 279.78%
	ESD Management		88,333		93,174	\$	4,841 5.48%
	Sunset Review/Feasibility Study		-		284,000	\$	284,000
	Law Enforcement/Local Government Support		-		68,004	\$	68,004
	Total Priority Projects	\$	176,800	\$	781,158	\$	604,358 341.83%
	CASH FLOW PROJECTIONS - 2015						
	Cash Flow from Operations						
	Cash Received	\$	4,374,641	\$	3,998,324	\$	(376,317)
	Cash Expenses	\$	(3,809,881)	\$	(3,994,836)	\$	(184,955)
	Total Cash Flow from Operations	\$	564,760	\$	3,488	\$	(561,272)
	Cash Flow from Financing						
	(Increase) Decrease in Other Receivables	\$	-				
	(Increase) Decrease in Fixed Assets	\$	5,967				
	(Increase) Decrease in Prepaid Expenses	\$	17,276				
	(Increase) Decrease in Accounts Payable	\$	(4,342)				
	(Increase) Decrease in Long Term Liabilities (Vacation/PTO accrual)	\$	(26,451)				
	(Increase) Decrease in Other Liabilities (Deferred Fees)	\$	232,220				
	Priority Projects - not funded by 2015/2016 Operations	\$	176,801	\$	781,158	\$	604,357
	Other changes in cash flows	\$	(112)				
	Total Cash Flow from Financing	\$	401,359	\$	781,158		
	Starting Cash	\$	3,195,772	\$	3,398,598		6.35%
	Ending Cash	\$	3,398,598	\$	2,620,928		-22.88%



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February 15, 2016

TO: BOARD OF DIRECTORS CALIFORNIA MASSAGE THERAPY COUNCIL

FROM: JOE BOB SMITH, DIRECTOR, EDUCATIONAL STANDARDS DIVISION
ALISON SIEGEL, SPECIAL COUNSEL

RE: REASONS FOR PROPOSED AMENDMENTS TO CAMTC'S POLICIES
AND PROCEDURES FOR APPROVAL OF SCHOOLS

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 Policies and Procedures for Approval of School (approved 11/18/15) with proposed amendments in red.

A short description of why the policy should be changed.

The proposed language affects six main areas:

1. Acceptance of diplomas/transcripts from closed schools on or after July 1, 2016 – Section 3.A.

Under CAMTC's statute, it can only accept education from schools that meet minimum standards for training and curriculum. CAMTC's school approval process is a way for CAMTC to review a school's program and make a determination that the program either does or does not meet minimum standards for training and curriculum. For a closed school, there is no real way for CAMTC to make this determination, as no program exists that can be evaluated. Additionally, CAMTC can't just rely on BPPE approval, as all of the schools that CAMTC has unapproved were approved at the time by BPPE. BPPE also does not substantively evaluate whether a massage school meets minimum standards for training and curriculum, nor are they required to. As a policy, the Board has decided that as of July 1, 2016, it will no longer accept transcripts from schools that are not CAMTC approved. This creates a conundrum for closed schools: they don't have programs that can be evaluated and can't apply for CAMTC approval, but their students may still be seeking CAMTC certification after the school has closed. In order to address this issue, CAMTC has been notifying schools of the upcoming deadline so

that they can notify students to apply before the deadline, and it is also proposing to change its School Approval Policies and Procedures so that if a school is in good standing at the time it is closed, and is then purchased by or merged with a CAMTC approved school, CAMTC can continue to accept that education.

2. Exemption for California Public College and University employees to provide personal identifying information to CAMTC – Section 4.A.

California Public College and University employees are already vetted by the schools and must pass background checks in order to gain employment there. These schools have a rigorous system for ensuring compliance with rules and standards and redundant systems to protect against fraud. They have asked CAMTC for an exemption to the requirement to provide personally identifying information for their employees, and CAMTC has honored this request.

3. Provisions that allow the School Approval Procedures and School Un-Approval Procedures to stand alone and no longer reference each other – Sections 6 & 7.

CAMTC's school process is a system in transition. We are currently going from a system that has only un-approved schools to one where schools will be actively approved. There will be a time period when both processes overlap. At this juncture, as we quickly approach the point where CAMTC will only be accepting education from approved schools, it makes sense to revise the School Approval Procedures so that all of the provisions needed to operate are contained in one document. This makes it less confusing to schools, as the procedures for Approval are different than the procedures for Un-Approval. Many of the changes here just carry over relevant language from the School Un-Approval Procedures, so they no longer need to be referenced. It also allows CAMTC to deny a school approval without having to also Un-Approve the school as well. Here is a summary of the most relevant provisions carried over from the School Un-Approval Procedures:

- The reasons for denial or discipline that are contained in the School Un-Approval Procedures are now spelled out here;
- Procedures for challenging a proposed decision to deny or discipline are clearly stated;
- The timelines applicable to waiting before being able to re-apply for CAMTC approval have been carried over from the School Un-Approval Procedures, making the wait either 2 or 5 years, depending on the conduct that resulted in the denial or discipline; and
- The provision holding applications from all students when a school has been proposed to be denied or disciplined has also been carried over.

4. Provisions allowing for an Appeal before the full Board on a decision to deny or discipline a school that has applied for CAMTC approval.

While denial and disciplinary matters will be heard and decided by the ESD Hearing Officers, the proposed amendments to the procedures now outline a process for appealing those decisions to CAMTC's full Board. The process proposed is that the Board will sit like an appellate court and consider the decision already made, but will not re-try the case or review new evidence – it merely determines if ESD's decision was properly made based on the evidence before ESD at the time of review. The Board can uphold the previous decision, approve the school, or send the matter back to ESD for further review. If it sends the matter back to ESD for further consideration, it may provide direction on the matter.

5. Provision allowing CAMTC to hold all applications from a school until a final decision is made whether to approve or not, even though the applications for certification are received on or after July 1, 2016.

As a matter of fairness to the students, the proposed amendments allow CAMTC to hold applications from applicants whose school has applied for CAMTC approval, but no decision has yet been made. If the school is denied approval, then the students will have one year to complete their applications with education from an approved school. If the school is approved, then the students will be processed and the hold will be lifted.

6. Hearing Fees.

It is CAMTC's general policy to charge an administrative fee for hearings. Hearing fees allow CAMTC to recoup a very small portion of the cost of providing an oral telephonic hearing or consideration of a written statement. The following hearing fee amounts have been proposed - \$450 for an oral telephonic hearing and \$350 for consideration of a written statement;

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

The fiscal impact the proposed change may have on CAMTC and certificate holders and applicants. **Unknown.**

Potential pro's and con's if the new policy is adopted.

Pros: provides clarity in process and procedures so CAMTC school applicants know exactly which processes and procedures apply to their situation; balances the needs of students from closed schools with CAMTC statutory requirement to ensure that education meets minimum standards for training and curriculum; allows CAMTC to approve community colleges without requiring the provision of personally identifying

information; provides for an appeal through CAMTC prior to seeking review through the civil court system; and allows the imposition of a reasonable hearing fee. Con - None

The impact on current certificate holders and applicants. The ability to place applicants for certification on hold if they apply on or after July 1, 2016 using education from a school that no decision has been reached yet will allow these students to gain certification if the school is ultimately approved, without having to re-apply and pay a new application fee.

A suggested date for the change to be implemented. Effective immediately, so that schools and students can be put on notice of the changes before July 1, 2016.

Approved 11/18/15
Proposed amendments prepared February 2016

POLICIES AND PROCEDURES FOR APPROVAL OF SCHOOLS

The California Massage Therapy Council ("CAMTC") hereby adopts the following policies and procedures for the approval of schools, pursuant to California Business and Professions Code sections 4600 et. seq. (hereinafter the "Law"). In accordance with the Law, CAMTC approved schools shall meet minimum standards for training and curriculum.

1. Eligibility for approval.

In order to receive and maintain CAMTC approval, a massage school, and any CAMTC approved satellite locations, shall meet ALL of the following requirements:

- A. The school offers a program clearly identified as a professional massage program that grants students a certificate, diploma, or degree in massage. Other professional education programs that include massage as a component of their programs are not eligible.
- B. Massage program(s) provides an organized plan of study of massage and related subjects for a minimum of 500 supervised clock hours (or credit unit equivalent) containing, at minimum, 100 hours of instruction addressing subjects specified by the Law and CAMTC, including but not limited to: anatomy and physiology; contraindications; health and hygiene; and business and ethics. The massage program(s) shall also incorporate appropriate school assessment of student knowledge and skills. CAMTC does not accept online or distance learning hours, including but not limited to, externships, homework, and self-study or credits through challenge examinations, achievement tests, or experiential learning.
 - a. For programs qualifying as a college or university of the state higher education system, as defined in Section 100850 of the Education Code, units must be for academic credit and appear on an official college transcript. Certificates from non-credit adult education classes and programs are inapplicable. Community College degrees and certificates must be approved by the California Community Colleges Chancellor's Office.
- B. The school and/or massage program is not currently un-approved by CAMTC.
- C. The school and corresponding massage program(s) shall also meet at least one of the following requirements:
 - a. Approved by the California Bureau for Private Postsecondary Education (BPPE).

- b. Approved by the California Department of Consumer Affairs.
- c. Accredited by the Accrediting Commission for Senior Colleges and Universities or the Accrediting Commission for Community and Junior Colleges of the Western Association of Schools and Colleges and that is one of the following:
 - (1) A public school.
 - (2) A school incorporated and lawfully operating as a nonprofit public benefit corporation pursuant to Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code, and that is not managed by any entity for profit.
 - (3) A for-profit school.
 - (4) A school that does not meet all of the criteria in subparagraph (2) that is incorporated and lawfully operating as a nonprofit public benefit corporation pursuant to Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code, that has been in continuous operation since April 15, 1997, and that is not managed by any entity for profit.
- d. A college or university of the state higher education system, as defined in Section 100850 of the Education Code.
- e. A school requiring equal or greater training than what is required pursuant to this chapter and is recognized by the corresponding agency in another state or accredited by an agency recognized by the United States Department of Education.

2. Approval Process.

- A. Complete the application packet entirely and submit all requested documents.
- B. Pay the application fee of \$750. If approved, this non-refundable fee provides for 2 full years of CAMTC approval, so long as the school maintains the requirements for approval set forth herein and is not in violation of CAMTC's Procedures for Un-Approval of Schools.
- C. Host a scheduled site visit from a CAMTC representative(s) who will verify information submitted in the application packet and compliance with requirements for approval set forth herein.
- D. Within 90 days of the site visit, CAMTC will send a letter to the school notifying it of CAMTC's decision to approve the school, propose to un-approve the school, propose to otherwise act against the school in accordance with CAMTC's Procedures for Un-Approval of Schools, or notify the school that corrective action is needed in accordance with the procedures set forth herein.

- a. Request for Corrective Action. CAMTC, in its sole discretion, may determine that specific corrective action is needed. If CAMTC determines that corrective action is needed, it will send a letter to the school notifying it of the specific corrective action requested and specify a time period for the school to take the requested corrective action and provide proof to CAMTC that the requested corrective action has been taken. Within 90 days of the school's deadline to provide proof that it has taken the specific corrective action requested pursuant to this section, CAMTC will send a letter to the school notifying it of CAMTC's proposed decision to approve the school, un-approve the school, or otherwise act against the school in accordance with CAMTC's Procedures for Un-Approval of Schools.

3. Important Dates.

- A. July 1, 2016. As of this date, CAMTC will accept, for purposes of certifying individuals who received massage education in California, only those hours from schools approved by CAMTC pursuant to these procedures.

A.a. Closed Schools in good standing prior to July 1, 2016: Transcripts only accepted for education received by June 30, 2016, and applications received in CAMTC office by June 30, 2016.

B.b. Sold/Merged Schools in good standing prior to July 1, 2016: Transcripts accepted for schools sold/merged prior to July 1, 2016, so long as purchasing/merged school remains in good standing as a CAMTC approved school on or after July 1, 2016. The purchasing/merged school, if choosing to submit transcripts on behalf of closed/merged school, must:

G.1) Submit transcripts in accordance with current CAMTC Policies and Procedures for Approval of Schools.

D.2) Clearly identify on transcripts at which school education was received.

E.3) Maintain detailed information for the programs and curriculum listed on transcripts for CAMTC review.

F.4) Maintain detailed information on the purchase/merger for CAMTC review.

B.c. Closed/Merged Schools in good standing as CAMTC approved school on or after July 1, 2016: Transcripts accepted after closure as long as school remains in good standing.

G.d. CAMTC reserves the right to review and accept or deny all or part of any education submitted from a sold/merged school that meets the definition in section 3.A.b. above.

- B. May 1, 2015. To ensure a site visit and the possibility of approval by July 1, 2016, a school shall apply by this date. Schools may apply for approval while working to fulfill all of the requirements set forth herein, but may not receive approval until all

requirements are met. Schools applying after this date or schools sent a letter requesting corrective action, proposed for un-approval, or proposed to be otherwise acted against may not be approved by July 1, 2016.

- C. All schools sent an official letter from CAMTC on or before July 1, 2016, notifying them that the school has been approved, will have an effective approval date of 2 years starting on July 1, 2016. Schools that have received official written notice of approval from CAMTC may not verify or represent to others in any manner whatsoever that they are CAMTC approved until on or after January 1, 2016.
- D. Schools approved after July 1, 2016, will have an effective date of 2 years starting on the date of approval.

4. Application Packet.

A School Approval Code issued by CAMTC is for a single campus, including CAMTC approved satellite locations, and specific owner(s) and may not be used for any other locations, schools, or owners. Therefore, for each campus or school, a separate application, fee, and requested materials shall be submitted in a three-ring binder in which the following shall be labeled, with its own divider, in this order and accompanied by electronic pdf format on a flash drive:

A. Application

- a. The application shall be completed in its entirety, typed, signed, dated, and accompanied by a non-refundable application fee of \$750.00. The application fee is waived for public colleges or universities of the California state higher education system, as defined in Section 100850 of the Education Code, and public schools accredited by an agency recognized by the United States Department of Education. Additionally, employees of public colleges or universities of the California state higher education system, as defined in section 100850 of the Education Code, may use campus ID number in lieu of social security number, campus ID as a form of government issued photographic identification, and may omit home address.

B. Approvals

- a. Documented proof of current approval or accreditation by an agency listed in Business and Professions Code section 4601(a). Schools with more than one approval or accreditation shall submit proof of all.
- b. Schools shall submit the most recent site visit report(s), compliance inspection report(s), disciplinary actions and other related documents issued to the school by all respective agencies documented above, if any.
- c. Pursuant to Business and Professions Code section 4615(b), CAMTC, in its sole discretion, may adopt provisions for the acceptance of accreditation from a

recognized accreditation body.

C. Management

a. For private post-secondary schools:

- (1) Organizational chart showing owners and all full and part-time employees, independent contractors, volunteers, and any other individuals who participate in massage program operations, including but not limited to management, staff, faculty members, advisory boards, and administrative personnel.
- (2) Ownership worksheet (included with application) and copy of a current valid government issued photographic identification for all owners of the school.
- (3) Copy of property tax bill, lease agreement, local business license, and fictitious business name filing, if applicable, proving that the owner(s) either owns or leases the property where the school is located.
- (4) For corporations, limited liability companies, or partnerships, copies of articles of incorporation, partnership agreements, contracts, and/or EIN certificate from the IRS showing proof of ownership.

b. For public colleges or universities of the California state higher education system, as defined in section 100850 of the Education Code, and public schools accredited by an agency recognized by the United States Department of Education:

- (1) Organizational chart showing all full and part-time employees, independent contractors, volunteers, and any other individuals who participate in massage department operations, including but not limited to department management, staff, faculty members, advisory boards, and administrative personnel.

D. Transcripts

- a. Sample transcript and massage program addendum, if any, with no additional markings.
- b. Sample transcript and massage program addendum, if any, with highlights and descriptions for unique security measures.
- c. Signatures, printed names, and titles for all approved signers.
- d. Transcript checklist (included with application).
- e. Sample diploma (NOTE: Diplomas are not accepted in lieu of transcripts as proof of education).
- f. Sample envelope from the school in which transcripts will be mailed to CAMTC.

E. Enrollment Agreement

- a. Blank enrollment agreement and massage program addendum, if any.
- b. Enrollment agreement checklist (included with application).

F. Course Catalog

- a. Current course catalog and massage program addendum, if any.
- b. Course catalog checklist (included with application).

G. Curriculum

- a. Program hour requirement worksheet (included with application).
- b. Calendar for each massage program noting beginning and end dates and daily schedule of all classes.
- c. Syllabi detailing all massage courses.
- d. List of textbooks, educational materials, and classroom equipment used for massage program.
- e. Policies for creating, reviewing, and updating curriculum.

H. Faculty

- a. Massage program faculty list worksheet (included with application).
- b. Submit instructor qualification forms (included with application) for all massage program faculty, including but not limited to visiting teachers, volunteers, and all those who will be teaching on a full or part-time or temporary basis.
- c. Policies and procedures for hiring, training, evaluating (including student evaluations), and disciplining faculty.
- d. Massage program staff and faculty meeting and/or training policy, minutes, and attendance records within the last 12 months.
- e. Student-teacher ratio policy and ratios for all current classes.

I. Facility

- a. Simple floor plan with approximate measurements and square footage.
- b. Clear, color pictures of the following:

- (1) Exterior signage.
- (2) Building exterior.
- (3) All classrooms utilized for massage classes.
- (4) All areas utilized for student massage clinic.

J. Advertising

- a. Copies of online and print advertisements and marketing materials related to the massage program within the last 6 months.

5. Requirements for Approval.

Failure to meet and maintain minimum standards for training and curriculum, as determined by CAMTC in its sole discretion, is a basis for denial of an application for school approval or discipline of a school.

To achieve and maintain approval, schools shall fulfill the requirements of all other agencies through which they are approved or accredited pursuant to Business and Professions Code section 4601 and comply with all of the following provisions:

A. Administration

- a. Continuously maintain all eligibility requirements for approval or accreditation by the organization(s) listed in Business and Professions Code section 4601 that the school is accredited or approved by, and for approval by CAMTC.
- b. Include CAMTC School Approval Code (once approved) in any and all massage program advertising and marketing materials, including but not limited to website, business cards, brochures, print advertisements, and online banners. The school may indicate that it is "CAMTC approved" or "approved by CAMTC," but may not state or imply that the school or its educational programs are endorsed or recommended by CAMTC, or that approval indicates the school exceeds minimum standards.
- c. Post any and all approvals and accreditations, including from CAMTC, on the school premises in an area easily visible to the public.
- d. Continuously maintain the exact same owner(s) and ownership structure matching CAMTC records, which shall match the records of all other agencies that have approved or accredited the school pursuant to Business and Professions Code section 4601.
- e. Operate; advertise; issue certificates, diplomas, degrees, and/or transcripts; and conduct all other school business under the exact school name matching CAMTC

records, which shall match the records of all other agencies that have approved or accredited the school pursuant to Business and Professions Code section 4601.

- f. Teach all classes and conduct business only at campus and CAMTC approved satellite location addresses matching CAMTC records, which shall match the records of all other agencies that have approved or accredited the school pursuant to Business and Professions Code section 4601.
 - (1) Occasional, site-specific classes, including but not limited to First Aid/CPR Certification, cadaver labs, sports massage events, health and professional expos, career fairs, and spa tours accounting for no more than 50 total hours and specifically provided for in the curriculum, complete with detailed learning objectives, assignments, and assessments, may be taught at an appropriate off-site location under direct supervision of a qualified instructor. Instructors must sign off on appropriate documentation attesting to the total number of acceptable clock hours completed by each student and students shall only receive credit for the actual clock hours for which they engaged in massage activities and activities related to massage. Under no circumstances shall students receive credit for travel time, idle, non-educational, or unsupervised activity. CAMTC reserves the right, in its sole discretion, to not accept off-campus hours.
- g. Changes of owner(s) and/or ownership structure, operating under a different school name, teaching and/or conducting business at a different or additional address, and/or changes in program name or content may only occur after the school first obtains an approval letter from the appropriate agencies that have approved or accredited the school pursuant to Business and Professions Code section 4601, submits the appropriate application for change to CAMTC, and CAMTC approves such application. (Please note that BPPE currently only requires approval for a change of location if the move is more than 10 miles from the original location; however, CAMTC requires approval for any change of location.)
- h. The school is responsible for the conduct of all owners, full and part-time employees, independent contractors, volunteers, and any other individuals who participate in school operations, including but not limited to management, staff, faculty members, advisory boards, and administrative personnel. CAMTC may deny approval or take disciplinary action against a school if an owner, full or part-time employee, independent contractor, volunteer, or any other individual who participates in school operations, including but not limited to management, staff, faculty members, advisory boards, and administrative personnel, engages in unprofessional conduct while engaged in school activities.
- i. The school must report to CAMTC, within 15 days of receiving notice, all legal actions, arrests, police reports, and complaints against professional conduct, involving the school; school personnel including owners, full and part-time employees, independent contractors, volunteers, and any other individuals who participate in school operations, including but not limited to management, staff, faculty members, advisory boards, and administrative personnel; and/or students

or graduates engaged in school or massage related activities.

B. Transcripts

- a. Transcripts and massage program addendums, if any, from private post-secondary schools shall, at minimum, contain the following information:
 - (1) School name, address, telephone number, website, and CAMTC School Approval Code (once approved), which shall exactly match information on file at CAMTC.
 - (2) Heading entitled "Official Transcript."
 - (3) Student's full legal name and date of birth.
 - (4) Date student started program and date student graduated or, for programs longer than 500 hours, completed CAMTC requirements, if applicable.
 - (5) Breakdown of courses completed with total number of supervised clock hours attended and passing grades for each course. Courses shall match those listed in the provided syllabi and program hour requirement worksheet (included with application).
 - (6) Total number of supervised clock hours attended for massage program.
 - (7) At least one authorized signature with printed name, title, and date.
 - (8) Official school seal affixed, embossed, or otherwise attached to transcript.
 - (9) Sufficient security measures that uniquely identify the school's transcripts.
- b. Transcripts from public colleges or universities of the California state higher education system, as defined in Section 100850 of the Education Code, and public schools accredited by an agency recognized by the United States Department of Education shall meet or exceed standards as determined by governing laws and regulations.
- c. Only sealed transcripts sent directly from the school in an envelope matching the sample submitted to CAMTC will be considered for certification purposes.
- d. CAMTC staff shall clearly be able to discern whether a student has completed the required hours without having to interpret any information.
- e. Clearly identify or DO NOT include unsupervised clock hours.
- f. Clearly identify or DO NOT include courses or hours considered incomplete by the school.

- g. Pursuant to Business and Professions Code section 4604, CAMTC can only consider transfer hours from CAMTC approved schools. Transcripts shall clearly identify transfer hours, including but not limited to name, CAMTC School Approval Code, address, telephone, and website of other school(s); number of hours transferred; class requirements met by transfer hours; reason(s) for transfer; and attached copy of transcript(s) from other school(s). Transfer hours may not make up more than 50% of the 500 hours required for certification. CAMTC reserves the right, in its sole discretion, to not accept transfer hours.
- h. Schools shall take necessary precautions to avoid the creation and/or reproduction of fraudulent transcripts. Fraudulent transcripts, whether from within or without the school, may lead to suspension or revocation of school approval, among other consequences.
- i. Any changes in transcript format, authorized signers, and/or security features may only occur after the corresponding application for change has been submitted to and approved by CAMTC.
- j. The school shall have clearly defined written policies that it follows for accurately and securely keeping and maintaining student files and transcript information, including but not limited to enrollment agreements, payment ledgers, attendance rosters, coursework, and grades.
- k. Transcript information shall be securely kept permanently. If a school closes, it shall designate a custodian of records for that school and notify CAMTC of the name, address, email address, and telephone number of its designated custodian of records 30 days before the date of the school's closure.

C. Student/Graduate Eligibility List

- a. Transmit the names of all CAMTC eligible students or graduates to CAMTC within 30 days of their eligibility, if applicable, using the Massage School Eligibility List template.
- b. Eligibility is defined as successfully completing a minimum of 500 hours of supervised massage instruction (with a minimum of 100 hours of instruction addressing anatomy and physiology, contraindications, health and hygiene, and business and ethics or as further specified by CAMTC) that satisfies the school's coursework and appropriate school assessment of student knowledge and skills.
- c. Applications and accompanying transcripts submitted for certification will be reviewed against these lists. Discrepancies or omissions may result in applicant delays, school investigation, and/or disciplinary actions against the school.
- d. Students who do not achieve eligibility at a single CAMTC approved school may not be included on any school's list and may have to independently prove their own eligibility to CAMTC.

D. Enrollment Agreement

- a. Enrollment agreements and massage program addendums, if any, from private post-secondary schools shall, at minimum, contain the following information:
 - (1) School name, address, additional addresses where classes will be held, telephone number, and website.
 - (2) Student's full legal name, date of birth, address, email, telephone number, and signature.
 - (3) Copy of a current valid government issued photographic identification.
 - (4) Title of massage program and total scheduled number of supervised hours received upon completion.
 - (5) Program schedule with start date and scheduled completion date.
 - (6) All scheduled charges and fees including, as applicable: tuition, registration fee, equipment, lab supplies, textbooks, educational materials, uniforms, charges paid to an entity other than the school as required by the program, and any other charge or fee.
 - (7) Scheduled payment terms.
 - (8) Clearly visible disclosure statement: "Attendance and/or graduation from a California Massage Therapy Council approved school does not guarantee certification by CAMTC. Applicants for certification shall meet all requirements as listed in California Business and Professions Code sections 4600 et. seq."
 - (9) Statement directing students to CAMTC for unanswered questions and for filing a complaint: "A student or any member of the public with questions that have not been satisfactorily answered by the school or who would like to file a complaint about this school may contact the California Massage Therapy Council at: One Capitol Mall, Suite 320, Sacramento, CA 95814, www.camtc.org, phone (916) 669-5336, or fax (916) 669-5337."
- b. Enrollment agreements from public colleges or universities of the California state higher education system, as defined in section 100850 of the Education Code, and public schools accredited by an agency recognized by the United States Department of Education shall meet or exceed standards as determined by governing laws and regulations.

E. Course Catalog

Course Catalogs and massage program addendums, if any, shall, at minimum, contain the following information:

- a. School name, address, additional addresses where classes will be held, telephone number, website, and CAMTC School Approval Code (once approved).
- b. Date printed/revised.
- c. Title of massage program(s) and total number of scheduled supervised hours received upon completion.
- d. Program prerequisites, including but not limited to admission requirements, previous training, and language comprehension skills.
- e. Completion and graduation requirements, including but not limited to clock hours to attend, assignments to complete, and assessments to pass.
- f. Transfer credit policy.
- g. Attendance and leave of absence policies, including but not limited to:
 - (1) Notice that applicants for CAMTC certification shall have attended 500 supervised hours total with 100 of those hours satisfying CAMTC specified subjects.
 - (2) For 500-hour programs, how students make up missed hours and, for programs longer than 500 hours, percentage of hours students can be absent and how they make up any additional hours.
 - (3) Length, terms, and allowances for leaves of absence.
- h. Hygiene, dress code, and draping policies.
- i. If the school admits foreign or ESL students, the catalog shall contain language proficiency information, including the level of English language proficiency required of students and the kind of documentation of proficiency that will be accepted; and whether English language services are provided and, if so, the nature of the service and its cost. The catalog shall also identify whether any instruction will occur in a language other than English and, if so, identify the other language(s) instruction will be provided in, the level of English proficiency required, and the kind of documentation of proficiency that will be accepted.
- j. Publication of CAMTC's Law related to unfair business practices as related to massage:
 - (1) Pursuant to California Business and Professions Code section 4611, It is an unfair business practice for a person to do any of the following:

- (a) To hold himself or herself out or to use the title of “certified massage therapist” or “certified massage practitioner,” or any other term, such as “licensed,” “certified,” “CMT,” or “CMP,” in any manner whatsoever that implies or suggests that the person is certified as a massage therapist or massage practitioner, unless that person currently holds an active and valid certificate issued by the California Massage Therapy Council.
 - (b) To falsely state or advertise or put out any sign or card or other device, or to falsely represent to the public through any print or electronic media, that he or she or any other individual is licensed, certified, or registered by a governmental agency as a massage therapist or massage practitioner.
- k. Clearly visible disclosure statement: “Attendance and/or graduation from a California Massage Therapy Council approved school does not guarantee certification by CAMTC. Applicants for certification shall meet all requirements as listed in California Business and Professions Code section 4600 et. seq.”
- l. Statement directing students to CAMTC for unanswered questions and for filing a complaint: “A student or any member of the public with questions that have not been satisfactorily answered by the school or who would like to file a complaint about this school may contact the California Massage Therapy Council at One Capitol Mall, Suite 320, Sacramento, CA 95814, www.camtc.org, phone (916) 669-5336, or fax (916) 669-5337.”

F. Curriculum

All 500 hours of education must be provided under direct supervision of qualified instructors.

- a. Provide a minimum of at least 100 supervised clock hours (or credit unit equivalent) addressing the following subjects:
 - (1) A minimum of 64 hours of Anatomy & Physiology, including but not limited to orientation to the human body; integumentary, skeletal, fascial, muscular, nervous, cardiovascular, and other body systems; and kinesiology.
 - (2) A minimum of 13 hours of Contraindications, including but not limited to endangerment areas, contraindications, and medications and massage.
 - (3) A minimum of 5 hours of Health & Hygiene, including but not limited to understanding disease, therapist hygiene, infection control, and standard precautions.
 - (4) A minimum of 18 hours of Business & Ethics, including but not limited to obtaining and maintaining credentials, adhering to laws and regulations, ethical principles, standards of ethical practice, and compliance with the Law applicable to CAMTC certified massage professionals.

- b. Provide a minimum of 400 additional and appropriately weighted supervised clock hours in subjects substantially related to the massage profession, including but not limited to additional hours for topics required above, massage theory and principles, professional practices, therapeutic relationship, assessment and documentation, massage and bodywork application, palpation and movement, and career development. CAMTC reserves the right, in its sole discretion, to determine whether curriculum is substantially related to massage or not.
- c. Student clinic hours may count for no more than 75 of the required 500 supervised clock hours and shall demonstrate educational purpose by meeting the following conditions:
 - (1) Operate at all times under direct supervision of qualified instructors and on school premises.
 - (2) Maintain detailed lesson plans, learning objectives, policies and procedures, attendance records, and grade requirements.
 - (3) Include a client intake form for every client that, among other things, informs client that the practitioner is a student.
 - (4) Include SOAP notes, or equivalent, completed by the student practitioner for every client.
 - (5) Provide for written client feedback.
 - (6) Maintain clinic attendance for each student detailing massages and other duties performed during clinic hours.
 - (7) Offer alternate, faculty-supervised learning experiences to students participating in clinic but who do not have a clinic client or specific clinic duties. Under no circumstances shall students receive credit for idle, non-educational, or unsupervised activity.
 - (8) Student clinic hours may include, but are not limited to, hands-on treatments of paying and non-paying public clients or other students; setting up, tearing down, and cleaning massage area; reviewing intake forms, interviewing clients, providing and receiving client feedback, and recording SOAP notes, or equivalent; greeting customers at reception, handling payments, answering and returning calls for appointments, interacting with appointment systems, placing confirmation calls, and managing client files; other duties reasonably befitting a professional massage therapist; and instruction related to these items. Students may not be required to clean school premises or work beyond normal procedures inclusive to treatment areas and immediate office space used during clinical sessions.
 - (9) Schools should carefully weigh and be prepared to support the purpose, duration, and effectiveness of student clinic hours in terms of educational value to the student. CAMTC reserves the right, in its sole discretion, to not accept

clinic hours.

- d. Students may not be credited more than 40 hours of total education in any 7-day period, with no more than 10 hours in any one day.
- e. Maintain current syllabi, including but not limited to the following information for each course and/or subject:
 - (1) Name of course or subject.
 - (2) Detailed description.
 - (3) Learning objectives.
 - (4) Prerequisites.
 - (5) Total number of hours.
 - (6) Instructional material(s) to be used.
 - (7) Required assessments and assignments for successful completion.
- f. Maintain policies for creating, reviewing, and updating curriculum.

G. Faculty

- a. Qualified instructors are responsible for the delivery of all 500 supervised clock hours (or credit unit equivalent). CAMTC reserves the right in its sole discretion to determine whether an instructor is qualified or not. Requirements for qualified instructors include but are not limited to:
 - (1) Complete and submit the instructor qualification form, including supporting documents.
 - (2) Hold a current CAMTC certification, other allied health license with advanced training in soft tissue modalities, or possess documented higher education applicable to the specific subject(s) taught.
 - (3) Have at least 2 years of documented professional experience applicable to the specific subject(s) taught.
 - (4) Instruct only in those subjects in which qualified through documented education, certification, and professional experience, and not instruct techniques or procedures that require specialized training, licensure, or experience for which they are not qualified.

(5) Behave within principles of acceptable, ethical, and professional behavior, including but not limited to:

- (a) Truthfully and completely administer, record, and represent duties, including but not limited to attendance records, curriculum delivery, and student assessments.
 - (b) Refrain from soliciting, encouraging, or consummating romantic, sexual, or otherwise inappropriate relationships with current students on or off school premises by written, electronic, verbal, or physical means.
 - (c) Refrain from possessing, consuming, furnishing, allowing, or working under the influence of alcohol or illegal or unauthorized drugs during professional activities, including but not limited to being on school premises or at school-sponsored events involving students.
 - (d) Refrain from financial transactions with students, including but not limited to payments, loans, advances, donations, contributions, deposits, or monetary gifts, except for lawful collection and transfer of funds as required by regular school business.
 - (e) Refrain from violating federal, state, and local laws and/or CAMTC rules and regulations, including but not limited to the reasons for denial or discipline/revocation as stated in CAMTC's Procedures for Denial of Certification or Discipline/Revocation.
- b. Maintain policies and procedures for hiring, training, evaluating (including student evaluations), and disciplining faculty.
 - c. Maintain policies and procedures, minutes, and attendance records for regular massage program staff and faculty meetings and/or trainings.
 - d. For private post-secondary schools, student-teacher ratios for practical (hands-on) classes may not exceed 25 total students to 1 teacher. For public colleges or universities of the California state higher education system, as defined in Section 100850 of the Education Code, and public schools accredited by an agency recognized by the United States Department of Education student-teacher ratios shall meet or exceed standards as determined by governing laws and regulations.

H. Facility

- a. Appropriate in size and design for the number of students.
- b. Sufficient reference materials and other resources to support educational objectives.
- c. Instructional aids and equipment consistent with the educational content, format, and teaching methodology of each course.

I. Student/Graduate Passage Rates on CAMTC Approved Exams

Beginning with graduate passage rates on CAMTC approved exams for calendar year 2015, an approved school's graduate passage rates on CAMTC approved exams shall equal or exceed the required passage rates for the previous calendar year or CAMTC may place the program on probationary status and/or may require the school to appear before CAMTC to present a plan for remediation.

- a. An approved program shall achieve a graduate passage rate on CAMTC approved exams that is not lower than 10 percentage points less than the national average passage rate for graduates of comparable degree programs who are first-time test takers on the CAMTC approved exams during a calendar year.
- b. If the program does not achieve the required passage rate for 2 consecutive calendar years or show significant improvement, CAMTC may revoke approval or take other disciplinary action against the school.

J. Site Visits

- a. CAMTC reserves the right to visit any approved school or school applying for approval during stated business hours with or without notice at any time whatsoever and for any reason.

6. Reasons for Imposing Discipline, Denying, or Revoking Approval.

Schools may be denied approval or may have their school approval revoked, suspended, or otherwise acted against, including the imposition of probationary conditions, for any of the following reasons:

- a. Failing to meet or maintain the requirements for approval set forth herein or in CAMTC's Procedures for Un-Approval of Schools, which includes the following:

(1) Selling or offering to sell transcripts, or providing or offering to provide transcripts, without requiring attendance, or full attendance, at the school;

(2) Failure to require students to attend all of the classes listed on the transcript;

(3) Failure to require students to attend all of the hours listed on the transcript;

(4) Engaging in fraudulent practices, including but not limited to, the creation of false documents to aid or abet students seeking CAMTC certification, aiding or abetting students to use false documents and/or to present false testimony in CAMTC hearings, aiding or abetting students in

engaging in fraudulent practices with respect to CAMTC hearings, making false claims, or otherwise engaging in fraudulent practices;

(5) Denial, suspension, revocation, or otherwise being acted against by the National Certification Board for Therapeutic Massage and Bodywork, including but not limited to, denial, suspension, or revocation of assigned school code;

(6) Failure to create, record, or maintain accurate records, including but not limited to student attendance records and student transcripts;

(7) Failure to identify transfer credit from other institutions (including name of other institution(s), hours transferred, and class requirements met by transfer credit) on transcripts;

(8) A finding by a local law enforcement agency, a state or local agency, or a private certifying, permitting, or accreditation agency related to massage, that a school has engaged in any of the conduct identified in this section 6;

(9) Failure to meet the requirements for an approved school as defined in Business and Professions Code section 4601(a).

- b. Engaging in or has engaged in unprofessional business practices or an owner, faculty member, or other member of the school's staff (including but not limited to a visiting instructor, independent contractor, administrative staff, or volunteer) has engaged in or is engaging in unprofessional business practices;
- c. Procuring or attempting to procure school approval by fraud, misrepresentation, or mistake or an owner, faculty member, or other member of the school's staff (including but not limited to a visiting instructor, independent contractor, administrative staff, or volunteer) has procured or attempted to procure school approval by fraud, misrepresentation, or mistake;
- d. Violating or attempting to violate or has violated, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate, or has assisted in or abetted the violation of, or conspired to violate, any provision of the Massage Therapy Act or any rule, regulation, policy, or procedure adopted by CAMTC by the actions of the school or an owner, faculty member, or other member of the school's staff (including but not limited to a visiting instructor, independent contractor, administrative staff, or volunteer);
- e. Conviction of an owner, faculty member, or other member of the school's staff (including but not limited to a visiting instructor, independent contractor, administrative staff, or volunteer) of any felony, misdemeanor, infraction, or municipal code violation, or being held liable in an administrative or civil action for an act that is substantially related to the qualifications, functions, or duties of a CAMTC certificate holder or CAMTC approved school. A record of the conviction or other judgment or liability shall be conclusive evidence of the crime or liability;
- f. Committing any fraudulent, dishonest, or corrupt act that is substantially related to the qualifications, functions, or duties of a CAMTC certificate holder or CAMTC approved school or an owner, faculty member, or other member of the school's staff (including but not limited to a visiting instructor, independent contractor,

- administrative staff, or volunteer) commits or has committed any fraudulent, dishonest, or corrupt act that is substantially related to the qualifications, functions, or duties of a CAMTC certificate holder or CAMTC approved school;
- g. An owner, faculty member, or other member of the school's staff (including but not limited to a visiting instructor, independent contractor, administrative staff, or volunteer) commits or has committed any act punishable as a sexually related crime or is or has been required to register pursuant to the Sex Offender Registration Act (Chapter 5.5 (commencing with Section 290) of Title 9 of Part 1 of the Penal Code), or is or has been required to register as a sex offender in another state, or commits or has committed an act that is a violation of human trafficking laws or a violation of the education code or a violation of the Bureau of Private Postsecondary Education's rules, regulations, policies, or procedures;
 - h. Failure to fully disclose all information requested on the application or provide information upon request to an individual working on behalf of CAMTC;
 - i. Denial of licensure, permit or certificate, or revocation, suspension, restriction, citation, or any other disciplinary action against an owner, faculty member, or other member of the school's staff (including but not limited to a visiting instructor, independent contractor, administrative staff, or volunteer) by CAMTC, by another state or territory of the United States, by any other government agency, or by another California health care professional licensing board. A certified copy of the decision, order, judgment, or citation shall be conclusive evidence of these actions.
 - j. An owner, faculty member, or other member of the school's staff (including but not limited to a visiting instructor, independent contractor, administrative staff, or volunteer) has owned, worked at, or been associated with a school that has been un-approved by CAMTC.

7. Procedures for Imposing Discipline, Suspending, Denying, or Revoking CAMTC School Approval.

Any decision to impose discipline, deny approval, revoke approval, or otherwise act against a school that has applied for CAMTC approval or is a CAMTC approved school shall be decided upon and imposed in accordance with the procedures set forth herein. Denial, revocation, and disciplinary decisions against a school applying for CAMTC school approval or against a CAMTC approved school shall be based on a preponderance of the evidence. In determining the basis for action against a school applying for CAMTC school approval or a CAMTC approved school, the Council may consider all written documents or statements as evidence, but shall weigh the reliability of those documents or statements.

- a. Actions Against Applicants for CAMTC School Approval and CAMTC Approved Schools.
 - 1. All decisions to impose discipline, deny approval, revoke approval, or otherwise act against a school that has applied for CAMTC approval or is a CAMTC approved school shall be carried out by an employee of the Council known as the Division Director of the Educational Standards Division (hereinafter the "Division Director") or his/her designee and at least one other employee of CAMTC. The Division Director shall be assisted by Council staff and such other employees as shall be determined necessary

by the Division Director. The Division Director (or his/her designee(s)), along with any staff/employees under his/her supervision, shall be collectively known as the Educational Standards Division (the "ESD").

2. If Council staff determines that grounds appear to exist to impose discipline, deny approval, revoke approval, or otherwise act against a school that has applied for CAMTC approval or is a CAMTC approved school, staff shall forward the matter to the Division Director, or an ESD employee designated by the Division Director to receive such information, and the procedures set forth below shall be followed:

- (a) The ESD shall be responsible for reviewing and making proposed determinations regarding denials, suspensions, revocations, and other discipline against a school that has applied for CAMTC approval or is a CAMTC approved school. All proposed decisions shall be made by a minimum of two employees of the ESD. The ESD shall ensure that the ESD employees making proposed denial, revocation, suspension, and disciplinary decisions do not have a conflict of interest relative to the affected school.
- (b) If after reviewing the matter, the ESD determines that proposed action should be taken, the school shall be provided at least 15 days prior notice of the proposed action and the reasons therefore. Notice shall be given to the school by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first-class or mail with delivery confirmation sent to the last known address of the school shown in CAMTC's records.
- (c) Schools shall be given an opportunity to be heard, either orally by telephonic conference or in writing, at least five (5) days before the effective date of the proposed action against the school. Schools must request an oral telephonic conference or consideration of a written statement in writing (email is sufficient), and pay the appropriate hearing fee, a minimum of 9 days before the date scheduled for their matter to be considered in order for their request to be timely. Failure to request an oral hearing or consideration of a written statement and/or pay the required hearing fee in a timely manner shall result in the proposed action against the school becoming final and effective on the date noted in the letter, unless appealed as provided herein. Any documentary evidence to be considered by the Hearing Officers must be submitted by the school a minimum of 9 days before the hearing/consideration date in order for it to be considered. The telephonic hearing shall be held, or the written statement considered, by a minimum of two Hearing Officers, who shall be employees of CAMTC, who together are authorized to determine whether the proposed action against the school should occur. The decision of the Hearing Officers shall be final unless appealed as provided herein.- The fee for an oral telephone conference shall be \$450.00 and the fee for consideration of a written statement shall be \$350.00.

Appeals

(1) Requests to appeal a denial or disciplinary decision must be: made in writing (email is sufficient) by sending the request to the address or email address noted in the proposed denial or disciplinary letter; made within 30 days of the effective date of the denial or imposition of discipline; must identify in writing the basis for the appeal; must specify whether an oral presentation before the Board (not to exceed 20 minutes) is requested or whether written consideration of a written statement is requested; and must include all documents to be considered.

(2) Appeals shall be considered by the CAMTC Board. Oral presentations before the Board may not exceed 20 minutes. No new factual evidence may be submitted during an appeal. During an appeal the Board is limited to reviewing the existing evidentiary record upon which the decision to deny or impose discipline was previously made and to determining whether the decision was reasonable and supported by the evidence in the record.

(3) After considering a timely appeal, the Board shall either: uphold the decision previously made; remand the matter back to ESD for further processing and consideration; or approve a school that has applied for CAMTC school approval or determine that the discipline not be imposed on a school that is a CAMTC approved school. The decision of the Board shall be final.

(d) Notice of the ESD's final decision shall be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first-class or mail with delivery confirmation sent to the last known address of the school shown in CAMTC's records.

(e) Any action in superior court challenging CAMTC's action against a school, including a claim alleging defective notice, shall be commenced within one year after the effective date of the imposition of the denial, suspension, revocation, or other discipline.

(f) A school whose application for CAMTC approval is denied or whose CAMTC school approval is revoked pursuant to these procedures for selling or offering to sell transcripts, failing to require students to attend all of the classes listed on the transcript, failure to require students to attend the school for all of the hours listed on the transcript, or engaging in fraudulent practices, shall not be allowed to re-apply for CAMTC school approval ~~until~~ for a period of five years from the effective date of the denial or revocation. All other schools whose application for CAMTC approval is denied or whose CAMTC school approval is revoked shall not be allowed to re-apply for CAMTC school approval for a period of two years ~~after~~ from the effective date of the denial or revocation.

b. Actions Against Schools That Have Not Applied for CAMTC School Approval or Are Not CAMTC Approved Schools.

1. Actions against schools that have not applied for CAMTC school approval or are not CAMTC approved schools shall proceed in accordance with CAMTC's Procedures for Un-Approval of Schools.

c. Procedures Related to Students.

1. CAMTC will hold all applications from students who apply to CAMTC for certification on or after July 1, 2016 with education from school(s) that have applied for CAMTC approval, but for whom a final decision has not been rendered as to school approval on or before June 30, 2016. If the school ultimately receives CAMTC school approval, the hold on the students' applications for certification will be lifted and the applications will be processed in accordance with CAMTC's standard procedures. If the school is ultimately denied CAMTC school approval, the applicants for certification will then be notified that they may not use education from that school for CAMTC certification purposes, and that they will have one year from the date of the notification to provide proof of education from a CAMTC approved school or schools.
2. All individual applications for CAMTC certification submitted with transcripts from a school that CAMTC has proposed to deny or discipline, and that cannot be otherwise certified, will be placed on hold until a final decision as to whether to deny or discipline the school is made. If the decision is ultimately made not to deny or discipline the school, the hold on the applications shall be lifted and the applications will be processed in accordance with CAMTC's standard procedures. If the school is ultimately denied CAMTC school approval or their CAMTC school approval is revoked, the applicants for certification will then be notified that they may not use education from that school for CAMTC certification purposes, and that they will have one year from the date of the notification to provide proof of education from a CAMTC approved school or schools.



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February 15, 2016

TO: BOARD OF DIRECTORS CALIFORNIA MASSAGE THERAPY COUNCIL
FROM: ALISON SIEGEL, SPECIAL COUNSEL
RE: REASONS FOR PROPOSED AMENDMENTS TO CAMTC'S
PROCEDURES FOR UN-APPROVAL OF SCHOOLS

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 Procedures for Un-Approval of School (approved 9/14/15) with proposed amendments in red.

A short description of why the policy should be changed.

The proposed amendments have been done to make these procedures applicable only to the Un-Approval of schools (since schools seeking approval are subject to different procedures) and remove all references to these Procedures being applicable to schools seeking approval. Changes have also been made to harmonize these procedures with the fact that as of July 1, 2016, CAMTC will only accept education from approved schools.

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

The fiscal impact the proposed change may have on CAMTC and certificate holders and applicants. **Unknown.**

Potential pro's and con's if the new policy is adopted.

Pros: Procedures are clarified and only apply to schools CAMTC is Un-Approving; grace period has been changed so that no unfair advantage is provided to students that attended un-approved schools and submit their applications on or after July 1, 2016.
Con - None

The impact on current certificate holders and applicants. These changes close a loophole that would have allowed applicants from un-approved schools to potentially apply for CAMTC certification on or after July 1, 2016.

A suggested date for the change to be implemented. Effective immediately, so that schools and students can be put on notice of the changes before July 1, 2016 and so that the loophole is closed.



PROCEDURES FOR UN-APPROVAL OF SCHOOLS

Pursuant to California Business and Professions Code sections 4600 et. seq., the California Massage Therapy Council ("CAMTC") hereby adopts the following procedures relative to the ~~denial, un-approval, or action against~~ schools and the requirement to provide additional proof of adequate education (beyond merely a transcript). These procedures do not apply to decisions made to deny an application for school approval or to impose discipline on a CAMTC approved school:

1. Reasons for ~~denial of CAMTC application for school approval, un-approval, or action against a school.~~

Schools may be ~~denied CAMTC approval, un-approved, or otherwise acted against~~ for any of the following reasons:

- a. Selling or offering to sell transcripts, or providing or offering to provide transcripts, without requiring attendance, or full attendance, at the school.
- b. Failure to require students to attend all of the classes listed on the transcript.
- c. Failure to require students to attend all of the hours listed on the transcript.
- d. Engaging in fraudulent practices, including but not limited to, the creation of fake documents to aid or abet students seeking CAMTC certification, aiding or abetting students to use false documents and/or to present false testimony in CAMTC hearings, aiding or abetting students in engaging in fraudulent practices with respect to CAMTC hearings, making false claims, or otherwise engaging in fraudulent practices.
- e. Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate, any provision or term of law or any rule or bylaw of CAMTC.
- f. Denial, suspension, revocation, or otherwise being acted against by National Certification Board for Therapeutic Massage and Bodywork, including but not limited to, denial, suspension, or revocation of assigned school code.

- g. Failure to create, record, or maintain accurate records, including but not limited to student attendance records and student transcripts.
- h. Failure to identify transfer credit from other institutions (including name of other institution(s), hours transferred, and class requirements met by transfer credit) on transcripts.
- i. A finding by a local law enforcement agency, a state or local agency, or a private certifying, permitting, or accreditation agency related to massage, that a school has engaged in any of the conduct identified in these sections 1. a. - h.
- j. ~~Failure of a school that has requested CAMTC approval to meet or maintain the requirements for approval set forth in CAMTC's Policies and Procedures for Approval of Schools.~~

~~k.~~ Failure to meet the requirements for an approved school as defined in Business and Professions Code section 4601(a).

2. Investigations.

Section 4615 of the Business and Professions Code provides:

(a) The council¹ shall have the responsibility to determine whether the school from which an applicant has obtained the education required by this chapter meets the requirements of this chapter.

(1) If the council has any reason to question whether or not the applicant received the education that is required by this chapter from the school or schools that the applicant is claiming, the council shall investigate the facts to determine that the applicant received the required education prior to issuing a certificate.

(2) For purposes of this section and any other provision of this chapter that authorizes the council to receive factual information as a condition of taking any action, the council may conduct oral interviews of the applicant and others or conduct any investigation deemed necessary to establish that the information received is accurate and satisfies the criteria established by this chapter.

If CAMTC receives information that a school has violated a provision of section 1 of these procedures, it will make a determination (in its sole discretion based on the nature of the information received) whether to investigate that claim or not. If CAMTC decides to investigate the claim and, after investigation, has credible evidence that a violation of a

¹ "Council" as used in the Law means CAMTC.

provision of section 1 of these procedures has occurred, CAMTC will then make a determination whether or not to propose ~~denial of an application to become a CAMTC approved school~~, un-approval ~~of a school~~, or propose to otherwise take action against the school. If CAMTC decides to propose ~~denial~~, un-approval, or to take action against a school, the procedures listed in section 3 below shall be followed.

Any school about which there is a concern will be evaluated and investigated on a case-by-case basis. CAMTC will consider all of the evidence before it when making a proposed or a final decision.

With respect to investigations and/or actions against schools, including but not limited to final decisions about ~~denial~~, un-approval, or action against a school, CAMTC may delegate its authority under these procedures to a committee or to staff, in CAMTC's sole discretion.

3. Procedure for Notifying School of Concern and Chance to Respond.

Once the initial investigation is completed and CAMTC has made a decision to propose ~~denial~~, un-approval, or to take action against a school, it shall notify the school of its intent to take such action, including placing it on the un-approved list. ~~Additionally, if the school is seeking CAMTC approval or is already a CAMTC approved school, CAMTC shall also notify the school of its proposed decision to deny the school's application for approval or revoke or otherwise act against the school in relation to its status as a CAMTC approved school.~~ It shall also take all of the following steps:

- a. Send the school a letter notifying it of CAMTC's proposed decision to ~~deny the application for approval~~, un-approve the school, or take action against the school and identifying the reasons for that decision (this letter shall be called a "Proposed Un-Approval Letter" regardless of the action proposed to be taken);
- b. Notify the school that it will be given 30 days from the date of the Proposed Un-approval Letter to respond in writing, including submission of any documents, evidence, and written statements, and/or to request the opportunity to make an oral statement before the CAMTC Board of not more than 20 minutes;
- c. Notify the school that if an oral statement is timely requested, the school will have the opportunity to make that statement to the Board before its matter is considered;
- d. Notify the school of the outcome in writing within 90 days after the Board renders its decision; and
- e. Inform the school that all applications submitted with transcripts from their school that cannot be otherwise certified will be placed on hold until a final decision as to whether to ~~deny~~, un-approve, or otherwise take action against the school is made.

4. Action Against a School.

If CAMTC makes a final determination that a school has engaged in any of the conduct identified in paragraph 1 of these procedures, it may take any or all of the following actions, in its sole discretion:

a. ~~For schools that are seeking CAMTC approval or have been approved by CAMTC: Deny the application for approval, u~~Un-approve the school, or otherwise take action against the school, including but not limited to ~~revoking its CAMTC approved school code or~~ imposing probationary conditions.

b. Un-approve the school and list the school as an un-approved school. If the school is listed as un-approved, a ~~90-day~~ grace period ~~of no longer than 90-days will may~~ follow, ~~however in no case shall CAMTC allow an applicant that has submitted an application for certification on or after July 1 of 2016, to use education from a school that has not been approved by CAMTC for CAMTC certification purposes.~~ During ~~this 90-day~~the grace period, the school's students who apply ~~for certification on or before June 30, 2016, and all of those whose application was previously held,~~ will be required to provide additional proof of adequate education (beyond merely a transcript from the subject school) in order to prove their education. Students who apply after the ~~90-day~~ grace period has expired ~~or on or after July 1, 2016,~~ will be told that, unless they have also supplied evidence of completion of required hours of massage education from one or more CAMTC approved schools, their applications are incomplete and that they have one year to complete their education and provide an acceptable transcript to CAMTC before their applications are purged;~~HH~~

b. List the school as a school for which students will have to provide additional proof of education beyond just a transcript, rather than listing the school as "un-approved";

c. Place the school on probation, with the specific probationary terms and conditions identified in the final decision letter, including but not limited to further inspection of school premises and documents.

If the school submits no information in response to the Proposed Un-approval Letter, the school will become un-approved and it will be listed on CAMTC's website as an un-approved school after the time for response to the Proposed Un-approval Letter has expired.

5. Rehabilitation.

A. Consideration of Rehabilitative Factors

Consideration of a school's rehabilitation will be evaluated on a case-by-case basis. CAMTC will consider all available information, including the totality, weight, and reliability of the evidence when making a determination.

Factors that will be considered when determining whether a school has been rehabilitated may include, but are not necessarily limited to, the following:

- a. The seriousness of the conduct that resulted in CAMTC action against the school;
- b. The number and nature of complaints CAMTC has received about the school, both before and after CAMTC action against the school;
- c. The length of time between complaints against the school;
- d. The number and nature of disciplinary action by CAMTC or other organizations against the school;
- e. The length of time the school has been operating and approved by one of the organizations listed in 4600(a)(1)-(5);
- f. The effect CAMTC action against the school has had on the school;
- g. Safeguards instituted by the school to prevent recurrence;
- h. Actual knowledge by current school owners of the bad acts engaged in at the time the conduct that led to CAMTC action against the school occurred;
- i. Change in status with other agencies that regulate schools, such as NCBTMB (e.g. restoration of a school's NCBTMB "school code" after suspension or revocation or change from suspension to revocation);
- j. Approval or re-approval of the school by the Bureau for Private Postsecondary Education (BPPE);
- k. Ongoing rehabilitation efforts by the school and how realistic such efforts are; and
- l. All other relevant information related to rehabilitation.

B. Procedures

When a school requests that it be taken off the list of un-approved schools or the list of schools from which students have to provide additional proof of education beyond just a transcript (collectively "the list"), CAMTC will make the decision, in its sole discretion, based on its consideration of rehabilitative factors as described in Section A.

All such requests by schools must be:

1. in writing, and
2. sent to the CAMTC offices at One Capital Mall, Suite ~~8032~~20, Sacramento, CA 95814
OR via email to camtreview@amgroup.us; SLaFlamme@amgroup.us

CAMTC will review the information presented by the school and has the authority to investigate the evidence, including but not limited to oral interviews with a school's management, staff, students and graduates and any other relevant witnesses, whether affiliated with the school or with other organizations.

If CAMTC determines that a school should be removed from the un-approved list (or may be eligible to be removed from the list), CAMTC may impose conditions on the school, including but not necessarily limited to the following:

- a. Requiring a school to submit periodic written progress reports identifying steps being taken to correct the unacceptable issues.
- b. Requiring a school to submit to unannounced CAMTC staff visits to the school for inspection, including but not limited to inspection of facilities, personnel, classes, and records, and to monitor the school's activities.

Once a final decision is made by CAMTC, the school will be notified in writing of that decision.

Any school that has been ~~denied CAMTC approval, has been~~ un-approved, or has been placed on the list for selling or offering to sell transcripts, failing to require students to attend all of the classes listed on the transcript, failure to require students to attend the school for all of the hours listed on the transcript, or engaging in fraudulent practices may not request ~~CAMTC approval or~~ removal from the list of un-approved schools for a period of five (5) years from the date the school was ~~denied, un-approved,~~ or added to the list. All other schools may request ~~CAMTC approval or~~ removal from the list after a period of two (2) years from the date the school was ~~denied, un-approved,~~ acted against, or added to the list. Schools must be removed from the un-approved list before they can apply for CAMTC approval.

The burden of proof is on the school to prove that it has been sufficiently rehabilitated to allow removal from the list or re-application to CAMTC as an approved school. Whether a school that claims rehabilitation and requests removal from the list will be removed from the list is in CAMTC's sole discretion.



CEO Report

February 25, 2016

2015 in Review

2015 was a busy year for CAMTC. The **implementation of the Massage Therapy Act (“MTA”)** that went into effect on January 1, 2015, required staff to completely overhaul application processing protocols and create multiple new forms and documents. Our processing staff, as well as the Professional Standards Division (“PSD”), went through a comprehensive training to become proficient on all aspects of the new law relevant to their respective responsibilities. In addition to significant operational changes, staff interfaced and continuously supported a vast array of stakeholders who also had to adjust to the reality of the new law. These stakeholders groups included:

- Consumers
- Massage professionals (applicants, certificate holders, uncertified providers)
- Massage associations
- The Legislature
- Cities and counties
- Law enforcement
- State government agencies

- Anti human trafficking organizations
- Massage schools
- CAMTC Board members (outgoing and incoming)
- Massage employers and businesses
- The media

Clearly, in order to address the diverse and often conflicting needs, interests and concerns of such a broad field of stakeholders, a wide range of expertise and capabilities are needed. I'm pleased to report that staff performed extraordinarily well in discharging their responsibilities and succeeded in fully implanting all aspects of the MTA for which CAMTC is responsible.

As we expected, CAMTC's **fiscal viability** was put to the test in 2015. On November 5, 2014 I wrote to the Board: *"Making precise revenue projections for 2015 may prove to be a humbling exercise. It is difficult to predict how the substantive changes in CAMTC's enabling law will impact the demand for certification. It is safe to assume that the additional cost and effort associated with the new exam requirement (which CAMTC fully supported) will result in a drop in new applications at the beginning of the year."* While we fully anticipated a smaller number new applications, the exact amount was anybody's guess. As it turned out, the decline in the number of new applications was massive. We went from 14,665 total applications received in 2014 to 4,179 in 2015. This translated into a \$1,572,900 hit to annual cash flow. In spite of that challenge, CAMTC is now financially stronger than ever. In fact, **2015 was a record year for CAMTC on two fronts:**

1. Year-end number of certificate holders was the highest ever- 49,401.
2. Year-end cash was at all time high- \$3,392,136.

There are two main contributors to the above results:

The rectification rate of 77% exceeded our goal of 67%. These results highlight the value of CAMTC certification. Even though CAMTC certification is voluntary, the

perceived value proposition (benefits) to certificate holders, local governments and business owners is compelling and motivates most certificate holders to recertify.

By adhering to tight entrepreneurial disciplines, CAMTC managed to keep costs in check and run a lean, efficient organization.

Based on staff recommendation, the Board adopted a rather ambitious list of **strategic priorities for 2015**, all of which were implemented:

1. **Disciplinary Performance Measures (“DPM”) were established** in order to ensure that CAMTC's enforcement activities are directly aligned with CAMTC's mission of protecting the public. We developed verifiable disciplinary goals and easy-to-understand performance measures that function as a transparent system of accountability. These measures have been posted publicly on a quarterly basis on our website. The DPM demonstrate that CAMTC is making the most efficient and effective use of its resources. The DPM document for 2015 is attached.
2. **Collaboration with local law enforcement agencies has been strengthened** as a result of our statewide outreach initiative. In April, CAMTC sent correspondence to the California Police Chiefs Association (“Cal Chiefs”) regarding no-cost CAMTC law enforcement training. Cal Chiefs forwarded this communication to all its members. In October we sent letters to 356 police chiefs and 58 sheriffs, as well as letters to the Presidents of the Cal Chiefs and the California State Sheriffs' Association. CAMTC's Director of Professional Standards Division and I presented to Cal Chiefs' Board on December 4, 2015 in Walnut Creek. Staff also engaged in a preliminary dialogue with the California State Sheriffs' Association, which offered to highlight CAMTC's outreach through their weekly email that goes to all sheriffs in the state. To date we have established cooperative working relationships with 418 law enforcement agencies and trained 701 law enforcement officials. CAMTC is continuing to respond to additional requests for assistance from various agencies on a weekly basis. We have received numerous accolades from law enforcement, some of which are included in the attached document.

3. Relationships with **local government**, especially with cities and counties that grapple with proliferation of illicit massage parlors, have been improved. CAMTC attended the League of California Cities (“League”), City Managers Department Meeting as a Gold Sponsor. Prior to the conference, all the city managers in attendance received an invitation to meet with us during the conference. In an effort to engage the League’s leadership in a direct dialog, I also reached out to the League’s Executive Director and suggested a meeting, which he accepted. The two of us had four face-to-face, constructive and frank conversations and are now working together on establishing a framework for better communication with cities. CAMTC submitted proposals for the League’s City Attorneys Department Spring Conference and for the Annual Conference (neither proposal was accepted). In October, CAMTC initiated a new statewide outreach effort to local government. I wrote to 470 city managers, 53 county managers and to the Executive Director of the California State Association of Counties (“CSAC”). **So far, we have established active communication with 1,789 local government officials and continue to offer assistance with the accurate implementation of the Massage Therapy Act, upon request.**
4. Feedback from 658 **certificate holders** regarding their experience with the implementation of the Massage Therapy Act was compiled into a 210-page document. We conducted a general survey of certificate holders and received 3,610 responses. Attached is a chart depicting the responses to a question regarding overall experience of certificate holders. Staff found the input we received to be really helpful and we will use it in formulating changes to improve CAMTC operations.
5. **The time by which CAMTC revokes and/or disciplines certificate holders in 2015 was shortened by 83%.** By increasing the size of our legal staff and prioritizing actions against existing certificate holders, CAMTC continues to make its disciplinary actions swifter.
6. The **school approval program** was fully implemented and all eligible schools that applied by the initial deadline were inspected in 2015.
7. CAMTC initiated the development of an **MOU with BPPE** and at this point we are waiting on a response to our initial draft proposal.

8. CAMTC studied the feasibility and possible protocols of providing an **approved exam in at least one foreign language**. One of CAMTC's approved exams is already offered in Spanish. Since protection of the public is CAMTC's paramount objective, the Board decided not to pursue the development of exams in other foreign languages.

Staff executed all of the above while being fully engaged in other major projects such as the development and fast implementation of a **modern database system**, the preparation of the **Sunset review report** and the **distribution of more than 40,000 consumer educational brochures**.

January 2016- Highlights

Early in January staff hit the ground running on multiple fronts. In preparation for **Sunset review**, senior staff held a meeting with the Legislature. The Sunset hearing date is set for Monday, March 14, 2016 at 9:00 am. Responding rapidly to all of the Legislature's requests for additional clarifications and data has been our top priority. On January 28, 2016, the Legislature informed CAMTC that the due date of the feasibility study was moved from June 1, 2016 to January 1, 2017. Staff is in the process of vetting highly reputable research institutions and firms to which CAMTC may commission the study.

To help better facilitate CAMTC's objective to assist **city governments** in meeting their duty to maintain the highest standards of conduct and safety in massage establishments I reached out to Chris McKenzie, Executive Director of the League, to find out if there are some specific ways in which the League can support our effort to improve communication with cities. He and I met, with two key staff members from our respective organizations to discuss designing a specific communications plan around sharing information with city officials about CAMTC's efforts and resources. I'm planning to submit in March an article to be published in the League's Western Cities magazine (attached is an article from 2011). We will continue to discuss other ways to join efforts to build a foundation for ongoing corporation.

Also in January, Board members Mike Callagy and Guy Fuson joined Beverly May for an important meeting with **CSAC** to address CAMTC's collaboration and communication with county governments.

PERFORMANCE METRICS – 2nd, 3rd, and 4th Quarters, 2015

PM1 – COMPLAINT VOLUME

Total Number of Complaints Received – ALL (actionable and non-actionable)
average per month

SECOND QUARTER 2015: 41 total complaints received on average per month.

THIRD QUARTER 2015: 39 total complaints received on average per month.

FOURTH QUARTER 2015: 34 total complaints received on average per month.

PM1.1 – COMPLAINT VOLUME- CERTIFICATE HOLDERS

Total Number of Complaints Received Against Certificate Holders

SECOND QUARTER 2015: 26 complaints received against Certificate Holders on average per month.

THIRD QUARTER 2015: 28 complaints received against Certificate Holders on average per month.

FOURTH QUARTER 2015: 22 complaints received against Certificate Holders on average per month.

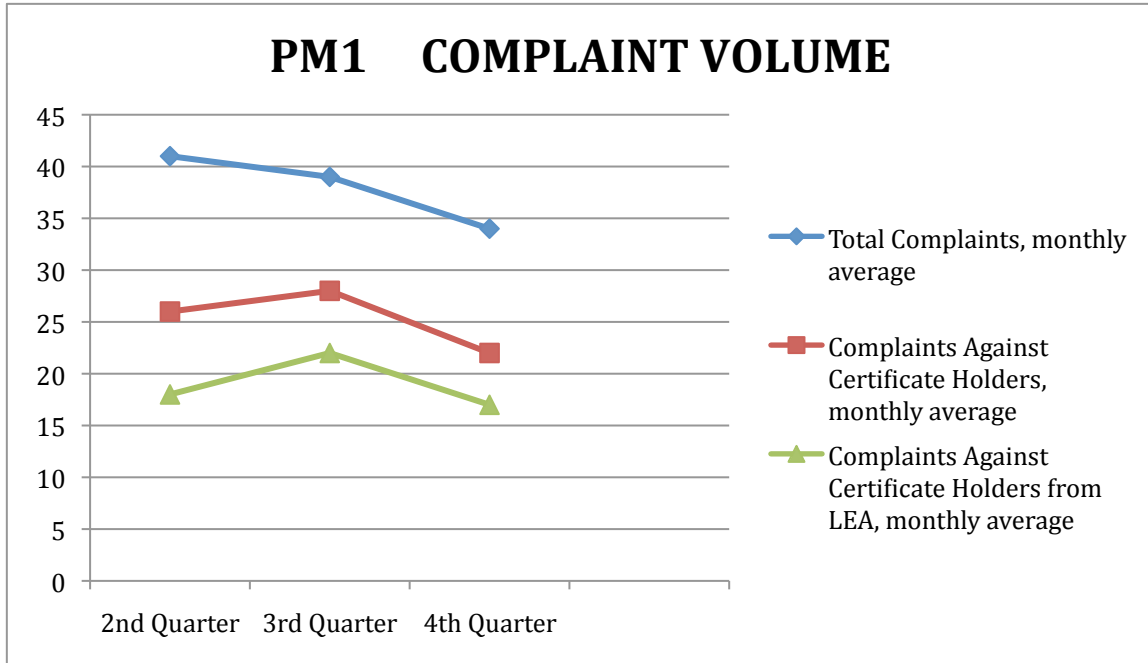
PM 1.2 – COMPLAINT VOLUME – CERTIFICATE HOLDERS – COMPLAINTS FROM
LAW ENFORCEMENT

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.

SECOND QUARTER 2015: 18 complaints received from LEA on average per month.

THIRD QUARTER 2015: 22 complaints received from LEA on average per month.

FOURTH QUARTER 2015: 17 complaints received from LEA on average per month.



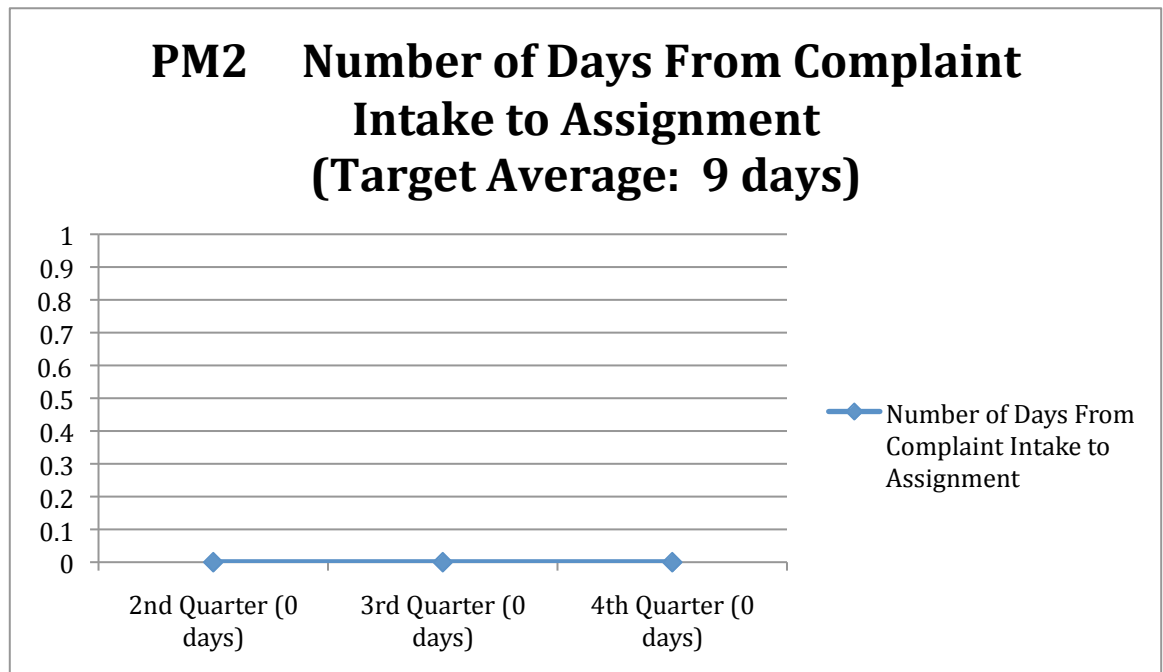
PM2 – INTAKE – ALL COMPLAINTS

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.

SECOND QUARTER 2015: 0 days to assignment

THIRD QUARTER 2015: 0 days to assignment

FOURTH QUARTER 2015: 0 days to assignment



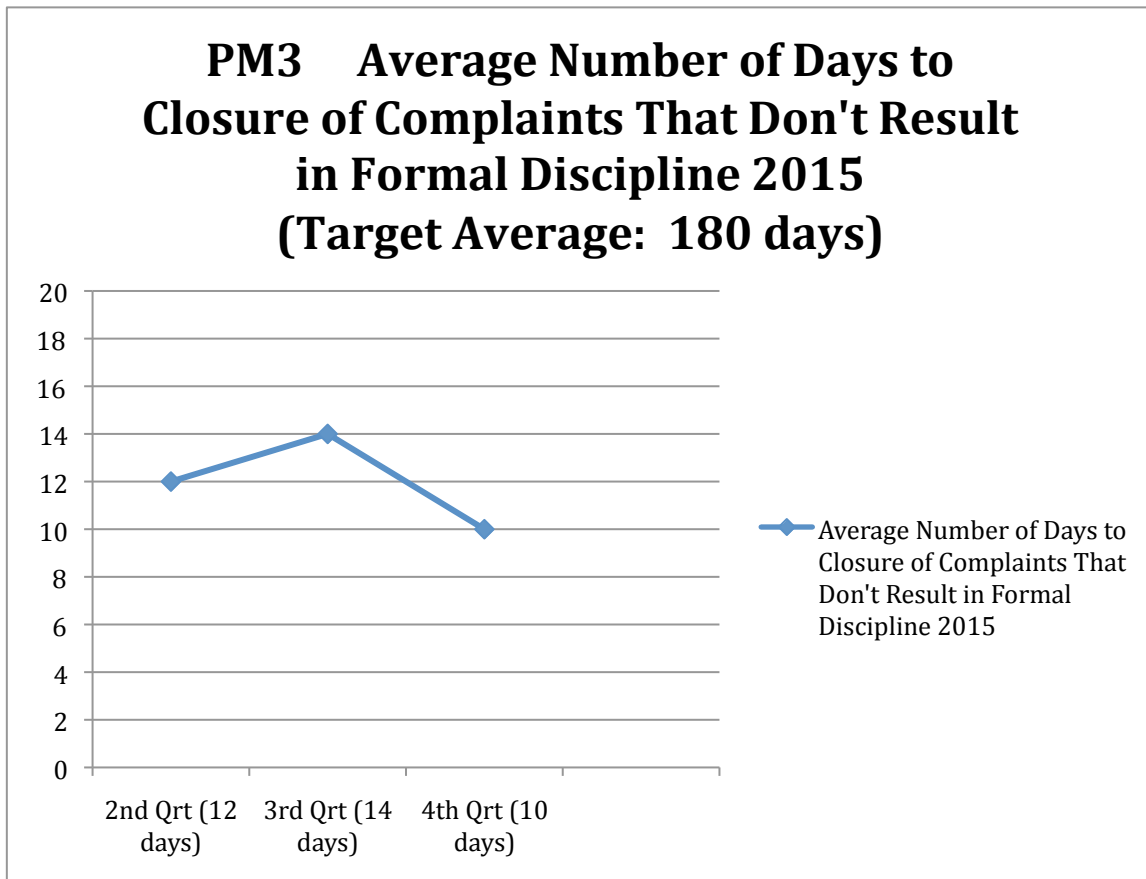
PM3 – COMPLAINT INTAKE AND INVESTIGATION – INFORMAL RESOLUTION

Average time in days from date complaint was received to date complaint was resolved/closure of the investigation process not resulting in formal discipline. 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 (revocation, suspension, or imposition of probationary conditions).

SECOND QUARTER 2015: 12 days is the average number of days to closure.

THIRD QUARTER 2015: 14 days is the average number of days to closure.

FOURTH QUARTER 2015: 10 days is the average number of days to closure.



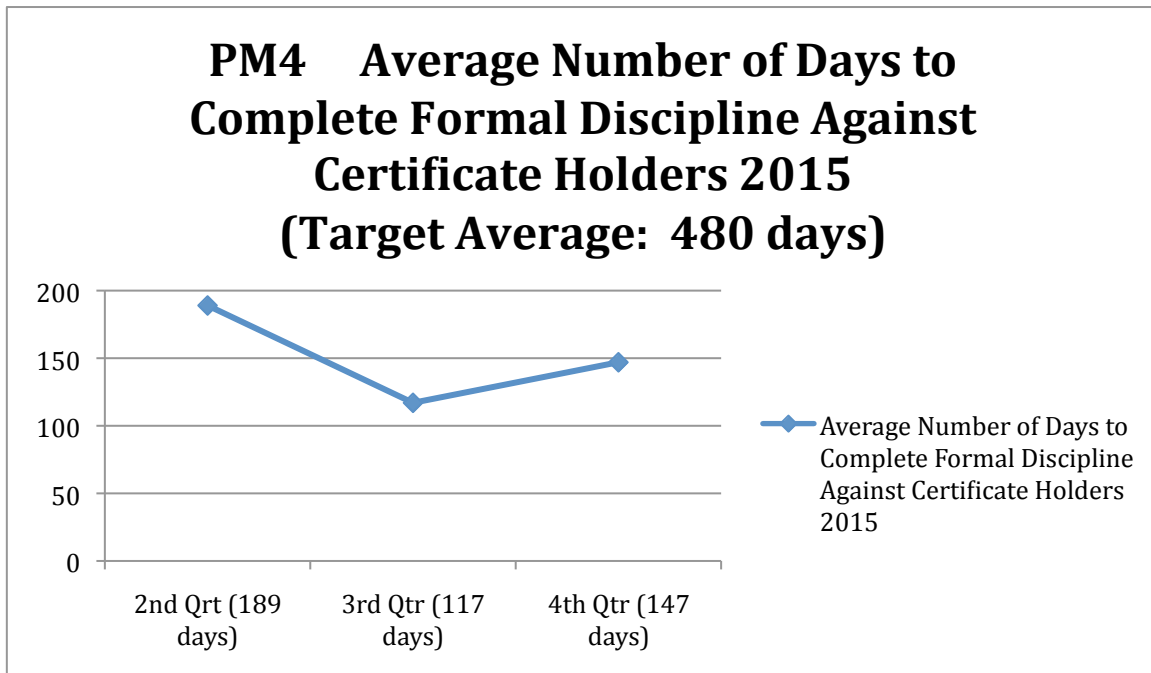
PM4 – FORMAL DISCIPLINE AGAINST CERTIFICATE HOLDERS

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

SECOND QUARTER 2015: 189 days is the average number of days from intake to final date of formal discipline.

THIRD QUARTER 2015: 117 days is the average number of days from intake to effective date of imposition of formal discipline.

FOURTH QUARTER 2015: 147 days is the average number of days from intake to effective date of imposition of formal discipline.





Law Enforcement Comments on CAMTC Training

Concord Police Department

"The training allows officers to support legitimate massage businesses in our communities, while also helping them to recognize and address those businesses which operate outside the law."

- Lieutenant Russ Norris

Sunnyvale Police Department

"The Sunnyvale Department of Public Safety is pleased to offer this valuable training to combat prostitution and human trafficking occurring in the region. We feel that educating our officers provides us the most value in making sure our communities remain safe."

- Captain Jeffrey Hunter

Santa Cruz County District Attorney

"The training by the California Massage Therapy Council (CAMTC) provided valuable tools in addressing the proliferation of illicit massage parlor establishments. This on-going collaborative effort between local law enforcement agencies in Santa Cruz County and the CAMTC will ensure the public's safety and reduce human trafficking."

- Ed Delfin, Inspector II

Visalia Police Department

"The Visalia Police Department understands the importance of partnerships when it comes to combating human trafficking. Trainings such as these play a key role in strengthening these relationships."

- Captain Rick Haskill

Corona Police Department

"Everyone benefits when we're able to receive such detailed training; both in the realm of knowledge and cooperative working relationships with CAMTC."

- Chief, Michael E. Abel

Vacaville Police Department

"Our City ordinance requires massage therapists to be certified by CAMTC. With strict regulations and business requirements established by CAMTC, we will be able to ensure that the community will no longer be plagued with questionable massage parlors. Our officers are now equipped with the training and resources necessary to stop illegal activity that often lurks behind these business fronts,"

- Chief John Carli

Hawthorne Police Department

"The Hawthorne Police Department appreciates its partnership with the CAMTC, and looks forward to its continued training and support to ensure that only safe and compliant massage businesses are allowed to operate in the City of Hawthorne."

- Chief Robert Fager

Chula Vista Police Department

"The CAMTC training provided valuable insight to our police department members in order to strengthen our oversight of police regulated businesses. Our department looks forward to hosting additional future training with CAMTC in order to raise awareness and understanding on behalf of law enforcement."

- Captain Lon Turner

Porterville Police Department

"The training provided by Mr. McElroy was excellent and will certainly aid us in better understanding and being able to effectively monitor and enforce the laws that pertain to massage parlors."

- Sergeant Rick Carrillo

Montclair Police Department

"The City of Montclair looks forward to working closely with CAMTC to properly address criminal and licensing issues which tend to arise out of massage establishments. This will also benefit practitioners and business owners in the massage field who are conducting their business in a legitimate and lawful manner."

- Lieutenant Jason Reed

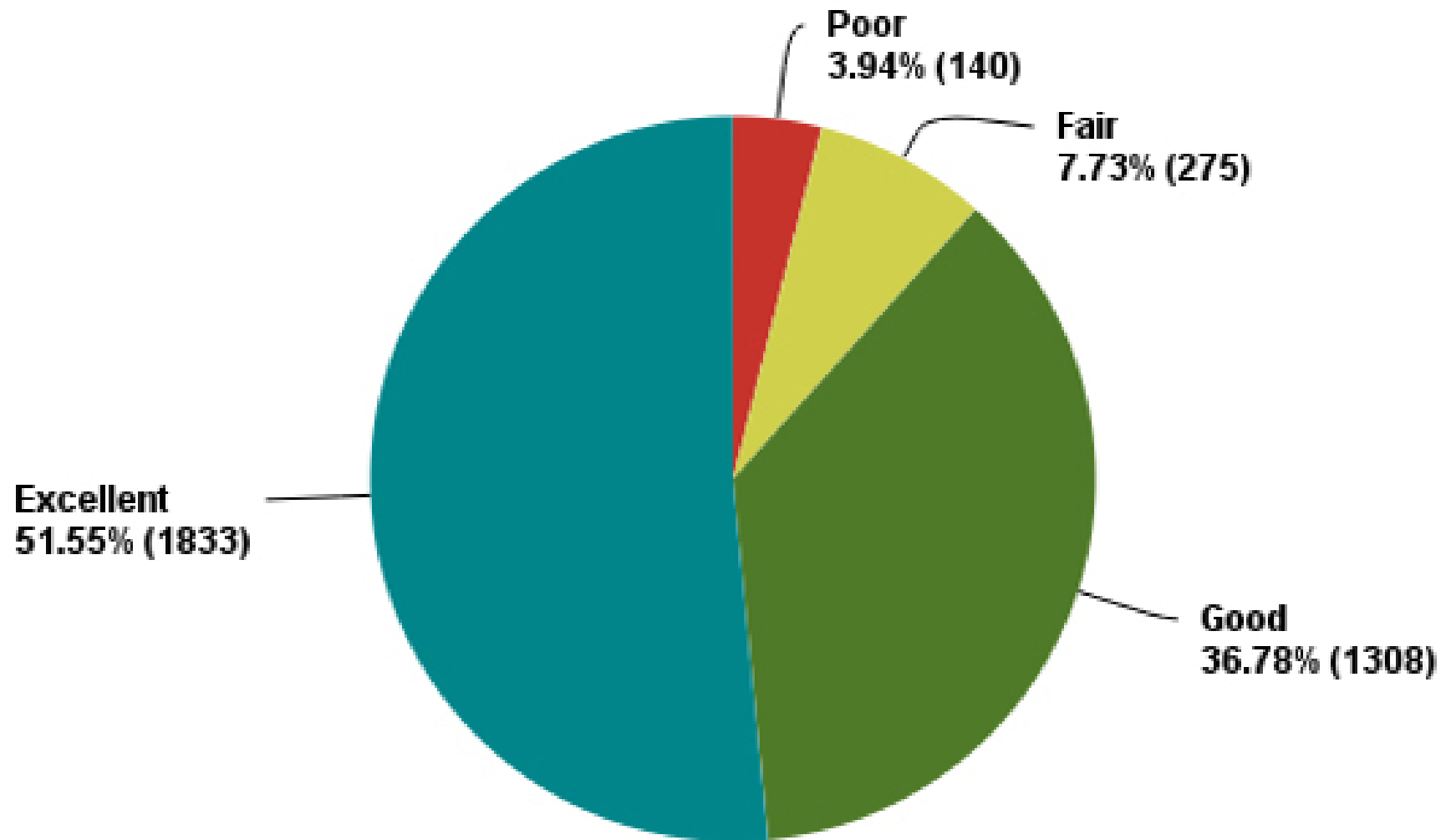
To date, CAMTC has established cooperative working relationships with 418 law enforcement agencies and trained 701 law enforcement officials. We respond to additional requests for assistance from various agencies on a weekly basis. CAMTC has received numerous accolades from law enforcement, some of which are included here.

- California Massage Therapy Council -

2-16-2016

How would you rate your overall experience with your CAMTC certification.

Answered: 3,556 Skipped: 0



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Protecting Consumers and Enhancing Public Safety

BY AHMOS NETANEL



Ahmos Netanel is the chief executive officer of the California Massage Therapy Council and can be reached at anetanel@camtc.org.

For years California was one of the only states that regulated massage with a patchwork of 549 regulatory schemes. As more states mandated state licensing and raised educational standards, California lagged behind. Currently 43 states and the District of Columbia regulate massage.

California's diverse system of local ordinances was not working. Consumers had no way of knowing the meaning of credentials, with graduates of two-week programs using the same titles as those from one-year educational programs. Massage therapists who had worked

for many years in one area of the state found that they did not qualify to practice in other areas because each jurisdiction had completely different standards.

In addition, massage as a subterfuge for prostitution and human trafficking is a larger problem in California than in other states.

The State of California requires, among other things, substantial documentation of danger to public safety before considering new professional regulation. Because the issues related to regulating massage therapists involved local land use authority as well as public safety, the League took an interest in the question of proposed new statewide regulations. The League convened a task force to examine the issue and the various proposed legislative alternatives and provide technical guidance. Local officials with experience regulating massage therapists and legitimate massage businesses offered their expertise.

Creating the California Massage Therapy Council

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Tom Hixon



Business and Professions Code section 4600 and following sections. The law, which took effect Jan. 1, 2009, authorized the creation of a nonprofit public benefit corporation called the California Massage Therapy Council (CAMTC) and charged it with implementing a voluntary statewide certification program for massage professionals beginning Sept. 1, 2009. The law requires that the CAMTC board of directors comprise wide representation from the massage industry and government sectors, including board members appointed by the League, California State Association of Counties, California Department of Consumer Affairs and the California Community Colleges Chancellor's Office, among others. The board of directors sets policies and oversees management staff, administrative professionals and investigators.

Contrary to initial misconceptions, the state did not take control of massage regulation. The state law applies only to certified individuals and businesses in which all massage services are provided by certified professionals. Cities are free to enforce their local massage rules and regulations on massage practitioners who are not certified.

While many cities were initially un-certain whether the law was helpful, a growing number of municipalities now not only welcome the change but are taking advantage of the law to protect consumers, enhance public safety and increase revenues.

Protecting Consumers and Enhancing Public Safety

Protecting consumers and enhancing public safety is at the heart of the legislative mandate and CAMTC's mission. This is accomplished by verifying that all applicants have completed adequate education and have cleared Department of Justice and FBI background checks. CAMTC can deny applicants or discipline certificate holders based on evidence of "unprofessional conduct," which is broadly defined.

The original League appointee to CAMTC was retired Los Angeles Police Department Detective Rick McElroy, who spent 32 years working with LAPD's vice division, including 25 years specializing in massage regulation. McElroy now heads the CAMTC Professional Standards Division, where he oversees a team of vice experts, massage education specialists and the investigative unit.

While the CAMTC Professional Standards Division is authorized to investigate applicants and certified professionals, only local law enforcement has the right to investigate massage establishments to determine whether the professionals who practice at those establishments are certified or not.

Generating Revenue

Cities retain many rights under the law regulating massage. A city can regulate anyone not certified by CAMTC. Cities can adopt reasonable health and safety regulations applicable to certified massage professionals and the businesses in which they work. Cities can also require business licenses. In fact, it is expected that business license revenue will go up in proportion to the many massage therapists who avoided local permits and are now coming out into the open as certified massage professionals. CAMTC makes it very clear to all certified professionals that certification does not pre-empt the need for business licenses for all those who are not W-2 employees. CAMTC notifies cities as soon as anyone who will be working in their city is certified, making it easy for city finance staff to collect business license fees.

In contrast to the business license, the fees for massage permits that non-certified professionals need to obtain are at best revenue neutral. In many cases cities have a net loss due to the costs of investigations and processing massage permits.

Working Together

San Mateo Deputy Police Chief Mike Callagy is the League's current appointee to the CAMTC board of directors. Callagy says, "CAMTC has come a long way toward working in partnership with law enforcement throughout the state to promote safety in the massage industry. As a CAMTC board member, I can assure you that there is a shared vision between law enforcement and CAMTC to



necessary, and by working together CAMTC and law enforcement have come up with much-needed changes in the certification of massage practitioners. This shared vision of public safety can only have a profound and long-term positive impact on the massage industry.”

From its inception, CAMTC has worked with law enforcement throughout the state to establish many internal policies and procedures. Law enforcement, city attorneys and permit staff played a key role in creating the application form, a secure area of the CAMTC website, and a robust system for exchanging information about applicants for certification. This exchange of information maximizes the effectiveness of complementary sets of resources, thus strengthening both CAMTC’s and the cities’ ability to operate efficiently. As a result, more jurisdictions are requiring certification; examples include Torrance, San Rafael, San Diego County and Huntington Beach.

Support for Cities

The relationship between CAMTC and cities is the key to this program’s success. Beverly May, director of governmental affairs, coordinates CAMTC’s staff. She works directly with cities to help them navigate their way through the law and address any challenges related to massage in their city. For registered city staff, CAMTC has a secure password-restricted area in the Government Agencies section of its website at www.camtc.org. For further information and assistance, contact Beverly May; e-mail: bmay@camtc.org; phone: (650) 587-5288.

*This article appears in the **October 2011** issue of Western City*
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Report for Board Meeting February 25, 2016
From: Beverly May, Director of Governmental Affairs and Special Projects

- Local Government Implementation of AB1147
- Sunset review
- Human Trafficking
- Database Development Update

I am aware of 151 cities or counties have passed ordinances that require certification. Since I am not always notified or aware of the drafting of new ordinances there may be more. Six cities have ceased issuing police permits and by policy require certification. At least 22 cities are in the process of drafting new ordinances, and as far as I know, all will require certification. I review as many as three proposed or newly amended ordinances each week and keep summaries of each.

As illicit businesses expand into more rural regions that have not regulated massage, or that have minimal standards, some cities adopt first ever, or amended massage ordinances. In fact, residents and a few massage therapists in the city of Redding have been the ones to initiate development of a first ever massage ordinance. As I have discussed in previous reports, at times the local massage therapists do not qualify for certification, having missed the last portal for grandfathering. Although most cities provide a grace period for compliance with the new ordinance, in rural parts of the state with no local massage schools the burden to obtain additional education can be substantial. Some jurisdictions have formally, in code, or informally, in policy, allowed existing massage therapists to continue to work without being certified. All require some type of proof that an individual has been working in the city for a certain length of time. The disadvantage to the massage therapist is that they are limited to that city or others that do not require certification, or may not qualify if they are new to the city. The legislative committees have indicated that they are unlikely to consider grandfathering again.

I continue to respond almost daily to questions from city and county staff - typically city attorneys, DAs, county counsels, planners, code and law

enforcement and business license staff. We have met with a number of cities in addition to the training that PSD provides to law enforcement.

The approach taken in San Mateo County may be one of the best examples of how to close illicit businesses without burdening the legitimate ones. The “revocable registration” is easy and cost-effective to revoke, fees and requirements to open and maintain a business are reasonable, and land use requirements aren’t particularly restrictive.

- Human Trafficking

I participate regularly in the Human Trafficking Taskforces in Stanislaus County, hosted by the District Attorney, and the San Francisco Mayors’ Taskforce on Human Trafficking, as well as the SF Illicit Massage Parlor Committee. I have attended most of the symposiums and trainings organized by the SF Collaborative Against Human Trafficking (SFCAHT). I’ve been participating recently in the Alameda County Human Exploitation and Trafficking (H.E.A.T) Watch Program, one of the first and most active anti-trafficking programs organized by a county District Attorneys office. I monitor anti-trafficking efforts in other counties as they pertain to massage. Rick McElroy and I were invited to meet with the Los Angeles County Regional Human Trafficking Taskforce and tour their newly renovated facility. It was quite impressive, encompassing space for a local human trafficking organization, social services, city, county and federal law enforcement, the Regional Intelligence Center, rooms for rescued children to feel safe, and more. As with all Human Trafficking programs, the focus is on much more than possible ties to massage, with trafficking of children rightly a priority across the board. We were fortunate to be present when LA County Sheriff Jim McDonnell came in for the ceremonies and we had an opportunity to speak with him.

The San Mateo County Human Trafficking Coordinator is implementing the county plan to close the illicit massage establishments within the county and its’ cities this year. Rick and I met with him last month along with the Director, Deputy Director and Intelligence Analyst for the Northern California Regional Intelligence Center (NCRIC). NCRIC is a federal agency and is one of six regional centers, this one encompassing 11 counties, gathering, analyzing and sharing information regarding various criminal enterprises. We are exploring what information and resources we each have and how to share information. CAMTC’s interest is to prevent the use of massage as a front for the sex industry, including human trafficking. Polaris Project has offered to share their knowledge and resources with us. Polaris is working on a new approach to address trafficking in massage, and we are involved as an advisor. The Polaris Project was in fact founded to help women trafficked into brothels posing as massage establishments, so this venue is close to their heart.

Polaris is currently shifting much of their focus, while still victim centered, to working with AGs and prosecutors.

According to the Coalition to Abolish Slavery and Trafficking (CAST), between 14,500 and 17,500 people are trafficked into the United States every year with 83% of confirmed cases affecting American-born citizens. CAST estimates that a significant number of victims are labor trafficked, and indications are that this exists in massage as well.

Sunset review

CAMTC Staff addresses requests for additional information or clarification from the Business and Professions committee staff as they prepare the Sunset Issues Report. In the coming weeks we hope to learn what issues they will want us address at the hearing. The hearing before the Joint Committee on Sunset will be held on March 14th at 9 am.

Database Development – See next page.

CAMTC Database and Certification Management System Modernization Project Status—February, 2016

Project Status

Since beginning Phase II of the CAMTC Modernization Project (September 1, 2015), CAMTC Subject Matter Experts (SMEs) have worked with our Project Management consultant (Pacific Project Management, Inc.) and our solution provider (inLumon) to develop the following user interfaces for the new Certification and Application Management System (CAMS):

- Online CMT Application
- Online CMT Certificate Holder Recertification
- Online CMP Certificate Holder Upgrade
- Online School Approval Application
- CAMS Back Office—to support processing and monitoring of those online applications

The online applications are designed to provide immediate feedback to users by editing and validating data as it is being entered. Rigorous standards for encrypting data have been leveraged from the banking industry, providing data protection as it is being sent to and stored in CAMS. These same industry standards are used to ensure only authorized users have access to data.

We achieved the following project milestones in February:

- 02/09 Approved for development the User Interfaces for School Approval Application, CMT Application, CMT Recertification, CMP Upgrade as well as the Back Office functions supporting ESD
- 02/16 Approved for development the Back Office functions supporting AMG, PSD and Legal

These milestones follow months of intense testing by our Project Management consultant and SMEs.

Work for the near-term now focuses on:

- Completion of the test cases that will be used to validate that all defined system requirements have been met by the developer
- Testing data migration and review/testing of existing data in the new system. Data cleansing began immediately to facilitate migration and testing.
- Continued testing of the online User Interfaces and Back Office applications as each module in the system is released for testing
- Preparations for system testing all online User Interfaces and Back Office applications
- Preparations for Final User Acceptance Testing of CAMS

There are two significant changes to the project schedule that have been made in order to better meet the needs of CAMTC. This approach also allows for a phased-in implementation of the new system vs. a one shot, 'Big Bang' approach—the phased-in approach has less risk than the 'Big Bang'.

The schedule changes are:

- Moved Go Live implementation target to mid-May for School Approval Application and ESD Back Office functionality; this will enable ESD to better manage the school approval program well in advance of the July 1 date
- Moved Go Live implementation target to July 1 for CMT Application and CMP Upgrade to coincide with school approval program; this allows the online CMT Application and CMP Upgrade application to use only one process for verifying school information

Overall, the project is on schedule and risk mitigation/avoidance activities continue.

Treasurer's Report through December 31, 2015 Board Meeting: February 25, 2016

Applications Received and Re-Certifications Billed

New Applications and Re-Certifications

Through the week ending December 26, 2015 CAMTC has received 79,027 Applications since the start of operations on July 27, 2009. However, just 4179 (or 5.3%) were been obtained during 2015. (Of those 4179 Applications, 905 were received in the first week, probably because of those therapists trying to beat the start of the new law beginning in 2015 which requires 500 hours of approved education and an exam.)

The CAMTC feels that the major factor in this low number of Applications is due to the exam and increased hour requirements. A large number of Applications cannot be issued because exam results are not available. As of December 26, 1848 Applications are pending because they are incomplete; however, this explanation may not be the entire reason because at the end of 2014 there were 2,541 Applications pending because they were incomplete in some way.

Since the number of incomplete Applications this year is not greater than last year, the reasons for the reduced Applications should be fully understood and, to the extent possible, addressed. Clearly, the number of Applications has financial implications for CAMTC. To further put the number of Applications received this year in perspective:

- The weekly average for 2015 is just 80 Applications.
- In contrast, in 2014, 14,665 Applications were received, an average of 282 per week. While 2014 had the highest weekly average, the decline in the weekly average to 80 in 2015 is substantial.
- One of the unknowns is what effect the exam and 500 hours of approved schooling for certification is having on delaying or reducing Applications. However, these current figures do not suggest that those who delayed entry at the beginning of the year because of insufficient hours are now starting to apply for Applications.
- As of December 26, 2015, there are 51,499 active certifications, up moderately from the 49,997 at the end of 2014. Thus, the increase in certifications is in the

right direction, as one would hope in a growing industry. However, whether the 3% increase in certifications is increasing at the same rate as the industry is not known.

The large decline in New Applications was accompanied by a moderate decline in Re-Certifications billed. The total of the two measures is well below last year, but similar to 2012 and 2013. Although 2014 was an unusually strong year, the weaker performance in 2015 cannot be dismissed based solely on that factor.

The re-certification process began in July, 2011. Re-certifications Billed in 2015 averaged 409 per week, down 9.3%% from the average of 451 for 2014, but well ahead of 2013 and 2012.

Year	New Applications Received Per Week	Re-Certifications Billed Per Week	Total
2015	80	409	489
2014	244	451	696
2013	219	248	467
2012	207	296	503
2011	264	54	318
2010	259	0	259

Actual figures relative to **budget** are also available. For the year 2015 the budget indicates:

- Despite the decline in actual new Applications, revenues from this source exceeded budget by 20%. However, Certificates Issued was 38% below budget. The total revenue from these two sources was 18% below budget. The implication of this pattern is that there may be a substantial roadblock to processing these applications. As discussed earlier, whether the exam results is the only barrier to more rapid processing is unclear.
- Renewals Applied was 13% over budget and Renewals Approved was up 17%.

The budget figures are more positive than the year-to-year comparisons of **actual** New Applications received and Re-certifications billed, but even the variance in the budget figures indicates some concern in with Certificates Issued.

CAMTC now has a substantial history on the percent of the Renewals billed that are paid. Through 2015 there has been a fairly consistent pattern; a little over three-quarters of those who are billed renew their certification. It was hypothesized that this figure may be a reasonable approximation of the churn in the industry; roughly 20%-25% of therapists who have been certified are no longer active or no longer practice in California every 24 months.

Year	Renewals Billed	Renewals Paid	% Billed That Are Paid
2012	15368	11687	76%
2013	12913	9871	76%
2014	23484	18618	79%
2015	21309	16136	76%

If, as previously discussed, one assumes that the number of massage therapists in California is growing, then the number of new Applications which might be expected in 2016 can be estimated as 1) the number of therapists lost in the normal industry churn plus 2) the incremental number of therapists entering the market to account for the growth in its size. For example:

- *CAMTC records indicate that at the end of 2015 there were about 51,500 certified therapists.*
- *The data suggest that about 24%, or 12,360, will not renew after two years, or half that number, 6,180, will leave the category in 2016.*
- *If we assume that the market is growing at 5% annually, 6,180 therapists will be required to replace those who leave the market and an additional 2,575 will be required to accommodate the 5% market growth.*

The above figures are presented only as a hypothetical model; however, to the extent that it reflects reality, a goal of 8,755 New Applications Issued would be set for the next 12 months. Six thousand one hundred thirty eight (6,138) certificates were issued in 2015. The above theoretical model, when applied to 2015, suggests that 8,535 should have been issued.

Financial Statements

Statement of Functional Activities (Income Statement)

Overview

The revenue allocation procedure recognizes 37% of the \$150 initial application when the application is received, 39% when the certificate is issued and the balance, 24%, over 24 months. Renewals recognize 46% when received, 42% when approved and the balance over 24 months.

Revenues for 2015 exceeded the budgeted amount by 6%, while expenses were 4% below budget. The net effect is that revenues exceed expenses in 2015 by \$603,401. There continues to be a pattern of surplus revenues and lower expenses relative to budget.

While most of the revenue and expense measures look positive *relative to the budget*, a couple points might be noted:

- For fiscal 2015 *actual* revenues are down and expenses are up from 2014.
- The fall-off in revenues is because of a substantial decline in Applications without only a moderate gain in Renewals
- The category which account for most of the increase in expenses is more difficult to identify since there appears to be some account changes from 2014. However, the major increase appears to be in the Total Professional Standards Division and/or Total Educational Standards Division.
- Revenues are almost entirely from Applications and Renewals. Since revenue from those sources is recognized over time, increase or decreases in those activities not only affect the current financial position, but will impact the financials into the next years.

SUMMARY OF FUNCTIONAL ACTIVITIES

Fiscal Year

	2015	2014	% Change in 2015
Total Revenue	\$4,374,639	\$4,682,653	-7%
Total Expenses	\$3,771,238	\$3,549,930	6%

Net Revenue \$603,401 \$1,132,723 -47%

The following sections discuss the figures relative to budget, since the budget figures are the standards set by CAMTC. However, it might be kept in mind that those figures are judgments and it is the *actual* dollars and their trends over time that also reflects performance.

Revenue Overview Relative to Budget

Most of the major revenue sources exceeded the budgeted for 2015, with overall revenues exceeding the budgeted amount by 6%.

Renewals, Applied and Approved, accounted for over half, 55%, of revenues. Applications Received and Certificates Issued accounted for 17%, and Current and Prior Year Deferrals accounted for 16%. These figures reinforce the obvious: Renewals will continue to be of growing importance; however, the weak performance in obtaining new applications suggests that the potential for initial applications may not be fully achieved (note that Certificates Issued is well below budget).

Revenue Fiscal Year 2015

Source	Revenue	% of Total Revenue	Actual as a % of Budget
Renewals - Applied	\$1,225,923	28%	113%
Renewals - Approved	\$1,165,626	27%	117%
Prior Year Deferrals	\$575,498	13%	100%
Applications Received	\$385,614	9%	120%
Certificates Issued	\$359,190	8%	62%
Recertification Late Fees	\$162,910	4%	121%
Misc. Fees	\$138,511	3%	98%
Current Year Deferrals	\$137,275	3%	85%
Purged/Revoked Applications	\$67,662	2%	203%
Denied Applications	\$67,284	2%	242%
Hearing Fees	\$42,145	1%	171%
New School Applications	\$28,305	1%	91%
School Background Check	\$18,696	0%	NA
Total	4,374,639	100%	106%

Performance Relative to Budget by Major Expense Categories.

Expenses were 4%% below budget. (However, it might be recalled, that actual expenses in 2015 exceeded those in 2014 by 6%).

Listed below are the major expense categories, in the order shown on the Statement of Functional Activities and the variance from the budget for 2015 year-to-date. In no category did actual exceed budget. One area which has been consistently substantially

below budget is Outreach Marketing. Outreach Marketing is only one of two expense categories where year-to-date expenses are below those of the comparable period in 2014. Given the low level of new Applications, additional programs to get CAMT's message to new therapists might be considered.

Comparison of Expenses Fiscal Year 2015					
Item	Actual	Budgeted	Actual and Budget		Increase/Decrease from Fiscal 2014
			Variance (negative numbers mean actual exceeded budget)	Actual as a % of Budget	
Board & Committee	\$ 50,689	\$ 50,689	\$ -	100%	\$916
Outreach marketing	\$ 41,367	\$ 112,653	\$ 71,286	39%	(\$11,156)
General Administrative	\$ 337,259	\$ 356,874	\$ 19,615	96%	(\$59,447)
Executive Staff	\$ 464,296	\$ 481,033	\$ 16,737	97%	\$5,499
Professional Standards	\$ 1,487,121	\$ 1,503,712	\$ 16,591	98%	\$195,220
Educational Standards	\$ 111,425	\$ 114,664	\$ 3,239	98%	
General Staffing	\$ 141,211	\$ 141,211	\$ -	100%	\$ 32,090
Professional Services	\$ 1,137,870	\$ 1,137,870	\$ -	100%	\$58,186
Other	\$ -	\$ 32,575	\$ 32,575	0%	\$0
TOTAL	\$ 3,771,238	\$ 3,931,281	\$ 160,043	96%	\$221,308

Statement of Financial Position (Balance Sheet)

Overview

On December 31, 2015, CAMTC was in a healthy financial position. Total equity was substantially higher than the year-ago period. At \$2,430,897 it was up 21% from the end of 2014.

Despite this strong position, a consideration of the factors behind that favorable equity does raise some issues:

Assets, at \$3,464,136 are up by 7% from \$3,238,066 a year ago. Almost all the assets are in cash or cash equivalents. Although assets are up from the comparable date last year, it was previously noted that revenues are down for this year to date vs. a year ago. This means that it was the allocation of deferred income from prior periods (primarily 2014), not improved performance in 2015, which account for the stronger asset position.

- Liabilities are \$1,033,238, most of which, \$876,805, are deferred income. Liabilities are down from the \$1,233,770 at the end of 2014. However, most of this decline is because deferred income, which was \$1,109,025, is down by \$232,220. So the decline in liabilities is a “yellow flag,” because there are lower liabilities to be recognized as revenue in the future..

Thus, while the financial position is clearly stronger than it was last year, it cannot be attributed to the performance in 2015. Rather, in large part, it is the carryover from the strong position achieved during 2014.

Conclusions

The conclusions arrived at here differ little from those in the previous report:

- The decline in New Applications this year may indicate a problem that could have long term effects since New Applications result in both current and deferred revenue. Although the fall-off is attributed primarily to the delays caused by the new exam that may not be the whole story. There were actually more applications pending at the end of 2014 than at the end of 2015.
- While the Statement of Financial Position is healthy, it appears that this position is the result of particularly strong activity in 2014 rather than during 2015.
- More important than ever might be the CAMTC goals of building awareness and a favorable image among both potential New Applicants and Renewals, the dollars spent on Outreach Marketing should be viewed as important to the long term success in staying in touch with the market. During 2015, only 1.1% of the \$3,771,238 in expenses has been devoted to that activity.

- In addition to examining the performance of CAMTC relative to budget, it is meaningful to review the figures in the context of *actual* achievement relative to past periods.

Respectfully submitted by
Michael Marylander,
Treasurer
February 15, 2016



CALIFORNIA
MASSAGE THERAPY COUNCIL

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PSD Overview

PSD finished 2015 with approximately 2,787 reviews conducted. This number has remained constant for the last 3 years. We continue to gain further cooperation and are building a great rapport with the cities and counties. This increase in cooperation level continues to reinforce our theory that working closely with the cities through training and relationship building delivers on our commitment to protect the public.

PSD Outreach

In 2015, PSD provided training to 109 local agencies and 318 officers and local government representatives through its free two-hour training sessions. The police departments like “free,” as many are under staffed and under budgeted. They like the idea that we have taken the burden off of them to vet qualified massage therapists, but mostly, they like the fact we have an efficient and effective method of eliminating the bad apples that have infiltrated the profession. One officer told me, “you guys did it right, your system is a model other states should copy.” We have a head start in 2016 as we began training in early January. We have already trained 31 agencies and 83 individuals. District attorney offices as well as contract attorneys for cities are now calling us for training for their respective departments as they recognize the value of our system of discipline. We are almost always able to take action in situations where unprofessional conduct occurred, but they themselves have no ability to file criminal cases. From the time we started the training until now, we have trained over 700 individuals and 248 separate agencies. For example, our investigators are contacting and assisting local agencies on a daily basis. PSD has had contact with 196 agencies just in 2015. Not only are we a reactive organization, we are proactive in delivering the tools the police and local agencies need to eliminate this problem from the profession.

Trending

During this last quarter, PSD has been working closely with ESD to evaluate information on schools that are allegedly issuing fraudulent documents. Having Joe Bob at the ESD helm has greatly increased our resources and his experience is extremely valuable in assessing schools.



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To: CAMTC Board of Directors
From: Joe Bob Smith, Director of Educational Standards Division
For: Board Meeting – February 25, 2016

Applications Process Update

CAMTC has received 125 applications for CAMTC school approval, with 97 currently eligible for approval. Staff have visited 83 of those schools and 61 have received preliminary decisions. The remaining schools are scheduled for the upcoming weeks and staff anticipates starting to mail decision letters by the end of March.

Staff is on track to have all eligible schools that applied by December 31, 2016, through the application process by June 30, 2016.

School & Graduate Notification

CAMTC mailed another letter in February to its master education mailing list of 600+ addresses informing them that **as of July 1, 2016, CAMTC will only accept education from CAMTC approved schools for purposes of CAMTC certification.** The letter encourages eligible schools that have not applied to apply and also to spread the word among their students and graduates that any education from schools not approved by CAMTC as of July 1, 2016, will not be accepted for review unless received in the CAMTC office by June 30, 2016.

Most of these 600+ addresses are closed schools, schools that not longer have a massage therapy program, or continuing education providers. Thus, it is not anticipated that many more eligible schools exist that have not applied. Nonetheless, staff wanted to spread these two important messages as broadly as possible.

ESD Database

The ESD portion of the new CAMS database is in the coding phase with testing to begin in a few weeks. Staff has worked diligently with the developers to create an interface that will make it easy for schools and staff to keep information for approved schools current.

With the CAMTC Approved Schools list and database launching almost simultaneously, staff looks forward to a new era of increasing public protection by improving dialogue with California massage therapy schools and better assuring education for certificate applicants meets CAMTC requirements.