



CAMTC Board of Directors Meeting

MINUTES – OPEN SESSION

June 16, 2021

Via Zoom

Directors Present: *Ron Bates, Allison Budlong, Mike Callagy, Mark Dixon, Shana Faber, Jeff Forman, Heather Forshey, John Lambert, Michael Marylander, Bernadette Murray, Sean Thuilliez, Stephany Powell*

Directors Absent: *Tracy Rhine*

Staff Present: *Ahmos Netanel, CEO; Jon Walters, Director of Operations; Beverly May, Director of Governmental Affairs, Human Trafficking and IT; Roberta Rolnick, Outreach Director; Joe Bob Smith, Director of Educational Standards Division; Jennifer Swartzel, CFO; Sharla Maxey, Legal Secretary/Paralegal*

Staff Absent: *Rick McElroy, Director of Law Enforcement Relations*

General Counsel: *Jill England*

Special Counsel: *Alison Siegel*

1. Call to Order, roll call and establish quorum

Chairman Jeff Forman called the meeting to order at 9:02 a.m. and established a quorum.

2. Chair's Comments

- Welcome/Introductions
- Rules of Debate

Chairman Jeff Forman thanked Beverly May for her years of taking the Minutes and welcomed Sharla Maxey who will now be taking the Minutes.

3. Approval of minutes from December 10, 2020 and March 4, 2021 meetings.

MOTION 06162021:1 Murray/Faber - Motion to approve open session Minutes as presented from the December 10, 2020 and March 4, 2021 Board meetings.

MOTION PASSES

ROLL CALL VOTE: Yes 10; No 0; Abstain 1

Ron Bates - Yes

Allison Budlong – Yes

Mike Callagy – Yes

Mark Dixon – Yes

Shana Faber – Yes

Heather Forshey - Yes

John Lambert - Yes

Michael Marylander – Yes

Bernadette Murray – Yes

Sean Thuilliez – Abstain

Jeff Forman – Yes

4. Chief Executive Officer's report

Mr. Netanel recommended the Board vote to ratify two actions approved by the Chair and Vice Chair since the December 2020 Board meeting. The first, approval of the Late Fee Forgiveness Program. At the request of the CEO, the Chair and Vice Chair extended the Late Fee Forgiveness Program through April 30, 2021, for a savings of \$350,000 in late fees to more than 2,500 Certificate Holders. The second, at the request of the CEO, the Chair and Vice Chair approved the Limited Recertification Policy which began on February 22, 2021. However, it became clear this program was going to adversely impact the turnaround time of processing new applications and applications for recertification. Therefore, the CEO decided to suspend the full implementation of this program at this time. Staff may recommend implementing such a program and bringing it back to the Board in the future.

MOTION 06162021:2 Murray/Bates - Motion to ratify the Late Fee Forgiveness Program as described in the Board Packet and as recommended by the CEO in his report.

MOTION PASSES

ROLL CALL VOTE: Yes 11; No 0; Abstain 0

Ron Bates - Yes

Allison Budlong – Yes

Mike Callagy – Yes

Mark Dixon – Yes

Shana Faber – Yes

Heather Forshey - Yes

John Lambert - Yes

Michael Marylander – Yes

Bernadette Murray – Yes

Sean Thuilliez – Yes

Mr. Netanel continued his report. According to the schedule of authority, the Chair and CEO can make recommendations and take positions in regard to Legislations. Everything shared with the Committee has been shared with the Board. Chief consultant of the Committee has been reviewing and in discussions with the Barber and Cosmetology Board. Made no commitment, but appreciated CAMTC's input and collaboration. What we submitted was improvements to the Bill; however, not certain the author will accept it.

There was further discussion regarding Sunset Review amendments which may be proposed. As outlined in the CEO's report, AB1537 (Sunset Bill for CAMTC), in discussions with numerous stakeholders, including the author. SB803 has been provided to the Board because we were asked to provide amendments, but have not been asked to do the same for AB1537. With permission of the author, any specific language received from the Assemblyman will be provided to the Board.

CAMTC's mission is to protect the public which is very important for everyone to remember that the profession is part of the public. Our certificate holders are also included as part of the public. The disturbing incident where people in the massage profession around the country have been subject to increased level of harassments and violence, especially those of Asian background, Asian Americans and Pacific Islanders, this whole issue is becoming extremely important and we must educate certificate holders about their rights and what they can do in regards to this issue. There is no excuse; this is a situation which should not be tolerated and CAMTC is going to take a very active leadership role in doing more outreach on this issue, focusing on this issue and protecting massage therapists from violence and harassment. CAMTC will roll out with outreach programs on this issue.

The Board has approved previously a protocol for career opportunity which has been implemented the last couple of weeks. Will report back to the Board with statistics and on feedback we have been receiving. We have received "thank you" letters from massage therapists who have landed jobs, so it appears to be working. We implemented what the Board previously instructed.

5. Director of Educational Standards Division's report

Mr. Smith directed the Board to his written report. He reported he will be participating in the AFMTE Educational Congress which will be held virtually on July 16-17, 2021. He will be presenting a breakout session entitled "How Schools Can Help Stop Sex and Labor Trafficking".

Additionally, Mr. Smith reported between July 1, 2021 and July 1, 2022, is when ESD hits its peak of applications for recertification. ESD will receive all of the re-certifications during this

time period due to when ESD began in 2016, the schools were all new applicants. Therefore, the next twelve months will be busy for ESD with applications for re-approval.

Ms. Murray inquired regarding three schools which expire in October 2021 and if all three had reapplied. Mr. Smith confirmed all three schools have reapplied, but ESD has not received final applications for recertification and are working with these schools on completing their applications.

Ms. Murray inquired if there were any problems with the new invoicing system. Mr. Smith is not aware of any problems with the new invoicing system and he has not received any complaints from the schools. He directed the inquiry to the Operations team.

Ms. Murray inquired now that we are coming off pandemic and ESD conducts on-site inspections at the schools, what precautions or protocols were being taken to keep our employees safe so they do not become a vector. Mr. Smith confirmed ESD has no plans to do in-person inspections as of yet. While the reopening occurred on June 15, 2021, most of these schools are primarily in distance learning mode and will not be returning to in-person learning for at least two or three months. Therefore, as of now, the advantage of distance learning is our employees are not doing frequent in-person visits to the schools.

Stephany Powell joined the meeting at this point.

6. Interactive distance learning

Mr. Smith referred to his report stating the items to note are the Temporary Distance Learning Policy expires ninety (90) days from when the State and County allows in-person classes to resume which is June 15, 2021. Therefore, this Policy that the Board adopted will expire on September 13, 2021. Either the Board allows this Policy to expire, extends it or adopts something new. We are not aware of any County that is not allowing in-person classes to resume at this point. However, most schools are requesting to extend this Policy. They have invested a lot of time, energy, resources and money into implementing distance learning and do not want to give that up and students like it and have found success with it. Mr. Smith then provides a summary of analysis of other States which are included in his report as to how they are handling the distance learning moving forward and believes distance learning is here to stay.

As for the California Board of Barbering and Cosmetology (BBC), they defer to the Bureau for Private Postsecondary Education (BPPE) to approve schools. As of June 15, 2021, the BPPE are allowing theory to be completed through distance learning, but practical will resume in-person. Mr. Smith reports some schools do a great job with distance learning.

Mr. Smith then reported several CAMTC approved schools are community colleges. CAMTC accepts up to 125 hours of equivalent anatomy and physiology, health and hygiene and/or business completed at a State college or University. Last year, California colleges and universities went almost completely viral and it is anticipated many will remain as distance learning. This may negatively impact applicants with education from State colleges and universities whose distance learning education will not be accepted by CAMTC.

Mr. Smith further reports that with the sudden closures caused by the pandemic, CAMTC was able to implement the Distance Learning Policy at an early stage of the pandemic and was expanded over the year. The pros and cons of distance learning were discussed further.

Therefore, after consulting with the Chair, CEO, and other stakeholders, Staff recommends the Board consider adopting a policy to permanently accept some distance learning hours with the conditions as outlined in the report on page 183 of the Board Packet. These recommendations would require many changes to the Policies and Procedures for School Approval and time is of the essence to make schools aware of what will happen prior to the September 13, 2021 expiration of the Temporary Distance Learning Policy.

Chairman Forman commented that it would be smart to move forward with this Motion.

MOTION 06162021:3 Budlong/Bates - Motion to adopt the Interactive Distance Learning Proposal as presented by staff, and direct staff, in conjunction with the Chair, Vice Chair, and CEO, to make any and all amendments to the Policies and Procedures for Approval of Schools that are necessary to implement this proposal as soon as possible. The Board shall ratify any and all amendments at the next Board meeting.

Friendly amendment offered by Ms. Murray to have any proposed policy changes sent out to all Directors prior to them being formally adopted. The friendly amendment was not accepted as it could potentially cause issues with the Bagley-Keene Act.

MOTION PASSES

ROLL CALL VOTE: Yes 11; No 0; Abstain 0

Ron Bates - Yes

Allison Budlong – Yes

Mike Callagy – did not vote

Mark Dixon – did not vote

Shana Faber – Yes

Heather Forshey - Yes

John Lambert - Yes

Michael Marylander – Yes

Bernadette Murray – Yes

Stephany Powell - Yes

Sean Thuilliez – Yes

Stephany Powell - Yes

Jeff Forman – Yes

7. Proposed Amendments to the Policies and Procedures for Approval of Schools

Mr. Smith referenced the outlined changes to the Policies and Procedures for Approval of Schools beginning on page 184 of the Board Packet. The four changes proposed were as follows:

- Section 1.B. adds the word “apprenticeships” to the type of education we will not accept.
- Section 2.E.a(2) adds a two-year waiting period from the effective date of purging an application to reapply for those schools who have received a corrective action letter and failed to completely respond by the deadline indicated in the letter.
- Section 3.A.a(3) “verifiable” has been replaced with “sufficient” to lower the threshold for what qualifies as adequate proof of education from those long-closed schools which will give staff more discretion to accept such education.
- Section 5.C.a(3) requires that the student’s address is listed on the transcript.

Chairman Forman commented that students frequently move and their applications should have their most current address. Mr. Smith clarified that this assists with putting the correct transcript with the correct person.

Mr. Bates commented that Section 2.E.a(2) is going to help when we receive inquiries regarding these specific schools.

MOTION 06162021:4 Forman/Bates - MOTION to approve the proposed amendments to the Policies and Procedures for Approval of Schools

MOTION PASSES

ROLL CALL VOTE: Yes 11; No 0; Abstain 0

Ron Bates - Yes

Allison Budlong – Yes

Mike Callagy – did not vote

Mark Dixon – Yes

Shana Faber – Yes

Heather Forshey - Yes

John Lambert - Yes

Michael Marylander – Yes

Bernadette Murray – Yes

Sean Thuilliez – Yes

Stephany Powell - Yes

Jeff Forman – Yes

8. Treasurer's report

Mr. Marylander reported CAMTC is in a strong financial position. Holding steady at approximately 50,000 therapists. There are seven months reserve of expenses and cash. We do have long-term liabilities with the PPP loans, but those will most likely be forgiven. Ninety percent of the therapists so far this year have recertified that were up for recertification. Again, we are in a strong financial position.

Ms. Murray noted that expenses in 2020 were pretty much the same as 2019. Mr. Marylander stated in looking at the report, the expenses in 2019 were slightly higher than they were in 2020 (1.5 million in 2019 and 1.4 million in 2020) and revenue was slightly higher in 2019. There was discussion regarding the actuals of the 2019 and 2020 gross revenue.

9. Audit Committee – update

Mr. Thuilliez reported the Board had requested and approved a motion for a June 30, 2021 finance review, which was ambitious and we have determined it cannot reasonably be achieved. Most of the issues are coming out of the pandemic. Onsite issues, staff capacity issues, and therefore, cannot be achieved by June 30, 2021. We will have the audit committee report available by the September Board meeting.

Ms. Murray commented to confirm the audit committee report will be available at the next Board meeting and the audit committee will meet prior to review it. Mr. Thuilliez confirmed.

Ms. Murray offered a technical cleanup regarding the 2021 audit as a previous motion presented to the board eliminated the year 2021. Mr. Thuilliez will research, meet with Mr. Netanel and bring it back before the Board, if necessary.

10. Pandemic-related loans

Mr. Netanel reported per the Board motion, provided a one-page SBA Loan Summary regarding the pandemic-related loans. Regarding the EIDL loan which was authorized by the Board - the Summary includes the schedule as to when the forgiveness application needs to be submitted. Regarding PPP #1 loan, after discussions with the bank, the forgiveness application is almost ready to be submitted.

Mr. Netanel further reported the forgiveness application for PPP #2 needs to be submitted by May 6, 2022.

11. Employee benefits

Tabled until the next Board meeting in September 2021.

12. 2021 Budget

Mr. Netanel reported the Board approved the 2021 Budget in December 2020 Board meeting. We expected to bring a revised budget for 2021. There is a labeling error in the 4th column: percentage of 2021 “Approved” Budget, it should be “Actual”. Confirmed the column was changed, but the labeling did not.

In looking at the Revenue, the differential between what the Board already approved and the budget presented today, there is a 2% difference. The percentage of applicants went from 80% to 82%.

In looking at the Expenses, salaries show an overall of 11% in the actual; however, it is only 6% increase from what the Board already approved. This does not necessarily mean the increases will be implemented and is on hold until it is safe to do so. Due to the pandemic, in the middle of 2020, salary increases were put on hold and remain on hold. Once it is safe to resume salary increases, this is the ceiling of total increases which may be implemented at some point this year.

In looking at the benefits the Board has already approved and what is presented now, the differential is approximately 20% higher. An actual proposal regarding the benefits to implement this year will be presented at the September Board meeting.

In summary, between the expense side and revenue side, we will end up the year with 6.5months in cash reserve. The CEO recommends that the Board approve the changes to the budget.

There was further discussion among board members regarding the application processing.

MOTION 06162021:5 Forshey/Thuilliez - Motion to approve the revised 2021 budget.

MOTION PASSES

ROLL CALL VOTE: Yes 10; No 1; Abstain 0

Ron Bates - Yes

Allison Budlong – Yes

Mike Callagy – Yes

Mark Dixon – Yes

Shana Faber – Yes

Heather Forshey - Yes

John Lambert - did not vote

Michael Marylander – Yes

Bernadette Murray – No

Stephany Powell - Yes

Sean Thuilliez – Yes

Jeff Forman – Yes

13. Amendments to Employee Handbook

Ms. England reported three changes to the Employee Handbook for Board approval.

- Acknowledging CAMTC now provides a health plan and retirement plan.
- Leaves of Absence - on January 1, 2021, the California Family Rights Act (CFRA), which used to apply only to employers with 50 or more employees, began applying to smaller employers. The CFRA now applies to employers with 5 or more employees. It is an extensive law very similar to the federal Family and Medical Leave Act (FMLA). The CFRA provides employees with a lot of leave time for various reasons, including but not limited to medical leaves and parent bonding leaves.

MOTION 06162021:6 Forshey/Budlong - Motion to Approve the proposed amendments to the Employee Handbook as presented by Counsel.

MOTION PASSES

ROLL CALL VOTE: Yes 10; No 0; Abstain 0

Ron Bates - Yes

Allison Budlong – Yes

Mike Callagy – did not vote

Mark Dixon – did not vote

Shana Faber – Yes

Heather Forshey - Yes

John Lambert - Yes

Michael Marylander – Yes

Bernadette Murray – Yes

Stephany Powell - Yes

Sean Thuilliez – Yes

Jeff Forman – Yes

14. Delegate to FSMTB 2021 Annual Meeting

MOTION 06162021:7 Bates/Murray - Motion to have Chairman Forman as CAMTC's Representative at the FSMTB 2021 Annual Meeting in Charlotte, NC and to have Mr. Forman report information about the meeting at a subsequent CAMTC Board Meeting.

MOTION PASSES

ROLL CALL VOTE: Yes 10; No 0; Abstain 1

Ron Bates - Yes

Allison Budlong – Yes

Mike Callagy – Yes

Mark Dixon – did not vote

Shana Faber – Abstain

Heather Forshey - Yes

John Lambert - Yes

Michael Marylander – Yes

Bernadette Murray – Yes

Stephany Powell - Yes

Sean Thuilliez – Yes

Jeff Forman – Yes

15. FSMTB resolutions and bylaws amendments

Mr. Netanel stated that all the member boards of FSMTB were asked to submit resolutions and bylaw amendments they may want the FSMTB to consider. There are some resolutions and potential bylaw amendments that will be recommended for CAMTC to put forth in that meeting. It still requires more research and is not yet ready for presentation. Due to the timing, the CEO recommends the following. Have staff develop several resolutions and bylaw amendments to be approved by the Chair and Vice Chair to be submitted by the deadline the FSMTB requires. However, not have the CAMTC delegate actually move it as a Motion in the October 2021 FSMTB meeting until the CAMTC Board approves the recommendations. In summary, staff can work on it, once ready, have the Chair and Vice Chair approve it then send it in by the deadline (which is prior to the September 2021 Board meeting) and then bring it to the Board at September 2021 Board meeting. Require CAMTC Board approval prior to having the delegate make a Motion to officially present any resolutions or bylaw amendments at the FSMTB meeting.

In general, instituting resolutions and bylaws to make the FSMTB more inclusive of its various members is a positive thing. Bylaws that make the operation of the board more transparent and engage the members in the decision-making process and increase input, serve the FSMTB and its members well.

Confirmed July 9, 2021 as the deadline.

Board discussion followed regarding recommendations to the FSMTB on Board transparency.

Ms. Murray suggests it should be put off until next year when there will be full involvement with the Board.

Mr. Callagy feels the resolution gives us an opportunity to move forward with it, speak collectively, have the full Board look at it holistically and make an informed decision to move forward with it.

MOTION 06162021:8 Callagy/Bates - Motion that staff may prepare the proposed resolutions and FSMTB bylaw amendments before the deadline of July 9, 2021. Then obtain the Chair and Vice Chair approval of the proposed amendments to the resolutions and bylaw amendments. Then bring it back before the Board for approval at the September 2021 Board meeting. If not approved by the CAMTC Board in September, the delegate will not present the amendments at the FSMTB meeting in October.

MOTION PASSES

ROLL CALL VOTE: Yes 10; No 1; Abstain 0

Ron Bates - Yes

Allison Budlong – Yes

Mike Callagy – Yes

Mark Dixon – did not vote

Shana Faber – Yes

Heather Forshey - Yes

John Lambert - Yes

Michael Marylander – Yes

Bernadette Murray – No

Stephany Powell - Yes

Sean Thuilliez – Yes

Jeff Forman – Yes

16. Director of Governmental Affairs and Human Trafficking Report

Ms. May reported enforcement efforts against the illicit massage businesses are increasing significantly as the businesses reopen. Enforcement has also increased in response to the increased awareness of the impact that is placed on the businesses and workers. More focus is being placed on labor trafficking, across the board including massage businesses. Last year, the Hoover Institute did a study and report on labor trafficking and one of the recommendations were more formal engagement with Department of Industrial Relations (DIR) and Employment Development Department (EDD). Have had discussions with the US and State Departments of Labors. Had a discussion with an attorney from the US Department of Labor and they are increasing focus on this. This should be welcome news to the massage profession as competing with businesses that are able to charge extremely low prices due to staff who are working twelve-hour days, seven days a week with tips only is truly unfair competition and in many cases these individuals are not certified and may not be trained at all. In fact, there are still some cities who exempt these workers from any training requirements.

Regarding ordinances, Sacramento Municipal Code amendment is being pulled back from second reading, it is still being reviewed and updated. However, they are adding a home base ordinance specific to massage and that will be heard next week. The planning department will inform when available.

17. Director of Operations' report

Mr. Walters reported the new payment system is working well. We're using a system where people keep their information completely confidential. They receive an invoice electronically through a platform which is separate to avoid any exchange of account information. They then submit the payment of application fees or other fees and receive a receipt.

The team did a great job in March as referenced in the report. Still have some work to do to keep things caught up with the recertification processing time, but it is well within the Board's goals and we prefer aggressive goals.

Board discussion regarding increased email activity by almost 100% since 2019. With this increase, staff is able to provide an efficient and accurate response to each individual by email from a staff member who is trained to respond to each emailed question and/or request.

18. Director of Law Enforcement Relations' report

Ms. May reported on Mr. McElroy's behalf and noted that we have been approved as a provider for Police Officers Standards and Training (POST). Police Officers have to obtain a certain amount of continuing education on a regular basis. This is a good incentive for Police Officers to choose our training. Mr. McElroy has been conducting these trainings via Zoom through the pandemic and expects to continue to do so with a mix of in-person and Zoom.

Ms. May and Mr. McElroy have been working the past year on a Massage Safety and Rights document, specifically to assist the profession in understanding their rights and options.

19. Outreach Director's report

Ms. Rolnick reported outreach is only one small part of our dedicated team at CAMTC and yet outreach engages with almost every department. CAMTC's best outreach is what shows up as results. The letters of support express genuine results, understanding new perspectives and CAMTC's results, that's how outreach shines. The graphics included in the report have been used in the presentation with the California Police Chiefs Association.

20. Public comments regarding issues not on this agenda

One member of the public commented that it should be more obvious how someone can opt out of the career opportunities program.

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

Board discussion to do a survey of the stakeholders, if it is possible to be done before the December Board Meeting. Strategic priorities slated to be done by October 2021. CEO stated there will be an opportunity to start the discussion in September 2021 and bring it back in December 2021.

22. Adjourn

Chairman Forman adjourned the meeting at 11:13 a.m.

Minutes Approved: October 13, 2021

Allison Budlong, Secretary