



CAMTC Board of Directors Meeting

MINUTES – OPEN SESSION

December 14, 2023

Via Zoom

Marina del Rey Hotel

13534 Bali Way

Marina del Rey, CA 90292

Directors Present: *Mike Callagy, Mark Dixon, Shana Faber, Jeff Forman, Heather Forshey, Sara Frazier, Jennifer Gonzales, Michael Marylander, Bernadette Murray, Stephany Powell, Martha Soffer*

Directors Absent: *None*

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

General Counsel: *Jill England*

Special Counsel: *Alison Siegel*

1. Call to Order, roll call and establish quorum

Chair 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

The following members of the public introduced themselves: Dr. Debra Persinger, Executive Director of FSMTB; Kimberly Austin; and Andrew Garsten, CA Massage Franchise Associate.

Mr. Callagy proposed a motion to dispense with of the rules of debate for this meeting and then bring it back to the Board to change the policy regarding the rules at the next Board meeting. Ms. Murray seconded this proposed motion.

Mr. Forman responded that he prefers to do suspend the rules of debate item by item, not for the entire meeting. If there is a specific item where we need to suspend them, then we can do that.

Mr. Callagy responded, with all due respect, that there is a motion and a second on this is asking the Chair to respect the rule of order and take it to a vote of the Board.

Mr. Dixon spoke in opposition to the motion because what we have in place is a working policy of suspending rules of debate whenever it is called for and then returning to rules of debate after discussion is complete. This allows a transparent exchange of ideas between the members of the Board, and it also ensures that we don't have interruptions and crosstalk during the processing of an item.

Mr. Callagy confirmed the motion right now is to suspend the rules of debate for this meeting and allow everyone the opportunity to speak on every item on this agenda. It should be considered right now as we are on item 2.b.

Ms. Forshey commented there are a lot of important topics for the Board today. There are new members and there are going to be a lot of questions. Suspending the traditional rules of debate we have used in the past will afford a lot more robust discussion and provide members with opportunities weigh in more freely.

MOTION 12142023:1 Callagy/Murray - Motion to suspend the rules of debate for this meeting and then bring it back to the Board to change the Rules of Debate at the next Board meeting.

MOTION FAILS

ROLL CALL VOTE: Yes 4; No 6; Abstain 1

Mike Callagy – Yes

Mark Dixon - No

Shana Faber – No

Heather Forshey - Yes

Sara Frazier – Abstain

Jennifer Gonzales - Yes

Michael Marylander – No

Bernadette Murray – Yes

Stephany Powell - No

Martha Soffer – No

Jeff Forman - No

3. Approval of Minutes from November 29, 2022, May 4, 2023, and October 11, 2023

MOTION 12142023:2 Murray/Dixon - Motion to approve the Minutes from the November 29, 2022 Board meeting.

MOTION PASSES

ROLL CALL VOTE: Yes 8; No 0; Abstain 3

Mike Callagy – Yes

Mark Dixon - Yes

Shana Faber – Yes

Heather Forshey - Yes

Sara Frazier – Yes

Jennifer Gonzales - Abstain

Michael Marylander – Yes

Bernadette Murray – Yes

Stephany Powell - Abstain

Martha Soffer – Abstain

Jeff Forman – Yes

MOTION 12142023:3 Dixon/Murray - Motion to approve the Minutes from the May 4, 2023 Board meeting.

MOTION PASSES

ROLL CALL VOTE: Yes 6; No 0; Abstain 5

Mike Callagy – Yes

Mark Dixon - Yes

Shana Faber – Yes

Heather Forshey - Yes

Sara Frazier – Abstain

Jennifer Gonzales - Abstain

Michael Marylander – Abstain

Bernadette Murray – Yes

Stephany Powell - Abstain

Martha Soffer – Abstain

Jeff Forman - Yes

Mr. Dixon moved to table approval of the October 11, 2023 meeting minutes as he was not at this meeting and listened to the recording and as he listened to the recording, he found areas where the minutes did not reflect what occurred during the meeting and since he only received the October minutes two days ahead of this meeting, he wants adequate time to fully review the recording and make sure the minutes are matching the recording. The amount of time between receiving the draft minutes and this meeting was inadequate to allow a thorough review of the recording and would like to reserve that opportunity. Mr. Forman seconded the motion.

Mr. Callagy spoke against this motion as this is highly unusual. Minutes do not reflect every word that is said at a meeting and opposes tabling the approval of the minutes.

MOTION 12142023:4 Dixon/Forman - Motion to table the approval of the October 11, 2023 Board meeting minutes pending review and amendments at the next meeting of the Board to bring them into agreement with the record.

MOTION PASSES

ROLL CALL VOTE: Yes 7; No 0; Abstain 4

Mike Callagy – Abstain

Mark Dixon - Yes

Shana Faber – Yes

Heather Forshey - Yes

Sara Frazier – Yes

Jennifer Gonzales - Abstain

Michael Marylander – Yes

Bernadette Murray – Abstain

Stephany Powell - Yes

Martha Soffer – Abstain

Jeff Forman – Yes

4. Director of Educational Standards Division’s Report

On October 31, 2023, the Federal Department of Education issued new regulations that have the potential to devastate massage therapy education and ultimately the massage therapy profession nationwide. These regulations are final and set to become effective July 1, 2024. They impact all vocational programs that offer Title IV financial aid, not just massage programs. But since massage is our focus, to put it in perspective, one estimate stated that this will affect approximately 350 massage schools nationally. That is roughly one-third of all massage schools in the country. Here in California, that percentage is even higher, approximately half of our approved schools. Roughly 45% of our approved schools offer Title IV financial aid and since those schools are generally larger, they account for well over half of all massage therapy students in California. Imagine a situation in less than a year from now, the massage profession in California has half the number of massage schools and over half as

many massage graduates; it is a scary thought. Currently, the programs that offer Title IV financial aid are allowed to be 150% of their state's minimum requirements for their profession. Not only would reducing a school's hours from 750 to 500 in a matter of months, it would create significant and potentially insurmountable obstacles for schools, but the threshold for the key components of Title IV financial aid starts at 600 hours. Thus, these regulations would force a large percentage of massage programs in this country to significantly reduce their hours to a level below the primary threshold to be able to offer Title IV financial aid. This deprives these programs, many of which have been operating for decades, of access to Federal financial aid and significantly limits opportunities for potential massage students who rely on financial aid to attend massage school. Some schools will be able to adapt, many won't, many students will be affected. Fewer massage schools mean less access to schools. Schools all over the country are weighing their options. Right now, the effort is focused on reversing or at least delaying this new rule.

There is a silver lining, late Tuesday, we received word from the Department of Education (DOE). DOE agrees that CAMTC's voluntary certification would not cause a massage program to be subject to the limitations of this new rule. They stated that "those limitations only apply when there is a legal requirement in the state establishing entry level requirements for the occupation". With that, our CAMTC approved schools that offer Title IV financial aid can breathe a sigh of relief.

MOTION 12142023:5 Dixon/Forman – Motion to direct the CEO to work closely with the American Massage Therapy Association, the Federation of State Massage Therapy Boards, and other interested stakeholders with respect to the Department of Education's recent edict so that educational standards are protected.

MOTION PASSES

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

Mike Callagy – Yes

Mark Dixon - Yes

Shana Faber – Yes

Heather Forshey - Yes

Sara Frazier – Yes

Jennifer Gonzales - Yes

Michael Marylander – Yes

Bernadette Murray – Yes

Stephany Powell - Yes

Martha Soffer – Yes

Jeff Forman - Yes

5. Election of Officers

Mr. Dixon moved to elect the following slate of officers: Mark Dixon as Chairman; Jeff Forman as Vice Chairman; Michael Marylander as Treasurer; and Shana Faber as Secretary. Ms. Faber seconded the motion.

Mr. Callagy then offered a substitute motion: Heather Forshey as Chair; Bernadette Murray as Vice Chair; Sara Frazier as Treasurer; and Jennifer Gonzales as Secretary. Ms. Murray seconded the motion.

Mr. Forman then asked Ms. England to handle the election since he is listed on one of the slates. Ms. England asked the Board to act on the substitute motion.

Mr. Callagy and Ms. Murray spoke in favor of the substitute motion. They believe there has been a lack of women in these officer positions. All the women nominated are highly committed and capable. The same people have been officers for a long time and the organization would benefit from a fresh perspective with new officers.

Mr. Dixon and Ms. Frazier spoke against the substitute motion. Mr. Dixon stated that out of the five chairs we have had on the Board, two have been female. He also believes the Chair should be a massage therapist. In addition, Ms. Frazier stated that she does not accept Mr. Callagy's nomination.

SUBSTITUTE MOTION 12142023:6 Callagy/Murray - Motion to elect a slate of officers with Heather Forshey as Chair; Bernadette Murray as Vice Chair; Sara Frazier as Treasurer; and Jennifer Gonzales as Secretary.

MOTION FAILS

ROLL CALL VOTE: Yes 4; No 7; Abstain 0

Mike Callagy – Yes

Mark Dixon - No

Shana Faber – No

Heather Forshey - Yes

Sara Frazier – No

Jennifer Gonzales - Yes

Michael Marylander – No

Bernadette Murray – Yes

Stephany Powell - No

Martha Soffer – No

Jeff Forman – No

After additional discussion, the original motion was voted on.

MOTION 12142023:7 Dixon/Faber - Motion to elect a slate of officers with Mark Dixon as Chair; Jeff Forman as Vice Chair; Michael Marylander as Treasurer; and Shana Faber as Secretary.

MOTION PASSES

ROLL CALL VOTE: Yes 7; No 4; Abstain 0

Mike Callagy – No

Mark Dixon - Yes

Shana Faber – Yes

Heather Forshey - No

Sara Frazier – Yes

Jennifer Gonzales - No

Michael Marylander – Yes

Bernadette Murray – No

Stephany Powell - Yes

Martha Soffer – Yes

Jeff Forman – Yes

6. FSMTB

Mr. Callagy withdrew this item.

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

Mr. Smith commented that these are all just clarifications that both he and Ms. Siegel worked on. There is nothing here that is intended to change any policies, these are all just clean-up language to create consistency. They have eliminated some of the old language when some of the schools were getting approved back in 2015, 2016 and other items which were out of date. We took out a lot of the old language but it will remain in the archives for future reference.

Ms. Siegel added there was one typo which cited to the wrong provision in the Business and Professions code which has also been corrected.

MOTION 10112023:8 Forshey/Murray - Motion to Approve the proposed amendments to the Policies and Procedures for Approval of Schools as provided in the Board Packet.

MOTION PASSES

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

Mike Callagy – Yes

Mark Dixon - Yes

Shana Faber – Yes

Heather Forshey - Yes

Sara Frazier – Yes

Jennifer Gonzales - Yes

Michael Marylander – Yes

Bernadette Murray – Yes

Stephany Powell - Yes

Martha Soffer – Yes

Jeff Forman – Yes

8. Texas Exam

Mr. Smith gave some background on this exam. We were hoping to have someone from the Texas Department of Licensing and Regulation come and speak, but we haven't been able to coordinate schedules yet. There may or may not be action the Board will want to take today.

The Texas Department of Licensing and Regulation regulates thirty-nine professions, they have their hands full. For many years, they have had their own exams for many of these professions and the last year they added massage. They now have their own state of Texas massage exam, and they accept the MBLEx as well. Graduates from massage schools in Texas have a choice - they can either choose the Texas exam or the MBLEx. They contract with PSI which is one of the largest exam providers who handle all their exams and who created their massage exam. The big difference when you look at the exams is the cost. The cost of the Texas exam is \$60.00 and the MBLEx is \$265.00. They were looking for a lower cost and a lower entry for their massage therapists which is why they offer it. As you may recall, the Board recently added the New York state exam (New York is 1,000 hours). New York has their own exam and is on CAMTC's list of approved exams. The reason the Board did this back in the day was for those who are moving from New York to California, and have already taken the exam that met the requirements in the law, would not have to take another exam. We would do the same with the Texas exam for those moving from Texas to California. Hopefully we can have someone from Texas and PSI (the testing group) come to a future meeting to speak more about it.

Mr. Forman suggested we contact the National Certification Board to give them the opportunity to address the Board.

9. Proposed Amendments to Employee Handbook

Ms. England went over the proposed amendments which were provided in the Board Packet.

Ms. Gonzales spoke in favor of the motion stating if the law requires it, then we should adopt it.

MOTION 12142023:9 Gonzales/Faber – Motion to Approve the proposed amendments to the Employee Handbook as provided in the Board Packet.

MOTION PASSES

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

Mike Callagy – Yes

Mark Dixon - Yes

Shana Faber – Yes

Heather Forshey - Yes

Sara Frazier – Yes

Jennifer Gonzales - Yes

Michael Marylander – Yes

Bernadette Murray – Yes

Stephany Powell - Yes

Martha Soffer – Yes

Jeff Forman - Yes

10. Closed session with CAMTC Legal Counsel pursuant to California Government Code section 11126(e)

Mr. Forman called the meeting into closed session at 10:33 a.m.

Mr. Forman called the meeting to open session at 11:30 a.m.

11. Proposed Budget for 2024

The proposed budget projects \$8.5 million in revenue in 2024. Total expenses projected at \$7.1 million. The assumption is that we will have 300 new applications per month which is based on current trend. Recertification rates are based on 93% (current recertification rate). This budget also recommends 15% increase in school fees which will go into effect for schools that apply after June 1, 2024. This will not impact most schools until 2026. These are the basic key assumptions for the revenue. Additional amounts were budgeted for hiring a Chief Operating Officer and changes in the way we will be handling IT and cybersecurity. At the year-end, it is projected that CAMTC will have \$5.7 million in cash on hand.

Ms. Murray noted that she had made proposed changes to the budget which she would like the Board to consider.

MOTION 12142023:10 Marylander/Powell – Motion to Approve the Proposed Budget for 2024.

The Board and the CEO had a long discussion about various items on the proposed budget.

Ms. Frazier proposed a friendly amendment that the approval by the Board today be preliminary, with Mr. Netanel bringing back a new version of the budget at the next meeting that takes into account the comments by the Board. Mr. Netanel responded that he would reach out to Board members before the next meeting to make sure to include all the information and changes requested in the budget.

Ms. Murray agreed with Ms. Frazier’s friendly amendment but also requested a friendly amendment to have the Board commit itself to having a meeting within 60-days of the beginning of the new year (by conference call, if necessary) to go over the budget after the CEO has included more information and to make any changes with the updated end of the year final for 2024.

Mr. Marylander accepted both friendly amendments as long as the 60-days is enough time and deferred to Mr. Netanel.

Mr. Netanel responded that 90-days would be better as the plan is to have a meeting in March.

MOTION 12142023:10 (as amended) Marylander/Murray - Motion to have the Board approve the Budget presented for the 2024 fiscal year as preliminary and commit to having a meeting within 90-days after the beginning of the new year (by conference call, if necessary) to approve a final budget after the CEO has included more information and made changes requested by the Board, including 2023 year end information.

MOTION PASSES

ROLL CALL VOTE: Yes 8; No 2; Abstain 0

Mike Callagy – Yes

Mark Dixon - Yes

Shana Faber – Yes

Heather Forshey - No

Sara Frazier – Yes

Jennifer Gonzales - Yes

Michael Marylander – Yes

Bernadette Murray – No

Stephany Powell - Yes

Martha Soffer – not present

Jeff Forman – Yes

12. Three Additional Board Members – outreach and selection process

Mr. Forman requested Ms. England provide some clarifications on the three positions. Ms. England responded there are three positions the Board appoints. One is an attorney licensed by the State of California practicing for at least three years who represents a city, county or city and county. The second is a person representing a massage business entity that has been working in the state for at least three years. The third is a person appointed by a majority vote of the Board who has knowledge of the massage industry or that can bring needed expertise.

After a lengthy discussion among Board members about terms of office, eligibility, and past recruitment for new directors, the following motion was made.

MOTION 12142023:11 Callagy/Murray – Motion to instruct staff to advertise as widely as possible, and search extensively, for candidates to fill the three Board member positions. All applications received for the three positions will be sent to the Board members and then discussed by the full Board at a future meeting.

MOTION PASSES

ROLL CALL VOTE: Yes 7; No 0; Abstain 0

Mike Callagy – Yes

Mark Dixon - Yes

Shana Faber – Yes

Heather Forshey - Yes

Sara Frazier – Yes

Jennifer Gonzales – not present

Michael Marylander – not present

Bernadette Murray – Yes

Stephany Powell – not present

Martha Soffer – not present

Jeff Forman – Yes

13. A process for selection of a health department that will be granted the right to appoint a public health official to the Board

Ms. Murray withdrew this item.

14. Employee Benefits

Ms. Netanel explained this item does not need to be addressed because at the previous meeting, the Board passed a Resolution to set a certain threshold for the total amount of employee retirement contributions, excluding the CEO. The Resolution was more than sufficient for what our employee benefit consultant needed.

15. Public comments regarding issues not on this agenda

Two board members and one non-board member made public comments.

16. Chief Executive Officer's Report

Mr. Netanel referred to his report in the Board packet.

Mr. Netanel stated that CAMTC has tentative events planned for 2024 which are currently being worked on but has not committed to participate in any particular events yet except we have registered to attend the FARBS meeting in January. CAMTC is a member of FARBS and previously we have attended, and this is a meeting the Federation Board also attends.

17. Treasurer's Report

Mr. Marylander's report is provided in the Board packet.

Ms. Murray asked what was being done to monitor new application trends. Mr. Netanel responded that staff monitors this on a monthly basis and the number of new applications remains consistent.

18. Director of Governmental Affairs and Human Trafficking's Report

Ms. May referred to her report provided in the Board packet.

Ms. Murray asked about the massage ordinance in Citrus Heights which originally was going to have a limitation on the number of massage business permits that would be issued by the city, and also asked whether Ms. May has had communications with Lemon Grove regarding their massage ordinance that includes a fairly significant limitation on the number of massage businesses in their city. Ms. May agreed to follow up with Ms. Murray regarding these issues.

19. Director of Law and Code Enforcement Relations' Report

Mr. McElroy referred to his report provided in the Board Packet.

Mr. McElroy gave a report about he and Ms. May's experience at the Revenue and Tax Association conference in Berkley in November, where they handed out the new S.M.A.R.T Guide manuals.

They also set a record in 2023, with 455 people attending the trainings offered by CAMTC.

20. Director of Operations' Report

Mr. Walters referred to his report provided in the Board Packet. Board members complimented Mr. Walters on the job he is doing.

21. Director of Educational Standards Division's Report

Mr. Smith referred to his report provided in the Board packet.

Mr. Smith provided additional information on the out-of-country education, stating that CAMTC received its first application with out-of-country education on December 6, 2023.

Mr. Smith further reported on the Ron Bates Scholarship process, which he assisted with by receiving applications and forwarding to the Chair and Vice Chair.

Mr. Smith also reported on the MBLEx.

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

Ms. Forshey would like to discuss that meetings be calendared in advance for each year.

Mr. Callagy requested that the compensation study be on the next agenda so the Board can discuss and make some decisions. Additionally, he and Ms. Murray are working on some routine audit things and may come back with suggestions on how we might handle those through the agenda process in the future. He will be in touch with Mr. Dixon to include those on the agenda if necessary.

23. Adjourn

The meeting was adjourned at 2:18 p.m.

Minutes Approved: October 9, 2024

Signature of Board Secretary

Type or Print Name of Board Secretary