



# Certification Vs. Licensing for Massage Professionals in the State of California



Fee Analysis 2022

**MASSAGE**

Therapy  
Professionals



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# Introduction, Scope, and Executive Summary

## Introduction and Scope

The California Massage Therapy Council (CAMTC) engaged Capital Accounting Partners to assess the cost of developing and operating a board that would license Massage Therapists in contrast to a certifying organization. There were three broad objectives

1. Assess the current operating cost structure of the Council and then rebuild that same or similar structure as a licensing board.
2. Identify a benchmark organization and compare its performance against similar measures utilized by CAMTC.
3. Provide anecdotal observations as appropriate on internal business processes and service delivery.

## Executive Summary

This report will explore a well-supported methodology for estimating costs to massage therapists if State Licensure was enacted. Based on our analysis, such a change in structure will require a biannual licensing fee of \$1,065, whereas the current biannual certificate fee is \$200. This and other significant findings are summarized in the table below.

**TABLE 1: SUMMARY OF MAJOR FINDINGS**

	<b>CAMTC (Certifying Council)</b>	<b>Licensing Board</b>
Full Time Equivalent (FTE Requirements)	41	110
Annual Expenses	\$ 5,463,863	\$ 29,844,643
Annual Administrative Cost / Licensee (or certificate holder)	\$ 98	\$ 533
Cost Per Biannual Recertification	\$ 200	\$ 1,065

These costs and additional FTE requirements result from structural differences between a private organization that provides professional certifications and a government agency that provides professional licensing. The following is a sample of the differences:

**TABLE 2: SUMMARY OF DIFFERENCES**

Private Organization (CAMTC) Providing Professional Certifications	Public Board or Bureau Providing Professional Licensing
<p>Seeking a professional certification for a Massage Therapist is a voluntary action. However, some local government agencies may require it to provide massage for compensation in their jurisdiction.</p>	<p>Securing a license to provide Massage Therapy services is a state requirement to provide massage for compensation.</p>
<p>The Business and Professions Code (sections 4600-4621) govern investigations and disciplinary actions. This allows CAMTC to take disciplinary action based on the "preponderance of the evidence."</p> <p>This allows CAMTC to discipline certificate holders or conduct-based violations that a licensing board cannot take. (Bus. &amp; Prof. Code section 4609.)</p>	<p>The California Administrative Procedures Act (APA) governs or highly influences investigations and disciplinary actions. This requires licensing boards or bureaus to provide "clear and convincing proof to a reasonable certainty" before disciplinary action. They must also comply with the California Public Records Act and the Fair Chance Licensing Act, which limits conduct based violations. This additional regulatory requirement results in longer lead times before a disciplinary action can be taken, (see figure 7).</p>
<p>4. Some California cities require Massage Therapists to be certified in order to provide massage for compensation in their jurisdiction. The information-sharing provisions with local government in CAMTC's law <sup>1</sup>create a natural partnership between CAMTC and local law enforcement and code enforcement that quickly responds to public safety threats. Because of this code in the law, when a massage therapist is discovered operating unprofessionally by a local enforcement agency, they will</p>	<p>We understand that if local law or code enforcement discovered a Massage Therapist selling sexual services (for example), the therapist might never be prosecuted- due to its difficulty. However, it is unclear if State licensing boards have similar information-sharing provisions in their law and would therefore be contacted by local law and/or code enforcement for possible investigation and discipline.</p>

<sup>1</sup> Massage Therapy Act 2020, (sections 4600.5 (c), 4614. (a))

Private Organization (CAMTC) Providing Professional Certifications	Public Board or Bureau Providing Professional Licensing
frequently inform CAMTC, which can launch a formal investigation that may also result in the revocation of the therapist's certification.	

## Changes of Cost to Individual Massage Therapists

Because of these differences, it is difficult to determine, with absolute precision, the additional cost to a Massage Therapist if the State of California were to set up a licensing board or bureau. However, our analysis will demonstrate that individual licensees will be required to pay significant new costs to acquire and maintain a State license.

## Number of Investigations to Calculate Workload Requirements and Drive Cost

In this approach, we replicate the number of investigations within a licensing board that the APA governs for its investigations. This model allows labor costs (the largest cost component) to float to the required labor to meet the demand.

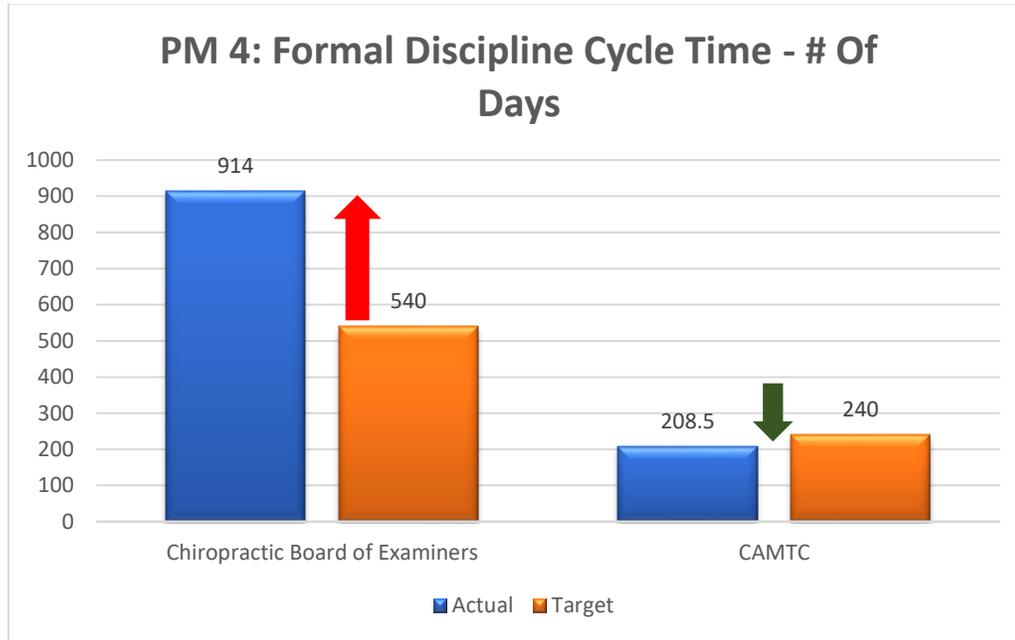
**FIGURE 1: ILLUSTRATION OF APPROACH**



## Performance Measurement

Ultimately, the best criterion of organizational value is how well it executes its mission and services the needs of its constituents. In the pages following, we will provide more CAMTC performance measures and compare these measures with a Board that operates within the Department of Consumer Affairs (DCA). First, however, the following graphic provides an example of how CAMTC approaches its performance and its public safety mission.

FIGURE 2: EXAMPLE OF A PERFORMANCE MEASURE



This chart, and more that will follow in later pages, will demonstrate that CAMTC is performing at or better than its performance targets. In addition, it illustrates its performance against the Board of Chiropractic Examiners (BCE), which we used for benchmarking purposes. We chose BCE for benchmarking because of similar touch-based modalities and both professionals service a similar population. In addition, these are the same performance measures that DCA Board and Bureaus use in their Sunset Reports.

## About the California Massage Therapy Council

The California Legislature authorized the California Massage Therapy Council (CAMTC) by enacting Senate Bill 731 and re-authorized by Assembly Bill 1147 and again in 2016 by assembly bill 2194. CAMTC is a private nonprofit public benefit corporation. Its' volunteer Board of Directors is appointed by California cities, counties, law enforcement, massage schools, the Department of Consumer Affairs, professional massage associations and other stakeholders as authorized by law in California Business and Professions Code sections 4600 *et. seq.*

CAMTC is required by *California Business and Professions Code section 4600 et. seq.* [emphasis added] to:

- Create and implement a voluntary certification program for the Massage Therapy Profession that enables consumers to identify credible Certified Massage Therapists (CMTs) quickly.
- Ensure that Certified Massage Professionals have completed sufficient training at approved schools; and
- Approve massage schools. As of July 1, 2016, CAMTC only accepts education credentials from massage school programs that have been CAMTC approved.

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

The reader will note that CAMTC is required to execute its mission according to the standards of the *California Business and Professions Code section 4600 et. seq.*. This is a different standard than the APA, followed by State Licensing Agencies. The practical impact of this is that a certifying organization like CAMTC can take disciplinary action based on the "preponderance of evidence." This means that the inquiry "is more likely than not." CAMTC also can take action on conduct-based violations identified in its statute, while State Agencies must comply with the Fair Chance Licensing Act, which limits the substantive basis of what conduct may be used to take action. Practically, this means that CAMTC can take disciplinary action with telephonic hearings and sworn declarations for conduct-based violations as well as criminal convictions.

In contrast, licensing organizations that are governed by the APA and Fair Chance Licensing Act must meet a very different standard for their enforcement actions. A licensing board must show "clear and convincing proof to a reasonable certainty" before disciplinary actions can take effect against licensees. These actions appear more like a civil trial and can result in public reprimands, probation, suspension, or the complete revocation of a professional license. In addition, the Fair Chance Licensing Act limits action on conduct-based violations and criminal convictions.

## Relationship to Local Government

We understand that a unique feature of CAMTC, as a certifying organization, is its relationship to local government, most importantly, law enforcement. According to the "Massage Therapy Act 2020, section 4614 (a)" CAMTC is required to share its information with a local law enforcement agency that requests it. In addition, that same law enforcement agency is required to share with CAMTC its information concerning a specific certificate holder upon request of CAMTC, (section 4614 (b)).

From our observation, this creates a natural partnership between CAMTC as a certifying organization and local law enforcement that is mutually beneficial.

## Operational Highlights

Operationally CAMTC contracts with an outside management company to process new applications and applications for recertification. Advocacy & Management Group (AMG) provides back-office support. This includes a customer service phone system that handles inquiries from certificate holders, potential certificate holders, and the public. AMG is economically incentivized to meet specific performance targets identified by CAMTC leadership.

Conversely, enforcement investigations and reviews of new and existing certificate holders are managed internally. Staff attorneys, paralegals, and external legal Counsel make up most of the enforcement team.

From our observation this relationship with AMG allows CAMTC to focus on enforcement activities while an outside firm can focus on what it does best – processing applications and responding to telephone inquiries.

## Costing Methodology

### Driver Based Costing Models

A driver-based costing model is a robust method of calculating a specific service's cost. It seeks to measure cost on what triggers an expense. These triggers are numerical and allocate cost based on a known number. We intend to rely on personal estimates only when necessary. For example, FTE is considered the driver of HR expenses in the following table. Therefore, FTE is allocating \$1,000,000 of HR costs to other divisions within an organization.

**TABLE 3: EXAMPLE OF HOW FTE DRIVES COST TO OTHER DIVISIONS**

HR Expenses To Allocate or Assign		
<b>Total HR Expenses to Assign</b>	\$	1,000,000
Administration	10	\$ 100,000
IT	20	\$ 200,000
Finance	15	\$ 150,000
Marketing	20	\$ 200,000
Operations	35	\$ 350,000
<b>Totals</b>	<b>100</b>	<b>\$1,000,000</b>

The driver we used for calculating cost is the number of investigations. Investigations are a primary driver of workload; therefore, we will be modeling the current number of investigations that CAMTC processes but inside a licensing board.

## Tasks and Findings

There were four specific tasks in conducting this assessment. Each step built upon another and provided critical data required for the next step. In summary, these steps are:

1. Calculate the total cost and unit cost of services provided by CAMTC to both individual certificate holders and educational institutions.
2. Identify a benchmark licensing organization from which we could engineer the two costing models.
3. Develop a model of a licensing organization based on projected workload.
4. Review and benchmark CAMTC organizational performance.

### Task 1: Calculate the Full Cost and Unit Cost of Services Provided By CAMTC

The objective of this first task was to calculate an average annual cost for the two stakeholder groups of CAMTC

- Individual certificate holders, and
- Educational institutions that CAMTC has recognized for providing superior training and value to certificate holders.

This task involved interviews with staff, CAMTC leadership, and AMG leadership. Interviews were used to determine CAMTC's operating structure and allocate its costs. In our analysis, we used FY 2022 operating budget. Our objective was to allocate the full budget to the two stakeholder groups – individual certificate holders and educational institutions.

The following table will outline the results of this first task:

**TABLE 4: ANNUAL COST PER UNIT**

	<b>CAMTC Full Cost of Services</b>	<b>Total Cost Assigned to Individual Certificate Holders</b>	<b>Total Cost Assigned to Educational Institutions</b>
	\$5,463,863	\$4,862,780	\$601,083
<b>Number of Certificate Holders and Educational Institutions</b>		49,859	78
<b>Full Cost Per Annual Unit</b>		<b>\$ 98</b>	<b>\$7,706</b>

## Task 2: Selecting a Benchmark Licensing Organization

In selecting an existing board to use as a benchmark, we had three criteria:

1. An organization that is providing "complementary" therapies.
2. Access to recent financial data.
3. Professionals who provide hands-on touch-based therapy.

The Board of Chiropractic Examiners (BCE) met each of these criteria. The most important of which was our ability to access recent financial data. We made multiple inquiries to secure BCE's FY 2021-22 budget data. Unfortunately, in this endeavor, we were unsuccessful. However, BCE's report that was delivered at their Board Meeting on December 16, 2021, provided adequate financial data to complete our analysis. It also included performance data that we used for benchmarking purposes.

Using BCE as a benchmarking organization provides several opportunities that we can use to build our model:

1. Calculate an average cost per FTE
2. Project FTE requirements
3. Project the cost of services & supplies as a percentage of labor cost
4. Project State and Department proratas as a percentage of labor cost

### Budget Data for BCE

In the December 16, 2021, BCE Board Report, there is a recent fee audit report. The report provided the FY 2020-21 operating budget plus additional nonbudgeted adjustments for FY 2021-22. Our approach, therefore, was to add the two budget documents together with some exclusions from the nonbudget items, as the following table illustrates.

**TABLE 5: FY 2021-22 NONBUDGETED EXPENSES<sup>2</sup>**  
**California Board of Chiropractic Examiners (nonbudget Expense)**

<b>BCE FY 2021-22</b>	<b>Annual Cost</b>	<b>Include? Or not?</b>	<b>Total to Include</b>
Office Relocation	\$ 29,920	No - one time expense	
Credit Card fees	\$ 84,591	Yes - regular and recurring	\$ 84,591
Direct Fund Transfer - BAR Load Payback	\$ 250,000	No- short term expense	
Direct Fund Transfer - Supplemental Pension Payments	\$ 85,000	Yes - regular and recurring	\$ 85,000
Direct Fund Transfer - Statewide Prorata	\$ 297,000	Yes - regular and recurring	\$ 297,000
General Salary Increase (eff. 7/1/2021)	\$ 130,000	Yes - regular and recurring	\$ 130,000
Ongoing expenditure Reduction	\$ (16,000)	Yes - regular and recurring	\$ (16,000)
Annual Reserve	\$ 597,870	No-Included in startup costs	
<b>Total Non-Budget Expenses</b>	<b>\$ 1,458,381</b>		<b>\$ 580,591</b>

The following table will provide the total budgeted and nonbudgeted expenses included in our analysis.

<sup>2</sup> Source: Board of Chiropractic Examiners Board Meeting December 16, 2021, Matrix Report, Table 5, Page 7

TABLE 6: TOTAL BUDGED AND NONBUDGETED EXPENSES<sup>3</sup>

California Board of Chiropractic Examiners (Combined Budgeted and Non-Budgeted)

	Annual Cost	% Of Total Expenses
Salary & Wages	\$ 1,388,000	
Temp Help	\$ 8,000	
Statutory Exempt (EO.)	\$ 116,000	
Overtime Retirement Payout	\$ 1,000	
General Salary Increase (eff. 7/1/2021) *	\$ 130,000	
<b>Total Salary &amp; Wages</b>	<b>\$ 1,643,000.00</b>	<b>32%</b>
Staff Benefits	\$ 742,000	
Direct Fund Transfer - Supplemental Pension Payments *	\$ 85,000	
<b>Total Benefits</b>	<b>\$ 827,000</b>	<b>50%</b>
<b>Total Salary &amp; Benefits</b>	<b>\$ 2,470,000</b>	<b>48%</b>
Board Member per Diem	\$ 16,000.00	0.65%
General Expense	\$ 30,000.00	1.21%
Printing	\$ 3,000.00	0.12%
Communication	\$ 19,000.00	0.77%
Postage	\$ 7,000.00	0.28%
Travel in State	\$ 22,000.00	0.89%
Training	\$ 9,000.00	0.36%
Facilities Operations	\$ 141,000.00	5.71%
Consolidated Data Center	\$ 27,000.00	1.09%
Information Technology	\$ 53,000.00	2.15%
Equipment	\$ 11,000.00	0.45%
Vehicle Operations	\$ 42,000.00	1.70%
C&P Services - External	\$ 10,000.00	0.40%
Credit Card fees *	\$ 84,591.00	3.42%
Ongoing Expenditure Reduction *	\$ (16,000.00)	-0.65%
<b>Total Operational Expenses</b>	<b>\$ 458,591.00</b>	<b>9%</b>
DCA Prorata	\$ 771,000.00	31%
Direct Fund Transfer - Statewide Prorata *	\$ 297,000	12%
<b>Total Prorata &amp; Reserve</b>	<b>\$ 1,068,000.00</b>	<b>21%</b>
Attorney General	\$ 933,000.00	38%
Office of Administrative Hearings	\$ 159,000.00	6%
Evidence/Witness Fees	\$ 58,000.00	2%
<b>Total External Enforcement</b>	<b>\$ 1,150,000.00</b>	<b>22%</b>
<b>Total BCE Projected Expenses</b>	<b>\$ 5,146,591.00</b>	<b>100%</b>

\*Included from nonbudgeted expense items

<sup>3</sup> Source: Board of Chiropractic Examiners Board Meeting December 16, 2021, Matrix Report, Table 5, Pages 6-7

**TABLE 7: EXPENDITURE STATISTICS**

Expenditure Statistics and Analysis		
Average Labor Cost Per FTE	\$	130,000.00 <sup>4</sup>
Total Labor Cost as a Percentage of Total Cost		48%
Operating Expenses as a % of Total Cost		8.9%
State and Department Prorata as a % of the Total Cost		20.8%
External enforcement as a % of the Total Cost		22.3%

We will use these data to build a driver-based costing model.

## Task 3: Develop a Driver Based Model of a Licensing Organization

As stated earlier, the Business and Professions Code guides enforcement activities and influences operations of CAMTC. In contrast, the APA drives enforcement operations and costs within a licensing board or bureau. The result is that enforcement expenditures for CAMTC are substantially less than the Board of Chiropractic Examiners or any other board or bureau within DCA.

### Cost Structure of an Organization Based Projected Workload

According to the December 16, 2021 Board Report delivered to BCE's Board, BCE processed 804<sup>5</sup> investigations in FY 2019/20. From this same report, we learn that enforcement's total costs within BCE were \$3,047,864<sup>6</sup>. This same report also calculates that 49% of this cost is the result of external expenses being charged to BCE from the State Attorney General, the Office of Administrative Hearings, and DCA enforcement prorata, as the following table illustrates:

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<sup>4</sup> Total labor costs of \$2,470,000 / 19 FTE

<sup>5</sup> December 16, 2021 Board Report, page 43 of 75.

<sup>6</sup> Matrix fee audit report, page 13

**TABLE 8: BCE ENFORCEMENT COSTS**

Cost Category	Amount	Percentage
Enforcement Staff Costs	\$ 1,565,864.	51.4%
Attorney General	\$ 933,000.	49%
Office of Administrative Hearings	\$ 159,000.	
Evidence / Witness Fees	\$ 58,000.	
C&P Services - External	\$ 10,000.	
DCA Prorata Enforcement	\$ 322,000.	
<b>Total Costs</b>	<b>\$ 3,047,864.</b>	<b>100%</b>

External Enforcement Costs

Therefore, we can calculate the average cost per investigation to be \$3,791 (\$3,047,864 / 804).

In contrast, CAMTC is governed by the Business and Professions Code. Based on this standard, it processes over 4,000 investigations<sup>7</sup> in a year. The following table will illustrate the cost.

**TABLE 9: AVERAGE COST PER INVESTIGATION**

CAMTC Average Cost Per Investigation	
Total Enforcement Budget, (Capital Accounting Partners Calculation)	\$ 1,839,326
Total Enforcement Investigations	4033 <sup>8</sup>
Cost Per Investigation	\$ 456

From our observation, there are two reasons why CAMTC processes ten times more investigations than BCE:

1. The biannual recertification process design is structured to identify unprofessional conduct.
2. The Business and Professions Code does not require the evidentiary standards of the APA – which often ends in a process akin to a civil trial. Instead, CAMTC complies with Fair Procedure requirements, and individuals are given sufficient notice and an opportunity to be heard. Since its inception, the low number of litigation cases it has faced speaks to the difference in evidentiary standards. The evidence is that in FY 202-21 BCE was invoiced for nearly \$1,000,000 from the California Attorney General (AG). In contrast, CAMTC has never used the services of the AG and instead relies mostly on in-house counsel.

<sup>7</sup> CAMTC uses the term “reviews” while DCA boards use the term “investigations.” They are both functionally the same.

<sup>8</sup> Source: 2019 Sunset Report, page 77 Table 9a

## Projecting Cost for a Licensing Organization with Similar Workload

Using these data and BCE as a model, we can project that if a Massage Therapy board was created under DCA performing the same amount of work, it would cost \$29,844,643. This includes startup expenses. In addition to the hard costs, there may also be hidden capacity constraints as it will take time for staffing to develop the internal enforcement processes and systems. The impact of which may cause delays in processing formal investigations.

**TABLE 10: TOTAL PROJECTED COST OF A SIMILAR LICENSING BOARD**

<b>Projected Cost of a Licensing Board with Similar Investigation/workload Requirements</b>	
<b>Functional Category</b>	<b>Projected Expenditure</b>
Cost Per Investigation	\$ 3,791
Projected Number of Investigations	4,033 <sup>9</sup>
Projected Cost of Investigations	\$ 15,288,601.
Projected Administrative, Licensing, and Other Expenditures If 60% of the Total Budget is Allocated to Enforcement	\$ 10,192,400.
Total Projected Operating Costs of a Licensing Board	\$ 25,481,002.
Project Startup Expenses	\$ 4,363,641.
<b>Total Projected Expenses for a Licensing Board</b>	<b>\$ 29,844,643.</b>

### Startup Expenses

Startup expenses assume:

- 1) One year to staff the operation
- 2) A loan covering one-year operating expenses (\$25,481,002)
- 3) No revenue for the first year, then building over the second year
- 4) Building a six-month reserve (\$12,740,501)
- 5) Building a database to manage 50,000 licensees (\$3,135,586<sup>10</sup>)
- 6) Recovering these costs over five years

<sup>9</sup> Source: 2019 Sunset Report, page 77, Table 9a

<sup>10</sup> One sixth of the total cost of the Business Modernization Cohort 1 (BMC 1)

## Developing the Budget for a Licensing Board

Based on the analysis of BCE (Table 6, page 13) and knowing the total annual costs, we can reverse engineer a budget for a new licensing board to provide enforcement and application processing for 50,000 Massage Therapists.

**TABLE 11: PROJECTED TOTAL BUDGET FOR LICENSING BOARD**

**California Board of Chiropractic Examiners (Combined Budgeted and Non-Budgeted)**

	Annual Cost	% Of Total Labor or Total Expenses
Salary & Wages	\$ 9,527,617	
<b>Total Salary &amp; Wages</b>	<b>\$ 9,527,617</b>	
Staff Benefits	\$ 4,795,703	
<b>Total Benefits</b>	<b>\$ 4,795,703</b>	
<b>Total Salary &amp; Benefits</b>	<b>\$ 14,323,320</b>	<b>48%</b>
Board Member per Diem	\$ 92,783	0.65%
General Expense	\$ 173,967	1.21%
Printing	\$ 17,397	0.12%
Communication	\$ 110,179	0.77%
Postage	\$ 40,592	0.28%
Travel in State	\$ 127,576	0.89%
Training	\$ 52,190	0.36%
Facilities Operations	\$ 817,647	5.71%
Consolidated Data Center	\$ 156,571	1.09%
Information Technology	\$ 307,342	2.15%
Equipment	\$ 63,788	0.45%
Vehicle Operations	\$ 243,554	1.70%
C&P Services - External	\$ 57,989	0.40%
Credit Card fees	\$ 490,536	3.42%
Ongoing expenditure Reduction	\$ (92,783)	-0.65%
<b>Total Operational Expenses</b>	<b>\$ 2,659,330</b>	<b>9%</b>
DCA Prorata	\$ 4,470,963	31%
Direct Fund Transfer - Statewide Prorata	\$ 1,722,278	12%
<b>Total Prorata &amp; Reserve</b>	<b>\$ 6,193,241</b>	<b>21%</b>
Attorney General	\$ 5,410,388	38%
Office of Administrative Hearings	\$ 922,027	6%
Evidence/Witness Fees	\$ 336,337	2%
<b>Total External Enforcement</b>	<b>\$ 6,668,752</b>	<b>22%</b>
<b>Total BCE Projected Expenses</b>	<b>\$ 29,844,643</b>	<b>100%</b>

Based on a total labor cost of \$14,323,320 and an average cost per FTE of \$130,000 (page 14, Table 7), we can calculate the FTE requirement of this new organization to be 110 FTE. In contrast, CAMTC has 41 FTE.

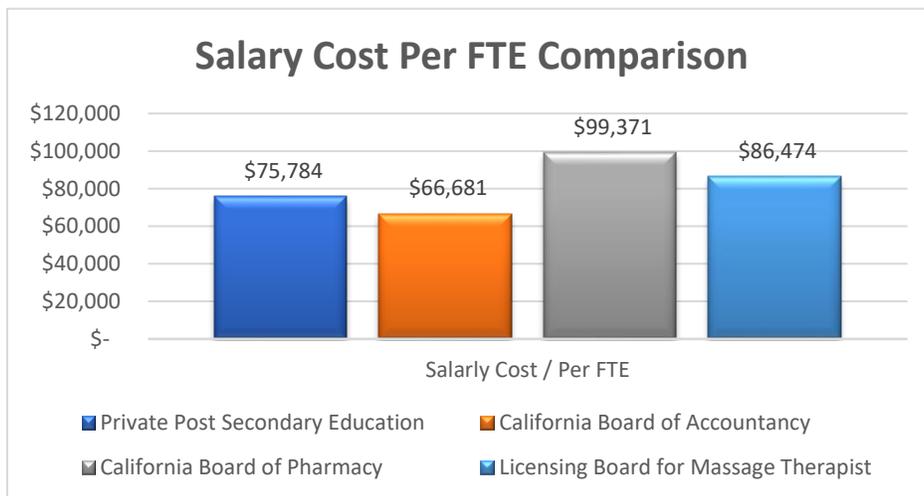
The reader may question if this budget is reasonable compared to licensing boards and bureaus of a similar size. To address this question, we reviewed organizations of a similar size and identified three that are comparable:

- 1) Bureau of Private Post Secondary Education – 110 FTE
- 2) California Board of Accountancy – 104 FTE
- 3) California Board of Pharmacy – 127 FTE

The differences between these three boards and a comparable licensing board with a similar workload requirement as CAMTC is wide and varied. For example, we would expect a licensing board for Massage Therapists to have a significant enforcement budget while enforcement for the Board of Accountancy is small. In addition, actual work requirements will drive services and supplies, and differences in staffing (and their respective bargaining units) will also drive benefit calculations.

However, we can compare FTE salary projections with these three organizations to determine a reasonable basis for comparison. The following figure will demonstrate that they compare favorably.

**FIGURE 3: SALARY COST PER FTE COMPARISON**



# Conclusion

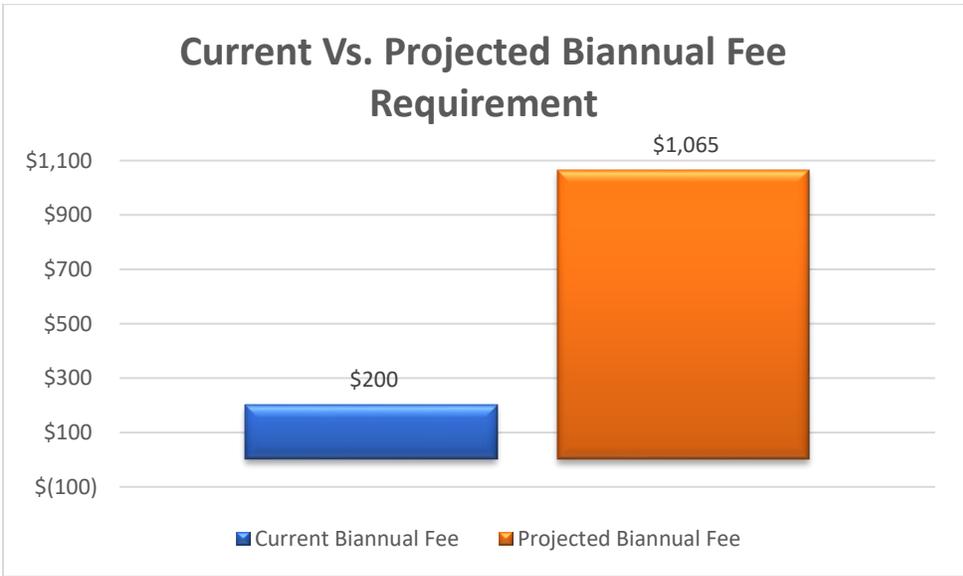
Moving from a certifying model to a licensing model will dramatically increase the costs for an individual Massage Professional. Central to this difference is the legal standard before disciplinary action. Based upon our analysis, the following table illustrates these differences.

**TABLE 12: DIFFERENCES IN COST BETWEEN STAKEHOLDER GROUPS**

	Percentage of Cost Allocated to Stakeholder Group	Total Cost Allocated Per Stakeholder for two years of CAMTC Certification/ school approval	Projected Cost Allocated Per Stakeholder for two years of licensure
CAMTC Budget Allocated to Individual Certificate Holders	89%	\$ 196	\$ 1,066
CAMTC Budget Allocated to Educational Institutions	11%	\$ 15,412	\$ 84,186

The following figure demonstrates the financial impact on the biannual fee for individual licenses.

**FIGURE 4: DIFFERENCE IN BIANNUAL FEE REQUIREMENT**



## Task 4: Review and Benchmark CAMTC Organizational Performance

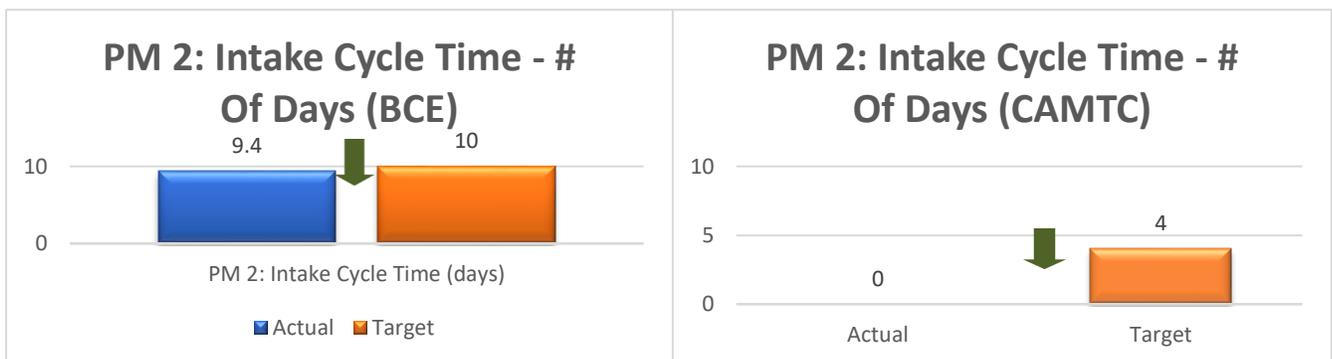
The Department of Consumer Affairs requires each board and bureau to submit regular reports on its performance. These Sunset Reports occur on a schedule that is unique to each organization. Therefore, CAMTC is also required to submit a Sunset Report using the same logic and methodology.

In benchmarking CAMTC, we again chose the (BCE). This in no way reflects a judgment upon them or a statement of our views concerning their organizational performance. We are using them because it is an organization using a touch-based modality serving a similar population. Their data comes from the December 16, 2021, Board Report (pages 19-20) delivered to their board.

### Performance Measure 2: Intake Cycle Time for Processing Complaints and Assigning an Investigator

Intake cycle time is the time a complaint is received until it is processed and forwarded to an appropriate investigator. While intake cycle time for BCE nearly matches its target, CAMTC processes its complaints in the day they are received.

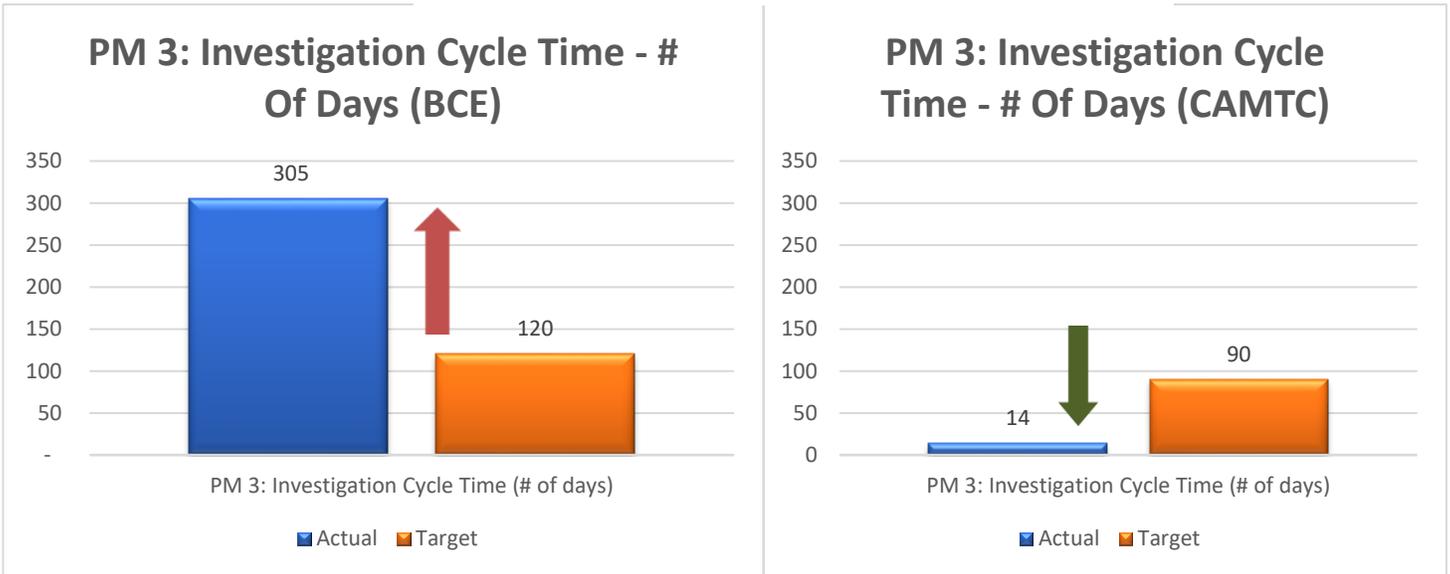
**FIGURE 5: PM 2 - INTAKE CYCLE TIME COMPARISON**



### Performance Measure 3: Investigation Cycle Time For Complaints That Do Not Result in Formal Discipline

Performance Measure 3 is the average number of days it takes from the date that information triggering an investigation was received to the date that the investigation was resolved for those investigations that do not result in formal discipline. The reader will note that CAMTC's cycle time is faster than BCE's and that the actual time is less than its target. In contrast, BCE's cycle time is longer and substantially longer than its target.

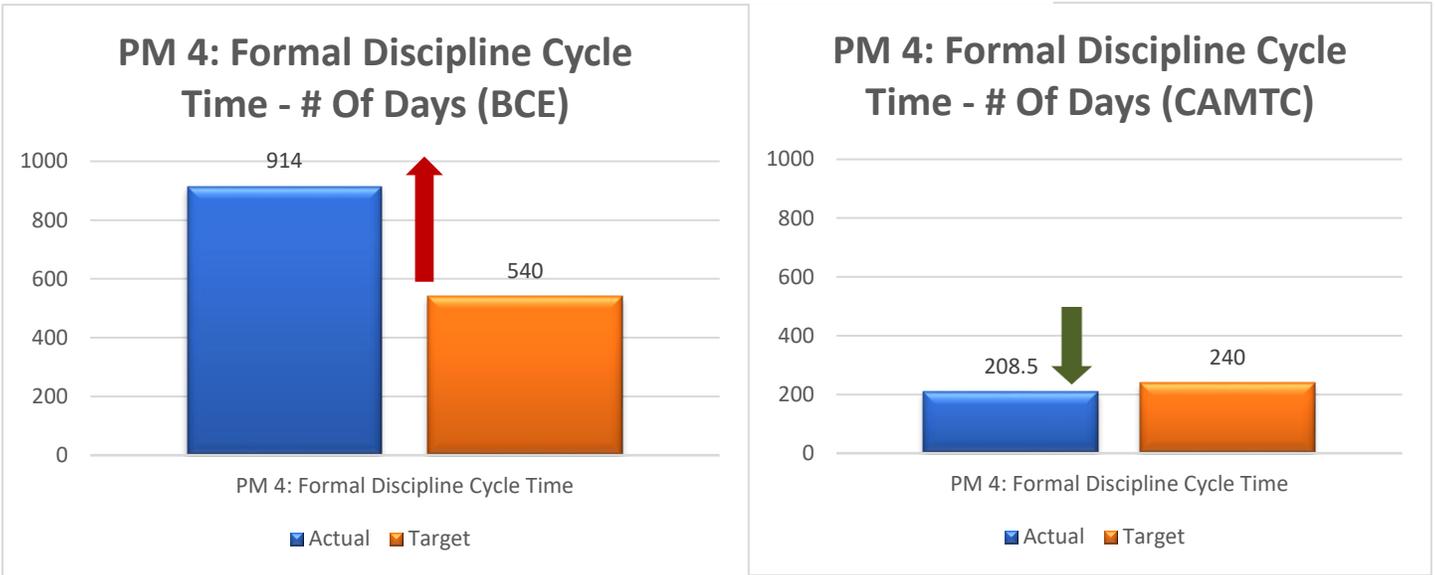
FIGURE 6: PM 3 - INVESTIGATION CYCLE TIME COMPARISON



### Performance Measure 4: Formal Discipline Cycle Time

Formal discipline cycle time is the speed that formal and appropriate discipline is determined and implemented. Performance Measure 4 is the average number of days it takes from the date that information triggering an investigation is received to the date that formal discipline is imposed. Formal discipline includes revocation, suspension, and imposition of probationary terms. As in the previous example, CAMTC as a certifying organization can implement discipline faster and does so in less time than its target. In contrast, BCE as a Licensing Board requires substantially more time to implement its discipline and under-performs its target.

FIGURE 7: PM 4- FORMAL DISCIPLINE CYCLE TIME COMPARISON

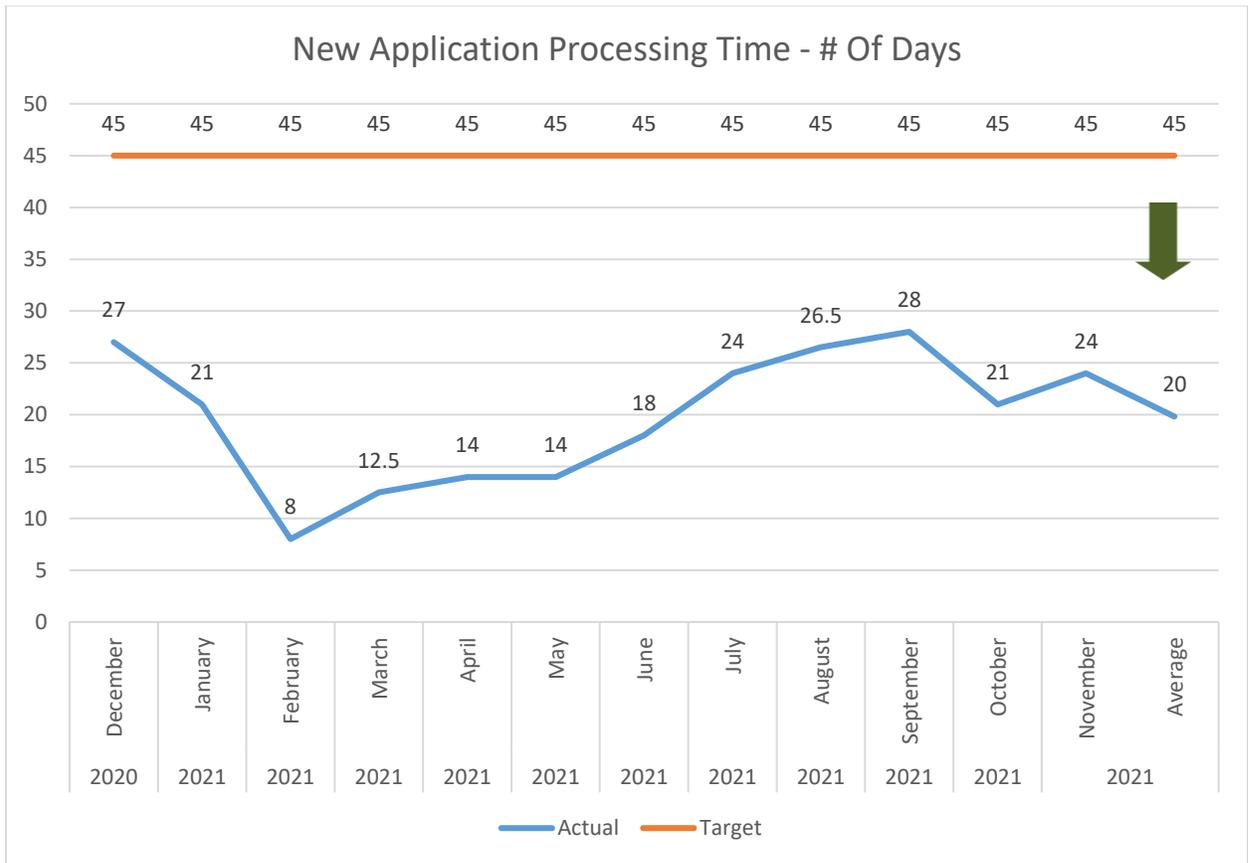


## Other Measures of Performance

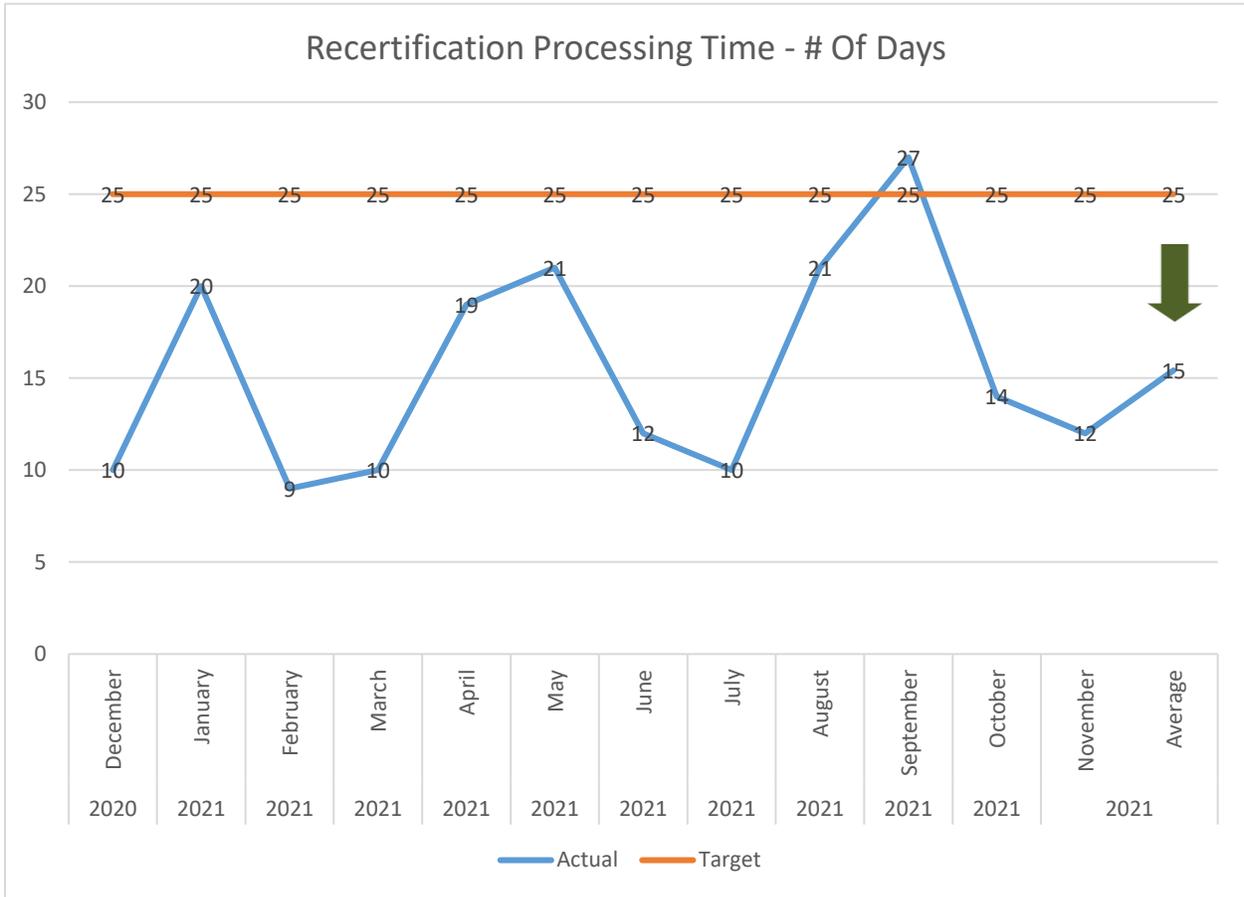
CAMTC contracts with the Advocacy & Management Group (AMG) to provide back-office support. They are responsible for processing new applications and biannual recertifications. In addition, they provide essential customer service functions that include personalized phone service and email responses to questions by the public and/or certificate holders.

As part of the contract, AMG submits regular reports of its performance. The following are four examples of these reports.

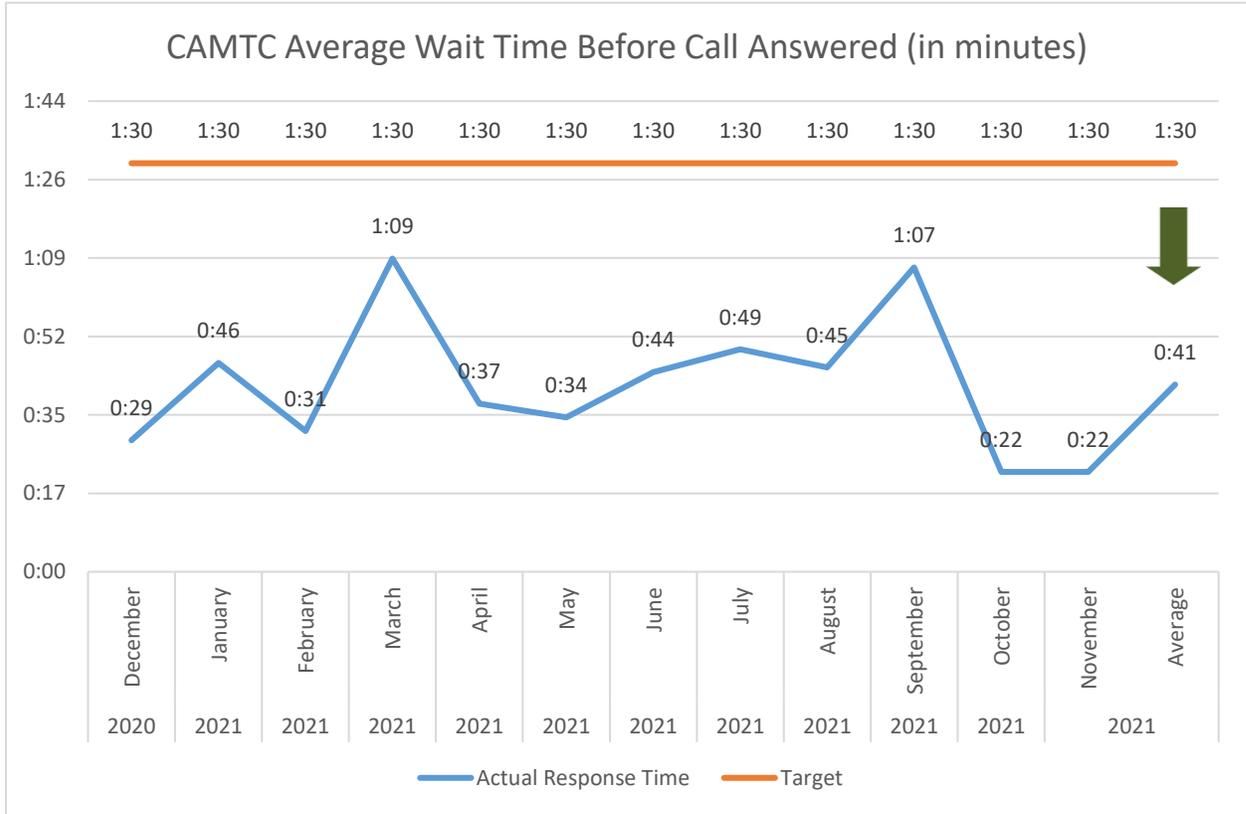
**FIGURE 8: NEW APPLICATION PROCESSING TIME**



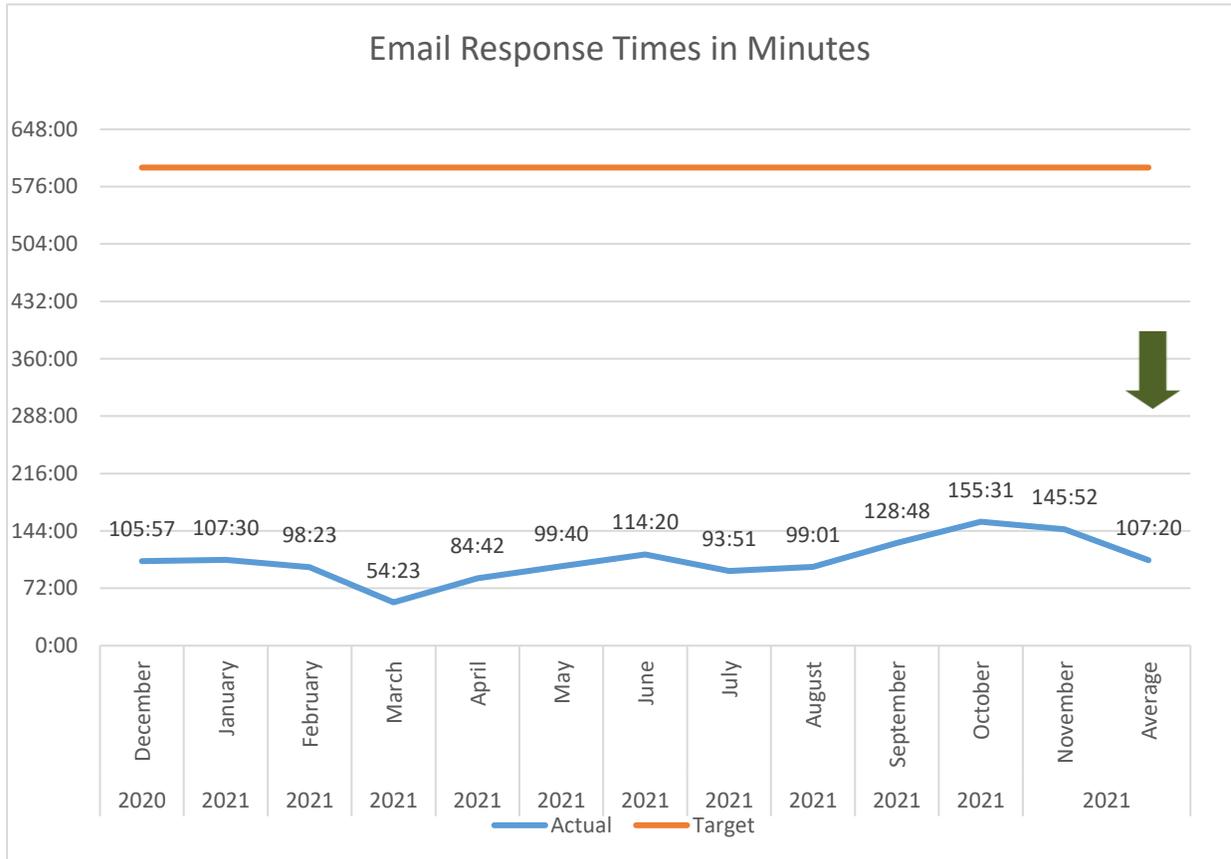
**FIGURE 9: RECERTIFICATION PROCESSING TIME**



**FIGURE 10: AVERAGE WAIT TIME BEFORE CALL IS ANSWERED**



**FIGURE 10: EMAIL RESPONSE TIME**



# Additional Observations

After having completed eleven fee studies for various boards and bureaus of the Department of Consumer Affairs, we find several similarities between them:

1. It can be challenging to charge fees that cover the cost of their operations.
2. The State Legislature frequently will add to their regulatory mandate but withhold the approval to raise fees to recover the cost.
3. It is not unusual for us to find organizations that have not raised fees for 10-20 years. The result is drawing down reserve funds, borrowing from other boards, and the inability to keep pace with the technical opportunities to improve client services. In one such case, we discovered a phone system dropping 1000 calls a day because it was technically incapable of handling the number of calls coming into the system.
4. There is an inherent tension between their consumer protection mission while also operating under the APA. Perhaps the most telling of this tension is a story published by the Fresno Bee <sup>11</sup>about a cardiologist accused of a fatal hit-and-run. The Medical Board of California attempted to restrict his medical license in response. However, the request was denied by a Fresno County judge. On a similar note, Mr. Jeffrey Rosen, District Attorney of Santa Clara County, in a letter to the Honorable Richard Roth, Chair of the Senate Committee on Business, Professions, and Economic Development, echoed a comparable sentiment when he stated: "a licensing process ... will prove prohibitively expensive, onerous, ponderous, ineffective, and leave vulnerable individuals subject to greater exploitation."<sup>12</sup>

It goes beyond this project's scope to determine if a certifying organization or a licensing organization would best serve the needs of California consumers. However, we note that CAMTC can process applications and investigate complaints faster and cheaper than a licensing board. From our observation, this has three benefits.

- 1) It keeps costs low for massage therapists, who operate on the low end of the economic ladder for medically related professionals.
- 2) Discipline, based on the "preponderance of evidence," allows for faster action against those who violate professional standards. The result of which is better protection of

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<sup>11</sup> CA board loses bid to restrict medical license of doctor accused of fatal hit-and-run, January 13, 2022, By Robert Rodriguez

<sup>12</sup> Letter dated November 2, 2021

the consumer. According to a recent LA Times article<sup>13</sup>, this is the standard in 41 States.

- 3) The same standard of the "preponderance of evidence" also protects the industry. When those who violate professional standards are quickly removed from practice, the industry's integrity is strengthened.

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<sup>13</sup> State Medical Board seeks far-reaching reforms to discipline bad doctors, Jan. 7, 2022, Melody Gutierrez, Brittany Mejia, Jack Dolan, Kim Christensen