

ARKANSAS STATE BOARD OF MASSAGE THERAPY

Enabling Laws

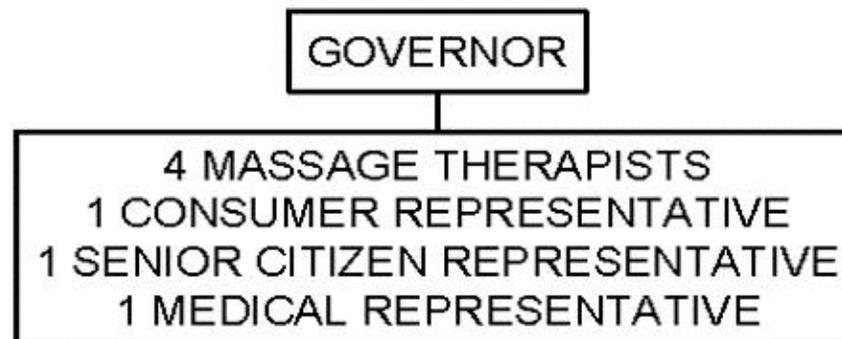
Act 85 of 2014
A.C.A. §19-5-1215

History and Organization

The Arkansas State Board of Massage Therapy was created with the intent to upgrade the standards of practice and education of massage therapy and regulate the practice of massage therapy in the State of Arkansas.

The Arkansas State Board of Massage Therapy consists of seven members appointed by the Governor for a term of three years. Six members shall be licensees and these members shall be full voting members. Only two of the members shall be owners of a massage therapy school; one member to represent the public, shall not be engaged in or retired from the practice of massage therapy. This member shall be a full voting member. Board members appointed to their positions shall be selected in equal apportionment from the congressional districts of the state as provided in § 25-16-801 and shall be subject to confirmation by the Senate.

The Board has statutory authority to examine and inspect at least once each year all massage therapy schools, offices, and clinics in the state. The Board is required to administer an examination for each new applicant and may hold other licensing examinations from time to time. Licenses are issued biannually for Massage Therapists, Master Massage Therapists and Massage Therapy Instructors. Licenses for Massage Therapy Schools and Massage Therapy Clinics expire on June 30th of each year.



Agency Commentary

The Arkansas State Board of Massage Therapy was created with the intent to upgrade the standards of practice and education of massage therapy and regulate the practice of massage therapy in the State of Arkansas.

The Board requests Base Level for both years of the 2015-2017 Biennium.

The Board also requests a fee increase for new applicant, upgrade, school renewal and inspection, duplicate license, new license, original license, clinic/spa inspection, continuing education, and license renewal fees in order to cover the increased costs of Regular Salaries and Personal Services Matching.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE BOARD OF MASSAGE THERAPY
FOR THE YEAR ENDED JUNE 30, 2012

Findings	Recommendations
<p>Financial Management Guide regulation R19-4-501 states that sound internal controls dictate daily deposits to the State Treasury and/or a commercial bank account. Weekly deposits are allowable if an agency receives only minimal cash or checks. A review of all 21 deposits revealed that the Board is not depositing cash receipts timely.</p> <p>The Board's lack of adherence to cash receipt regulations could create the opportunity for misappropriation of state assets.</p>	<p>Deposit cash receipts timely, in accordance with state regulations.</p> <p><u>Agency Response:</u> Prior to this finding, because our agency does not receive funds daily, deposits were made on a weekly or bi-weekly basis. We have taken the necessary corrective action in making every effort to make deposits as we receive funds.</p>
<p>Financial Management Guide regulation R19-4-501 states that a receipt must be issued for each cash payment received in person. Receipts are to be pre-numbered and must contain the following information for each item receipted: date, amount of receipt, name of person or company from whom monies were received, purpose of payment, fund(s) to which receipt is to be credited, and signature of employee receiving monies. The original receipt must be given to the party making payment. One duplicate copy of the receipt must be maintained in numerical order in the receipt book. A review of all</p>	<p>Issue and maintain pre-numbered receipts for cash received in person, in accordance with state regulations.</p> <p><u>Agency Response:</u> Certificates are numbered and were considered receipts. We have taken the necessary corrective action to issue each in person cash transaction a numbered receipt.</p>

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS STATE BOARD OF MASSAGE THERAPY
 FOR THE YEAR ENDED JUNE 30, 2012

Findings

Recommendations

21 deposits revealed that the Board is not issuing or maintaining pre-numbered receipts for cash received in person.

The Board's lack of adherence to cash receipt regulations could create the opportunity for misappropriation of state assets.

Ark. Code Ann. § 19-4-1103 states, "It shall be the responsibility of each executive head of a state agency to establish adequate internal administrative procedures and controls to ensure prompt and accurate payment of obligations." A sample of 30 maintenance and operation expenditures revealed that two disbursements totaling \$3,860 lacked disbursing officer approval and adequate supporting documentation.

Adhere to state laws and regulations related to the disbursement of state funds.

Agency Response:

We have taken the necessary corrective action to prevent future deficiencies by carefully maintaining sufficient paperwork.

The Board's lack of adherence to cash receipt regulations could create the opportunity for misappropriation of state assets.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

Employment Summary

	Male	Female	Total	%
White Employees	0	0	0	0 %
Black Employees	1	3	4	100 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			4	100 %
Total Employees			4	100 %

Publications

A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

Change in Fee Schedule

CURRENT FEE STRUCTURE			PROPOSED CHANGE				
Description	Fee Amount	Estimated Receipts 2014-2015	Authorizing Act or AR Code	Fee Amount	Estimated Receipts		Reason for Change
					2015-2016	2016-2017	
Clinic/Spa Inspection Fee (Inspection Failure)	\$0.00	\$0	A.C.A 17-85-303	\$25.00	\$250	\$250	To pay for the expenses associated with Regular Salaries and Personal Services Matching costs.
Continuing Education Fee	\$40.00	\$10,000	A.C.A 17-85-303	\$75.00	\$17,000	\$17,000	To pay for the expenses associated with Regular Salaries and Personal Services Matching costs.
Duplicate License Fee	\$10.00	\$200	A.C.A 17-85-303	\$15.00	\$300	\$300	To pay for the expenses associated with Regular Salaries and Personal Services Matching costs.
Name Change and New License Fee	\$10.00	\$200	A.C.A 17-85-303	\$15.00	\$300	\$300	To pay for the expenses associated with Regular Salaries and Personal Services Matching costs.
New Applicant's Fee	\$180.00	\$8,000	A.C.A 17-85-303	\$200.00	\$9,400	\$9,400	To pay for the expenses associated with Regular Salaries and Personal Services Matching costs.

Original License and Renewal Fees	\$80.00	\$150,000	A.C.A 17-85-303	\$150.00	\$220,000	\$220,000	To pay for the expenses associated with Regular Salaries and Personal Services Matching costs.
School Annual Renewal and Inspection Fee	\$100.00	\$1,000	A.C.A 17-85-303	\$130.00	\$1,250	\$1,250	To pay for the expenses associated with Regular Salaries and Personal Services Matching costs.
Upgrade Fee	\$155.00	\$1,000	A.C.A 17-85-303	\$175.00	\$1,500	\$1,500	To pay for the expenses associated with Regular Salaries and Personal Services Matching costs.

Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014					FY2014 - 2015						
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
2	3	1	4	-2	-50.00 %	4	4	0	4	0	0.00 %	4	4	0	4	0	0.00 %

FY13 Budgeted positions exceed Authorized due to positions obtained from the Central Growth Pool.

Analysis of Budget Request

Appropriation: 428 - Massage Board Operations

Funding Sources: MMT - Massage Therapy Board

The Arkansas State Board of Massage Therapy was created to upgrade the standards of practice and education of massage therapy and regulate the practice of massage therapy in the State of Arkansas. The Board has statutory authority to examine and inspect all massage therapy schools, offices, and clinics in the State. The Board is required to hold at least one examination each year, and may hold other examinations from time to time. Certificates of registration are issued annually for Massage Therapists, Master Massage Therapists, Massage Therapy Instructors, Massage Therapy schools, and Massage Therapy offices or clinics.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Bases level salaries will not include Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency requests Base Level for both years of the 2015-2017 Biennium.

The Executive Recommendation provides for Base Level if the statutory fee maximum found in A.C.A 17-86-303 was raised to an amount sufficient to avoid deficit spending.

Alternatively, the Executive Recommendation provides to discontinue two (2) positions: one Administrative Analyst III (Grade C112) and one (1) Massage Therapy Inspector (Grade C112) in order to avoid anticipated deficit spending in the 2015-2017 Biennium.

Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 428 - Massage Board Operations

Funding Sources: MMT - Massage Therapy Board

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	125,548	124,217	124,971	125,411	125,411	125,411	125,411	125,411	125,411
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	51,356	50,572	50,169	51,393	51,393	51,393	51,393	51,393	51,393
Operating Expenses	5020002	59,571	63,090	63,090	63,090	63,090	63,090	63,090	63,090	63,090
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		236,475	237,879	238,230	239,894	239,894	239,894	239,894	239,894	239,894
Funding Sources										
Fund Balance	4000005	145,111	80,555		13,676	13,676	13,676	23,782	23,782	23,782
Special Revenue	4000030	171,919	171,000		250,000	250,000	250,000	250,000	250,000	250,000
Total Funding		317,030	251,555		263,676	263,676	263,676	273,782	273,782	273,782
Excess Appropriation/(Funding)		(80,555)	(13,676)		(23,782)	(23,782)	(23,782)	(33,888)	(33,888)	(33,888)
Grand Total		236,475	237,879		239,894	239,894	239,894	239,894	239,894	239,894

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium.

Expenditure of appropriation is contingent upon available funding.

WITH FEE INCREASE

Appropriation Summary

Appropriation: 428 - Massage Board Operations

Funding Sources: MMT - Massage Therapy Board

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2015-2016			2016-2017		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	125,548	124,217	124,971	125,411	125,411	73,351	125,411	125,411	73,351
#Positions		4	4	4	4	4	2	4	4	2
Personal Services Matching	5010003	51,356	50,572	50,169	51,393	51,393	28,068	51,393	51,393	28,068
Operating Expenses	5020002	59,571	63,090	63,090	63,090	63,090	63,090	63,090	63,090	63,090
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		236,475	237,879	238,230	239,894	239,894	164,509	239,894	239,894	164,509
Funding Sources										
Fund Balance	4000005	145,111	80,555		13,676	13,676	13,676	0	0	20,167
Special Revenue	4000030	171,919	171,000		171,000	171,000	171,000	171,000	171,000	171,000
Total Funding		317,030	251,555		184,676	184,676	184,676	171,000	171,000	191,167
Excess Appropriation/(Funding)		(80,555)	(13,676)		55,218	55,218	(20,167)	68,894	68,894	(26,658)
Grand Total		236,475	237,879		239,894	239,894	164,509	239,894	239,894	164,509

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium. Expenditure of appropriation is contingent upon available funding.

WITHOUT FEE INCREASE

Change Level by Appropriation

Appropriation: 428 - Massage Board Operations
Funding Sources: MMT - Massage Therapy Board

Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	239,894	4	239,894	100.0	239,894	4	239,894	100.0

Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
BL	Base Level	239,894	4	239,894	100.0	239,894	4	239,894	100.0
C03	Discontinue Program	(75,385)	(2)	164,509	68.6	(75,385)	(2)	164,509	68.6

Justification

C03	Absent approved fee increases, the Executive Recommendation is to discontinue one (1) Administrative Analyst III (Grade C112) position and one (1) Massage Therapy Inspector (Grade C112) position. The discontinuation of these positions would avoid deficit spending in the 2015-2017 Biennium.								
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