

Co-Chairmen Kelly and Meyer and Members of the Senate Finance Committee,

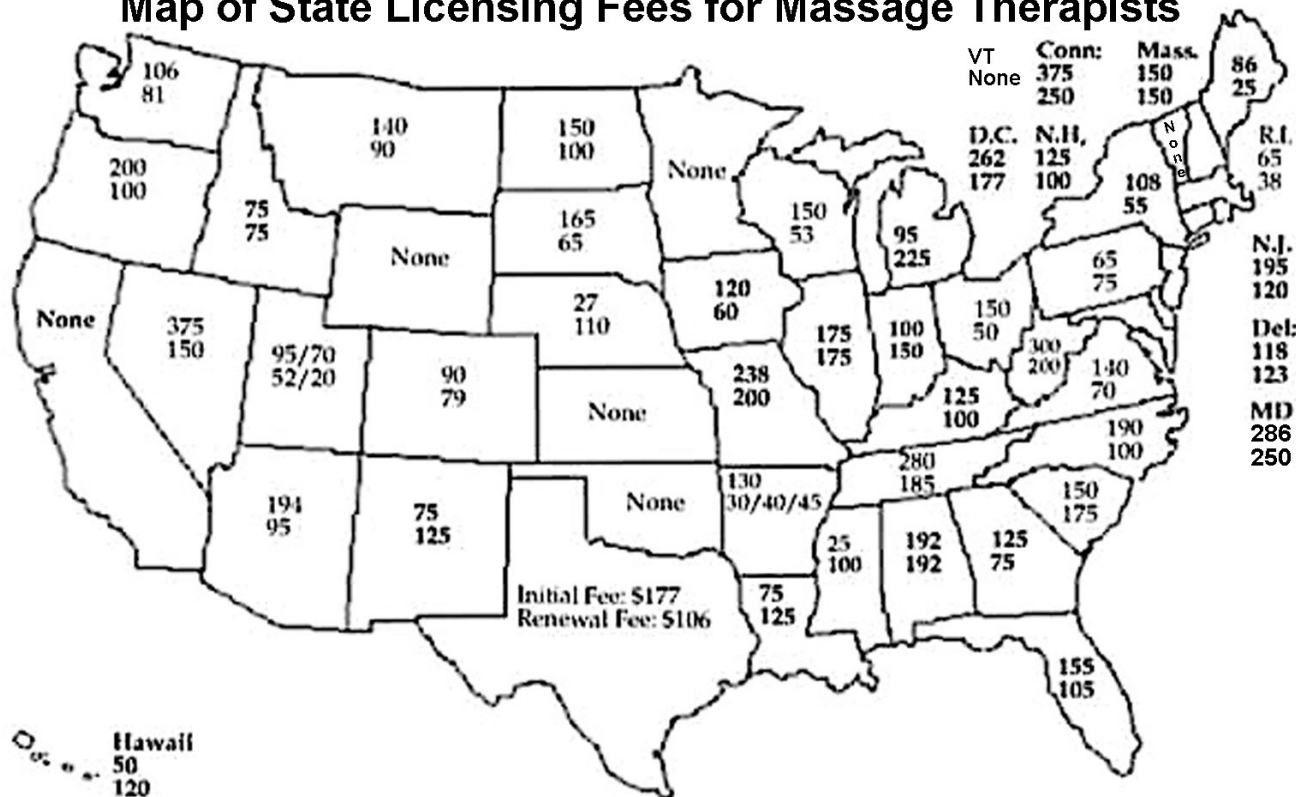
My name is Victoria Dance. I am a massage therapist licensed out-of-state since 1984, when I also became a member of the American Massage Therapy Association. I was Director of Continuing Education at the Desert Institute and Interim Director of Education at Heartwood Institute. I served on the AMTA Council of Schools in 2002/2003. I moved to Alaska almost ten years ago and have been working as a massage therapist at a medical clinic in Juneau for the last 6 years.

I, and several others, many who are massage therapists, oppose HB328 because the bill would require fees much higher than industry standard. I am particularly concerned about part-time therapists who have five clients or less a week and newly graduated massage therapists with student loan debt and new business costs, struggling to start a career with the additional burden of high licensing fees.

The fee will be \$835. Licensing is estimated to be \$550, plus \$225 exam fee and \$60 background check fee.

- Fifty-three percent of fees nationwide are between \$100 and \$150.
- All licensed massage therapists working in Alaska and not licensed in a municipality are paying one of the fees on this map.

Map of State Licensing Fees for Massage Therapists



Fees in Alaska Agencies and Boards with a similar number of licensees have smaller fees.

PROFESSIONS REGULATED BY BOARDS		
BOARD	# OF LICENSEES	LICENSE FEE
Midwives	62	\$1,700
Marital & Family Therapy	111	\$840
Marine Pilots	119	varies
Optometry	196	\$450
Psychologists	271	\$625
Chiropractic Examiners	332	\$500
Professional Counselors	557	\$525
Veterinary Examiners	658	\$550
Social Work Examiners	722	\$300
Physical Therapy	1231	\$230
Public Accountancy	1571	\$390
Big Game Commercial Services Board	1660	\$850
Dental Examiners	2361	\$590
Real Estate Appraisers	2492	\$590
Real Estate Commission	2492	\$575
Pharmacy	3595	\$350
Medical Board	5617	\$500
Barbers & Hairdressers	6735	\$220
Architects, Engineers, and Land Surveyors	6778	\$525
Nursing	18,877	\$215

PROFESSIONS REGULATED BY DIVISION		
PROFESSIONAL AGENCIES	# OF LICENSEES	LICENSE FEE
Euthanize Domestic Animals	10	\$50
Guardians & Conservators	10	\$909
Pawnbrokers	26	\$1,000
Hearing Aid Dealers	29	\$150
Concert Promoters	45	\$925
Naturopathy	57	\$520
Nursing Home Administrators	63	\$375
Underground Storage Tank Worker	63	\$155
Acupuncturists	121	\$100
Dispensing Opticians	130	\$325
Morticians	168	\$225
Dietitians & Nutritionists	208	\$100
Audiologists & Speech-Language Pathologists	435	\$100
Mechanical Administrators	572	\$300
Collection Agencies	635	\$300
Electrical Administrators	922	\$250
Construction Contractors	8480	\$250
Geologists	685	\$50
Home Inspectors	8480	\$290

There are two agencies with a similar number of licensees to the 600 projected for massage therapy:

- 1) Collection Agencies have 635 members with fees totaling \$300.
- 2) Mechanical Administrators have 572 members with fees also totaling \$300.

However, the Mechanical Administrators are in deficit so they may be raising their fees—or not. We are concerned that the massage licensing fees are high going into licensing and will be higher if fees are adjusted up. What is the likelihood of fees going up?

- 79% of the professional groups in Alaska are in deficit and need to raise their fees.
- Over the past six years, there is a trajectory of increasing staff salaries in other boards.
- Social Work expenditures show almost a 60% increase from FY08/09 biennium to the most recent.
- Initial fees for the Social Worker licensees were adjusted up by 20% this year.
- Architects, Engineers and Land Surveyor's fees were increased by 100%

I also have concerns that the fiscal note makes it difficult to know what the accurate fee is.

- The travel cost, estimated to be \$18,400 the first year and \$36,800 in future years, may not reflect total travel expenditure.
 - The travel estimate does not include out-of-state travel to national meetings such as the Federation of State Massage Therapy Boards' training for new board members and ongoing-regulation issues.
 - Under the Social Work Board, members made three out-of-state trips costing \$11,600 in total.
 - Out-of-state travel costs for massage therapy board members could be a 63% increase over the fiscal note's estimate of travel expenses.
- There is a discrepancy between the Social Work expenditure and the fiscal note.
 - The fiscal note shows future biennia at less than the FY08/09 direct costs.
- Although the figure for Social Work salaries was up to \$70,990 annually, the fiscal note for the HB328 does not include salaries for a massage therapy board.
 - Including salaries of examiners, regulations specialists and investigators will increase the massage licensee's fees further.

The \$550 figure may also be increased because of a possible miscalculation in projected total costs in the fiscal note.

- The Social Work total annual costs were up to \$141,000 while the fiscal note shows as low as \$49,900.
- No costs for investigations have been included.
 - The sponsor statement of another bill (HB187) warns: "If a professional licensing program receives a single complaint and a complex investigation ensues, an enforcement action could exceed \$100,000. Recovering investigation costs of this magnitude during one licensing cycle (two years) causes significant changes in fees, especially in licensing programs with fewer licensees to share the burden of the cost."
 - "Massage" parlor violations involving licensees could very well trigger a complex investigation.

I am concerned that another board is being added at a time when so many established boards and agencies are building up deficits. Those boards could cost the State millions of dollars because they are not revenue neutral.

- Over the past six years, deficits for programs have increased from 41% to 71% until now it is 79%.

I wonder, when I see that the Big Game Board's deficit for FY13 was \$1,041,267, whose money are they using to operate? Will this \$550 I would be asked to pay, go to their operating costs?

Would the Committee consider waiting to pass a massage therapy practice act until after expense and revenue issues in HB328 and regulated programs have been resolved?

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