



Approved Minutes
Board of Directors
Friday, May 21, 2021
10:00 AM
Embassy Suites Hotel
Sacramento, CA 95814

In-Person and Virtual meeting Date: May 21, 2021 Time: 10:00 AM	
<u>Committee Members</u> Brandon Chanley, Chair Ruth Godfrey, Treasurer Ann Springborn, Secretary Fernando E. Angell III C. Lester Crawford Ray Davis Karen De Vaney Susie DiMaggio Richard Ernst Jett Asinas Mercado Lee Reams., Sr. Yvette Rupp Katie Zollo	<u>Administrative Staff Present</u> Tabitha Bolkish Celeste Heritage

A. Call to Order

The meeting was called to order at 10:00 a.m. on Friday, May 21, 2021.

B. Call of the Roll

All board members were present.

C. Approval of the Draft Minutes from November 19, 2020

The minutes were approved as presented.

D. Modify Budget Requests for Fiscal Year 2021-2022 – Brandon Chanley

The budgets for Board Activities and General Administrative expenses were reviewed.

The following changes were made to the General and Administrative budget:

- Decrease Insurance line item from \$4,500 to \$3,000
- Decrease Legal Fees line item from \$30,000 to \$20,000
- Decreasing Printing line item from \$6,000 to \$5,000

The General and Administrative total budget for 2021-2022 is \$611,500

No changes or additions were made to the board activities budget.

The Board Activity total budget for 2021-2022 is \$120,500



The Board adjourned at 9:27 a.m. on Friday, May 21, 2021.

The Board reconvened on Friday, May 21, 2021, at 10:00 a.m.

E. Chair's report – Brandon Chanley

Brandon Chanley welcomed staff, public and, gave an overview of conducting an online meeting.

Brandon shared with the board that Esperanza Escobedo, CRTP Director, has resigned from the board due to personal reasons, effective immediately.

Brandon thanked Esperanza for all she has done and appreciates the work she has accomplished during her years on the board.

Brandon also shared that Phil Storrer, CTEC Senior Reviewer, has resigned from his position with CTEC to spend more time with his family. He reminded the board that Phil has been with CTEC since 1997.

Brandon thanked Phil for everything he has done for CTEC and appreciates the work he has put into the CTEC program.

F. Secretary's report – Ann Springborn

No report.

G. Treasurer's report – Ruth Godfrey

Ruth Godfrey reviewed the Profit & Loss Budget vs. Actual handouts.

H. Audit Oversight Committee Report – Susie DiMaggio

Susie DiMaggio shared with the board that at the November 2020 meeting, the committee requested that staff solicit proposals from CPA firms to perform CTEC's annual audit. The following proposals were reviewed by the committee.

- Moore Messina Webb LLP
- Mann Urrutia Nelson CPAs & Associates LLP

The council adopted the following:

Resolution: Accept Moore Messina Webb LLP to provide both audit and tax return services.

I. Budget and Finance Committee Report – C. Lester Crawford

C. Lester Crawford shared with the board that the committee recommended approval of the fiscal year 2021-2022 budget based on 38,000 registrations -- total registration fee of \$1,367,000.00; total income of \$1,775,425.00; total expenses of \$2,044,100.00 with 2 months reserve \$340, 683.33.

The council adopted the following:

Resolution: Approved the 2021-2022 balance budget as presented.



BUDGETS - HISTORICAL & PROJECTED
Policies, Procedures, Operations and Administration Manual

Revised 5.21.2021

Income	Jul '19-Jun '20	Jul '20-Jun '21	Jul '21-Jun '22	Jul '22-Jun '23	Jul '23-Jun '24
4000 - Registration					
4001 - New Registration	\$1,848.00	\$726.00	\$1,000.00	\$1,300.00	\$1,690.00
4002 - Renewal Registration	\$10,791.00	\$5,874.00	\$6,000.00	\$7,800.00	\$10,140.00
4003 - CC - New Registration	\$198,924.00	\$149,193.00	\$160,000.00	\$208,000.00	\$270,400.00
4004 - CC - Renewal Registration	\$1,093,488.00	\$1,112,859.00	\$1,200,000.00	\$1,560,000.00	\$2,028,000.00
Total Registration Fees	\$1,305,051.00	\$1,268,652.00	\$1,367,000.00	\$1,777,100.00	\$2,310,230.00
4005 - Late Registration					
4006 - Registration	\$6,105.00	\$2,585.00	\$3,000.00	\$3,900.00	\$5,070.00
4007 - CC - Registration	\$385,660.00	\$354,200.00	\$365,000.00	\$474,500.00	\$616,850.00
Total Late Fees	\$391,765.00	\$356,785.00	\$368,000.00	\$478,400.00	\$621,920.00
Total 4010 - Mailing List	\$3,500.00	\$3,250.00	\$3,500.00	\$4,550.00	\$5,915.00
4020 - Interest Income					
4021 - Interest - Dividends	\$620.38	\$103.67	\$125.00	\$162.50	\$211.25
4022 - Interest	\$28,197.67	\$7,446.48	\$8,000.00	\$10,400.00	\$13,520.00
4020 - Interest-Income - Other	\$153.17	\$0.00	\$0.00	\$0.00	\$0.00
Total 4020 - Interest Income	\$28,971.22	\$7,550.15	\$8,125.00	\$10,562.50	\$13,731.25
4030 - Returned Check Charge	\$20.00	\$20.00	\$0.00	\$0.00	\$0.00
4040 - Provider Fees					
4041-Qualifying Education	\$4,500.00	\$3,000.00	\$4,500.00	\$5,850.00	\$7,605.00
4042-Continuing Education	\$2,400.00	\$2,400.00	\$2,400.00	\$3,120.00	\$4,056.00
4044 - Periodic Review	\$19,200.00	\$17,600.00	\$20,000.00	\$26,000.00	\$33,800.00
4045 - Provider Late Fees	\$1,000.00	\$500.00	\$1,000.00	\$1,300.00	\$1,690.00
Total 4040 - Provider Fees	\$27,100.00	\$23,500.00	\$27,900.00	\$36,270.00	\$47,151.00
4050 - Duplicate Certificate Fee	\$870.00	\$480.00	\$500.00	\$650.00	\$845.00
4060 - Brochure Income	\$159.75	\$276.25	\$300.00	\$390.00	\$507.00
4070 - Miscellaneous Income	\$60.00	\$178.56	\$100.00	\$130.00	\$169.00
Total Income	\$1,757,496.97	\$1,660,691.96	\$1,775,425.00	\$2,308,052.50	\$3,000,468.25
5000 - Board Activities					
5001 - Airfare	\$1,829.34	\$0.00	\$7,000.00	\$7,000.00	\$5,463.64
5002 - Cab/Shuttle	\$422.07	\$0.00	\$1,000.00	\$1,000.00	\$1,092.73
5003 - Hotel	\$14,149.74	\$0.00	\$40,000.00	\$40,000.00	\$27,318.18
5004 - Mileage	\$1,626.96	\$0.00	\$5,000.00	\$5,000.00	\$5,463.64
5005 - Parking	\$1,273.33	\$0.00	\$3,000.00	\$3,000.00	\$1,639.09
5006 - Per Diem	\$1,850.00	\$750.00	\$4,500.00	\$4,500.00	\$5,463.64
5000 - Board Activities	Jul '19-Jun '20	Jul '20-Jun '21	Jul '21-Jun '22	Jul '22-Jun '23	Jul '23-Jun '24
5007 - Telephone/Fax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5009 - Postage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5010 - Board Mtg. Room Expense	\$40,123.85	\$0.00	\$60,000.00	\$60,000.00	\$21,854.54
Total 5000 - Board Activities	\$61,275.29	\$750.00	\$120,500.00	\$120,500.00	\$68,295.44



5100 - General & Administrative	Jul '19-Jun '20	Jul '20-Jun '21	Jul '21-Jun '22	Jul '22-Jun '23	Jul '23-Jun '24
5103 - Bank Fees/Returned Check Fees	\$74.50	\$12.00	\$200.00	\$200.00	\$1,092.73
5105 - Fees & Licenses	\$150.00	\$300.00	\$300.00	\$300.00	\$163.91
5106 - Insurance	\$3,048.60	\$801.00	\$3,000.00	\$4,500.00	\$4,370.91
5107 - Legal Fees	\$24,845.88	\$11,750.00	\$20,000.00	\$30,000.00	\$27,318.18
5109 - Mgmt Contract Expense	\$549,000.00	\$519,750.00	\$567,000.00	\$609,000.00	\$590,072.58
5110 - Printing	\$3,060.69	\$1,645.68	\$5,000.00	\$6,000.00	\$1,092.73
5113 - Postal Permits	\$234.00	\$254.00	\$500.00	\$500.00	\$546.36
5116 - Miscellaneous Expense	\$198.00	\$224.85	\$500.00	\$500.00	\$546.36
5118 - Returned Items	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5119 - Education & Training	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5120 - Capitol Reserve	\$0.00	\$0.00	\$15,000.00	\$15,000.00	\$15,000.00
5130 Taxes (Sales Tax)	\$1,459.97	\$0.00	\$0.00	\$0.00	\$500.00
Total 5100 - General & Administrative	\$582,071.64	\$534,737.53	\$611,500.00	\$666,000.00	\$640,703.75
5150 - Budget & Finance Committee					
5151 - Conference Calls	\$0.00	\$0.00	\$250.00	\$250.00	\$250.00
Total 5150 - Budget & Finance	\$0.00	\$0.00	\$250.00	\$250.00	\$250.00
5160 Audit Oversight Committee					
5101 - Accounting/Filing	\$13,912.00	\$13,575.00	\$15,000.00	\$15,000.00	\$15,000.00
5102 - Conference Calls	\$0.00	\$0.00	\$250.00	\$250.00	\$250.00
5169 - Travel Expense	\$0.00	\$0.00	\$1,000.00	\$1,000.00	\$1,000.00
5503 - Annual Report	\$5,039.00	\$5,056.83	\$6,000.00	\$6,000.00	\$6,000.00
Total 5160 - Audit Oversight	\$18,951.00	\$18,631.83	\$22,250.00	\$22,250.00	\$22,250.00
5200 - Bylaws Committee					
5201 - Conference Calls	\$0.00	\$0.00	\$250.00	\$250.00	\$250.00
Total 5200 - Bylaws	\$0.00	\$0.00	\$250.00	\$250.00	\$250.00
5300 - Communications & Technology					
5306 - Software Development	\$0.00	\$0.00	\$21,250.00	\$0.00	\$0.00
5307 - Software Update	\$0.00	\$9,987.50	\$37,000.00	\$10,000.00	\$10,000.00
5308 - Hardware	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5309 - System Maintenance / Hosting	\$42,000.00	\$38,500.00	\$42,000.00	\$42,000.00	\$24,200.00
5310 - Computer Hosting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5311 - Cyber Insurance	\$1,698.00	\$1,698.74	\$2,500.00	\$12,000.00	\$5,000.00
5312 - Microsoft Cloud	\$0.00	\$9,085.66	\$12,000.00	\$2,500.00	\$2,500.00
5313 - Database Cleanup	\$47,855.00	\$0.00	\$0.00	\$0.00	\$0.00
Total 5300 - Comm. & Technology	\$91,553.00	\$59,271.90	\$114,750.00	\$66,500.00	\$41,700.00
5400 - Curriculum Provider Committee					
5406 - Curriculum review - QE and CE 5406 - Periodic Review	\$44,350.00	\$52,880.00	\$68,550.00	\$70,000.00	\$70,000.00
5411 - Provider Task Force meeting	\$1,000.00	\$0.00	\$750.00	\$1,500.00	\$1,500.00
5413 - Policy Reviewer	\$12,000.00	\$2,700.00	\$0.00	\$5,000.00	\$5,000.00
5414 - Audit Review	\$4,175.27	\$7,000.00	\$0.00	\$12,000.00	\$10,000.00



5400 – Curriculum Provider Committee	Jul '19-Jun '20	Jul '20-Jun '21	Jul '21-Jun '22	Jul '22-Jun '23	Jul '23-Jun '24
5415 - Appeal Process	\$0.00	\$0.00	\$6,250.00	\$18,750.00	\$18,750.00
5416 - Senior Reviewer	\$33,200.00	\$24,903.00	\$0.00	\$33,200.00	\$33,200.00
CP23 Update	\$0.00	\$0.00	\$18,000.00	\$0.00	\$0.00
Website Review	\$0.00	\$0.00	\$2,500.00	\$0.00	\$0.00
Total 5400 - Curriculum Provider	\$94,725.27	\$87,483.00	\$96,050.00	\$140,450.00	\$138,450.00
5500 - Executive Committee					
5501 - Conference Calls	\$0.00	\$0.00	\$250.00	\$250.00	\$250.00
Total 5500 - Executive	\$0.00	\$0.00	\$250.00	\$250.00	\$250.00
5600 - Governance Committee					
5608 - Orientation / Recognition	\$986.01	\$0.00	\$1,500.00	\$1,500.00	\$1,500.00
5610 - Policy Developer	\$0.00	\$0.00	\$0.00	\$25,000.00	\$25,000.00
Total 5600 - Governance	\$986.01	\$0.00	\$1,500.00	\$26,500.00	\$26,500.00
5700 - Governmental Relations Committee					
5702 - Printing Sunset review docs	\$0.00	\$0.00	\$10,000.00	\$0.00	\$1,000.00
5703 - Polling Expense	\$0.00	\$0.00	\$40,000.00	\$0.00	\$0.00
5704 - Sunset Expense	\$0.00	\$0.00	\$60,000.00	\$0.00	\$15,000.00
5705 - Travel & Hotel	\$2,394.42	\$0.00	\$5,000.00	\$5,000.00	\$5,000.00
5706 - Enforcement	\$257,066.78	\$189,896.12	\$407,000.00	\$523,547.00	\$260,000.00
Total 5700 - Governmental Relations	\$259,461.20	\$189,896.12	\$522,000.00	\$528,547.00	\$281,000.00
5800 - Public Awareness					
5802 - Compliance Brochure "How To..."	\$0.00	\$760.87	\$3,000.00	\$3,000.00	\$3,000.00
5803 - Printing - Preparer Newsletter	\$12,796.49	\$7,461.04	\$0.00	\$10,000.00	\$10,000.00
5804 - Advertising	\$609,379.01	\$213,586.92	\$222,425.00	\$601,500.00	\$601,500.00
5805 - Public Relations	\$75,000.00	\$67,500.00	\$81,000.00	\$81,000.00	\$81,000.00
5806 - Speakers Bureau Travel	\$3,849.49	\$0.00	\$0.00	\$5,000.00	\$5,000.00
5807 - Toll Free Lines	\$1,800.00	\$1,500.00	\$1,800.00	\$1,800.00	\$1,800.00
5808 - Public Brochure "Choosing your CRTP"	\$551.43	\$1,876.06	\$3,500.00	\$3,500.00	\$3,500.00
5809 - Postage - Preparer Newsletter	\$9,054.88	\$4,314.01	\$0.00	\$10,000.00	\$10,000.00
5810 - Promotional Items	\$4,759.08	\$0.00	\$0.00	\$5,000.00	\$5,000.00
5812 - Public Relations Expenses	\$3,052.90	\$550.00	\$1,000.00	\$2,000.00	\$2,000.00
5813 - Advertising Survey	\$45,000.00	\$0.00	\$0.00	\$0.00	\$0.00
5814 - Advertising Commission	\$61,900.05	\$24,075.00	\$24,075.00	\$60,000.00	\$60,000.00
5815 - Media Clipping Service	\$750.00	\$1,551.31	\$3,500.00	\$5,500.00	\$5,500.00
5816 - Preparer Newsletter - Email	\$0.00	\$2,038.66	\$10,000.00	\$5,000.00	\$5,000.00
Total 5800 - Public Awareness	\$827,893.33	\$325,213.87	\$350,300.00	\$793,300.00	\$793,300.00
5900 - Tax Preparer Committee					
5902 - Renewal Post card / Certificates	\$13,180.31	\$11,432.32	\$18,000.00	\$18,000.00	\$18,000.00
5908 - Postage	\$13,812.56	\$11,397.27	\$20,000.00	\$25,000.00	\$25,000.00
5910 - Registration Reminder (January&June)	\$6,386.76	\$1,128.02	\$0.00	\$10,000.00	\$10,000.00
5912 - Credit Card Fees	\$47,408.85	\$45,709.53	\$55,000.00	\$55,000.00	\$55,000.00



5900 - Tax Preparer Committee	Jul '19-Jun '20	Jul '20-Jun '21	Jul '21-Jun '22	Jul '22-Jun '23	Jul '23-Jun '24
5913 - Background Reviewers	\$0.00	\$23,935.50	\$35,000.00	\$50,000.00	\$50,000.00
5914 - Paralegal	\$0.00	\$58,949.00	\$65,000.00	\$0.00	\$0.00
Federal Search Services	\$0.00	\$0.00	\$1,500.00	\$0.00	\$0.00
5915 - Hearing Officer	\$0.00	\$1,840.00	\$10,000.00	\$25,000.00	\$25,000.00
Total 5900 - Tax Preparer	\$80,788.48	\$154,391.64	\$204,500.00	\$183,000.00	\$183,000.00
6999 - Uncategorized Expense	\$342.00	\$0.00	\$0.00	\$0.00	\$0.00
7020 - Amortization - Curriculum Provider	\$2,757.00	\$0.00	\$0.00	\$0.00	\$0.00
7021 - Amortization - Public Awareness	\$19,910.00	\$0.00	\$0.00	\$0.00	\$0.00
7022 - Amortization - Tax Preparer	\$10,412.00	\$0.00	\$0.00	\$0.00	\$0.00
8000 - Brokerage Fees	\$1,247.68	\$0.00	\$0.00	\$0.00	\$0.00
Income	\$1,757,496.97	\$1,660,691.96	\$1,775,425.00	\$2,308,052.50	\$3,000,468.25
Total Expenses	\$2,052,373.90	\$1,370,375.89	\$2,044,100.00	\$2,547,797.00	\$2,195,949.19
(Enter Months) 2	\$342,062.32	\$228,395.98	\$340,683.33	\$636,949.25	\$365,991.53
Net Income	-\$294,876.93	\$290,316.07	-\$268,675.00	-\$239,744.50	\$323,675.45
Current Bank Balance	\$ 1,350,921.22	\$ 191,985.94	\$ 1,350,921.22	\$ 1,350,921.22	\$ 1,350,921.22
Surplus or Deficiet (-)	\$1,056,044.29	\$482,302.01	\$1,082,246.22	\$1,111,176.72	\$1,674,596.67

J. Bylaws Committee Report – Ann Springborn

No report.

K. Communication and Technology Report – Brandon Chanley

Brandon Chanley shared with the board that the committee recommended accepting the proposal for provider QE and CA education reporting updates, estimated hours to complete the Scope of Work not to exceed **250 hours** with estimated cost to complete the Scope of Work not to exceed **\$21,250**. The committee also recommended accepting the proposal for estimated hours to complete Website Updates and Security Items not to exceed **200 hours** at an estimated cost to complete the Scope of Work not to exceed **\$17,000**.

The council adopted the following:

Resolution:

Accept the proposal for provider QE and CA education reporting updates, estimated hours to complete the Scope of Work not to exceed **250 hours** with estimated cost to complete the Scope of Work not to exceed **\$21,250**.

Accept the proposal for estimated hours to complete Website Updates and Security Items not to exceed **200 hours** at an estimated cost to complete the Scope of Work not to exceed **\$17,000**.

Accept the proposal as presented for Software Update Increase from **\$10,000 to \$20,000**.

Brandon shared with the board that the committee tabled to a later committee meeting the Proposed Monthly Maintenance Fee Increase. The committee requested Mark Griffith to provide a breakdown on his monthly invoices of work performed.

L. Curriculum Provider Standards Committee Report – Lee Reams

Lee shared with the committee that the Curriculum Reviewer contracts currently expire on June 30, 2021. A copy of the Curriculum Reviewer contracts was handed out to the committee for review. The committee went into a closed session to discuss the Curriculum Reviewer contracts.

The council adopted the following:

Resolution: Accept the Curriculum Reviewer contracts as presented, with an increase in the hourly rate from \$200 to \$225 effective July 1, 2021.



○ **CP23A – Qualifying Education Guidelines Update – Lee Reams**

Lee reminded the board that CP23A – Qualifying Education Guidelines is a living document that needs to be updated as tax laws change. Since the last update in November of 2020, major Federal tax legislation has been enacted and another update is imperative. Plus, under Biden’s plans, there will be more tax changes in 2021 and CP23A will have to be updated again. Since Board members cannot be compensated for performing this task, outside experts need to be hired to accomplish the work, and a suitable budget allocated.

This task does not lend itself well to a large number of individuals. It is recommended that no more than two be contracted for the work.

The committee agreed to task the CTEC Curriculum Reviewers with the above task. The committee tasked Staff to send emails out to providers when those updates have been implemented.

The council adopted the following:

Resolution: Accept having the CTEC Curriculum Reviewers be tasked with updating the CP23A – Qualifying Education Guidelines.

○ **Curriculum Provider Standards Committee Policy Modifications – Lee Reams**

- CP01 – Curriculum Provider Standards Committee Mission Statement
- CP08 – Student Course Evaluations
- CP12 – CTEC Provider Administrator – On-Site Coordinator
- CP13 – Self-Study Courses
- CP14 – Course Review Policy
- CP18 – Curriculum Provider Non-Compliance
- CP29 – IRS Conformity
- CP35 – Provider Conduct
- CP37 - Round Table Continuing Education

Lee shared with the board that the Curriculum Provider Standards Committee reviewed and approved all the above draft CP policies with the exception of CP37 - Round Table Continuing Education, which will be discussed at the November 2021 meeting.

The council adopted the following:

Resolution: Accept all the above draft CP policies with the exception of CP37 - Round Table Continuing Education, which will be discussed at the November 2021 meeting.

○ **CP28 Provider Audit Selections – Lee Reams**

Lee shared with the board a list of providers recommended for audit.

The council adopted the following:

Resolution: Accept the list of providers recommended for audit in 2021 as presented. The board also suggested not publicizing the list of providers recommended for audit.

M. Executive Committee Report – Brandon Chanley

Advocation Strategies current contract was distributed and reviewed by the board. Brandon Chanley informed the board that CTEC approved Advocation Strategies contract for a term of two years beginning July 1, 2021, with three-two-year extensions. At the November 2020 meeting, the board discussed the additional workload Advocation Strategies acquired to meet the new background check and fingerprinting requirements mandated by the State legislature. The board, at that time, asked Advocation to include its new workload requirements in the contract and present the contract at the May 2021 committee meeting.

The council adopted the following:

Resolution: Accept Advocation Strategies Inc., contract as presented with one change under item 6, Termination. The 30 days notice should be changed to 60 days and should include: “This contract may be terminated by Advocation with 60 days prior notice to CTEC”.



N. Governance Committee Report – Katie Zollo

- Director Reimbursement – Per Diem – Katie Zollo

The Director Reimbursement form was reviewed by the board. Katie shared with the board that the committee recommended the following changes to the form: Eliminate the “Per Diem” section and add “Meals” to the travel Reimbursement section at a maximum of \$25 per day.

Susie DiMaggio amended the motion:

Motion: To remove the “Meals” to the travel reimbursement section at a maximum amount of \$25 per day and add the \$50 per diem section back to the Director Reimbursement form with a caveat for “in-person meetings only”.

The council adopted the following:

Resolution: Accept the Director Reimbursement form as amended above.

O. Governmental Relations Report – Richard Ernst

Richard shared with the board that the committee has discussed the following:

- **Legislative Issue Regarding Federal Background Checks – Celeste Heritage**

Celeste Heritage shared with the committee that she has been in contact with Robert Sumner, Principal Consultant, California State Assembly, Business & Professions Committee, regarding the issue of not getting the Federal Background Check information on new CTEC applicants. Mr. Sumner indicated to Celeste that if CTEC could provide him with the appropriate language he could have that language included in a committee bill to resolve this situation.

Celeste contacted Alison Siegel, CTEC Special Counsel, who is aware that CTEC is not receiving Federal Background Check information. Alison informed Celeste that CTEC has no information regarding the language to be included in the bill and that this issue is between the Department of Justice and the FBI.

According to DOJ, the FBI has gotten extremely particular in the way laws are written regarding background checks and fingerprinting.

Celeste informed the board that she will keep pursuing this issue.

- **Sunset Review – Celeste Heritage**

Celeste informed the committee that CTEC is set to sunset on January 1, 2023, which means that CTEC will begin the Sunset Review process this fall. Celeste shared with the committee the Sunset Review process.

Celeste reminded the committee of the huge costs associated with this project which needs to be reflected in the 2021-2022 budget numbers.

- **AB 1140 – Celeste Heritage**

Celeste shared with the committee the background of AB1140 and its impact on CTEC. The bill was authored by Assemblyman Mark Stone who has decided not to pursue the legislation.

Richard Ernst shared with the committee that the City of Albuquerque passed a municipal statute similar to AB1140. Richard reminded the committee that AB1140 might reemerge and that CTEC will need to monitor it.

- **FTB Estimated payments – Celeste Heritage**

Celeste reminded the committee that at the November 2020 Governmental Relations committee meeting the topic of having estimated payments to FTB was discussed and the committee suggested Angela Flores, Section Manager at FTB, look into receiving estimated payments from CTEC.

Angela indicated that she has been in constant contact with their accounting department, who informed her that FTB has agreed to receive estimated payments from CTEC for July thru September invoices.



P. Public Awareness Report – Ray Davis

○ **Report on Public Awareness Campaign – Gigi Jones**

Ray shared with the board the committee’s discussion regarding eliminating printing of the Preparer Newsletter.

Mark Griffith informed the board that, currently, the CTEC database defaults to mail when CRTPs are prompted to select how they would like to receive the newsletter.

The council adopted the following:

Resolution: Approve the Preparer Newsletter be sent via email only, to decrease the line-item budgets to \$0 for Preparer Newsletter printing and postage.

Brandon Chanley reminded the board that any budget spent on public awareness should be spent towards the taxpayers, not tax preparers.

Q. Tax Preparer Committee Report – Karen De Vaney

Celeste Heritage gave a registration update for both current and previous cycle year registrations. Celeste informed the board that as of May 10, 2021, for 2020/2021 cycle year registration, CTEC registered 37,987 preparers.

A report was included in the board packet with total registrants for 2019/2020 and 2020/2021 cycle years.

Celeste shared with the board that there are over 2,000 new applications that have been submitted but never completed. The reason could be that they have not completed their background check or the qualifying education that is required. Also, several of those applicants are out-of-state preparers that have submitted an application and then realized that they are not required to register with CTEC if they are not living or preparing in California.

Karen De Vaney shared with the board the committee’s discussion with regard to a courtesy email to applicants that have completed and passed the background check but have not registered. This email would be sent 6-months prior to their application expiring.

The council adopted the following:

Resolution: Approve the courtesy email to applicants that have completed and passed the background check but have not registered. This email would be sent 6-months prior to their application expiring.

Supriya Panda shared with the board that because CTEC does not receive federal records, the Background Reviewers and herself explored different options to retrieve federal background information. Supriya shared with the board paid services that provide federal information such as PACER or LexisNexis, that CTEC needs to obtain.

The council adopted the following:

Resolution: Approve the Background Reviewers to purchase a search engine service that provides federal background information at a cost not to exceed \$1,500.

Supriya Panda shared with the board additional Background Reviewer recommendations regarding issues that the Background Reviewers have encountered. A copy of the below report was distributed to all board members.

BR MATTERS FOR THE BOARD 2021

1. FAQ section for the applicants can be included to tell preparers what to do and what not to do, and what to expect, including that they may be contacted via email regarding the application they submitted, specifically that their criminal histories are being investigated. This FAQ should be available by link so applicants can access it wherever they are on the application.
2. Applicants can be provided with a flow-chart of the application process and what to expect
3. Tax instruction companies are falsely informing applicants that convictions more than 10 years old will not appear on CTEC’s background review process. Applicants need to know this is not true.



4. BR should be able to consider all violations, even DUIs especially when there are a lot of misdemeanor convictions because it shows a habitual or consistent disregard for the law and potentially shows character issue– BR should be able to ask applicants about these unrelated convictions
5. Education providers should be aware of some of CTEC’s procedures regarding past convictions. CTEC needs a functioning relationship with qualifying education providers.
6. CTEC should have a relationship with FTB in order for FTB to report to CTEC whether or not denied applicants are in fact preparing. FTB should also be aware of those applicants who have been denied registration
7. BR needs federal background reports. The language of the legislation that allows for the massage therapist business to obtain federal background reports applies to CTEC in the same way according to counsel, yet CTEC is not receiving federal background check reports
8. BR needs paid search services, such as PACER or LexisNexis. If these costs are prohibitive, each member of BR can buy separate private people searches. However, these services populate personal information that is not always relevant to CTEC’s purposes.
9. How should BR deal with issues of numerous probation violations, and instances where the applicant is on probation for a financial-related crime?
10. TP-12-02 provides that BR may use “disciplinary actions” but BR does not have a procedure for this.
11. How strict should BR be enforcing the 28-day timeframe to respond to CTEC?
12. BR is requesting minor modifications on the application (rewording Q3, making email fields a requirement, being able to edit and delete notes)

CURRENT WORDING OF Q3:

Have you ever been convicted of, or pled guilty or nolo contendere to, ANY criminal offense, other than a minor traffic violation? (You are not required to disclose any marijuana-related offenses specified in the Marijuana Reform Legislation and codified in Health and Safety Code sections 11361.5 and 11361.7.) All convictions MUST be fully reported, even if they have been adjudicated, dismissed, or expunged. The definition of a conviction includes a plea of nolo contendere (no contest) as well as pleas or verdicts of guilty. You must disclose all convictions, including felonies, misdemeanors, infractions, and municipal code violations, except for minor traffic violations. “Minor traffic violations,” for the purposes of this question, means traffic infractions under \$1,000.00 that did not involve alcohol, dangerous drugs, or controlled substances. Convictions that were adjudicated in the juvenile court should NOT be reported.

SUGGESTED WORDING OF Q3:

Have you ever been convicted of, or pled guilty or nolo contendere to, ANY federal or state criminal offense, felony, misdemeanor, infraction, or municipal code violation?

• This includes any conviction, even if it has been adjudicated, dismissed, or expunged and should include ALL criminal offenses, regardless of the length of time since the incident occurred.

o You are not required to disclose marijuana-related offenses specific in the Marijuana Reform Legislation and codified in Health and Safety Code sections 11361.5 and 11361.7.

o Convictions that were adjudicated in the juvenile court should NOT be reported.

• If the answer to this question is yes, provide dates and an explanation of the charges/events that led to the conviction(s) or upload supporting documentation.

Changes Discussed during 4/27/21 Staff Meeting:

1. Using different color fonts for important aspects of the question, as above
2. Changing the question to read that applicants disclose ALL criminal convictions, with no exceptions or caveats. This could be a two-part question, as below:

• Have you ever been convicted of, or pled guilty or nolo contendere to, ANY criminal offense? This includes any conviction, even if it has been adjudicated, dismissed, or expunged, and should include ALL criminal offenses, regardless of the length of time since the incident occurred.



You are not required to disclose marijuana-related offenses specific in the Marijuana Reform Legislation and codified in Health and Safety Code sections 11361.5 and 11361.7. Yes or No (selection box)

a. If the answer to this question is yes, provide dates and an explanation of the charges/events that led to the conviction(s) or upload supporting documentation. (with a text box underneath) i. **Note:** The question also asks for information regarding dates of imprisonment, information about probation officers, etc.; this information should remain unchanged and still be available for the applicant to view.

The council adopted the following:

Resolution: Have Staff meet with CTEC’s legal counsel to address the issues identified in numbers 4, 9, 10, and 12 from the above report to receive better information to provide to the Background Reviewers.

Karen shared with the board that Supriya Panda, CTEC’s Paralegal, has expressed interest in becoming an independent contractor with CTEC. The board discussed the buy-out of Supriya Panda’s contract from Robert Half.

The council adopted the following:

Resolution: Approve the buy-out of Supriya Panda’s contract from Robert Half Paralegal at a cost not to exceed \$5,000; and, approve Supriya Panda to be an independent contractor with CTEC, effective July 1, 2021, at an hourly rate of \$50 an hour.

Karen shared with the board that the Background Reviewer and Hearing Officer contracts will expire on June 30, 2021. A copy of the contracts was handed out to the board for review.

The council adopted the following:

Resolution: Accept the Background Reviewer and Hearing Officer contracts as presented.

R. BD11 - Strategic Planning – Brandon Chanley

Brandon informed the board that this topic is tabled to the November 2021 meeting.

S. Public comments regarding issues not on this agenda – Brandon Chanley

Brandon Chanley reported that there was one question brought up from the public regarding Phil Storrer’s resignation. The question brought up was: if CTEC will be hiring a new CTEC Reviewer?

Brandon reported that currently, CTEC has two Curriculum Reviewers and will not be soliciting for a/new one.

The public thanked Phil Storrer for all his hard work with CTEC and wished him the best of luck.

Brandon informed the board and the public that all committee meetings will be open to the public except where a closed session is needed.

Brandon thanked Staff for a job well done.

T. Items/suggestions from Board Members for future meeting agendas – Brandon Chanley

Brandon Chanley reported the following agenda items will be on the November 2021 board meeting agenda:

1. CRTP Director Applications
2. Orientation session for new CRTP Directors
3. Process (questions and answers) for interviewing CRTP Director applicants
4. Strategic Planning
5. Digital CTEC Certificates

U. Adjourn

The meeting was adjourned at 12:00 p.m on Friday, May 21, 2021.