IN RE:

NATIONAL BOARD OF CHIROPRACTIC EXAMINERS' ANNUAL BUSINESS MEETING OF NBCE STATE DELEGATES

DATE: May 5, 2017
TIME: 1:45 p.m. - 2:20 p.m.
PLACE: Hyatt Regency Orlando
9801 International Drive
Orlando, FL 32819

Stenographically Reported by:
Julie A. Watkins
Court Reporter

U.S. LEGAL SUPPORT
(813) 876-4722
APPEARANCES:

DR. JOHN MCGINNIS
DR. MAGGIE COLUCCI
DR. LEROY OTTO
DR. DANIEL COTE
DR. NORMAN OUZTS, JR.
DR. PAUL MORIN
DR. SALVATORE LARUSSO
DR. STEVEN CONWAY
DR. FARRELL GROSSMAN
DR. JOHN NAB
DR. HANK HULTEEN
DR. RONALD TRIPP, JR.
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DR. MORIN: The National Board of Chiropractic Examiners' annual business meeting of NBCE State Delegates is now called to order. First item of business is the report of the credentials committee. Dr. John Nab is the credentials committee chair and will make the report.

DR. NAB: Thank you, President Morin. The credentials committee, we have 55 total delegates who are registered for 37 state delegate votes. On behalf of the credentials committee, I move the adoption of the report of the credentials committee.

DR. MORIN: The question on the adoption of the report of the credentials committee. All those in favor, raise your yes paddles. Those opposed, raise your no paddles. Thank you very much. The ayes have it. The report of the credentials committee is adopted.

The next time of business is the adoption of the standing rules. The rules were uploaded to the annual meeting section of the National Board of Chiropractic Examiners' website for your reference. For your information, those rules are identical to the last year's rules, and for a
number of rule years prior to that. Is there any
objection to adopting the standing rules?
Hearing none, the standing rules are adopted.

The next item of business is on the adoption
of the agenda. The agenda, likewise, is -- has
been presented on the website. Is there any
objection to me adopting the proposed agenda?
Hearing none, the proposed agenda is
adopted.

The minutes of the 2016 annual business
meeting were uploaded to the annual meeting
section of the NBCE website, for your reference.
The 2016 minutes advisory committee has reviewed
the annual minutes and recommends the delegates
approve the minutes, as written.

Is there any objection to approving the
minutes as written?
Hearing none, the minutes are approved.

The 2017 minutes advisory committee members,
recommended by each district director and
appointed by the president are; from District I,
Dr. Matthew Waldron, from Washington. For
District II, Dr. Margaret Friegaut, from
Missouri. District III, Dr. George Khoury, from
Pennsylvania. District IV, Dr. James Badge, from
The purpose of the committee is to review the 2017 annual meeting minutes and make a recommendation for approval at the 2018 NBCE annual meeting of the state delegates. A chairperson will be selected from the 500 delegates at a teleconference, to be scheduled probably in June or July. The board secretary serves on the committee as an ex officio member.

Dr. Salvatore LaRusso, could you come up and present the treasury report?

DR. LARUSSO: Thank you, Dr. Morin.

Good afternoon, delegates, alternate delegates and guests. Before we get into the financial report, I would just like to make some recognition of our current president, outgoing board member, as president, who has done a fantastic job and has the best appreciation of this Board of Directors, for working with us in a such a tumultuous year. I know with the change of BBPs and the head interim, and we had some HR challenges this year, and I'm very appreciative and honored to work with such a steady hand and humble servant as Paul Morin. He gave us an
opportunity during his call for us to recognize him. I would like to recognize Dr. Paul Morin.

As treasurer of the National Board of Chiropractic Examiners, it is my duty to report the results of the National Board of Chiropractic Examiners' 2016 financial report. The 2016 independent certified public accountant audit was posted on the NBCE website. The CPA's audit report was presented to, and approved by the directors of the board of the National Board of Chiropractic Examiners at our semiannual meeting.

The NBCE 2016 financial audit was conducted the first week in February of 2017 by the independent accounting firm of Anton Collins Mitchell, LPP. The independent auditor's letter of opinion affirms the NBCE statements of financial position, will present fairly, and all material respects as of December 31st, 2016. The total revenue and gains for 2016 is $12,755,000. There was an $800,000 with a 7 percent increase in exam revenue in 2016 over '15. In this re-coverage, we have five percent new student enrollment, an increase that occurred back between 2012 to '13.

It also had a 2015 decline in exam revenues.
The written exam fees were increased by $25.00, with the written exams, and by $50.00 in part IV in CR chart exams and our revenue.

As you can see in the chart, part IV, it was our most expensive exam to deliver, but it also brings in our most revenue. Part I, II and III have relatively similar revenues, with just a slight reduction in part I, II and III, due to some student attrition.

The remaining revenue comes from invested income, post-licensure exam, other products and services. Total expenses for 2016 were $11,816,000. The computer test and delivery system has been an expensive endeavor with increasing both the IT staff and hardware, by purchasing new equipment and servers. You can see our total expenses that are mostly on this chart in 2015, as compared to 2016.

The next chart shows our major expense categories. Exam prep and delivery of our exam, being the highest expense category, the second highest category being our employee wages, benefits and taxes. And the third remaining is for over values, along with assistance to other organizations, invested fees, board fees, project
development and (audience interference.) The
total revenue, less all expenses produced,
bottom-line, increase in the net assets of
$939,000 in 2016. We experienced a $580,000
increase in this year's increase in net assets
over '15, which was mostly due to the increased
cost of our computerization initiative.

Now, looking at the organization balance
sheet, the NBCE total assets as of December 31st,
2016, are $31,539,000. This is a $1,791,000
increase from the previous year. Our various
asset categories are represented in this pie
chart here. The board has estimated assets, if
you want to set aside the catastrophic events,
exam development and economic stability (audience
interference) were at $18,842,000, which
represents 60 percent of all our assets. The
goal is now at twice our operating expenses in
this panel, which would be around $21 million.
It is conceivable this chart will be reached
possibly in this next three or four years.

The NCIB, which is the National Charities
Information Bureau, recommends that non-profit
organizations such as ours maintain temporary
restricted assets similar to what will be
referred to as board designated assets, available for the following fiscal year of twice the current year's expenses. The national board has accepted this recommendation and make it board policy when the directors developed and approved the NBCE Board of Designated Fund Policy back in 2002. Two years and $22 million is what it would take to get all the current students through part IV before were (audience interference) if necessary, we needed to shut the organization down due to economic or other organizational catastrophe.

At the end of 2016, the NCBE's total liability and assets were $31,539,000. This is the same figure as to the last that you see in the chart. The total, current long-term liabilities at the end of 2016 were $1,756,000. The net assets are what -- undesignated funds and board designated funds, the total is $29,783,000.

In conclusion, it is my honor, and I am pleased to report to the NBCE board, the Board of Finance Committee, the NBCE staff, and everyone at NBCE have worked hard together this year to ensure the NBCE's strong financial stability of the national board.

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Mr. President, this concludes my financial report. On behalf half of the board, I move to accept the financial report.

DR. MORIN: It has been moved to accept the auditor's report. Is there any discussion? All in favor, raise your paddles.

Those opposed, raise your paddles.

Thank you very much. The annual report is adopted.

The president recognizes Dr. Ron Tripp, District IV director and bylaws committee chair.

DR. TRIPP, JR.: Thank you, President Morin, thank you for the opportunity on behalf of (audience interference) and the committee members to serve on behalf of this committee this year.

We got nothing. There are no proposed changes to the bylaws for 2017 for the National Board of Chiropractic Examiners, and that is my submission as chair. Thank you very much.

DR. MORIN: No bylaws changes are recommended, so the NBCE bylaws ratified on April 29th, 2016, continue to stand. Thank you,

Dr. Tripp.

We do have a couple of elections to conduct this year. District V will be caucusing for the
special election for a one-year term to complete
the District V term that has been vacated by
Dr. Ouzts, who was the previous District V
director. We will also be caucusing with
District IV to nominate a district director from
that district. We are going to do one district
at a time. I will ask the remaining delegates to
stand at ease and stay in the room. It won't
take us too long. We're going to do one election
at a time.

I've appointed Kay Leff and Mr. Stephen
Tracy to be the tellers, and I will conduct the
elections.

So we're going to take the District V caucus
first. I would like all the District V delegates
and alternates to form a circle, and we will
conduct that first. The remainder of you can
stand at ease and feel free to talk quietly among
yourselves.

(Thereupon there was a discussion off the
record).

DR. MORIN: Okay. District V is John
McGinnis. Is there a spokesperson from District
V?

If we could get District IV delegates on the
other side.

Is there a spokesperson from District V?

UNKNOWN SPEAKER: Yes, sir.

DR. MORIN: Come told the podium. Has District V nominated a new district director?

UNKNOWN SPEAKER: Yes, sir. District V is pleased to announce that John McGinnis has won the nomination.

DR. MORIN: So there's a recommended nominee from District V, we need to vote on that nominee. So all those in favor of the nominee, raise your paddle high. Dr. John McGinnis from District V.

Okay. Paddles down.

Are there any opposed to Dr. McGinnis's nomination?

Congratulations, Dr. McGinnis, your are district V -- (all applauding.)

Direct IV, do you have a spokesperson from your caucus?

Chair recognizes Dr. Badge.

DR. BADGE: It's my pleasure to nominate Dr. Ron Tripp.

DR. MORIN: All right. Dr. Ron Tripp from District IV has been renominated. All those in favor of electing Dr. Ron Tripp, raise your
paddles. Paddles down.

Those opposed, raise your paddles.

All right. So Dr. Ron Tripp,

congratulations, you are the District IV
director.

I have a couple of announcements to make.

We'll wrap up the fourth annual national board
day with two afternoon workshops, they -- both of
the workshops qualify for two CEUs. They would
be held across the hall in Florida B-C and
Florida A. The first will be on risk management
and critical Medicare and documentation
requirements. And the second will be on spine
care in everyday practice, and evidence-based
classification and care pathways for solo and
integrated practices.

We also would invite you to join us at the
Epcot Center Odyssey Pavilion for dinner this
evening at six p.m. Each of you should have a
ticket, and your ticket is that lovely white and
red paper band, so please be sure you have that.
We will have bus transportation over there at --
heading over there at 5:15, Mears buses will be
transporting us. And we'll be coming back after
the fireworks this evening.
In the meantime, please be aware that the buses will leave from the entrance under Tower One. So my understanding is that that's not the lobby entrance, it's a little bit further down to Tower One. So find us there at 5:15, and look forward to an evening of entertainment and camaraderie.

Is there any other business to come before the annual meeting of the NBCE delegates? If so, please rise and come to the podium.

The chair recognizes Dr. Badge from Arizona.

DR. BADGE: For the record, I'm Jim Badge, Chair of the Arizona Board of Chiropractic Examiners, and past president of the National Board of the NBCE Examiners. I'm going to read this statement so that --

DR. MORIN: Your mic is not on.

NOTE: This was inaudible and the following text was taken from his document.

DR. BADGE: I'll start over.

For the record, my name is Jim Badge, Chair of the Board of Chiropractic Examiners, and past president of the Nation Chiropractic Examiners. I'm going to read this statement so that later there can be no misinterpretation as to what I say here today. A colleague once told me there are no secrets -- that's an important
statement; there are no secrets. I have also
been asked by a number of my colleagues to make
this statement to you. We know recently there
have been some less than popular decisions made
by the national NBCE. You, on the NBCE, know
exactly what I'm referring to. We heard Dr.
Chris Waddell of Oklahoma City in his discussion
before us yesterday; transparency is what it's
all about.

It is suggested by me and others, that you
have the opportunity to get your house in order
so that we, as the delegate body representing the
state regulatory boards, do not have to step in
and take action.

Thank you for allowing me to make this
statement.

DR. MORIN: Thank you very much, Dr. Badge.

Is there any further business to come
before the annual meeting?

For the good of the order, does anybody have
anything to offer?

All right, thank you very much. With no
further business to come before the delegates,
without objection, the chair will adjourn its
2017 annual delegate meeting of the National
Board of Chiropractic Examiners.

Seeing no objection, we will adjourn.

(THEREUPON the testimony was concluded at 2:20 p.m.)
CERTIFICATE OF REPORTER

STATE OF FLORIDA
COUNTY OF ORANGE

I, Julie Watkins, Court Reporter, do hereby certify that I was authorized to and did report the foregoing proceedings; and that the transcript, pages 1 through 17, is a true record of my stenographic notes.

DATED this 5th day of May, 2017.

Julie A. Watkins, Court Reporter
U.S. Legal Support

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