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NATIONAL BOARD OF CHIROPRACTIC EXAMINERS

2019 ANNUAL DELEGATE MEETING

FINAL
HELD ON
FRIDAY, MAY 3, 2019
1:58 P.M.

HILTON SAN DIEGO
1775 EAST MISSION BAY DRIVE, PAVILION
SAN DIEGO, CALIFORNIA 92109



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6 1:58 P.M.

7
8 PRESIDENT LA RUSSO: Okay. At this time
9 we're going to call the Annual Business Meeting to
10 order. The 2019 Annual Business Meeting of the NBCE
11 State Delegates is now called to order.

12 The first item of business is a report of
13 the Credentials Committee. The President recognizes
14 Dr. Michael Fedorczyk, NBCE Director -- District
15 Director from -- Director from District Number 3 and
16 Credentials Committee Chair, Dr. Fedorczyk.

17 DR. FEDORCZYK: Thank you, Dr. La Russo.

18 Mr. President, the Credentials Committee
19 has counted the voting delegates. There are 34
20 voting delegates that are seated. A majority vote
21 is 18 votes. A two-thirds vote is 23 votes. That is
22 the report from the Credentials Committee.

23 On behalf of the Credentials Committee, I
24 move to adopt the report of the Credentials
25 Committee.

1 **PRESIDENT LA RUSSO:** Thank you, Dr.
2 Fedorczyk. It is moved to adopt the report of the
3 Credentials Committee.

4 Is there any discussion?

5 All those in favor, raise your paddles.

6 Do you have a count?

7 **DR. MORIN:** We don't need a count.

8 **PRESIDENT LA RUSSO:** Any opposed, please
9 raise your paddles?

10 Thank you.

11 The question is on the adoption of the
12 report of the Credentials Committee. Those in
13 favor, please raise yes?

14 So it's been passed. This report of the
15 Credentials Committee is hereby adopted.

16 Standing rules. The next item of business
17 is the adoption of the standing rules. The rules
18 were uploaded to the Annual Meeting section of the
19 NBCE website for your reference. For your
20 information, these rules are identical to last
21 year's standing rules.

22 Is there any objection to the adoption in
23 adopting the proposed standing rules?

24 Hearing no objection, the standing rules
25 are hereby adopted.

1 The next item of business is the adoption
2 of the agenda. Is there any objection to the
3 adoption of the proposed agenda?

4 Hearing no objection, the agenda is hereby
5 adopted.

6 The minutes of the 2018 Annual Business
7 Manual were uploaded to the Annual Meeting section
8 of the NBCE website for your reference. The 2018
9 Minutes Advisory Committee has reviewed the annual
10 minutes -- meeting minutes and recommended that the
11 delegates approve the meeting minutes as written.

12 Is there any objection to approving the
13 minutes as written?

14 Hearing no objection, the minutes are
15 hereby approved.

16 The 2019 Minutes Advisory Committee
17 members recommended by each district director and
18 appointed by the President are District 1, Dr.
19 Michael Remmick, DC, of North Dakota; District 2,
20 Dr. Ridge Pidde, DC, of Minnesota; District 3, Dr.
21 Lisa Lanzara-Bazzani, DC, from New Hampshire;
22 District 4, Dr. Michael Pendleton, DC, from New
23 Mexico; District 5, Dr. Nathaniel Ray Tuck, Junior,
24 DC, of Virginia.

25 The purposes of the committee is to review

1 the 2018 Annual Meeting minutes and to make
2 recommendations for approval at the 2020 NBCE Annual
3 Meeting of the Delegates. The Chairperson will be
4 elected from the five district delegates at a
5 teleconference to be held in June or July. The
6 Board Secretary will serve on the committee as an
7 ex-officio member.

8 Now for the Treasurer's Report. The
9 President recognizes Dr. John Nab, NBCE Treasurer,
10 to give the Treasurer's Report.

11 **DR. NAB:** Thank you, Dr. La Russo.

12 Good afternoon, delegates, alternate
13 delegates and guests. As Treasurer of the National
14 Board of Chiropractic Examiners, it is my duty to
15 report the results of the National Board of
16 Chiropractic Examiners' 2018 financial audit.

17 A copy of the NBCE's 2018 and 2017
18 independent certified public accountant audit is
19 posted on the NBCE's website in our annual report.
20 There are many copies of those at each table here
21 this afternoon.

22 The CPA's audit report was presented to
23 the directors of the NBCE Board at our semi annual
24 meeting that took place earlier this week. The NBCE
25 2018 financial audit was conducted the first week of

1 February 2019 by the independent accounting firm of
2 Brock & Company, Certified Public Accountants and
3 Business Advisers. This is the first year that
4 Brock & Company completed our audit.

5 The independent auditor's letter of
6 opinion affirms the NBCE's statements of financial
7 position were presented fairly in all material
8 respects as of December 31st, 2018.

9 Total revenue and gains for 2018 were
10 \$12,388,000. Exam fees in 2018 stayed the same from
11 what they were in 2017. Not a single exam fee was
12 increased.

13 The next slide shows a breakdown and
14 comparison of all of our exam revenues. As you can
15 see, Part IV, which is our most expensive exam to
16 deliver, brings in the most revenue, just over \$4
17 million. Parts I, II and III have relatively similar
18 revenues with a slight reduction from Part I to II
19 and then to Part III. This is due to student
20 attrition as they progress through their three to
21 four-year chiropractic programs.

22 The remaining revenue comes from the
23 physiotherapy exam, the EBAS exam, the acupuncture
24 exam and some small post licensure exams. We also
25 develop and deliver a few state and specialty

1 counsel exams, as well as deliver and grade the
2 FCLBs, Certified Chiropractic Clinical Assistant
3 Exam also known as the CCCA.

4 The next section of the financial report
5 lists our expenses. Total expenses and losses for
6 2018 were \$11,312,000. This actually is an \$808,000
7 or six percent reduction from the previous year.

8 Early last year the Board made a strategic
9 decision to partner with Prometric for our computer
10 testing delivery system, also known as the CBT. So
11 far this year, we have deployed our CBT written exam
12 four times. This major change to the method of
13 delivering our written exams still allows us to
14 maintain the convenience of delivering all of our
15 written exams at each of the individual chiropractic
16 college computer centers.

17 This new CBT delivery system has actually
18 allowed us to reduce our IT staff and the need for
19 purchasing new computer servers. Last year before
20 the CBT system went operational, we delivered paper
21 and pencil exams on each of the college campuses.
22 This allowed us the necessary time to gear up for
23 our first CBT exam administration held in January
24 earlier this year.

25 In addition to the major changes, we were

1 also able to reduce many of our overhead
2 expenditures, all of which helped us realize a
3 significant decrease in 2018 expenses.

4 The next chart shows a comparative
5 breakdown of our major expense categories for 2018.
6 These are what are listed in our audit report. I
7 would like to bring your attention to the "Support
8 to Other Organizations Expense" category. This
9 expense category contains \$632,000 of support that
10 we gave to the FCLB in 2018. It also includes
11 \$21,500 for financial assistance to other
12 organizations within the chiropractic profession.

13 These include grants to the Student
14 American Chiropractic Association, the ICA Student
15 Leadership Forum, the ACC Rack research awards, the
16 American Black Chiropractic Association and four C-
17 BAC scholarships.

18 The total of all revenues less all
19 expenses resulted in a positive bottom line -- or
20 the term that we use with non-profit organizations -
21 - an increase in net assets of \$1,158,000 for 2018.
22 This is up \$443,000 from the previous year primarily
23 due to the significant reduction in expenses
24 previously mentioned. This increase in our net
25 assets is then reported on the NBCE's balance sheet

1 which reveals our overall financial well-being.

2 The balance sheet answers a major
3 question: How do our total assets compare to our
4 current and long-term liabilities along with the
5 company's accumulated losses, if any, and earnings
6 over the years? The accumulated earnings and losses,
7 or the bottom line, are listed on the audit report
8 as our net assets.

9 Now, looking at the organization's balance
10 sheet, the NBCE's total assets as of December 31st,
11 2018 were \$34,955,000. This is \$1,412,000 increase
12 from the previous year.

13 The various asset categories are
14 represented on this chart on the screen. The Board
15 designated assets category grew \$997,000 up to a
16 total of \$20,000,645. This is a direct result of
17 two events, the interest and dividend earnings on
18 our investments, and a long-standing board policy of
19 placing eight percent of the previous year's total
20 operation revenue into our Board designated
21 investment funds. This policy has the long-term
22 objective of eventually reaching the amount of two
23 times our operating expenses.

24 As of the end of 2018, we are just shy of
25 \$2 million of reaching the goal two times operating

1 expenses. These Board designated funds can also be
2 used for major future development expenditures and
3 as an emergency contingency fund.

4 The final area to be discussed on the
5 balance sheet is the section containing our total
6 liabilities and net assets. At the end of 2018, the
7 NBCE's total liabilities and net assets were
8 \$34,955,000. To be in accounting balance, the total
9 liabilities and net assets must equal the same
10 amount as the total assets, which they do.

11 This pie chart reveals that the NBCE is in
12 a very strong financial position as a non-profit
13 corporation with only nine percent in current and
14 long-term liabilities. That's the red and purple,
15 which is kind of tough to see on the screen, the two
16 small pieces at the top of the screen there.

17 Why are the liabilities such a small
18 percentage of all liabilities and net assets? It's
19 because we have no outstanding loans and next to
20 nothing in long-term liabilities. Both undesignated
21 and Board designated net asset sections in blue make
22 up the other 91 percent.

23 Because a non-profit organization cannot
24 raise capital by selling shares when we need funds
25 for growth, technical development or emergencies,

1 they must solely rely on their net assets as their
2 only means of financial safety. All 50 states rely
3 on us to produce, deliver and score their
4 chiropractic board exams; exams that are consistent
5 in difficulty, in evaluating minimum competency and
6 exams that are psychometrically valid and, thereby,
7 legally defensible. This burden of responsibility
8 that we take on for all the chiropractic state
9 examining boards demands that this organization must
10 have strong financial stability.

11 The values on the NBCE balance sheet
12 proves that the NBCE Board of Directors have
13 achieved and have maintained this organization's
14 strong financial position. This organization's
15 financial strength has been the result of the NBCE's
16 Board of Directors establishing and maintaining
17 prudent financial policies and making difficult
18 financial decisions since the NBCE's conception in
19 1963.

20 I am pleased to report that the NBCE Board
21 of Directors, the members of the Board Finance
22 Committee, and the entire NBCE staff have worked
23 together creatively and strategically to find
24 economically feasible solutions without raising exam
25 fees to become a computerized exam delivery

1 organization that is now fully functional and
2 reliable.

3 President La Russo, this concludes the
4 Treasurer's Report.

5 On behalf of the Board, I move to accept
6 the auditor's report.

7 **PRESIDENT LA RUSSO:** Thank you, Dr. Nab.
8 It is moved to accept the auditor's report.

9 Is there any discussion?

10 Hearing no discussion, the question is on
11 acceptance of the auditor's report.

12 Those in favor of accepting the auditor's
13 report, please raise your "Yes" paddle.

14 Thank you.

15 Any opposed?

16 Seeing none, the auditor's report is
17 hereby accepted.

18 Okay. On to the Bylaws Committee Report.
19 The President recognizes Dr. Michael Fedorczyk, NBCE
20 District 3 Director and Bylaws Committee Chair.

21 **DR. FEDORCZYK:** Thank you, Dr. La Russo.

22 Mr. President, there are no Bylaw changes
23 recommended by the Board this year. That is the
24 Bylaw Committee Report.

25 **PRESIDENT LA RUSSO:** Thank you, Dr.

1 Fedorczyk. There are no bylaws changes recommended
2 by the Board this year, no Bylaw changes are being
3 recommended, so the NBCE bylaws ratified on April
4 29, 2016 continue to stand. Thank you very much,
5 Dr. Fedorczyk.

6 District 1, 2 and 4 caucuses.

7 I'd like District 1 to caucus over here,
8 District 2 in the back, and District 4 over on the
9 right side, please.

10 Okay. At this point we're going to recess
11 briefly for the districts to caucus.

12 Mr. Tracy will serve as teller for
13 District 1, Dr. Andy Gow for District 2 and Dr.
14 Bruce Shotts for District 4, and we'll run a secret
15 ballot election at each caucus unless there is only
16 one candidate.

17 (Whereupon, a pause was taken)

18 **PRESIDENT LA RUSSO:** Okay. I think the
19 caucuses have concluded. I'd like to call a
20 spokesperson from District 1 to report on the person
21 of the nomination. Please come up to the microphone
22 a representative from District 1.

23 **UNKNOWN SPEAKER:** President La Russo,
24 District 1 nominates unanimously Dr. Daniel Cote.

25 **PRESIDENT LA RUSSO:** Thank you. Thank you

1 so much.

2 All in favor of electing Dr. Daniel Cote
3 as District Director, please raise your "Yes"
4 paddle.

5 Thank you.

6 Any opposition?

7 Thank you. Dr. Cote is hereby elected
8 District Director of District 1. Congratulations,
9 Dr. Cote, for your next three-year term.

10 District 2. We call for the nomination of
11 the representative from District 2.

12 **DR. DASCHNER:** Dr. La Russo, this is Bob
13 Daschner from Minnesota. We unanimously nominate
14 Dr. LeRoy Otto for District 2.

15 **PRESIDENT LA RUSSO:** Thank you.

16 All those in favor of electing Dr. LeRoy
17 Otto as District 2 Director, please raise your
18 paddles.

19 Any opposed?

20 Dr. LeRoy Otto is hereby elected for a
21 three-year term as District 2 Director.
22 Congratulations, Dr. Otto.

23 District 4. Call for the report of the
24 nomination.

25 **DR. BRONSON:** District 4 by secret ballot

1 has nominated Dr. Margaret Colucci for district
2 representative.

3 **PRESIDENT LA RUSSO:** Okay. All those in
4 favor of electing Dr. Margaret Colucci for District
5 4 Director, please raise your paddles.

6 Any opposed?

7 Okay. At this point as an officer of the
8 corporation, this corporation refuses to elect an
9 adversary to the corporation for participation or
10 membership on our board.

11 If I could ask the district to reballot
12 and present another candidate, you can caucus in the
13 back and come back up. Dr. Shotts, go in the back.

14 (Whereupon, a pause was taken)

15 **PRESIDENT LA RUSSO:** Okay. Let's call the
16 meeting back to order, please.

17 Okay. District 4. Has District 4
18 nominated a district director?

19 **UNKNOWN SPEAKER:** Director 4 has nominated
20 Dr. Cynthia Tays as district director.

21 **PRESIDENT LA RUSSO:** Thank you.

22 All those in favor of electing the nominee
23 from District 4 Dr. Cynthia Tays as district
24 director, please raise your "Yes" paddles.

25 Any opposed?

1 The record reflects there are two
2 oppositions.

3 Okay. Dr. Cynthia Tays is hereby elected
4 for one year of -- a one-year term as District 4
5 Director. Congratulations, Dr. Tays.

6 Is there any other business to be brought
7 before the Annual Meeting of the NBCE delegates
8 today?

9 Okay. We will wrap up at this point the
10 Sixth Annual National Board Day with two afternoon
11 workshops, "Evidence-based Spine Care and Daily
12 Practice" by Drs. Claire Johnson and Mark Breen in
13 the Sorrento and San Maria Room, "Ethical Issues
14 from a Regulator's Perspective, Challenges and
15 Tools" by Dr. Mary Anne Jennings in the Riviera
16 Room.

17 And I just want to let you know that
18 there's more to come. Please plan on joining us
19 tonight for a festive night celebrating the Rat Pack
20 in the Teraza Ballroom. Sorry, it's going to be
21 here. We have outgrown the Teraza, so it will be
22 back in here. They will reset it up.

23 Tonight's social will be in this room with
24 entertainment. The buffet dinner begins at six p.m.
25 and we're designated to go until 10:30, 11:00. Thank

1 you. Please remember to wear your name badge.
2 Guests must bring a badge because this is a ticket
3 only event. Drink tickets should have been inserted
4 behind your name badge.

5 Best wishes to the National Board for
6 continued success. With no further business to come
7 before the delegates, without objection, the Chair
8 will adjourn the 2019 Annual Delegate Meeting of the
9 National Board of Chiropractic Examiners.

10 Hearing no objection -- without objection,
11 the meeting is hereby adjourned.

12 (Whereupon, at 3:15 p.m., the proceedings
13 were adjourned.)

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1 CERTIFICATE

2

3 I, Mary Anne Young, do hereby certify that

4 I reported all proceedings adduced in the foregoing matter

5 and that the foregoing transcript pages constitutes a

6 full, true and accurate record of said proceedings to the

7 best of my ability.

8

9 I further certify that I am neither related

10 to counsel or any party to the proceedings nor have any

11 interest in the outcome of the proceedings.

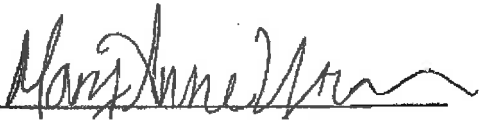
12

13 IN WITNESS HEREOF, I have hereunto set my

14 hand this 14th day of June, 2019.

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18

19 Mary Anne Young

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