



NEWS / PROFESSION

## **A Changing of the Guard**

AN INTERVIEW WITH NEW NBCE PRESIDENT VERNON TEMPLE

Editorial Staff

A reformation of sorts took place at the recent NBCE meeting as state delegates insisted on significantly greater involvement in the organization, including being present at the historically closed board meeting where at-large directors and officers are elected. These reforms also led to the election of Vernon Temple, DC, as the new NBCE president. *Dynamic Chiropractic* had the opportunity to speak with Dr. Temple following his election.



Vernon Temple (VT): First, let me thank you for this opportunity to begin what I hope will become a continuing dialog with the chiropractic profession. I am humbled and proud to have been recently elected president of the NBCE and I understand the enormous responsibility that I share with the entire board of directors in leading this organization.

The NBCE is one of the most well respected organizations in the chiropractic profession. The state licensing boards give us the responsibility of testing; they allow us to share in their primary responsibility of public protection. It is important for everyone to understand the importance of

what we do and how we do it. In the recent past, there has been some confusion over board policy, exam fees and expenses. In this interview, I hope to clear up any misinformation to make a new beginning.

*Dynamic Chiropractic (DC)* The state delegates unanimously rejected the proposed bylaws amendments. One of the reasons appeared to be their inability to modify these amendments. In your view, what rights should the delegates have in the bylaws amendment process?

VT: The NBCE bylaws are the framework and structure that ensure stability to the organization. Any changes in the bylaws should only be made after careful reflection on the need to change and the time to effectively evaluate that change. We must maintain a fine balance between delegate involvement and organizational stability.

The bylaws currently allow for early participation on considered changes. Let me explain.

The five district directors who make up the bylaws committee are the conduits for delegates to submit recommendations throughout the year. These recommendations are then brought forward to the bylaws committee for consideration. If approved by the committee, the changes are brought to the full board as draft changes. Once the board approves changes, they are mailed to all registered delegates for review and comments. The committee then reconvenes to consider all responses and to present a final draft to the full board. The full board can then only approve the recommended changes with a minimum vote of eight out of 11 directors. At this point, the proposed amendments or changes to the bylaws must be completed 45 days prior to the annual meeting. The changes are not final until they are ratified by a majority vote of the delegates at the next annual meeting.

Ratification by the delegate body requires a "take it all" or "take nothing" vote, meaning changes or amendments cannot be made at that time. I believe the problem this past year was that multiple areas of bylaws were being addressed and the entire package was turned down because one or two of the items did not meet delegates' expectations. I will direct the bylaws committee to investigate an amendment that will allow consideration of each individual suggested change independently.

Delegates also need an opportunity to ask questions and to present recommendations with the entire delegate body present for discussion; obviously, this only can occur at the annual meeting. The concern is that if we allow changes to the bylaws from the floor that have not been well-researched from a practical and legal viewpoint, then the change could potentially be detrimental to the long-term stability of the organization. This means we must find ways to allow more interaction prior to the presentation of bylaw changes. Creating this balance will be one of the challenges for this year's bylaws committee.

*DC:* How much was spent last year on all aspects of director travel? Was all the travel really necessary, particularly having every board member watch students take all written and practical exams?

VT: There have been many different dollar amounts and percentages presented in the past. The discrepancies on the percentages are not in conflict, but have been representations of different subsets of travel. Some of the figures and percentages that you refer to reflect the percentage of total travel, including both director and NBCE staff, and are based upon the amount budgeted. Lower figures represent director travel to board meetings and professional meetings, but do not include travel for projects, test committees or exam observer travel, which is budgeted under exam expenses. Let me be clear that the figures referred to by Dr. Ferguson and Dr. Padgett in the past are accurate, but understandably misunderstood when you attempt to compare different groups.

Let me clarify the numbers for you. The total amount spent on all director travel in 2005 all aspects, everything: meetings, professional associations, exam oversight, projects, public relations and international meetings was \$496,675. This includes airfare, hotels, meals, car rental and director per diem. This amounts to 6.9 percent of all NBCE expenses for 2005. This does not include NBCE staff travel. Travel is a significant part of a director's responsibility and includes exam travel, semi-annual meetings, test oversight, and committee meetings, all of which are a part of our responsibility and essential to keeping the NBCE exams relevant and consistent in addressing the needs of chiropractic licensing boards.

Honestly, it will be a continual task to convey the information about travel on a regular basis. My goal is to make every delegate confident that the National Board is carefully guarding their resources and that at the annual meeting, we can fully present and justify any details.

As to your question about the necessity of watching students take exams, let me say that is not the reason we travel to exam sites. Directors ultimately are responsible for the administration, quality and uniformity or standardization of the NBCE examination process. As Harry Truman said, "The buck stops here." An important part of the director's role is ensuring all procedures and policies are being correctly and uniformly followed. Our presence ensures that exams are administered in a fair, truly standardized and consistent manner. As questions or disputes arise, and decisions need to be made, we quickly can resolve most issues with as little interruption as possible. The full details and complete understanding of each incident enables us to defend the decisions of the National Board, especially if a legal challenge arises. The directors represent the final authority in all such matters.

There is another valuable benefit: maintaining open discussions with students, test administrators and chief examiners. Our active participation provides us with vital information necessary to make future budgetary or procedural decisions at board meetings. This is a policy and a responsibility every director takes very seriously and will continue.

*DC:* At the NBCE question-and-answer session, there was an obvious concern among the delegates regarding their ability to access all financial information. How will this be addressed in the future?

*VT:* The NBCE is a 501C(6) nonprofit corporation and by federal law must make the annual IRS Form 990 tax return available to anyone, and I mean anyone, who requests it. It is a public document. The 990 documents the total income received by any individual director as compensation. In addition, the annual report provided to the delegates reflects an accurate financial status of the organization.

I believe the NBCE can continue to provide more detailed information in specific areas of concern as we did at this most recent annual meeting. We will continue to expand the concept of transparency, and I will tell you that no legitimate question over the financial policies of the National Board of Chiropractic Examiners will go unanswered. Never has there been a question or accusation over financial misappropriations; we will continue to provide appropriate information so there will not be future concerns.

*DC:* There have been a number of comments regarding the ability of the state delegates to elect the at-large directors; what is your position on this?

*VT:* The NBCE Board of Directors currently is made up of 11 individuals, four of whom are at-large and elected by the board. The board needs a well-rounded pool of individuals to ensure we have a broad perspective of opinions and expertise. We, the board, have a responsibility to the entire community we serve, including the state licensing boards and delegates who rely on us to provide

legally defensible and reliable examinations for state licensure. However, we also answer to a broader expanse of stakeholders that includes the students, the schools, the profession, the government at all levels and the public, who all are affected by the reliability of NBCE exams and the decisions of the board. The makeup of the board must be a reflection of our responsibility to these groups. We take that responsibility very seriously and will continue to discuss ways to allow state delegate participation and input to find the appropriate balance.

Recent discussions are being directed at adding a public member to expand our expertise; this may include an expansion of at-large directors. However, determining how a public member is elected and the cost has been a concern, and careful consideration must be given to guarantee this will be in the best interest of the organization. Stakeholders must agree that the NBCE will benefit by the addition of a public member. I will commit to you that these decisions need to be pursued cautiously, keeping an open mind. Discussions must be held without a predetermined outcome. This is another challenge of the bylaws committee and the full board as we move forward.

*DC:* For the first time in the history of the organization, the delegates and observers attended the post annual meeting, NBCE board meeting, and also observed the election of NBCE officers. Will that become a tradition?

*VT:* At the post annual meeting of the NBCE (seating of directors and election of officers) there was a lot of anticipation and interest in the at-large directors' election; there were perhaps 35 to 40 delegates in the room who were allowed to observe. It was my observation that they behaved in a professional manner with courtesy and consideration to the proceedings, and I have not heard any complaints over their presence. I see no reason why delegates with interest would not be allowed to observe an open meeting of the NBCE. As for it becoming a tradition, that is up to the delegates.

*DC:* Looking forward, there have been concerns about the amount of profit the NBCE has enjoyed in recent years at the expense of the chiropractic student population you serve. According to the 2004 Annual Report, the NBCE net assets grew \$947,776 in 2003 to \$1,324,459 in 2004. According to the Form 990 handed out at the annual meeting, the net assets grew \$2,980,877 in 2005. Assuming approximately 3,000 students took the four exams in 2005, the NBCE could have charged each of them \$500 less for the exams and still gained almost \$600,000 in net assets. Is there any reason why, as a nonprofit, the NBCE can't begin only charging chiropractic students what it costs to give the test and stop trying to increase their investment portfolio at the expense of the students?

*VT:* Let me answer that question by first documenting revenue, expenses and restricted reserves and briefly discuss how exam costs are calculated.

This year's annual report showed the National Board had revenues and gains from investments for 2005 of \$9,424,462. This was 1,217,548 above the total revenues and gains in 2004. The increase primarily was due to higher than expected examinees for Part 3 and Part 4. Exam fee revenues were 9 percent above projections. We also experienced a significant increase in investment income plus profit on bonds sold, and a close out on a note we were carrying on an old building.

Total expenses for 2005 were \$7,325,585 or 3.6 percent over expenses from the previous year. The combined effect of being high in revenue and holding expenses to 3.6 percent over last year, contributed to a \$1,186,000 unexpected additional increase to the year end net assets. The directors were made aware of this very strong bottom line in November 2005, which resulted in a vote to reduce exam fees for 2006 and to move an additional \$1,000,000 of excess revenue set aside in restricted reserves.

Total assets of the National Board for the year end 2005 were \$17,298,282. This includes unrestricted reserves of \$4,363,356 in assets, which represents the working checkbook balance. In addition, \$2,940,325 in property assets after depreciation this represents the value of the NBCE headquarters, land, building, furniture, equipment, etc., all necessary assets to perform our primary function.

As for the restricted reserve of \$9,994,601, these funds have been set aside per board policy to ensure the long-term financial stability of the organization. Many ask why nonprofit corporations need to have restricted reserves. By board policy, the goal is to have two years of operating income in reserves. This would represent approximately \$14,000,000. We must be prepared for any catastrophic events that may arise for example, the need to rebuild an entire item pool of questions would be necessary if there was ever a major catastrophe or security compromise or the need to produce an entirely new examination should a test ever be compromised. In addition, we need to have the financial resources available so the organization can expand into new technology. For example, if and when the NBCE moves into computerized examinations, we know it will be at great cost and only accomplished if the financial resources allow. New technology, new development, expansion to meet the needs of the testing community and financial stability are all very good reasons the NBCE is building its restricted reserve. The policy to annually take 8 percent of revenues and place them in the restricted reserve account has been a benchmark set by previous boards and will continue to be an important part of this organizations policy. I have never spoken with a delegate or colleague who thought it was a bad idea to have a solid financial foundation for the NBCE.

As for exam fees, the NBCE has worked very closely with the chiropractic colleges to develop a formula to estimate current enrollments and exam utilization. Over the last four years, we have refined that formula and believe we have a very accurate estimate projecting into the next three to four years. You cannot expect an organization with an \$8,000,000 budget to project zero profit, as there are too many fluctuations in rising costs and changing income. We work to balance the appropriate amount of cushion to ensure we can meet the demands of our programs and our restricted reserve policy. Indeed, last year was an extraordinary year which exceeded our expectations on income and the board has responded by fee reductions for exams and placing the excess in the restricted reserve fund.

The board of directors continually discusses the cost benefit of examinations and always considers a balance of financial stability to exam fees. Significant fluctuation in student enrollments over the past five years have seen fluctuations in our annual income. However, I believe we now have a solid formula to calculate future exam revenues and that will stabilize the pricing structure. We should see a reduction in NBCE exam fees addressed by the full board in November 2006.

*DC:* One of the reasons reform has taken so long for the NBCE, is that current government structure makes it easy for those in power to stay in power by restricting the election of the at-large directors to the board itself. Once the group has placed their people in the at-large position, they only need to retain two elected positions to stay in power. Is there any way to change this structure in order to decrease the likelihood of abuse of power in the future?

*VT:* Governance of the board is determined by a majority of directors; that is the standard of any democratic process. Structure of the board ultimately is determined by the delegates. Delegates elect the five district directors. The FCLB has two seats elected by their delegates. That's seven out of eleven. This year we saw the unprecedented influence the delegates used to restructure the make up of the board. The system does work. The change may be slow, but that brings continued stability to the changing organization.

As for changing the numbers necessary for majority, expansion of the board to include two additional public members would alter that majority and might bring a different perspective on the politics of elections. I do know that as a board, we must stop putting so much energy into elections. Instead, we should focus our concerns and energies into the organization. We will not allow politics within the organization or outside to consume the energy and the mission of this board; we are committed to leaving political egos at the door and working together to improve on the good foundation that has been left by previous boards.

*DC:* What other areas of the NBCE require review and how will these be addressed?

*VT:* It is too early for this board to list all areas of concern. We currently are revisiting confidentiality and conflict of interest documents. We already have discussed financial transparency when appropriate. I will say that, as a board, we will challenge assumptions without anticipating an outcome. We will look at the policies and procedures of the National Board and modify only those that really need modification. I want to emphasize that we will move thoughtfully and thoroughly. Change may be slower than some would like, but it will be done with the serious consideration that this great organization deserves. All we ask is that you give this board the support, the time and the latitude necessary to continue improving the status of the NBCE.

*DC:* Is there anything else you would like to add?

*VT:* Yes, I'll speak for all of the directors when I say how thankful we are for the incredible opportunity to serve the chiropractic profession and the testing community. We are committed to doing the very best we can, and will do so by listening to all interested parties.

We also are blessed with a wonderful organization, staff and facility. The board of directors is proud of the NBCE staff and their skills under the direction of Executive Vice President Horace Elliot, and interim Executive Vice President Mark Christensen. The dedication and proficiency of our managers and staff are unmatched. It is because of them that the NBCE is the gold standard in the testing community. We all promise to focus our energy on the continued improvement and performance of this testing organization. We are committed to continuing the great legacy of the National Board.

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