



Executive Offices:

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March 28, 2006

Ronald Tripp, DC  
Oklahoma Board of Chiropractic Examiners  
2400 Tee Cir  
Norman, OK 73069-6378

Dear Dr. Tripp:

I write you in advance of the National Board of Chiropractic Examiners' (NBCE) Annual Meeting because of the importance of the meeting to the continued independence and integrity of the NBCE. In turn, it is critical to the profession at large that the NBCE remain strong and independent. It is vital that the profession be able to represent to the public that practicing chiropractors are required to demonstrate the ability to practice safely and effectively through a rigorous and independent examination process. Indeed, the World Health Organization, in its recently issued guidelines on basic training and safety in chiropractic, emphasized that "in order to ensure patient safety and the qualified practice of chiropractic, a system of independent examination and licensing is necessary." (Emphasis added.) This was made clear by the founders of the NBCE when they drafted the Articles of Incorporation on June 19, 1963. Today, no one questions the fairness, validity and legal defensibility of NBCE's examinations. Will the same be able to be said if the NBCE ceases to be independent?

Officers and Directors:

Frank G. Hildeg, D.C.  
Chairman of the Board  
Peter D. Ferguson, D.C.  
President  
Rick C. Murphree, D.C.  
Vice President  
Kenneth W. Padgett, D.C.  
Treasurer  
Donna L. Craft, D.C.  
Secretary  
Jerry D. Blanchard, D.C.  
Frank S. Lizzio, D.C.  
Theodore J. Scott, D.C.  
Oliver R. Smith Jr., D.C.  
Vernon R. Temple, D.C.  
N. Edwin Weathersby, D.C.  
Horace C. Elliott  
Executive Vice President

I also recognize that it is of equal importance that the NBCE continue to be responsive to the needs and to maintain the confidence of all of its constituents — the state licensing boards, the colleges, the students, the profession at large, and the public. To that end, I have pledged to you to do the right thing and I am pleased to report below on the steps I have taken to keep that pledge.

Unfortunately, I must also report — and I am sure you recognize as well — that the NBCE's meetings and elections in recent years have become overly politicized reflecting narrow personal and partisan interests rather than the good of the NBCE. The personal attacks which have been too much in evidence at recent annual meetings divert our energy and attention from the important work of the NBCE and are destructive of the cooperative relationships critical to the successful functioning of the NBCE.

This must stop! But you should also know the true facts and I will set the record straight in this report.

### **Financial Responsibility**

I am pleased to report that the NBCE remains financially sound and efficiently managed. For the last two years, NBCE has kept costs 7% under budget. The 2005 audited financial statements reveal overall operating expenses increased only 1.5% in 2005, well below the level of inflation. This slight increase in expenses was attributable



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primarily to increased exam preparation and administration costs, increases in health care costs, and utility bills.

Let me also respond to accusations raised at last year's Annual Meeting about Directors' supposed financial self-interest at NBCE. Here are the facts.

In all, Director and Committee meeting travel expenses made up less than 5% of the NBCE's total operating expenses in 2005. Moreover, in the just completed 2005 fiscal year, Director and Committee meeting travel expenses were 19.5% under budget and well below 2004 expenditures. The number of meetings and days of meetings also were reduced by 18% from 2004. You should also know that the entire board votes on the budget and, in particular, the director travel and meetings budget. Not one NBCE board Director has ever voted against the planned director travel/meeting budget.

Much also was made of the fact that Directors received a per diem stipend for attendance at Board and Committee meetings. This is not exceptional. Not-for-profit boards frequently pay per diems to encourage able and active practitioners to become Directors. Our Directors work hard and give up many days in their offices for Board business with a resulting substantial loss of income. I believe it only fair to provide Directors some partial compensation for their efforts and lost income.

In any event, you should know that these per diem payments make up less than 4% of the NBCE's budget. In total, Board of Director and Committee meeting payments



and travel expenses make up less than 8.5% of the total budget. This is by no means exorbitant and the work the Directors perform could not be performed by paid staff or consultants at the same cost.

Nevertheless, I am instituting a new practice to facilitate even more effective oversight of these expenses. Beginning at the upcoming Annual Meeting of the Board, all Board members will be provided information on all meetings attended and per diem payments made to each Board Member.

#### **Reduction of Examination Fees**

Based on our cost cutting efforts and projected revenues, I determined that the NBCE was in a strong enough financial position at the end of 2005 to pass along some of these cost savings to the students as we had promised. I therefore recommended, and the Board approved, a reduction in the fees for all examinations (\$25 each for Parts I-III, \$100 for Part IV). I further pledge that so long as the NBCE remains independent, the NBCE will continue to set fees only at a level necessary to preserve the long-term viability of the testing program and will resist efforts to subsidize unfairly the operations of others through exam fee revenues.

I think it is important for all of our constituents to realize that only by maintaining its financial strength and independence can the NBCE remain responsive to everyone's best interests. We want to ensure the continued quality of our existing examination



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program and the ability to meet the needs of the states in providing new exams such as the Ethics and Boundaries and SPEC exams. At the same time, we are mindful of the financial burdens of the students. I appreciate the strong support provided by Dr. Frank Hideg, Dr. Rick Murphree, Dr. Ken Padgett, Dr. Donna Craft, Dr. Jerry Blanchard and Dr. Frank Lizzio. I was sorry that the vote was not unanimous in doing the right thing for the students.

### **Bylaws Amendments and Governance Initiatives**

In addition to ensuring the financial responsibility of the NBCE, I have taken several initiatives to maintain and improve the integrity and transparency of the governance of the NBCE. First, the Bylaws Committee, under the leadership of Dr. Murphree, has brought forward, and the Board has approved, a number of Bylaws amendments for your consideration and we will seek your ratification at the Annual Meeting. Chief among the amendments is the adoption of term limits for District Directors. I know some have attempted to label the NBCE as "an old boys club." This simply is not true. Since I first became President, there have been nine (out of 11) new Directors including me on the Board. Furthermore, I continue to believe that there is a strong democratic argument in favor of allowing districts to elect whomever they wish for as long as they wish, as long as they are a member of a state board. Nevertheless, it is time to put this divisive issue behind us. The proposed bylaws amendments and



explanations have been sent to voting delegates and alternate delegates in a separate mailing on March 15, 2006.

Second, I proposed opening up the Board to a public member Director and also adding a Director to be nominated by the Association of Chiropractic Colleges which would provide new, important perspectives and oversight on the Board and, I hope, serve to lessen the now prevalent political infighting. Unfortunately, this proposal was not adopted by the Board even though it was recommended for consideration by the Bylaws Committee. Opponents of this amendment offer a variety of excuses for their opposition but the bottom line is that none of them have offered an alternative amendment to create a permanent public member Director position.

Third, I have recommended to the Board that NBCE seek accreditation by the National Commission for Certifying Agencies ("NCCA") — the national umbrella accrediting body for certification organizations — and subject the NBCE's operations to a thorough audit by the National Commission for Certifying Agencies which is required for accreditation. NCCA accreditation requires bylaws which mandate a public board member so this initiative will have to await further bylaws amendments guaranteeing a public member Director.

Fourth, I will also be proposing that the Board adopt a comprehensive conflict of interest policy for Board members to reinforce their fiduciary responsibility to act solely



in the best interest of the NBCE without any regard to the advancement of their own personal or financial interests or that of other organizations.

Through these initiatives, I want to assure all of our constituencies that the NBCE will continue to do the right thing.

Fifth, I must report that the greatest impediment to the NBCE's doing the right thing continues to be the overly politicized nature of NBCE's governance and elections and the elevation of personal self-interest over what is best for the NBCE and the profession. A glaring example of this has been the accusations and personal attacks, especially against Dr. Murphree, regarding the Board's failure to reappoint Dr. Cole as an At-Large Director. Here is the truth. There is no Bylaw provision which guarantees the election to the Board of an outgoing FCLB Director. Dr. Cole was not reappointed to the Board because, during his four years on the Board, Dr. Cole did not attend 14 of 16 examination administrations. I recognize that we all have busy schedules and other commitments but attendance and oversight at NBCE examinations is a central responsibility of all Directors. It was solely Dr. Cole's failure, or inability due to other commitments, to meet this obligation as a Director that led to the decision not to re-elect him.

What the NBCE needs and, the profession should expect, are Directors who will do the right thing and act solely in the best interests of the NBCE — such as lowering exam fees when possible. It is important that, in the future, elections focus on what is



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best for the NBCE and the profession and that no one resorts to personal attacks in retaliation for not having been chosen as a Director.

Last, I want you to know that the National Board has and will continue a strong and cordial relationship with the FCLB. What is of concern to me and others is maintaining an independence for both organizations. This is especially important because a large majority of delegates serve both the FCLB and NBCE and do not recognize the need to consciously change focus when addressing issues of the FCLB versus issues of the NBCE. Only by being committed to the best interests of each organization can we provide true independence for both.

It is extremely important that you be fully informed of the facts. I urge all of you to attend the NBCE Annual Meeting and to get the facts as you prepare for the decisions to be made at that meeting.

See you in Portland.

Most sincerely,

A handwritten signature in black ink, appearing to read "Peter".

Peter D. Ferguson, D.C.  
President

