

This year, the ADA president convened a task force consisting of Board and House members appointed to advise us on whether the Board should have authority over ADA budget approval. Task force members included representatives from states which place budget authority with their board and states which do not. The task force concluded that placing budget authority with the Board of Trustees is in the best interests of the ADA. Based on the recommendations of the task force, expert advice and the growing experience among state societies, the Board will ask the House of Delegates to approve changes shifting budget authority to the Board of Trustees.

This proposal will place the authority to approve the budget on the entity responsible for its implementation and the entity which is directly responsible for the financial stability of the ADA. The Board is responsible for development (with House input) and implementation of the strategic plan, as well as the year-to-year operating plan. Because the budget should flow from these plans (providing the needed resources to implement them), approval of the budget should rest with the entity that is primarily responsible for meeting the strategic plan and operating plan goals and objectives.

With this in place, there will be no need for the Board to “go behind the curtain” (a practice which, fortunately, has become less common in recent years) during the HOD meeting and make hurried budget decisions based on late House action. Instead, the Board will have ample time to carefully address all budget issues after the close of the House and the end of the year and use information gathered from the House to make more thoughtful changes. The proposal will allow all programs to be assessed by the Board in making funding decisions. Currently, any program passed by the House (or created by the Board or councils) in prior years is so assessed. But any programs created by the House in the current year are given a “super priority” and are not subject to such analysis. The Board believes that the distinction between programs created in one year versus another is not a logical one and is a poor foundation on which to base budget decisions.

The Board recognizes the complexities inherent in addressing this issue and has outlined the recommended process.

- The Board will prepare the initial draft budget and submit to the House the same level of information it currently provides (the Board recognizes that Board Report 2 has evolved over the years and, no doubt, this will continue, but the basic information provided will remain the same).
- The Councils, as committees of the House, will continue to have the same role they currently have in developing the budget. Councils provide essential direction to the ADA divisions in setting priorities. There will be no change in this process.
- The Board will submit to the House its tentative budget and a proposed dues level, consistent with current practice. The Board’s dues proposal will reflect the revenue levels needed to implement the proposed budget.
- The House will retain full control over establishing dues for the coming year.
- The Board will urge the Speaker to retain a budget reference committee (or will arrange an open forum) to allow House members a full opportunity to offer comments on the budget.

The ADA’s auditors have looked at the question of proper placement of budget authority and recommend placement of that authority with the Board of Trustees, for the following reasons:

- The final decision to approve an Association's budget should reside with the same body that decides the strategic and operating plans in order to align the Association's goals and objectives with how time and money are to be allocated. Generally, if one body has ultimate accountability over any aspect of management, it is most appropriate for the same body to have control and authority to make decisions over that aspect of management.
- When compared to other similar professional Association (e.g. American Bar Association, American Medical Association, etc.), the Constitution and Bylaws of the ADA appears to be unique in vesting budget approval authority to the House of Delegates.... In the other Associations we reviewed, this authority rested with the Board of Trustees and the House of Delegates was primarily responsible for representing the membership, setting policy, and authorizing the appointment of Board members.

All in all, this is another governance undertaking and time to consider what is best for the organization going forward. As always, feel free to contact me with any questions.

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