

****Official House Resolution and Board Comments Attached**

Resolution 204: Restoring Budgetary Oversight to the House of Delegates and Establishing Transparency for Major Expenditures

Author: Dr. Steven Saxe, Delegate

IF YOU VOTE YES

A YES vote supports restoring final budgetary authority to the House of Delegates and requiring transparency for major ADA financial decisions. This resolution amends the ADA Bylaws so that the House, not just the Board of Trustees, adopts the Association's annual budget and maintains oversight of large expenditures, including property sales and strategic investments. It ensures that the House once again serves as the fiduciary voice of members and aligns spending with the Strategic Forecast approved by the House.

IF YOU VOTE NO

A NO vote leaves all budgetary power with the Board of Trustees, continuing the current system where the House has no vote on how members' dues are spent. It accepts ongoing multimillion-dollar deficits, failed technology investments, and major asset sales—such as the 2024 headquarters building sale—without prior consultation with the House. While the Board had legal authority to sell the property, given its symbolic and financial importance, consultation with the House would have been prudent and consistent with transparent governance. A NO vote defends a system that excludes delegates from key financial oversight.

SUMMARY

This resolution restores the House of Delegates' historical role in approving the ADA budget and mandates that major expenditures be transparent to members. It amends the Bylaws so the Board must propose, not finalize, the annual budget, giving the House the final vote. The measure also reinforces ethical standards for financial disclosure and accountability in accordance with IRS nonprofit guidelines and best practices followed by other professional associations.

Why the Board Is Wrong

The Board voted NO on this resolution. Their claim that this reform reduces "agility" ignores the real issue: loss of oversight has already led to failed initiatives, leadership instability, and declining reserves. Financial agility without accountability is not efficiency—it is risk. The House is the elected body entrusted with fiduciary authority. Restoring its budgetary power does not slow progress; it ensures responsible governance. The Board's objection to a 90-day budget notice is minor compared to the value of restoring transparency and rebuilding member trust.

TALKING POINTS

- The House must control the ADA budget—it controls dues and represents members.
- Restores checks and balances between the Board and House.
- ADA's recent financial losses and the failed Salesforce/Fonteva rollout happened without House oversight.
- The Board had legal authority to sell the ADA building, but consultation with the House should have occurred due to its magnitude and symbolism.
- Aligns ADA policy with best practices of the AMA and nonprofit governance standards.
- Transparency and accountability strengthen trust and protect member resources.
- A YES vote restores the House's rightful fiduciary authority and ends governance by exception.



Prepared by Dentistry in General Advocacy Coalition

<https://dentistryingeneral.com/digac>

Resolution No. 204 NewReport: N/A Date Submitted: 04/04/2025Submitted By: Dr. Steven Saxe, delegate, NevadaReference Committee: A (Business, Membership and Administrative Matters)Total Net Financial Implication: None

Net Dues Impact: _____

Amount One-time: _____

Amount On-going: _____

ADA Strategic Forecast Outcome: Tripartite: Promote Tripartite stability, success, and future growth.

**RESTORING BUDGETARY OVERSIGHT TO THE HOUSE OF DELEGATES AND ESTABLISHING
TRANSPARENCY FOR MAJOR EXPENDITURES**

The following resolution was submitted on Friday, April 4, 2025, by Dr. Steven Saxe, delegate, Nevada.

Background: This resolution requires a formal amendment to the ADA *Bylaws* to restore final budgetary authority to the House of Delegates. The amendment language is included in the resolved clauses below.

In recent years, the American Dental Association (ADA) has shifted significant financial and budgetary authority away from the House of Delegates (HOD) and into the hands of the Board of Trustees (BOT) and staff under a process that bypasses final House review. While the House approves a Strategic Forecast, the ADA's annual operating budget is now formally adopted by the Board of Trustees—removing the House's traditional role in voting on budget allocations [1]. These are not symbolic functions; they reflect the fiduciary responsibility of the House of Delegates as the elected voice of the membership and the body that controls dues, the Association's primary revenue source. This resolution assumes that the Strategic Forecast will continue to serve as the guiding policy document for preparing the ADA's annual budget, consistent with current governance structure.

While *Bylaws*, Chapter V, Section 80.A., grants the Board of Trustees the authority to sell Association property, the 2024 sale of the ADA headquarters building—one of the Association's most symbolic and valuable assets—was completed during a period of broader financial restructuring and reserve use. While the transaction may have been legally authorized, more proactive transparency around such a significant decision would have aligned with ethical governance standards and strengthened member trust. Decisions of this scale often benefit from broader organizational awareness, particularly when they involve longstanding assets with deep symbolic value.

These structural changes have not led to improved financial performance. Instead, the ADA has experienced consecutive years of multimillion-dollar budget deficits, largely driven by high-cost strategic initiatives undertaken without House review. These include the failed Salesforce/Fonteva platform implementation, increased spending on for-profit subsidiaries, and the acquisition of the Forsyth Institute—an institution with a history of operational deficits and complex obligations. Concern over these financial missteps escalated in 2025 with the abrupt resignation of the ADA Executive Director. While officially described as a resignation, many believe this leadership change reflected mounting pressure and accountability for strategic decisions made without sufficient oversight. [2] These outcomes demonstrate that fiscal responsibility cannot be delegated without meaningful review from the elected House of Delegates [3][4].

501(c)(6) organizations like the ADA are expected under IRS guidance ([pub 557](#)) and nonprofit governance standards to maintain documented fiduciary oversight by their governing bodies. Best

practices emphasize transparency, accountability to stakeholders, and formal review of major financial decisions. While the ADA remains in good standing, recent trends in decision-making—such as the sale of major assets and strategic investments without broad input—highlight the need to restore formal oversight by the House of Delegates to align with those expectations and strengthen public trust.

Other associations—including the American Medical Association and nonprofit governance leaders such as BoardSource—require board-level financial transparency and, in many cases, delegate body engagement for large financial commitments, high-value partnerships, or asset sales [5][6].

This resolution restores the rightful and historic role of the House of Delegates in ADA budget decisions. This resolution proposes to restore and formally codify those oversight responsibilities through amendments to Chapter V, Section 80 of the ADA *Bylaws*, re-establishing the House's authority over the Association's annual budget.

For the purposes of this resolution, *effectiveness* refers to the degree to which these oversight reforms produce measurable improvements in three areas:

- (1) Procedural compliance, meaning the ADA's timely adherence to its own Constitution, Bylaws, and financial governance procedures;
- (2) Financial transparency, defined as the clear, accessible, and timely disclosure of major financial decisions to the House of Delegates and membership; and
- (3) Alignment with House-adopted priorities, ensuring that strategic investments and budgetary actions reflect the goals formally approved by the House. These criteria are intended to provide the House with a structured and objective framework for evaluating whether oversight reforms are functioning as intended over time.

References:

- [1] 2024 Manual of the House of Delegates and Supplemental Information, pages 8–9.
- [2] 2024 Report of the Treasurer, page 14.
- [3] 2024 Annual Reports of the American Dental Association.
- [4] Forsyth Institute Form 990 (2022), retrieved from <https://projects.propublica.org/nonprofits/organizations/42104230>
- [5] [American Medical Association, Constitution and Bylaws, January 2025, §§ 5.3.7.2 and 5.3.8, p. 39](#)
- [6] BoardSource. "Common Nonprofit Board Responsibilities," section "Fiduciary Responsibility." <https://boardsource.org/fundamental-topics-of-nonprofit-board-service/nonprofit-board-responsibilities/>

Resolution

204. Resolved, that Chapter V. BOARD OF TRUSTEES, Section 80. DUTIES, of the ADA *Bylaws* be amended as follows (additions underlined, deletions ~~stricken through~~):

Section 80. DUTIES. It shall be the duty of the Board of Trustees to:

- A. Provide for the purchase, sale, mortgage, maintenance and supervision of all properties or offices of this Association.
- B. Appoint the Executive Director and, when necessary, an interim Executive Director.
- C. Determine the date and place for convening annual House of Delegates and scientific sessions and provide for the management and general arrangements for each.
- D. Cause the Treasurer, the Executive Director and employees of the Association entrusted with Association funds to be bonded by a surety company.

E. Cause all accounts of the Association to be audited by a certified public accountant at least once a year.

~~F. Collaborate with the House of Delegates in setting the strategic direction of the Association in alignment with the mission and vision of the Association.~~

~~F.G. Prepare and propose. Adopt a budget to the House of Delegates for each ensuing the following year, including a recommendation for consistent with the Strategic Forecast.~~

~~H. Recommend the dues of active members for the following year.~~

~~G.I. Establish recommended qualifications for the offices of Treasurer and Speaker of the House of Delegates.~~

~~H.J. Submit to the House of Delegates nominations for membership to the councils and commissions, except as otherwise provided in these *Bylaws*.~~

~~I.K. Act upon commission and committee nominations for consultants as set forth in the *Governance Manual*.~~

~~J.L. Review the reports of councils and special committees of the Association and to make recommendations concerning such reports to the House of Delegates.~~

~~K.M. Submit an annual report of its activities to the House of Delegates.~~

~~L.N. Appoint special committees of the Association in accordance with these *Bylaws*.~~

~~M.O. Render a final judgment on what constitutes a conflict of interest except with respect to the work of the Commission on Dental Accreditation.~~

~~N.P. Establish dues for the international member category.~~

~~Q.Q. Ask that the ADA Foundation provide the Board of Trustees with a request for any funding in furtherance of Chapter III, Section 50.G of these *Bylaws* so said request can be considered during the Association's annual budgeting activities.~~

~~P.R. Perform such other duties as are provided for in these *Bylaws*.~~

and be it further

Resolved, that that Chapter III. HOUSE OF DELEGATES, Section 50. DUTIES, of the ADA *Bylaws* be amended as follows (additions underlined, deletions ~~stricken through~~):

Section 50. DUTIES. It shall be the duty of the House of Delegates to:

A. Elect the elective officers.

B. Install the members of the Board of Trustees elected by the trustee districts.

C. Elect the members of the councils and commissions except as otherwise provided by these *Bylaws*.

D. Receive and act upon reports of the committees of the House of Delegates.

E. Establish, in collaboration with the Board of Trustees, the strategic direction of the Association in alignment with the mission and vision of the Association, which shall be established by the House of Delegates.

F. Establish a mechanism by which the Strategic Forecast, including the progress of each of the strategic initiatives of the American Dental Association to achieve and confirm the progress for the current five-year vision, is reported on, amended if necessary, and adopted by majority vote, at least annually.

G. Adopt an annual budget and establish the dues of active members for the following year.

H. Serve as the court of appeal from decisions of the Council on Ethics, Bylaws and Judicial Affairs involving disputes arising between constituents or between a constituent and a component, as provided in of these *Bylaws*.

I. Provide sufficient support to the ADA Foundation in addition to non-Association funding to assure the continued viability of the Foundation's research activities.

and be it further

Resolved, that Chapter XII. FINANCES, Section 40. APPROVAL OF ANNUAL BUDGET of the ADA *Bylaws* be amended as follows (additions underlined, deletions ~~stricken through~~):

Section 40. APPROVAL OF ANNUAL BUDGET. The proposed annual budget shall be submitted by the Board of Trustees to the members of the House of Delegates at least ninety (90) days prior to the opening meeting of the annual session, shall be referred to a reference committee on budget for hearings at the annual session and then shall be considered for approval as a special order of business. In the event the budget submitted is not approved, all recommendations for changes shall be referred to the Board of Trustees to prepare and present a revised budget. This procedure shall be repeated until a budget for the ensuing fiscal year shall be adopted. Following the adoption of a resolution on the Strategic Forecast, and by the end of the calendar year, the Board of Trustees shall adopt a budget for the following year incorporating the Strategic Forecast as approved by the House of Delegates.

and be it further

Resolved, that Chapter V. BOARD OF TRUSTREES, Section F.2., of the ADA *Governance Manual* be amended as follows (additions underlined, deletions ~~stricken through~~):

F. Duties. The Board shall perform the following activities as part of its management responsibilities:

* * *

2. Notice of the Board of Trustee's proposed budget and a resolution containing the Board of Trustee's recommendation for active member dues required by the ADA *Bylaws* shall be sent electronically to each constituent and posted on ADA Connect or its equivalent for the House of Delegates not less than ~~thirty (30)~~ ninety (90) days before the first scheduled meeting of the House of Delegates to permit prompt, adequate notice by each constituent to its delegates and alternate delegates to the House of Delegates. The resolution containing the Board of Trustee's recommendation for active member dues shall be also announced to the general membership in an official publication of the Association at least fifteen (15) days in advance of the commencement of the annual session of the House of Delegates.

and be it further

Resolved, that these amendments shall take effect at the close of the 2025 House of Delegates.

BOARD COMMENT: The Board of Trustees greatly values the important role of the House of Delegates in setting the long-term strategic direction of the Association. As the Association's legislative and governing body, the House plays a vital role in guiding initiatives that support the ADA's mission and vision for the profession, our members, and the public.

We share a commitment to upholding the strategic initiatives approved by the House, and we recognize the importance of ongoing evaluation and flexibility in implementing them. The ADA's annual budget is a key tool for advancing these priorities, and it is constructed with careful consideration to ensure alignment with the House's approved strategic goals.

The Board would like to express some reservations about the current resolution. The Board understands the intent of the resolution, but has concerns for how certain provisions could unintentionally limit the ability of the organization to respond quickly and effectively to emerging opportunities. Agility is sometimes essential to making meaningful progress on the House's strategic initiatives.

Additionally, the proposed requirement to submit the budget at least 90 days before the House's annual session presents logistical challenges. Constructing a thoughtful and inclusive budget requires meaningful input from multiple councils, commissions, committees, and centers of excellence. Starting this process in the fourth quarter of the previous year, more than 12 months before the budget takes effect, will compromise the accuracy and responsiveness of the resulting plan.

The Board is committed to transparency, collaboration, and accountability in all budgetary decisions. We welcome continued dialogue with the House to find a process that honors both the strategic oversight of the House and the operational flexibility required to advance our shared goals effectively as this will align with the organization's established strategic forecast.

BOARD RECOMMENDATION: Vote No.

Vote: Resolution 204

BERG	No	DOWD	No	KNAPP	Abstain	STUEFEN	No
BOYLE	No	GRAHAM	No	MANN	No	TULAK-GORECKI	No
BROWN	No	HISEL	No	MARKARIAN	No	WANAMAKER	No
CAMMARATA	No	HOWARD	No	MERCER	No		
CHOPRA	No	IRANI	No	REAVIS	Absent		
DEL VALLE-SEPÚLVEDA	No	KAHL	No	ROSATO	Abstain		