

Resolution No. 204 NewReport: N/A Date Submitted: 04/04/2025Submitted By: Dr. Steven Saxe, delegate, NevadaReference Committee: D (Legislative, Governance and Related 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

Background: This resolution requires a formal amendment to the ADA *Constitution and 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

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.

- 1 B. Appoint the Executive Director and, when necessary, an interim Executive Director.
- 2 C. Determine the date and place for convening annual House of Delegates and scientific
3 sessions and provide for the management and general arrangements for each.
- 4 D. Cause the Treasurer, the Executive Director and employees of the Association entrusted with
5 Association funds to be bonded by a surety company.
- 6 E. Cause all accounts of the Association to be audited by a certified public accountant at least
7 once a year.
- 8 ~~F. Collaborate with the House of Delegates in setting the strategic direction of the Association in~~
9 ~~alignment with the mission and vision of the Association.~~
- 10 ~~G. Prepare and propose~~ Adopt a budget to the House of Delegates for each ensuing the
11 ~~following year, including a recommendation for consistent with the Strategic Forecast.~~
- 12 ~~H. Recommend~~ the dues of active members for the following year.
- 13 ~~HI.~~ Establish recommended qualifications for the offices of Treasurer and Speaker of the House of
14 Delegates.
- 15 ~~IJ.~~ Submit to the House of Delegates nominations for membership to the councils and
16 commissions, except as otherwise provided in these *Bylaws*.
- 17 ~~JK.~~ Act upon commission and committee nominations for consultants as set forth in the
18 *Governance Manual*.
- 19 ~~KL.~~ Review the reports of councils and special committees of the Association and to make
20 recommendations concerning such reports to the House of Delegates.
- 21 ~~LM.~~ Submit an annual report of its activities to the House of Delegates.
- 22 ~~MN.~~ Appoint special committees of the Association in accordance with these *Bylaws*.
- 23 ~~NO.~~ Render a final judgment on what constitutes a conflict of interest except with respect to the
24 work of the Commission on Dental Accreditation.
- 25 ~~OP.~~ Establish dues for the international member category.
- 26 ~~PQ.~~ Ask that the ADA Foundation provide the Board of Trustees with a request for any funding in
27 furtherance of Chapter III, Section 50.G of these *Bylaws* so said request can be considered during
28 the Association's annual budgeting activities.
- 29 ~~QR.~~ Perform such other duties as are provided for in these *Bylaws*.

30 and be it further
31

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

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

- 35 A. Elect the elective officers.

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

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

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

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

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

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

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

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

18 and be it further

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

21
22 Section 40. APPROVAL OF ANNUAL BUDGET. The proposed annual budget shall be submitted
23 by the Board of Trustees to the members of the House of Delegates at least **ninety (90)** days prior to
24 the opening meeting of the annual session, shall be referred to a reference committee on budget for
25 hearings at the annual session and then shall be considered for approval as a special order of
26 business. In the event the budget submitted is not approved, all recommendations for changes shall
27 be referred to the Board of Trustees to prepare and present a revised budget. This procedure shall
28 be repeated until a budget for the ensuing fiscal year shall be adopted. Following the adoption of a
29 resolution on the Strategic Forecast, and by the end of the calendar year, the Board of Trustees
30 shall adopt a budget for the following year incorporating the Strategic Forecast as approved by the
31 House of Delegates.

32 and be it further

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