



The College of Naturopaths of Ontario

BRIEFING NOTE Proposed By-law Changes

PURPOSE: To seek approval of the Council to amend the College's by-laws.

OUTCOME Review and Approval.

NATURE OF DECISION Strategic Regulatory Processes & Actions Other

PROCESS:

Activity:	A summary of proposed changes and consultation feedback will be presented in writing.		
Results:	Approval		
Overall Timing:	20 minutes		
Steps/Timing:	1.	CEO will provide a brief overview.	5 minutes
	2.	Council questions and discussion	10 minutes
	3.	Motion	5 minutes

BACKGROUND:

On September 27, 2021, the Chief Executive Officer (CEO) released proposed by-law changes to Registrants and stakeholders for feedback. The proposed changes covered two areas of the by-laws: first, the provisions setting out the process for election to the Council and second, the provisions governing the payment plan.

Changes to the Election Process

The intent of the proposed changes is to streamline and shorten the election process. This is possible because of new voting efficiencies derived from electronic voting procedures, and desirable for those seeking election as they find the length of time it takes for the election process to unfold disconcerting.

The election process, as set out in the by-laws, currently takes a minimum of 90 days (three months); however, in practice it is extended to 120 days (four months) or more to avoid the holiday season which is the time during which the Call for Nominations is scheduled to be released.

Proposed changes are also intended to provide a clearer window of opportunity for any Registrant disqualified from voting (because they have been suspended).

In the most recent election in District 4, while 221 Registrants were eligible to vote, only 31 Registrants voted. This is a 14% voter turn-out rate, a rate which is consistent with past elections run by the College since proclamation in 2015.

Additionally, all ballots were cast within the first 14 days of the election, something that is again consistent with prior elections. This timing or voter turn out rate does not appear to change dramatically with one or more reminders being sent out by the College.

Proposed changes include:

- Reducing the number of nominators from three to two.
- Enabling an electronic or on-line nomination process.

This is intended to streamline the election process by making it easier for candidates to be nominated.

Changes to the Payment Plan

Because of the impact of COVID-19, the Council waived the application of certain requirements surrounding a Registrant enrolling in a payment plan during the 2021 renewal period.

Specifically, the Council waived the application of an enrolment fee as well as the initial balloon payment of 35%. As a result of these changes, enrolment in the plan dramatically increased from approximately 50 Registrants under the rules in the by-laws to over 500 Registrants under the Council-relaxed rules.

Additionally, changes in the College's database management system, including better integration with the College's banking institution, have made the operation and management of a payment plan significantly easier than in years past.

Given the above, it is being proposed that the by-laws be amended to make permanent the more relaxed rules, with removal of both the enrolment fee and the initial balloon payment of 35% (which Council had previously waived for one time only) and eliminate the late fee in lieu of a much lower NSF fee.

The specific proposed changes are set out in Appendix 1.

DISCUSSION POINTS:

Overview of the changes to the Election Process

Before providing the detailed proposed revisions, it may be helpful to be able to compare the current process set out in the by-laws with the proposed changes.

Provision	Current by-laws	Proposed New By-laws
Call for nominations	90 days before election day ¹ .	75 days before election day.
Close of nominations	60 days before election day.	45 days before election day.
Notice of ineligibility	Within the 30-day balloting timeframe.	30 days before election day.
Close of ineligibility appeal window	Within the 30-day timeframe, 15 days before close of balloting.	16 days before election day.
Balloting opens	30 days before election day.	15 days before election day.
Balloting closes	Election day, end of day.	Election day, end of day.
Election day	Set by CEO, to fall between January 1 and March 31.	Set by CEO, to fall between February 1 and April 30.
Deadline for recount request	8 days after election day.	3 days after election day.
Deadline for recount results	23 days after election day.	7 days after election day.
Election results announced	24 days after election day.	8 days after election day.

¹ "election day" is a term used in the by-laws that reflects the final day that balloting is permitted.

Under the current process, the election balloting closes on or about the first Thursday of March. This allows for the results to be announced and the College to launch Executive Committee elections in time for the first Council meeting following the elections. Under the new process, election balloting would occur on or about the first Thursday of April for the same reasons. Again, in the interest of being clear, the following timeline provides dates for the most recent election (2021) using both models.

Provision	Current By-laws	Proposed New By-laws
Call for nominations	November 9, 2020 ²	January 15, 2021
Close of nominations	December 11, 2020	February 15, 2021
Notice of ineligibility	February 3, 2021	March 2, 2021
Close of ineligibility appeal window	February 17, 2021	March 16, 2021
Balloting opens	February 3, 2021	March 17, 2021
Balloting closes	March 5, 2021	April 1, 2021
Election day	March 5, 2021	April 1, 2021
Deadline for recount request	March 13, 2021	April 4, 2021
Deadline for recount results	March 28, 2021	April 8, 2021
Election results announced	March 29, 2021	April 9, 2021

The proposed changes realize the following benefits, and adhere to certain democratic principles:

- The Call for Nominations would be released early in the new year, much closer to the actual election itself achieving the streamlining benefit anticipated.
- The nominations period remains 30-days in duration to allow for Registrants to obtain the needed nominators and file nomination papers.
- Separating out the notice period for ineligible Registrants ensures that it is distinct from the actual balloting process garnering it more attention. It should be noted no individual who has been deemed ineligible (due to their certificate of registration being suspended) has ever filed an appeal with the College.
- Based on the recent election results, no Registrants would have been disenfranchised by the 15-day voting period as all votes were cast within that timeframe, with most ballots having been cast within the first few days.
- Candidates in the recent election would have been engaged in the election process for less than 90 days under the new process whereas under the old process, they were engaged for 130 days.

Overview of Changes to the Payment Plan

As noted above, the intent of the changes is to make the payment plan more accessible to Registrants by removing financial barriers to participation.

Provision	Current By-laws	Proposed New By-laws
Upfront payment of fees	35%	None
Subsequent payments	Series of 10 equal payments	Series of 10 equal payments
Default of payment results in:	<ul style="list-style-type: none"> • No longer in good standing 	<ul style="list-style-type: none"> • No longer in good standing

² This timing was earlier than required in order to complete the nomination process before the holiday season.

	<ul style="list-style-type: none"> • Issuing Intent to Suspend letter • Late fee (\$285 + HST) is applied • All fees due within 30 days • Inability to enroll in program in future 	<ul style="list-style-type: none"> • Issuing Intent to Suspend letter • NSF fee (\$35 + HST) • All fees due within 30 days • No lingering penalty regarding future enrollment in the program
Enrolment fee	\$153	\$0

The intent of and experience with the payment plan is important to consider. At face value, the intention of a payment plan is to provide a payment option for those who may not be in a position to pay the fees in full at the time of renewal. While many individuals may have access to a credit card to pay the fees in full and pay off the credit card, not everyone necessarily has that option and the interest rates are very high.

While the College's role is to serve the public interest, it needs to ensure that in doing so, it is not causing undue harm on the profession it is regulating. Unnecessary and high additional fees may not meet that requirement.

In 2020-2021, the College offered the payment plan for the third time since July 1, 2015. In the first two iterations, the plan was rolled out as set out in the by-laws. In the current year, the plan was modified to remove the enrolment fee and the balloon payment upfront.

Year offered	Registration year	Initial enrollment	Defaults	Defaults as %
2017-2018	2018	66	9	13.6%
2019-2020	2019	90	11	12.2%
2020-2021	2021	499	14	2.8%

The 2020-21 iteration of the payment plan saw a significant increase in participation over prior years. This may be due to the impact of COVID-19 on the profession or the lessening of the participation requirements, or both.

The number of individuals who defaulted on a payment so far this year is numerically higher although considerably lower than prior years when considered as a percentage of participants. With only two payments remaining in the plan, this is not expected to change dramatically.

Additional considerations in terms of the payment plan

One operational difference exists between the first two iterations of the payment plan and the current one, the College's database and back-office systems. In December 2020, the College's database and back-office systems were upgraded to a new software (Alinity by Softworks). Unlike the previous systems, where College staff had to manually enter data for monthly bank account debits and manually submit reports for payment, the new database creates these reports for the College. This has significantly reduced the risk of human error in data entry and significantly reduced the amount of staff time for submitting the reports to the bank. The new database has also streamlined the process of following up with those individuals who may default again reducing staff time needed to manage the program.

From a cost perspective, the programming of the payment plan in 2020-2021 was \$6,720 plus tax. This was because the College's payment plan runs on a different set of policies than the default program offered within the Alinity system. This works out to \$13.47 per participant. Continuing the payment plan into future years allows the programming costs to be amortized

over a longer period (in theory, though not in practice). The cost per use or cost per person enrolled will also decline as the program runs more frequently.

On this point, it would be the intention of the CEO to continue this program indefinitely, barring some major events that significantly alter the performance of the program.

Consultation

The proposed changes were released on September 27, 2021, with a deadline of November 22, 2021, for feedback. This meets the requirements set out in the Health Professions Procedural Code for consultation period.

At the close of the consultation period on November 22, 2021, the following feedback was received.

Registrants

Two Registrants corresponded with the College regarding the proposed changes to the Payment Plan provisions. The first noted that they agreed with the proposed changes. The second noted that they also agreed with the changes but felt additional changes should be made including:

- Allowing those who defaulted not to have pay all their remaining fees and to continue in the payment plan,
- Allowing some provisions that enable consideration of extenuating circumstances.

Organizations

No feedback was received from any organizations.

Consideration of feedback

It is not recommended that the provisions requiring payment of all outstanding fees within 30 days be removed. Continued participation in the program after a default should not be permitted as it is one of the remaining deterrents in the payment plan by-law provisions.

With respect to allowing consideration of extenuating circumstances, the College already has a policy in this regard. In terms of the payment plan, a Registrant who has defaulted but cannot pay the full fees are allowed to make submissions as to their individual circumstances and seek relief from either the requirement of full payment of outstanding fees or the fee amount themselves. The College also allows those who have been the subject of default due to a bank error to provide supporting documentation.

ANALYSIS

Risk Assessment – The risk assessment is based on the document *Understanding the Risk Analysis Terminology*, a copy of which is included in the Information Items of the Consent Agenda. Only those risks that have been identified will be addressed.

- Operational risk:
 - Systems – although the College's systems are well equipped to deal with the payment plan, loss of those systems would impact the College's overall performance in this area.
 - External events – the College's database system is supported by Softworks. If they were unable or unavailable to trouble shoot any problems, this would impact the College's overall performance with the payment plan.

- Financial risk:
 - Credit risk – while technically, the College would be extending credit to Registrants, the overall rate of participation represented approximately 29% of Registrants. This means that the College is receiving full payment for 71% of Registrants. Furthermore, as the College is the regulatory authority and controls the ability of Registrants to be able to practice, the risk of complete default of payment is lower than if this were an association.
 - Price risk – the proposed changes to the payment plan might be considered a means of mitigating price risk to the College, both in terms of the costs of registration fees as well as the costs of participating in the payment plan itself.
- Strategic risk:
 - Reputation – the proposed by-law changes are not seen carrying a significant reputational risk, however, if the Council does not accept the proposed changes to the payment plan, there may be some risk to the College's reputation associated with that decision.

Privacy Considerations – There are no privacy considerations.

Transparency – The transparency assessment is based on the document *Understanding the College's Commitment to Transparency*, a copy of which is included in the Information Items of the Consent Agenda. Only those transparency principles that are relevant have been identified and addressed.

- Information to foster trust – the information in the briefing note is fulsome and clear intending to provide the information needed to foster trust in the College's proposed changes.
- Relevant, credible, and accurate information – relevant, credible and accurate information has been provided in the briefing and in the consultation documents released to Registrants and stakeholders.
- Consistent approaches – the proposed by-law changes, as they apply to the election process, are not inconsistent with other Colleges as they continue to provide for the ability for Registrants to elect a person to the Council.

Financial Impact – there is no financial impact from the proposed changes surrounding the election process. The impact of the changes to the payment plan are minimal as it a deferred payment plan as opposed to a reduction in fees.

Public Interest –The public interest assessment is based on the document Understanding the Public Interest, a copy of which is included in the Information Items of the Consent Agenda. Only those relevant factors have been identified and addressed.

- Although it may be argued that this matter is focusing on the professions' own interests, this is balanced by the concept of principle-driven governance and operations that are fair, objective, transparent and accountable. An inability to pay fees can be a barrier to access to the profession and when a program to remove this barrier can be offered with little direct impact on the organization, the public interest would suggest there is no risk in providing that benefit or ability to the profession.
- In order to regulate the profession, the College must have sufficient revenues to ensure it can deliver its programs and do so well into the future. As these initiatives do not reduce overall income but merely make paying easier, it might be argued that the public benefits from the potential stability the payment program offers.

RECOMMENDATIONS

It is recommended that the Council approves the proposed by-law changes as presented.

ACTION ITEMS/NEXT STEPS

If approved, the College will be:

- Releasing an updated version of the by-laws via its website.
- Updating renewal information to reflect the new elements of the payment plan program.
- Updating the Election Handbook to reflect the streamlined process.
- Preparing on-line nominations forms and declarations.
- Issuing a Call for Nominations in the new year.

Andrew Parr, CAE
Chief Executive Officer
November 23, 2021

Appendix 1

Proposed changes to the by-law provisions

The following are the proposed changes to the actual by-laws themselves. This is provided for clarity and to allow an opportunity for feedback to be provided. All changes are contained within section 10 of the by-laws.

Section	Current	Proposed
10.03	Election Date	Election of Registrants to Council shall be held on a date determined by the CEO between January and March, inclusive, of each year, according to the following schedule: <i>(no changes to subsections (i) through (iii))</i>
10.08	Notice of Election and Nominations	At least ninety days before the date of an election, the CEO shall notify every Registrant of the date of the election and of the nomination procedure, including the deadline for submitting nominations to the College.
10.09	Nomination Deadline	The nomination of a Registrant for election to Council shall be on a form prescribed by the CEO and shall be received by the CEO at least sixty days before the date of the election. The nomination of a Registrant for election to Council shall be on a form prescribed by the CEO and shall be received by the CEO at least sixty forty-five days before the date of the election. The form prescribed by the CEO may be an electronic form at the discretion of the CEO.
10.10	Signed Nominations	The nomination form shall be signed by at least three Registrants eligible to vote in the electoral district in which the Registrant intends to run and shall also be signed by the Registrant being nominated as a signal of their consent to the nomination. The nomination form shall be signed by at least three two Registrants eligible to vote in the electoral district in which the Registrant intends to run and shall also be signed by the Registrant being nominated as a signal of their consent to the nomination. If the CEO uses an electronic form, the signatures required may be in the form of a digital signature or attestations at the discretion of the CEO provided the form clearly signals the intent of Registrants to support the nomination and the intent of the Registrant being nominated to consent to the nomination.
10.17.1	(does not exist)	Ineligibility Process No later than thirty days before the date of an election, the CEO shall inform Registrants who are ineligible

		<p style="color: blue;">to vote in the election that they are ineligible and the reason for their ineligibility. Ineligible Registrants will be afforded 14 days to cure the reason for their ineligibility or to file an appeal of their ineligibility with the Governance Committee.</p>
10.17.2	Voting Process	<p style="color: blue;">Balloting Process</p>
	No later than thirty days before the date of an election, the CEO shall inform Registrants eligible to vote in the election the names of eligible candidates, the biography and personal statement accepted by the Governance Committee of every eligible candidate who has submitted one by the deadline established by the CEO, and a ballot (or equivalent if voting is done electronically) and an explanation of the voting process.	No later than thirty fifteen days before the date of an election, the CEO shall inform Registrants eligible to vote in the election the names of eligible candidates, the biography and personal statement accepted by the Governance Committee of every eligible candidate who has submitted one by the deadline established by the CEO, and a ballot (or equivalent if voting is done electronically) and an explanation of the voting process.
10.23	Manner of Recount	
	The CEO shall hold a recount no more than fifteen days after receiving a written request and the recount shall be conducted in as transparent a manner as the voting system reasonably permits.	The CEO shall hold a recount no more than fifteen four days after receiving a written request and the deadline for receipt of a written request for a recount. The recount shall be conducted in as transparent a manner as the voting system and protection of the privacy rights of Registrants in relation to for whom they may have voted , reasonably permits.
18.08 Payment Schedules		
	The CEO may establish and Registrants may participate in a payment schedule for the annual registration fee of Registrants, subject to the following:	The CEO may establish and Registrants may participate in a payment schedule for the annual registration fee of Registrants, subject to the following:
(i)	a portion of the annual fee that is no less than 35% of the annual fee, as determined by the CEO, must be paid by the 20 th day of March of each year in order for a Registrant to qualify for the payment schedule;	a portion of the annual fee that is no less than 35% of the annual fee, as determined by the CEO, must be paid by the 20th day of March of each year in order for a Registrant to qualify for the payment schedule;
(ii)	any subsequent payment(s) by the Registrant shall be in the designated quantum and shall be delivered to the CEO by the designated date(s) as set out in the payment schedule;	any subsequent payment(s) by the Registrant shall be in the designated quantum and shall be delivered to the CEO by the designated date(s) as set out in the payment schedule;
(iii)	failure to pay the designated quantum and/or make any payment(s) by the designated date(s) may result in: (a) the Registrant being in default and no longer in good standing with the College;	failure to pay the designated quantum and/or make any payment(s) by the designated date(s) may result in: (a) the Registrant being in default and no longer in good standing with the College;

	<p>(b) commencement of proceedings under section 24 of the Code to suspend the Registrant for non-payment of fees;</p> <p>(c) the application of the Late Renewal Fee as set out in Schedule 3 of these by-laws and a demand for all outstanding registration fees for the registration year by the CEO in order to avoid suspension under section 24 of the Code; and/or</p> <p>(d) the inability of the Registrant to participate in payment schedules in the future, at the discretion of the CEO; and</p>	<p>(b) commencement of proceedings under section 24 of the Code to suspend the Registrant for non-payment of fees;</p> <p>(c) the application of the Late Renewal Fee NSF Fee as set out in Schedule 3 of these by-laws and a demand for all outstanding registration fees for the registration year by the CEO in order to avoid suspension under section 24 of the Code; and/or</p> <p>(d) the inability of the Registrant to participate in payment schedules in the future, at the discretion of the CEO; and</p>
(iv)	an annual enrolment fee, as set out in Schedule 3, being charged to Registrants who participate in the program.	an annual enrolment fee, as set out in Schedule 3, being charged to Registrants who participate in the program.

Schedule 3 Changes	Current	Proposed
Fees Relating to Registration		
Annual Registration Fee – Clinical/General Class	\$1,579	\$1,579
Annual Registration Fee – Inactive Class	\$792	\$792
Late Renewal Fee – All Classes	\$280	\$280
Reinstatement Fee – All Classes	\$242	\$242
Payment Plan Annual Enrolment Fee – All Classes	\$153	\$153