

**BOARD OF REGENTS  
BRIEFING PAPER**

**Agenda Item Title:** Amendments to the Board of Regents Handbook, Title 4, Chapter 3, new Section 8 concerning Conflicts of Interest

**Meeting Date:** Sept. 6-7, 2012

**1. BACKGROUND & POLICY CONTEXT OF ISSUE:**

During the January 20, 2012, special meeting of the Board of Regents, an article in the Chronicle of Higher Education published on January 15, 2012, titled “Board Conflicts Abound for College Chiefs” was mentioned. The article concerned the corporate board service among university presidents noting cases where college leaders may be in a position to collect significant stipends for such service. At its meeting held May 31-June 1, 2012, the Board considered proposals to add specific conflict of interest policy to the Handbook, and requested that additional language be drafted for consideration.

**2. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:**

The attached proposal sets forth the proposed amendments and the amendments are summarized as follows: This proposal would prohibit presidents and the chancellor from engaging in outside activities that conflict with the official duties of their positions relying on the provisions of state law in NRS 281A.400-281A.660. The policy cites service on outside corporate boards as an example of an activity that may present a conflict. Compensated outside activity would be subject to prior disclosure by the presidents and the approval of the chancellor. The chancellor would disclose any such activities to the Board chair and obtain the Chair’s prior approval.

**3. IMPETUS (WHY NOW?):**

This proposal is brought forward at the request of the Board of Regents at its May 31-June 1, 2012 meeting.

**4. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:**

- The proposal clarifies that the chancellor and presidents are subject to the Nevada Code of Ethical Standards, NRS 281A.400-NRS 281A.660.
- If adopted the proposed policy will establish a general prohibition concerning conflicts of interest for institutional presidents and the chancellor.
- Prior approval of compensated outside activity is required under the policy.
- Service on a corporate board is cited as an example of an outside activity that may present a conflict of interest.
- The policy will help presidents and chancellor avoid potential conflicts of interest.

**5. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:**

Nevada Revised Statutes already contain provisions on conflict of interest that apply to all public officials and state employees. In light of the existing state law, there is no need for the Board of Regents to have additional policy. Additional policy may have the effect of discouraging qualified individuals from taking positions within NSHE because they receive compensation for some outside activity.

Others may suggest that the proposal is too lenient, and could argue that the presidents and the chancellor should not be allowed to engage in compensated outside activities because such activities will adversely impact their ability to perform their duties to NSHE.

**6. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:**

Alternative policies may be considered including possible prohibition on outside compensated activity. If no policy is adopted, the chancellor and presidents are still subject to the Nevada Code of Ethical Standards for public officials and employees.

**7. COMPLIANCE WITH BOARD POLICY:**

- Consistent With Current Board Policy: Title #\_ Chapter #\_ Section #\_\_\_\_
- Amends Current Board Policy: Title #4 Chapter #3 Section:Adds a new Sec. 4.3.8.
- Amends Current Procedures & Guidelines Manual: Chapter #\_\_\_\_ Section #\_\_\_\_
- Other:
- Fiscal Impact: Yes\_\_\_\_ No\_\_X\_\_
- Explain:\_\_\_\_\_

**POLICY PROPOSAL - Handbook**  
**TITLE 4, CHAPTER 3, *new* SECTION 8**  
**Conflict of Interest – Chancellor and Presidents**

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

INSERT A NEW SECTION 8 AS FOLLOWS:

*Section 8. Conflicts of Interest—Chancellor and Presidents.*

1. ***Conflicts of Interest.*** *The Chancellor and Presidents shall not have any interest, financial or otherwise, direct or indirect, or engage in any business, employment transaction, or professional activity, or incur any obligation of any nature, which is in conflict with the proper discharge of their duties or employment in the interest of the institution they serve. Whether an outside interest or activity results in a conflict of interest will be determined in accordance with the provisions of the Nevada Code of Ethical Standards, NRS 281A.400-NRS 281A.660.*
  
2. ***Outside Professional or Scholarly Service .*** *The Chancellor and Presidents are prohibited from undertaking any outside professional or scholarly service that would result in a conflict of interest or interfere with the performance of his or her assigned duties. Outside service subject to this policy, may include, but is not limited to service on corporate boards. Before undertaking any outside professional or scholarly service for compensation:*
  - a. *the Chancellor shall provide advance written notification to and obtain the written approval of the Chair of the Board of Regents, and*
  - b. *the Presidents shall provide advance written notification to and obtain the written approval of the Chancellor.**When participating in outside professional or scholarly activities during regular work hours, appropriate leave shall be taken.*
  
3. ***Other Policies on Outside Professional or Scholarly Service.*** *The policies on approval of outside professional or scholarly service for all other faculty members are found herein below in Title 4, Chapter 3, and in Title 4, Chapter 11 (for DRI faculty).*

RENUMBER SECTIONS 8 THROUGH 44 AS SECTIONS 9-45.