

APPENDIX A: REGENT CODE OF ETHICS

Ethical Obligations of Regents (Code of Ethics)

- *Code of Ethics.* All members of the Board shall adhere to the highest ethical standards reflected in state law, Board policies, and the guidelines below (collectively, the “Code of Ethics”), including specifically:
 - Statutory Standards of Conduct for State Officials and Employees, Section 572.051 of the Texas Government Code;
 - Statutory Standards for Private Interest in Measure or Decision, Section 572.058 of the Texas Government Code;
 - Statutory Standards for Conducting Business with an Institution of Higher Education, Section 51.923 of the Texas Education Code;
 - The following Board policies:
 - a) Code of Ethics (61.01)
 - b) Sexual Harassment (29.02)
 - c) Nepotism (61.07)
 - d) Conflicts of Interest (61.08)
 - e) Ethical Standards and Conflict of Interest, Non-Endowed Investment Policy
 - f) Conflict of Interest, Endowed Investment Policy
- *Annual Certification.* Upon appointment and annually thereafter, Regents shall be provided with the Code of Ethics as set forth in these Bylaws and shall certify in writing that they have read the Code of Ethics and will comply with its provisions.
- *Authority of the Board and Individual Regents.* The Board of Regents possesses full authority over the governance, control, and management of the University as vested by Sections 51.352 and 106.11 of the Texas Education Code. The Board exercises this authority collectively through official action taken at properly noticed meetings or by written consent where expressly permitted.
- *No Individual Authority:* Except as otherwise provided by law or these Bylaws, Regents shall have no authority to act on behalf of the Board outside of Board meetings. Individual Regents, including officers of the Board, possess no independent authority to act on behalf of the Board,

APPENDIX A: REGENT CODE OF ETHICS

direct University personnel, commit University resources, or speak for the Board except as specifically authorized by official Board action, applicable law, or these Bylaws. Individual Regents may not:

- Direct or supervise University employees;
 - Make commitments or representations on behalf of the University;
 - Initiate projects or expenditures;
 - Override Board action or administrative decisions; or
 - Exercise any authority reserved to the Board as a body.
- *Officers' Authority:* Officers of the Board (Chair, Vice Chair, Second Vice Chair, Secretary) may exercise only such authority as is specifically delegated to them by these Bylaws or by official Board action.
- *Official Spokespersons:* The Board Chair, or his or her designee, serves as the official spokesperson for the Board unless the Board by vote has directed otherwise. Other Regents shall not represent their individual views as those of the Board without specific authorization. Regents shall support the Board Chair and/or the Board Chair's designees as the source of official communications and statements to the University community and the media on behalf of the Board.
- *Requesting Information*¹: Regents have the right and duty to be fully informed on all matters that influence their obligations as Regents. To ensure orderly administration and proper information flow to the full Board, all requests for information, documents, data, or communications with University personnel (other than routine social interactions) shall be submitted according to the following protocol:
 - a) Submission of Requests: Requests for information shall be submitted in writing to the appropriate Committee Chair (or Board Chair, if there is no applicable committee) with a copy to the Executive Director of Board Relations.
 - b) Processing of Requests: The Committee Chair (or Board Chair) shall promptly submit the request to the President for response, with a copy to the Executive Director of Board Relations.
 - c) Distribution: All requests and responses shall be shared with the full Board through the Executive Director of Board Relations.

¹ This is taken from current Board Bylaw 8.1, Communications with the Board.

APPENDIX A: REGENT CODE OF ETHICS

- d) Prohibition on Direct Requests: Regents shall not make direct requests to University staff, administrators, or faculty for institutional information, data, reports, or special projects without following the protocol established in this section.
 - e) Non-Interference: Regents shall not interfere in the day-to-day administration of the University or exercise supervisory authority over University personnel except as authorized by official Board action.
- *Use of Authority.* Regents shall not use the authority, title, prestige, or other attribute of the office to obtain consideration, treatment, or favor for any person beyond that which is generally available. This section applies, but is not limited to, efforts to influence administrative decisions with respect to an individual's admission, employment, discipline, and similar matters. However, this section does not apply to a Regent's performance of his or her statutory responsibilities with respect to matters presented to the Board for consideration at board or committee meetings and/or duly constituted search committees.
- *Confidentiality.* Regents shall maintain and respect the confidentiality of University records and information, including personnel information and student records; will not disclose nonpublic information, including information discussed and/or received in executive session and privileged attorney/client communications, without proper authorization by the Chair, the Board's counsel, or the University's general counsel; and will not misuse or exploit for personal benefit any records or information to which Regents obtain special access as a result of their position. This section applies without regard to whether the document or record is marked "confidential."
- *Involvement in Administrative and Academic Matters.* At all times, Regents shall uphold their role as the governance and policymaking body of the institution; properly hire, support, and evaluate the President; and avoid involvement in administrative matters not subject to the direct authority of the Board, except as required by law.
- *Decorum.* At all times, Regents shall act with decorum and recognize that their behavior will be attributed to and reflect on the other members of the Board and the University. In meetings, other Board events and activities, and in his or her life outside of the Board, a Regent

APPENDIX A: REGENT CODE OF ETHICS

shall relate to every other member of the Board and University administration with a spirit of collegiality and respect.

- *Resolving Differences.* A Regent may challenge the judgment of others when he or she deems it necessary to do so but shall do so with collegiality and respect. A Regent shall vote his or her individual convictions after listening to others. A Regent must, however, work with fellow Regents in the best interests of the University and shall not publicly criticize or otherwise act to undermine duly adopted board decisions. For this reason, Regents shall first express concerns about another Regent's judgment or performance directly with that Regent. If addressing the issue directly with the Regent does not resolve the concern, then discussion with the Board Chair is appropriate. The following steps shall be followed unless the concern involves an alleged violation of these Bylaws or Board or University Policies (in which case the Chair, in consultation with Board Counsel, shall refer to the Disciplinary Procedures outlined at the end of the Code of Ethics):
 - The Chair shall discuss the concern with the Regent in question on behalf of the reporting Regent or shall moderate a discussion between the members. If a quorum of the Board is involved, the meeting must be posted and conducted in accordance with the Texas Open Meetings Act.
 - The discussion will identify more appropriate alternatives to the conduct at issue or refer the Regent to policies or procedures that outline approved ways to deal with the issue that prompted the conduct and/or concern.
 - If the Regent in question does not believe his or her behavior requires correction or modification, an Agenda Item specifying "Evaluation of Individual Regent Performance" may be listed on the agenda for the upcoming Board Meeting.
 - The matter will be discussed by the full Board in Executive Session in an attempt to clearly identify the conduct and/or concern and discuss possible solutions or alternative approaches that may have a more positive impact on team cohesion and effectiveness.
 - In the event an issue cannot be constructively resolved, the Board may consider engaging a third party outside facilitator, such as a mediator or conflict resolution specialist.

APPENDIX A: REGENT CODE OF ETHICS

- If the concern involves the Board Chair, a Regent may discuss his or her concerns with the Vice Chair, following the process outlined above to the extent possible.
- *Duty of Candor.* Regents must uphold the highest standards of honesty and transparency in all official communications. When speaking in a public or on behalf of the University, Regents must present facts, data, and institutional records with accuracy. Regents shall not knowingly misrepresent, omit, or gloss over material information that could mislead the public or the Board. Regents must characterize the actions, statements, and positions of fellow Regents, faculty, staff, and students truthfully. Public comments regarding the conduct or decisions of others must be based on verifiable evidence rather than conjecture or personal bias. Any data, financial reports, or academic metrics cited by a Regent must be sourced from official institutional records or verified external benchmarks. If a Regent presents personal interpretations of data that conflict with official institutional findings, they must clearly disclose that the perspective is their own and not that of the Board. If a Regent becomes aware that they have inadvertently shared inaccurate information or misrepresented a fact in a public or official setting, they have an affirmative duty to issue a correction to the affected parties as soon as the error is identified.
- *The President's Role.* Regents shall support the President's role as chief executive officer, to whom the Board has delegated broad responsibility for the management and administration of the University. Regents shall respect the President's administrative authority and work through appropriate channels as set forth in these bylaws.
- *Conflict of Interest.*² All Regents shall adhere to and be furnished a copy of the Statutory Standards of Conduct for State Employees, Section 572.051, Texas Government Code; Private Interest In Measure or Decision, Texas Government Code, Section 572.058; Qualifications of Certain Business Entities to Enter Contracts with an Institution of Higher Education, Texas Education Code, Section 51.923; and Board Policy 61.08 and shall avoid conflicts of interest, generally described as the use of one's University position to obtain unauthorized privileges, benefits, or things of value for oneself or others. A Regent shall be considered to have a conflict of interest if such Regent has any existing

² This is taken from current Board Bylaw 6.11.

APPENDIX A: REGENT CODE OF ETHICS

or potential financial or other interest which impairs or might reasonably appear to impair such member's independent, unbiased judgment in the discharge of his responsibilities to the University, or such Regent is aware that a member of his family (which for the purposes of this paragraph shall be a spouse, parents, siblings, children, and any other relative if the latter resides in the same household as the Regent) or any organization which such Regent or member of his family is an officer, director, employee, member, partner, trustee or controlling stockholder has such existing or potential financial or other interests. Regents shall strictly adhere to the following³:

- Each Regent who is involved in procurement or in contract management shall disclose to the University any potential conflict of interest specified by state law or University policy that is known by the Regent with respect to any contract with a private vendor or bid for the purchase of goods or services from a private vendor with the University.
- No Regent shall solicit, engage, or agree to accept any privilege, benefit or thing of value for the exercise of his or her discretion, influence, or powers as an employee or regent, except as is allowed by law.
- No Regent shall accept any privilege, benefit, or thing of value that might influence him or her in the discharge of his or her duties as an employee or regent.
- No Regent shall use his or her position to secure special privileges or exemptions for himself or others, except as is allowed by law.
- No Regent may be an officer, agent, employee, or member of, or own an interest in a professional activity that foreseeably might require or induce him or her to disclose confidential information acquired by reason of his or her university position.
- No Regent shall accept employment or engage in any business or professional activity that foreseeably might require or induce him or her to disclose confidential information acquired by reason of his or her university position.
- No Regent shall disclose confidential information gained by reason of his or her university position, nor shall he or she

³ These conflict of interest standards are taken from Board Policy 61.08

APPENDIX A: REGENT CODE OF ETHICS

otherwise use such information for his or her personal gain or benefit.

- No Regent shall transact any business for the university with any entity of which he or she is an officer, agent, employee, or member.
- The University may not enter into a contract for the purchase of goods or services with a private vendor with whom a Regent, president, general counsel, chief procurement officer or procurement director or family member of any of them related within the second degree of affinity or consanguinity owns or controls at least one percent in the vendor or could reasonably foresee that a contract with the vendor could result in a financial benefit to the board member, president, general counsel, chief procurement officer or procurement director, or related family member.
- No Regent shall make personal investments in any enterprise that foreseeably might create a substantial conflict between his or her private interests and the university's interests.
- No Regent shall accept other employment that might impair his or her independence of judgment in the performance of his or her university duties.
- No Regent shall receive any compensation for his or her services to the university from any source except as permitted by law.
- No Regent who exercises discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions shall solicit, accept, or agree to accept any benefit from a person or entity the Regent knows or should know or should know is or is likely to become financially interested in such transactions.
- No Regent shall act as an agent for another person in the negotiation of the terms of an agreement relating to the provision of money, services or property to the University.
- The resources of the University shall be used only in accordance with University policies and applicable law.

APPENDIX A: REGENT CODE OF ETHICS

- *Disclosure of Conflict of Interest.*⁴ All Regents shall disclose to the Board any possible conflicts of interest at the earliest practicable time. No Regent shall vote on any matter under consideration at a Board or committee meeting in which such Regent has a conflict of interest. The minutes of such meeting shall reflect that the Regent having a conflict of interest abstained from voting. Any Regent who is uncertain whether he has a conflict of interest in any matter may request the Board or committee to determine whether a conflict of interest exists, and the Board or committee shall resolve the question by majority vote. In making this determination, the Board or Committee may consult with legal counsel.
- *Nepotism*⁵. Relatives of members of the board shall not be employed by the university unless the employment took place at least one year prior to the appointment of the board member. Relatives of other university employees shall not be employed by the university in positions where the employee has the official authority to hire or recommend or approve the hiring, salary, or promotions of the relative. Relatives shall not be employed in the direct supervisory-subordinate relationship even if it results from marriage after the employment relationship was formed. The provisions of this policy apply to all programs regardless of funding source. For the purposes of this policy, the term “relative” is defined as anyone related to the employee within the second degree of affinity or the third degree of consanguinity and includes the employee’s spouse and the employee’s of the spouses’ parents, grandparents, great grandparents, brothers, sisters half brother and sisters, children, grandchildren, great grandchildren, aunts, uncles, nieces, nephews, first cousins, second cousins and persons married to them.
- *Concerns and Complaints.* Regents shall communicate promptly and as appropriate any significant concern or complaint of which he or she becomes aware to the President or Board Chair.

Disciplinary Measures

- The Board may discipline any Regent upon a two-thirds vote of the Regents then in office for the following violations:
 - Failure or unwillingness to abide by these Bylaws, Board Policies, or University Policies;

⁴ This is taken from current Board Bylaw 6.11.

⁵ This is taken from Board Policy 61.07.

APPENDIX A: REGENT CODE OF ETHICS

- Failure or unwillingness to carry out duties in accordance with applicable law or University policies, including failure to attend at least half of regularly scheduled Board meetings over a two-year period (absent reasons acceptable to a majority of the Board); or
 - Any action that may negatively reflect on the University or compromise its mission.
- In addition to determining whether a violation has occurred, the Board, by majority vote, shall also determine whether such violation is material or non-material.
- Upon the Board's finding a violation, the following disciplinary actions may be taken, at the Chair's discretion:
 - For non-material violations, the Chair may issue a private reprimand or warning to the Regent;
 - For material violations, the Chair may impose disciplinary measures including, but not limited to:
 - Public or private censure
 - Removal from committee leadership positions
 - Removal from officer positions
 - Removal from committee membership
 - Other measures deemed appropriate to the circumstances
 - For violations of provisions listed in Section 61.031(c), Education Code, the Chair shall coordinate with the Texas Higher Education Coordinating Board Office of the Ombudsman as appropriate.
 - As used in these Bylaws, a "material violation" shall mean any act, omission, or breach of these Bylaws, Board or University Policies, or applicable law that:
 - Substantially defeats or undermines the core governance functions of the Board.
 - Results in, or is reasonably likely to result in, significant financial, legal, or reputational damage to the University.
 - Constitutes a serious breach of fiduciary duties.

APPENDIX A: REGENT CODE OF ETHICS

- Involves the willful failure to follow essential procedural requirements necessary for the operation of the Board.
 - Consists of actions taken by a Regent that are outside the scope of their authorized authority and/or that bind the University to unauthorized obligations.
 - A series of non-material violations may be deemed by the Board to be “material” when viewed in the aggregate if they demonstrate a pattern of non-compliance that undermines the governance of the University.
- Anyone who believes that he or she has information indicating that a Regent has violated any provision of these Bylaws, the Code of Ethics, or Board or University policies shall make a written disclosure of the facts and circumstances to the Chair or, alternatively, the Chair of the Audit and Compliance Committee, if the alleged violation involves the Chair. If the alleged violation involves the Chair or any member of the Audit and Compliance Committee, the disclosure shall be made to any officer of the Board.
- Upon receipt of such disclosure, the reviewing officer shall promptly review the matter with Board counsel to determine whether the disclosure, if true, would constitute a violation of these Bylaws, the Code of Ethics or Board or University policies and therefore warrant further consideration under these procedures.
- To protect the integrity of the process and the reputations of all parties, the existence and details of the alleged violation shall remain confidential during this review.
- The Regent who is the subject of the allegation shall be notified in writing of the specific allegation and the evidence being considered. The accused Regent shall be granted a reasonable period (typically 14 to 30 days) to submit a written response or request a personal conference to address the allegation.
- The reviewing officer and Board counsel shall determine whether the written disclosure and response warrant further consideration by the Board. If so, the reviewing officer shall present the written disclosure, response of the accused Regent (if any), and any other relevant information to the Board in executive session for consideration and potential disciplinary action in accordance with the procedures outlined above. The Board may consult with Board counsel during its deliberations.

APPENDIX A: REGENT CODE OF ETHICS

Note: If Regent Code of Ethics to the Bylaws is adopted, the following sections of the Board Bylaws will need to be deleted: 6.11 “Conflicts of Interest,” 4.7 “Disqualification of Officers,” and 8.1 “Communication with the Board” as they would be included in the Code of Ethics.

Additionally, 6.11 shall be renamed, Code of Ethics, and direct Regents to Appendix A.