Top 5 post-pandemic risks in higher education

May 25, 2022
Learning objectives

– Understand the post-pandemic risk landscape in higher education
– Discover how peer institutions have responded to risks in the industry
– Discuss risk mitigation and management strategies and how to implement them
Talent management

RISK #1
Retaining top talent is essential to institutional reputation, sustaining enrollment and managing turnover

Significant turnover at key positions within the institutions, including those stepping out of the workforce and early retirements

Significant loss of institutional knowledge

Competitive compensation and benefits at all level of institutions from boiler operators to presidents

Increase in desire to work remotely or interest in flexible work arrangements

Gaps in internal control resulting from turnover

Risk #1 – talent management
Risk #1 – talent management – risk mitigation

- Hybrid work model
- Internal mobility and succession planning
- Recruiting in the “new world of work”
- Compensation strategy
- Diversity, equity, and inclusion
- Corporate responsibility
- Shared services
- Outsourcing
- Gratitude and appreciation
- Boomerang employees
- Employee recognition
- Communication
- Psychological safety
- Employee care
- Investments in technology
Student recruitment and retention
Risk #2 – student recruitment and retention

- Attracting and recruiting new students
- Retaining current students
- Affordability
- Student support and wellness
- Shifting demographics
- Higher paying jobs that may not require college education
- Student expectations have shifted and anticipate a more Amazon-like experience – easy, integrated and personalized
Risk #2 – student recruitment and retention – risk mitigation

- Rethinking delivery model – proactive and innovative
- Revisiting mission and purpose
- Challenging operating model
- Redefine differentiators
- Investments in new initiatives, including advances in technology
- Diversification of programing
- Public/private partnerships
RISK #3

Financial uncertainty
Risk #3 – financial uncertainty

- Raising costs
- Significant market fluctuations
- Tuition dependency
- Lack of revenue diversification
- Lack of financial modeling/forecasting
- Uncharted territory
- Need for investments
Risk #3 – financial uncertainty – risk mitigation

- Scenario-based contingency planning
- Revenue diversification
- Cash flow projections
- Readily available financial information
- Enterprise risk registers and monitoring programs
- Measurable outcomes from programmatic investments
- Program return on investment (ROI) analysis
RISK #4

Cybersecurity
Risk #4 – cybersecurity

- Significant increase in cyber crimes perpetrated by bad actors
- The question no longer if an institution will be impacted, but when
- Increased use of technology in providing educational services
- Significant amount of data maintained on campus

- Ransomware attacks
- Phishing schemes
- Malware attacks
- Identify theft
- Sale of stolen data

- Increase in cost of cyber crimes
- Significant reputational risks
- Limitation of cyber insurance
Ransomware attacks

Cybersecurity and data privacy risks for not-for-profit organizations continue to increase exponentially. Not-for-profit organizations are particularly vulnerable to cyberattacks due to stored donor information and limited funding to maintain and upgrade IT systems.

Understanding an implementing leading cybersecurity practices in board governance will help you manage and protect your organization.

Visit our dedicated cybersecurity resource page or download the ransomware prevention guide.
Risk #4 – cybersecurity – risk mitigation

- Educate students and employees
- Keep software and operating systems updated
- Use anti-virus software
- Use strong passwords
- Secure sensitive data
- Back up information regularly
- Prepare business interruption plan
- Review insurance policy related to cyber
Non-compliance
Risk #5 – non-compliance

**Financial**
- Bond covenants
- ED composite score
- Strategic goals
- Accreditation requirements
- Uniform Prudent Management of Institutional Funds Act (UPMIFA)

**Student**
- Title IX
- Gramm-Leach-Bliley Act (GLBA)
- Title IV – student financial assistance
- Name, Image and Likeness (NIL)
- Borrow defense
- Health Insurance Portability and Accountability Act (HIPPA)
- Housing

**Tax**
- Unrelated business income from alternative investments
- Multi-state payroll taxes
- Sales tax across states
- Employee Retirement Income Security Act (ERISA)

**Other**
- State and federal grant compliance
- Contract with third party service providers
- Employment matters
- Information technology
- Environmental impact
Risk #5 – non-compliance – risk mitigation

- Understand compliance requirements
- Designated compliance officer
- Attend ongoing training
- Communicate clear expectations
- Compliance risk assessment
  - Likelihood
  - Impact
2022 CACUBO Best Practice award

- Baker Tilly is proud to continue to sponsor the annual CACUBO Best Practices Program that promotes and recognizes transformative and innovative approaches to addressing challenges facing higher education business operations

- Proposals should showcase your institution’s efforts to create better, more efficient and customer-friendly business practices

- Monetary awards are available for first and second place entries
  - First place: $2,500
  - Second place: $1,500

Don’t delay! Read the program guidelines and submit your best practice using the proposal form.

Submissions are due June 15, 2022
Not-for-Profit Fiscal Workshop 2022

Day 1 – Wed., June 8, 11 a.m. – 1:30 p.m. CST
Day 2 – Thu., June 9, 1 p.m. – 4 p.m. CST

Featured speaker: Dan Pallotta – nationally renowned philanthropist, author and speaker

Topics:
- Form 990, what it does and fraud flags
- New wave in giving (cryptocurrency)
- Cybersecurity
- Workforce challenges
- Leases and lessons learned
- Single audit requirements, in-kind contributions
- “The Great Resignation” staffing issues, solutions
- CECL adoption and approach

Register at: bakertilly.com/events/not-for-profit-virtual-fiscal-workshop-2022
Fiscal resiliency resource center for higher education

www.bakertilly.com/insights/fiscal-resiliency-resources-for-higher-education
Innovation culture – how to create value and make innovation an essential part of your organization

People, process, technology and performance are the roots to creating an innovative culture, which is essential for organizational success.

April 30, 2022 - Authored by Christene M. Wine, Claudia Garner

Helpful resources

- [Article] Boosting fiscal resiliency by supporting student success in academics and beyond
- [Webinar] Innovation culture – how to create value and make innovation an essential part of your organization
- [Webinar] How to perform a NIST Cybersecurity (CSF) assessment in seven easy steps
- [Article] Oracle Cloud in higher education: best practices for designing journeys to provide a personalized staff and faculty experience
- [Podcast] Higher Ed Advisor: a Baker Tilly podcast
  - Featured episode: Minnesota State System’s shared services model supports fiscal resiliency by improving processes, efficiencies and service
- [Resource] Ransomware prevention guide: cybersecurity leading practices

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