

# 2021 ABHE Annual Meeting

## **Risk Assessment and Crisis Management A Clear and Compelling Danger**

**Presenter: Dr. John Derry  
President Emeritus, Hope International University**

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## Board Governance Risk Assessment Purpose of Session One

- To raise awareness of the increasing demand for compliance with regulations and the consequences of failure to do so.
- To briefly cite current trends that have created a climate of disruption and pose a risk to the sustainability of our mission.
- To provide a framework for college boards and presidents to monitor compliance with regulations and to manage risk.

## Risk Management Research

- 60% of boards do not have a way to assess major risks to mission success
- Less than half actively discuss institutional risks with senior administrators
- Only 5% have exemplary practices to manage major risks

Association of Governing Boards

## The Board's Responsibility

- Establish risk assessment and crisis management as a priority
- Consider the institution's tolerance for risk in each area
- Establish a process for identifying and assessing risk
- Monitor implementation by appropriate senior administrator

## Sample Policy Statement

Annually at the fall board of trustees meeting, the administration will provide to the executive committee a risk management assessment report identifying the status of the risks monitored and measures taken to mitigate those risks.

The administration will maintain a record of regulation compliance and ensure the required reports, policies, and procedures are in place by the appropriate deadlines each year.

The administration will maintain a comprehensive crisis management plan and conduct appropriate preparedness drills and training.

## Defining Risk

- Operational
- Safety and Security
- Legal and Regulatory
- Financial
- Political and Reputational
- Academic and Student Life
- Cybersecurity
- Student Press

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## Risk Assessment Checklist

### Operational Risks

- Emergency Preparedness/ Safety Policies and Procedures
- Technology Protection
- Faculty and staff employment

### Legal and Regulatory Risks

- State and Federal Regulation Compliance
- Pending Litigation

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## Risk Assessment Checklist

### Financial Risks

- Financial Stewardship – Finance Ratios and Compliance Score
- Adequate Property Insurance
- Directors and Officers Liability Insurance
- Financial Aid
- Enrollment Management
- Investments

### Political and Reputational Risks

- Conflict of Interest Policy Signed by all Trustees and Senior Administrators

### Academic and Student Life

- Intercollegiate Athletics
- Educational Programs on Crime Prevention, Sexual Assault, Alcohol Abuse
- Academic Quality and Results (Graduation and Retention)



## Conducting a Risk Assessment

- Clearly Identify the Risk
- Rate the Impact and Likelihood
- Describe the Mitigation Actions Taken
- List the Frequency the Risk is Reviewed
- Name the Office that Monitors the Risk
- Assign a Grade (A to F)
- Indicate Changes from Previous Year

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## Risk Assessment Spreadsheet

Risk	Impact	Likelihood	Mitigation Activities	Monitoring Frequency	Dept./Ind. Responsible	Risk Assessment
<b>Academic</b>						
Accreditation	5	1	Regular review by ALO, Director of Assessment, Assoc. VP for Institutional Research, Dashboard KPIs	Semester	VP Academic Aff.	A
<b>Campus Life</b>						
Residence Hall safety and environment	1	1	Regular checks of facility, residence hall training programs, Campus video surveillance system, installed new lighting (2018)	Daily	Dr. Res. Life	A
Student physical and mental health	1	1	Student health referrals, Hope Counseling Center	Weekly	VP Student Aff.	A
Inappropriate athletic recruiting	2	1	NIAA regulations and reports, Faculty Representative	Semester	Athletic Director	A
Campus safety and security	4	1*	247 Campus Security staff, Campus Safety and Security handbook and reporting procedures, live video surveillance (2018)	Annually	VP Student Aff.	A*
<b>Facilities &amp; Maintenance</b>						
Deferred maintenance	3	2*	Deferred maintenance plan, Capital Campaign, loan proceeds to address critical needs	Monthly	Operations	B
Increase in energy costs	2	2	Energy conservation, upgrade Central Plant	Annually	VP Business	A
Equipment/facility malfunction	3	1	Equipment maintenance plans, replacement schedule	Semester	Operations	B
<b>Financial</b>						
Conflict of interest in financial transactions and agreements	1	1	Signed trustee and senior administrator Conflict of Interest disclosures	Annually	Cabinet, Trustees	A
Budget impairment	4	5	Line of credit available, mo. reports to Cabinet, qtr. reports to trustee Executive and Finance Committees, audit, financial ratios	Monthly	VP Business	B
Enrollment Decrease	5	5	Enrollment Management Plan in place	Semester	VP Enrollment	C**
<b>Hazard</b>						
Domestic terrorism	5	1	Shelter in place drills	Semester	VP Student Aff.	A
Catastrophic natural event (earthquake, fire, etc.)	5	1	Crisis Management Plan, emergency drills conducted regularly, notification system, Red Cross supplies	Semester	VP Student Aff.	A
Pandemic	3	1	Pandemic plan with health department	Annually	VP Student Aff.	A
Facilities and grounds safety	1	1*	Building maintenance, grounds/landscape service, lighting monitoring, building access controls	Weekly	Dr. Operations	B
<b>Human Resources</b>						
Personal issues, workplace violence, sexual harassment	3	1*	Employee handbook, policies, and training	Annually	HR Director	B
Professional liability claims	2	1	D & O Insurance, Employee Handbooks	Annually	HR Director	A
Workers' compensation claims	1	1	Claims and risk management review with insurer	Annually	HR Director	A
Employee recruitment and retention	1	3	Employee performance reviews, hiring and termination policies and procedures	Annually	HR Director	A
Senior Administration Succession Planning	4	3	Emergency succession plan in place for president and interim leaders identified for key positions	Annually	President	A
<b>Information Technology</b>						
Disaster/recovery/access of data	4	3**	Network security programs including threat services, user training, web application security, data breach insurance policy	Daily	IS	C**
Obsolescence of systems/technology	3	2	Computer replacement cycles, systems upgrades	Annually	IS	B
Ability to recover from system or data loss	4	1	Disaster recovery plans, systemwide and local backup and recovery policies and procedures	Daily	IS	A
<b>Regulatory Compliance</b>						
Financial Aid	4	1	Consumer information on web site, compliance checklist and calendar	Semester	Dr. Financial Aid	A
Clery Act Compliance	2*	1	Consumer information on web site, annual Fire and Safety Report on web site	Semester	VP Student Aff.	A
Title IX Compliance	2	2	Consumer information on web site, training of students, faculty, and staff, printed material distributed annually	Semester	VP Student Aff.	A
State and Federal Legislation	4	3	Laws and regulations that impact the operation of faith based universities such as employment, financial aid, admissions, etc.	Semester	Cabinet, Trustees	B
<b>Scale</b>	<b>Impact</b>	<b>Likelihood</b>		<b>Scale</b>	<b>Mitigation</b>	
1	Minor Changes	Not Likely in 10 yrs.		A	Risk Well Mitigated	
2	Minor Disruption	Not Likely in 5 yrs.		B		
3	Minor Adjust.	May Occur in 5 yrs.		C		
4	Major Shifts	May Occur in 1 yr.		D		
5	Mission Impaired	High Probability		F	Risk Not Controlled	
*Decrease in Risk from Previous Review						
**Increase in Risk from Previous Review						

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## Risk Assessment Scale

Scale	Impact	Likelihood	Score*	Mitigation
1	Minor Changes	Not likely in 10 yrs.	A	Risk is well mitigated
2	Maintain Operation	Not likely in 5 yrs.	B	
3	Moderate Adj.	May occur in 5 yrs.	C	
4	Major Shifts	May occur in 1 yr.	D	
5	Mission Impaired	High probability	F	Risk is not controlled

\* = Decrease from previous year

\*\* = Increase from previous year

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## Risk Assessment Spreadsheet

Risk	Impact	Likelihood	Mitigation Activities	Monitored by	Frequency	Score
Residence Hall Safety and Security	4	3	Cameras, 24/7 Campus Security, Card Access Doors, Resident Training	Residence Hall Staff and VP Student Affairs	Weekly	A**

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## Risk Assessment Spreadsheet

Risk	Impact	Likelihood	Mitigation Activities	Monitored by	Frequency	Score
Decrease in enrollment of more than 10% in one year	4	3	Enrollment management plan; Marketing; Tuition Discount	VP for Enrollment	Monthly	C

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## Risk Assessment Spreadsheet

Risk	Impact	Likelihood	Mitigation Activities	Monitored by	Frequency	Score
Deferred Maintenance	3	4	Maintenance Master Plan; Capital Imp. Loan;	VP for Business	Annually	D*

## Compliance and Reporting

- Federal (IPEDS, Financial Aid, EPA, Title IX, Form 990, etc.)  
resource: [www.higheredcompliance.org](http://www.higheredcompliance.org)
- State (Incorporation, SARA, etc.)
- Accrediting Associations (Conflict of Interest, Student Outcomes)
- Constituents, Churches, Foundations (Audit, Annual Reports)
- Consequences of Non-compliance

## Conducting a Compliance Audit

- The Compliance Item
- Month and Due Date
- Regulation Code
- Why it is Required
- How/Where it is Reported
- Focus of the Requirement
- College Area Responsible
- Office and Position Responsible
- HEOA Requirement
- Posted on Web Site
- Date Completed



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## Compliance Monitoring and Audit Spreadsheet

MO.	Due Date	Compliance Item	Code Reference	Requirement Explanation	How Reported	General Focus	Area Responsible	Office Responsible	HEOA Disclosure	College website	Complete
0	TBD	Peer to Peer File-Sharing and Copyright Policy	HROA	Universities must have a written policy that includes an educational component about copyright infringement and measures taken with repeat violators.	Handbooks, College website	General Institution	Academic Affairs	VP for Academic Affairs	Yes	Yes	
0	Ongoing	Title IX Compliance Information and CA Student Safety	Title IX; CA EDC Student Safety; Ch. 15.5	Prohibits gender discrimination in any federally funded education program or activity. Complaints filed under Title IX are most often related to gender based harassment and violence, including sexual assault. Must have policies on consent, prevention, reporting, enforcement, judicial due process, and education.	Distributed by any means reasonably likely to inform students, student forums, website.	General Institution	Student Affairs	VP for Student Affairs	Yes	Yes	
8	Aug	Privacy of Student Records (FERPA) Family Educational Rights and Privacy Act	[20 U.S.C. 991092(a), 1232(a); 34 C.F.R. 668.41(f); 34 C.F.R. Part 99]	By fall registration, notice must be distributed to current students and parents of a list of information College is required to provide under the Federal Educational Rights and Privacy Act (FERPA), together with a statement of the procedures required to obtain such information.	Distributed by any means reasonably likely to inform students	General Institution	Academic Affairs	Registrar and VP for Student Services	Yes	Yes	
8	Aug	Drug and Alcohol Abuse Prevention Program	[20 U.S.C. § 10811; 34 C.F.R. § 86.100]	On an annual basis, policies and information on College's drug and alcohol abuse prevention program must be distributed to all students and employees.	Furnished to students and employees	Health and Safety	Student Affairs	Director of Human Resources	Yes	Yes	
9	Sept	Constitution Day	[36 U.S.C. § 1010; § of Division I of Pub. L. 108-447]	On September 17 an educational program on the U.S. Constitution must be implemented commemorating the signing of the U.S. Constitution.	Educational program implemented	General Institution	Academic Affairs	VP for Academic Affairs	Yes	No	
10	Oct	Clery Act Security Report	[20 U.S.C. § 1092(f); 34 C.F.R. § 668.41(a), (c); 34 C.F.R. § 668.46; 34 C.F.R. Part 668; appendix A]	By October 1, a security report containing information regarding campus crime statistics and security measures in the preceding calendar year, or notice of availability of the report, must be distributed to all College students and employees.	Notice to students and employees.	Health and Safety	Student Affairs	VP for Student Affairs	Yes	Yes	
10	Oct	Emergency Notification & Response	[20 U.S.C. § 1092(f)(1)(i); 34 C.F.R. § 668.41(a), (c)]	The security report must contain College policies regarding emergency response and evacuation procedures.	Included in security report (see above)	Health & Safety	Student Affairs	VP for Student Affairs	Yes	Yes	
10	Oct	Equity in Athletics Disclosure Act	[20 U.S.C. § 1092(g); 34 C.F.R. § 668.41(a)-(b), (g); 34 C.F.R. § 668.47]	By October 15, College must make information about its intercollegiate athletic program easily accessible to current and prospective students and to the public upon request.	Link on College website to Equity in Athletics Data Analysis Tool.	Student Life	Student Affairs	Director of Intercollegiate Athletics	Yes	Yes	
10	Oct	Fire Safety Report	[20 U.S.C. § 1092(f)(1); 34 C.F.R. § 668.41(a), (c); 34 C.F.R. § 668.49]	By October 1, a fire safety report containing information regarding College's fire safety practices and standards in the preceding calendar year must be distributed to all College students and employees, and make available to prospective students.	Submitted to DOE; Posted on College website with Security Report.	Health and Safety	Student Affairs	VP for Student Affairs	Yes	Yes	
10	Oct	Missing Person Notification Policy	HROA, Clery Act	Institutions that have students living on campus must develop a missing person's policy and notification procedure to respond to reports of missing students.	Posted on College website, Student Handbook, and in Security Report	Health and Safety	Student Affairs	VP for Student Affairs	Yes	Yes	
0	TBD	Data Security	Gramm-Leach-Bliley Act (GLBA)	To protect student and employee information from data breaches. A coordinator must be designated to manage the risk by implementing safeguards against attacks and training employees on security measures.	Policy established and training documents on file with IT.	Information Security	Business and Finance	Director of Information Technology	Yes	No	

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## Compliance Monitoring and Audit

Item	Description	How Reported	Responsible Office	Date Posted	HEOA Requirement
Graduation Rates  (20 USCode, 1092 a.1.L)	By July 1, notice must be distributed to current and prospective students about completion rates, from previous year ending August 31, through appropriate publications, mailing, and electronic media.	Notice emailed to students. Data link posted on web site.	Registrar and Office of Institutional Research	By July 1	Yes

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## Compliance Monitoring and Audit

Item	Description	How Reported	Responsible Office	Date Posted	HEOA Requirement
Student Records Privacy (FERPA)	By the time of fall registration, notice must be distributed to all students and parents of a list of information the college is required to provide with a statement of how to obtain such information.	Statement in Catalog, Notice to incoming students with orientation material.	Registrar	By Aug. 1	Yes

## Consumer Information Page

This webpage provides a gateway to consumer information for prospective and current students, members of the campus community, and the general public. The information is presented in compliance with the Higher Education Opportunity Act of 2008 (HEOA) which contains numerous federal reporting and disclosure requirements with respect to various institutional policies, procedures, operations, and costs.

Please click subject heading to access consumer information. If you desire any of the following information in written form, please contact \_\_\_\_\_.

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The College operates in compliance with all applicable federal and state non-discrimination laws and regulations in conducting its programs, activities and employment decisions. Such laws and regulations include:

- Title VI of the Civil Rights Act of 1964
- Title VII of the Civil Rights Act of 1964
- The Age Discrimination in Employment Act of 1967
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title IX of the Education Amendments of 1972
- The Americans with Disabilities Act of 1990 (*Public Law 101-336*)
- The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act

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## Consumer Information - Institutional

- Academic Support Services
- Accreditation
- Career and Job Placement Services
- Catalog
- Common Data Set
- Copyright Infringement Policy
- Equity in Athletics
- Family Educational Rights and Privacy Act (FERPA)
- Filing A Complaint
- Learning Accommodations
- Misrepresentation Policy
- Peer to Peer File Sharing
- Religious Organization Exemption Disclosure
- Student Handbooks
- Student Outcomes - Graduation & Retention
- Teach-Out Policy
- Title IX Compliance and Coordinator
- Transfer of Credit Policies and Articulation Agreements
- Voter Registration

## Consumer Information - Financial

- . Cost of Attendance
- . Financial Aid Assistance and General Information
- . Financial Aid Guide
- . Institutional Code of Conduct for Student Loans
- . Net Price Calculator
- . Refund Policy & Requirements for Withdrawal and Return of Federal Financial Aid

## Consumer Information – Health & Safety

- Annual Security & Fire Safety Report (Clery Act)
- Campus Safety Plan
- COVID-19 Prevention Program
- Disabled Students
- Immunizations
- Sexual Harassment and Assault Information



## Concluding Observations

Risk Management and Regulation Compliance are two areas that can be easily pushed to the back burner.

Procrastination and neglecting to give attention can subject your college to increased liability.

Please ensure your board has a policy to at annually request an updated report from the Administration.

## Discussion Questions

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## Prudent Principles of Crisis Management Purpose of Session Two

- To survey the range of potential crises.
- To consider the consequences of how well or poorly crises are managed.
- To identify appropriate responses to a crisis.

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## Reflections on 2020

*Following the crisis of 2020, American higher education must prepare for transformational change, whether it be a renewal or reinvention of higher education as we know it. **Governing boards are largely responsible for managing these changes and ensuring institutional responses to crises align with institutional missions and support the common good.***

Trusteeship, Nov/Dec 2020

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Change often comes in waves.



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Sometimes it's a Tsunami.



## Crisis Management

- A **crisis** is “a situation with significant newness or novelty where one must solve problems and make decisions in real time with rapid innovation under stress embedded in fear. (Harvard Business School)
- Crisis **management** is a series of steps an organization performs to deal with a catastrophic event. A crisis disrupts business operations, threatens to harm people, damages your reputation, and negatively impacts your finances.
- **Types of Crises**
  - Emergency
  - Controversy

## Three Phases of Crisis Management

1. Preparing for a Crisis
2. Experiencing the Crisis
3. Recovering from the Crisis



## Trustees Role in Crisis Management

- Establish a Crisis Management Policy
- Ensure the President has Appointed a Crisis Management Team
- Review the Crisis Management Plan/Handbook with the Administration
- Consider the Risk Assessment Study for High Impact Scenarios
- Determine the Best Way to Keep Trustees Informed

## President's Role in Crisis Communication

- Know Where to go to Coordinate Communication
- Designate Appropriate Person to Speak on Behalf of the College
- Determine What Information is to be Released and How
- Inform Campus Community First, not Last
- Rehearse Your Message
- Manage Social Media

## Preparing for the Next Crisis

- The Quality of Governance Leadership is Revealed in Crisis

*“This is not the time for motivational speeches or a pep talk. This is a time to be totally authentic and serious and confront the reality that exists. Great leaders don’t really get paid for what they do in good times. You get paid for what you do in hard times. Just make peace with that.”*

Marshall Goldsmith, author of *What Got you Here Won’t Get You There*

## Preparing for the Next Crisis

- The Quality of Governance Leadership is Revealed in Crisis
- Good Decisions in a Crisis Require Collaborative Wisdom
- Productive Paranoia - Expecting the Unexpected
- Without a Crisis Management Plan the College is Vulnerable
- A Crisis can be an Opportunity to Strengthen the Institution

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## Crisis Management Handbook

- I. Introduction**
  - A. Purpose and Scope
  - B. Declaration of Crisis or State of Emergency
- II. Organization**
  - A. Crisis Management Team Composition and Responsibilities
  - C. Emergency Preparedness Coordinator
  - C. Crisis Management Command Center
- III. Emergency Response Plans**
  - A. Emergency Notification Systems
  - B. Information Technology
  - C. Maintenance and Operations
  - D. Food Service
  - E. Human Resources/Records
  - F. Legal Counsel
  - G. Media/Public Relations
  - H. Medical and Health
  - I. Student Volunteers
  - J. Telecommunications
  - K. Campus Security
- IV. Emergency Procedures**
  - A. Building Evacuation
  - B. Earthquake/Tornado/Hurricane/Flood
  - C. Fire
  - D. Hazardous Material Leak or Spill
  - E. Active Shooter
  - F. Hostage Situation
  - G. Homicide
  - H. Suicide
  - I. Death or Serious Injury
  - J. Civil Disturbance or Demonstration
  - K. Rape
  - L. Kidnapping
  - M. Assault
  - N. Robbery
  - O. Harassment
  - P. Disorderly Conduct
  - R. Physical or Verbal Threats
  - S. Property Damage
  - T. Bomb Threat
  - U. Power Failure
  - V. Resuming Operations
- Appendices**
  - A. Off-Campus Disaster Resources (Phone Numbers)
  - B. Campus Communication Phone Tree
  - C. Emergency Preparedness Checklist
  - D. Campus Disaster Supply List
  - E. Hazardous Material Spill Site Specifics Checklist
  - F. Bomb Threat Site Specific Checklist
  - G. Power Failure Site Checklist
  - H. Building Floor Plans

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## **Crisis Management and Emergency Preparedness Sample Table of Contents**

### **Introduction - Purpose and Scope**

### **Organization and Responsibilities**

- Crisis Management Team
- Crisis Coordinator

### **Emergency Response Plans and Procedures**

- Natural Disasters
- Health and Safety
- Public Relations

### **Appendices**

- Off-Campus Disaster Resources (Phone Numbers)
- Communication Plan
- Checklists
- Building Floor Plans

## Lessons learned from the COVID-19 Crisis

- Be prepared for a crisis to last longer than expected
- Embrace differentiated learning
- Recognize the disparity in student's ability to adjust
- Be resourceful in identifying leadership support from employees
- Be sensitive and flexible to the emotional demands on people
- Don't plan on a government bailout every time
- Retain the positive changes that were implemented

## Summary

- It is impossible to eliminate all risk or to avoid all crises, but it is possible to take precautionary steps to reduce or manage the likelihood and impact. Advance preparation is critical.
- Failure to give attention to these important areas can have far-reaching and long-term consequences for individuals associated with the college as well as the institution.



## Discussion Questions

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## Navigating the Perfect Storm Article

“Lately we have heard the words “unprecedented” and “now more than ever” so much they have almost lost their impact, but they could certainly be applied to what is happening in higher education and to the need for outstanding Christian leaders in our culture. Embracing change rather than resisting it can be the best course of action when faced with an unpleasant alternative. Colleges and universities within our fellowship are a valuable resource. I believe they are resilient, and with innovative leadership, can emerge from this period with an even stronger commitment to serving churches and impacting the world for Christ”

- Stay Focused on the Mission
- Be Prepared to Pivot
- Form Strategic Partnerships

*Christian Standard* by John Derry