

Welcome!
2025 Higher
Education: Current
Issues and Trends

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- ▶ Navigate to <https://deandorton.cnf.io> and tap the session titled "Higher Education: Current Issues and Trends"
- ▶ OR just point your phone's camera at the QR code to join directly



2

Codewords

- We will be using Conference I/O to track attendance throughout the seminar by the use of codewords
- At random times today, codewords will flash on the screen for 60 seconds and you will scan the QR code to submit the correct codeword
- If you miss a codeword, you will not receive full CPE credit for that session, so make sure to pay attention

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Agenda

- 1:00 – 1:10 p.m.
 - Welcome and Introduction (Megan Crane, *Dean Dorton*)
- 1:10 – 2:30 p.m. | Session 1
 - Keynote: Washington and Policy Update (Liz Clark, *NACUBO*)
- **2:30 – 2:40 p.m. | BREAK**
- 2:40 – 3:30 p.m. | Session 2
 - Cybersecurity and Compliance in Higher Education: Emerging Threats and Effective Strategies (Gui Cozzi and Kevin W. Cornwell, *Dean Dorton*)
- **3:30 – 3:40 p.m. | BREAK**
- 3:40 – 4:30 p.m. | Session 3
 - Strategies and Best Practices for Financial Stability (Megan Crane, *Dean Dorton*)

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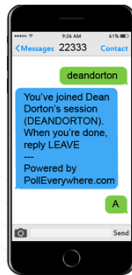
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Two ways to participate in polls

TEXT

1. Dial 22333
2. Enter message "deandorton"
3. Text "A" or "B" to respond to each question

Join via QR code too!



INTERNET

1. Go to www.pollev.com/deandorton
2. Type your first name, last initial and select "Continue"
3. Once poll is activated, during the seminar, select your response

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Polling question

- What is your favorite color?
 - a. Red
 - b. Blue
 - c. Yellow
 - d. Green
 - e. Other

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Technical issues

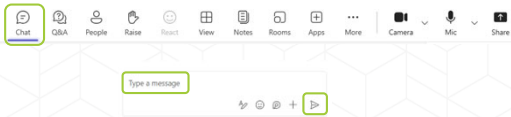
- If you are having technical difficulties, please contact Julia Ray at jray@deandorton.com and she will be able to direct you

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Asking questions

- To ask questions, click the "chat" icon at the top of the screen
- Type your question in the "type a message..." box in the bottom right-hand corner of your screen, then click the send button



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CPE credit

- Be an active participant
- Attend the entirety of the sessions
- Submit all codewords
- Answer all polling questions
- Keep the session screen pulled up as your main screen
- You will receive your CPE certificate within two weeks

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Door prize



- **YETI Hopper Portable Cooler**
- There will be two drawings: one for in-person attendees and one for virtual attendees
- The winner will be announced at the 2:30 p.m. break

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Contact us

- If you need further assistance during or after the event, please contact Julia Ray at jray@deandorton.com

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Meet the speaker




- **Liz Clark**
 - Vice President for Policy and Research, National Association of College and University Business Officers
 - Got her start on Capitol Hill opening Cornell University's first Washington, DC-based federal relations office
 - Led federal affairs for the State University of New York (SUNY) System and for Oregon State University
 - Currently heads the team responsible for analysis of federal regulatory and legislative actions, research, and data analytics

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Washington Update



NACUBO
The Voice of Higher Education
Business and Finance

Liz Clark
Vice President, Policy and Research
NACUBO

May 21, 2025

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THE CHRONICLE OF HIGHER EDUCATION

NBC NEWS

Newsweek

MARKETPLACE

THE HECHT

What Revoking Tax-Exempt Status Would Mean for Harvard – and the Rest of Higher Ed

By Eric Lipton | April 17, 2025

Why colleges like Harvard can't easily use endowments to replace federal funding

Endowments aren't a simple replacement for government funding because of restrictions related to donor earmarking, legality and research priorities, experts say.

Why Can't Trump-Targeted Universities Use Their Billion-Dollar Endowments?

Published Apr 15, 2025 at 3:42 PM EDT | Updated Apr 16, 2025 at 10:42 PM EDT

APR 9, 2025





Universities issue more bonds as protection against federal funding freezes




2

EXECUTIVE ORDERS: BACKGROUND

ABLE TO DO	NOT ABLE TO DO
<ul style="list-style-type: none"> Direct law and implementation allocation of agencies Create committees, agencies and task forces Change the administrative structures Activate emergency power Address military operations and foreign affairs 	<ul style="list-style-type: none"> Alter the Constitution Direct federal spending outside of Congress Overturn SCOTUS rulings Nullify existing legislation Alter the balance of power between Congress and the Judiciary Bypass the legislative process

-  Article II grants the President executive powers to "take care that the laws be faithfully executed"
-  Executive orders can be used to shape policy by administering guidance and issuing directives to federal agencies
-  Executive orders do not require approval from Congress; but, orders are not permanent and can be overturned
-  The Office of Budget Management (OMB) coordinates the executive order process



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Areas of risk:

“Turbulence”

- Administration Actions
- Congressional (Legislative) Action
- Judicial processes and decisions
- Public sentiment

Federal Grants and Contracts

- Indirect cost policy changes
- Terminations due to DEI
- Agency upheaval

Department of Education restructuring

Tax Reform

International Students





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FY 2025 Spending

Currently, a Continuing Resolution is enabling the government to run through September 2025.

- ✓FY25 Maximum Pell Grant: \$7,395
 - 2025-2026 Academic Year
- ✓Level-funding for Federal Work Study
- ✓Level-funding for FSEOG

Federal programs are under review
Federal agencies experiencing significant upheaval

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NIH cuts billions of dollars in biomedical funding, effective immediately

Researchers say it would hurt facilities that work on medical issues such as cancer research and heart disease. Eitan Marek covered the story for us. [View full story](#)

Updated January 6, 2025

Judge Permanently Bars N.I.H. From Limiting Medical Research Funding

The decision came as an initial win for a broad coalition of academic institutions that had argued the policy jeopardized ongoing research, but it set up an almost certain appeal.

Judge temporarily blocks Trump cuts to health research grants

A federal district court judge in Boston has temporarily blocked the Trump administration from reducing health research grants. Judge Angel Foley issued a temporary order on the day news broke that the administration was imposing the cuts in a move that imposed today, we will in effect in other states.




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White House's FY26 Budget Request



- Shared on May 2—Key word is “request”
- Proposed cuts include:
 - \$12B from Department of Education
 - \$18B from National Institutes of Health
 - \$5B from National Science Foundation
- Greater details expected later this month

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Department of Education



- Kickoff to regulatory changes
- Accreditor, HBCU, and foreign gift reporting Executive Orders
- Collection of defaulted loan portfolio resumed on May 5
 - ED asks for outreach help



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House Tax Writing Committee Advances Reconciliation Legislation



- Advanced a reconciliation package on May 15
- Goal to preserve Trump tax cuts and fund additional priorities
- House vote expected by Memorial Day

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House Tax Writing Committee Advances Reconciliation Legislation cont'd.



Key Provisions of Concern

- **UBI Expansion**
 - Transportation benefits, non-public research
 - ⚠️ *Name/logo licensing provision removed during negotiations*
- **Executive Compensation Excise Tax**
 - Applies to *all employees* earning > \$1M, not just top five
- **Endowment Tax Hike**
 - Tiered rates up to 21% based on per-student NII
 - Expanded definition of NII; excludes most foreign students
- **Repeal of Clean Energy Credits**

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Endowment tax expanded for certain private colleges



- Does not apply to public institutions
- Graduated rates of:
 - 7% for universities with endowments worth \$750,000 to \$1.25 million per student
 - 14% for endowments worth \$1.25 million to \$2 million per student
 - 21% for endowments worth \$2 million or more per student
- Most foreign students will be excluded
- Calculation/definition of net investment income is expanded
- Qualified religious institutions are exempt

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House Tax Writing Committee Advances Reconciliation Legislation cont'd.



Provisions That May Help Institutions

- **Section 127 Expansion**
 - Loan repayment + tuition assistance; indexed for inflation
- **Charitable Deduction for Non-Itemizers**
 - Restored for 2025–2029
- **1099 Threshold Raised**
 - \$600 → \$2,000

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House Education Committee Advances Reconciliation Legislation



- Risk sharing
- Eliminating subsidized loans for future borrowers
- Eliminating Grad PLUS and restricts Parent PLUS eligibility
- Placing caps on aggregate loan borrowing
- Some changes to Pell Grant eligibility
- Consolidating income-driven repayment plans into one

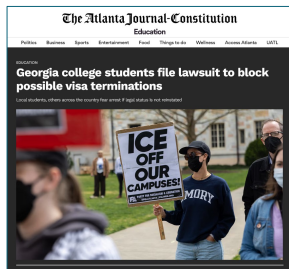
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Lawsuits Challenge SEVIS Terminations



- Anxiety in international student offices
- ICE raids
- Policies on Administrative v. Judicial
 - Subpoenas
 - Warrants
- Understanding of FERPA
 - What cannot be disclosed
 - What may be disclosed
 - Requirements



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More Is Possible With Higher Education



Opportunities

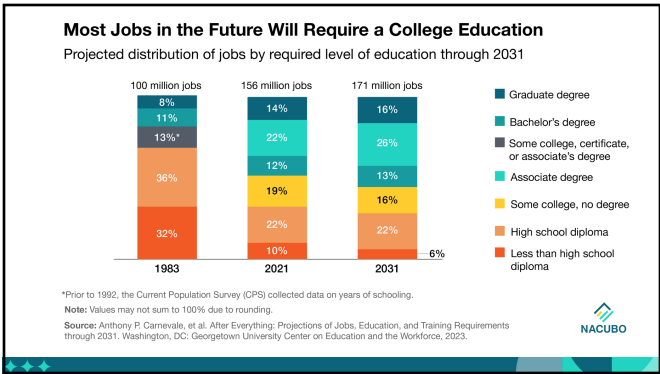
Support

Community Benefits

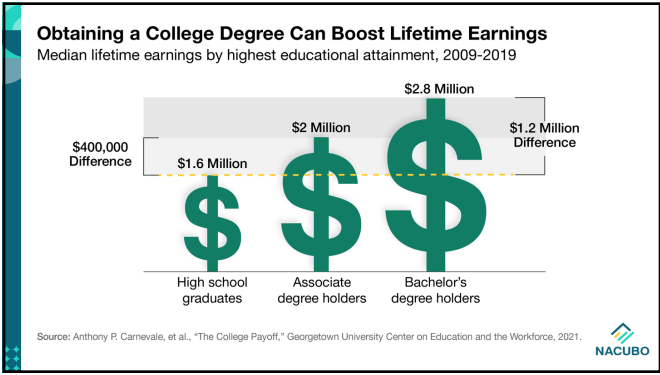
Prosperity

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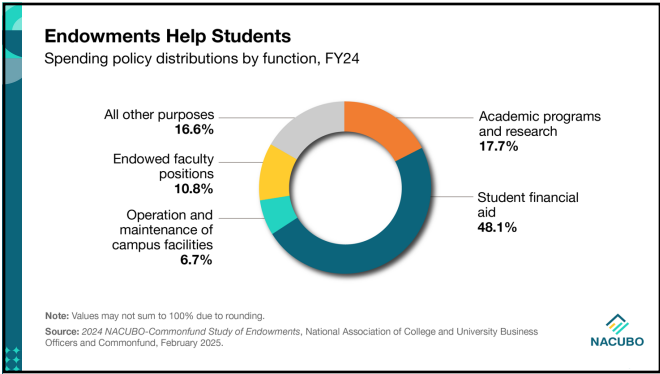
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THANK YOU!

- ✓ Stay Informed
- ✓ Consider risks and opportunities
- ✓ Connect with NACUBO and campus colleagues
- ✓ Communicate with clarity and purpose

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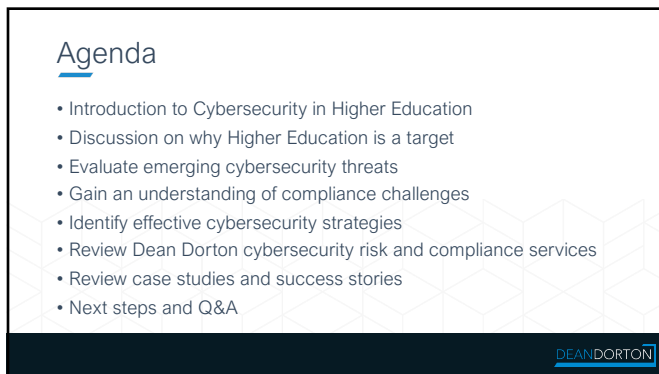
Questions?

advocacy@nacubo.org

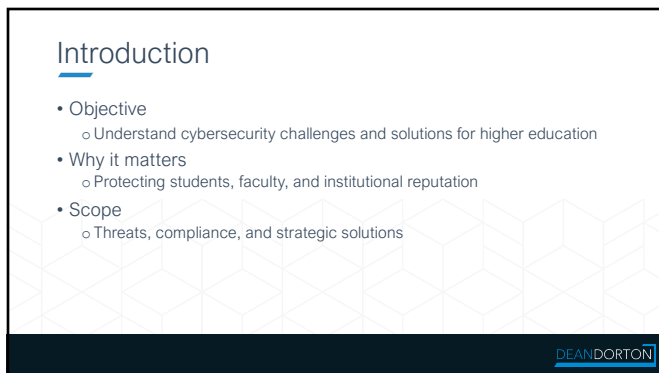
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The growing importance of cybersecurity

- Digital transformation
 - Increased reliance on online systems
- Rising threats
 - Cyberattacks are more frequent and sophisticated
- Stakeholder trust
 - Security ensures confidence in institutions

80% of institutions faced cyber incidents in 2024 (Source: EDUCAUSE)

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Why higher education is a target

- Valuable data
 - PII, research, financial records
- Open environments
 - Large user bases, BYOD policies
- Limited resources
 - Small IT teams, tight budgets
- High stakes
 - Disruptions impact education and research

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The cost of cyber incidents

- Financial losses
 - Recovery, ransom, and legal costs
- Reputational damage
 - Loss of trust from students and donors
- Operational downtime
 - Disrupted classes and research

Cybersecurity incidents cost an average of \$2,000,000

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Emerging Threat #1: Ransomware

- What it is
 - Malware locking systems until ransom is paid
- Impact
 - Disrupts classes, research, and operations
- Trend
 - 50% increase in ransomware attacks since 2022

Business continuity and incident response plans are critical

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Emerging Threat #2: Data breaches

- What it is
 - Unauthorized access to sensitive data
- Risks
 - Exposure of student records, intellectual property
- Example
 - 2024 breach at [Institution Name] exposed 10,000 records
- **Prevention:** Encryption and access controls

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Emerging Threat #3: Phishing attacks

- What it is
 - Fake emails tricking users into sharing credentials
- Target
 - Faculty, staff, and students
- Trend
 - AI-generated phishing emails are harder to detect
- **Solutions:** Training, email filtering tools, phishing resistant MFA

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Emerging Threat #4: IoT vulnerabilities

- What it is
 - Unsecured devices (e.g., smart boards, cameras)
- Risk
 - Entry points for attackers into campus networks
- Challenge
 - Growing number of IoT devices on campus
- **Best practice:** Network segmentation and device monitoring

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Emerging Threat #5: AI-Powered attacks

- What it is
 - Cyberattacks using AI for speed and scale
- Examples
 - Deepfake scams, automated phishing
- Concern
 - Outpaces traditional defenses
- **Countermeasure:** AI-driven security tools for detection

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Emerging opportunity (AI)

- Increase student retention
- Streamline Administration processes
- More immersive AI (e.g., AR/VR + AI tutors)
- Hyper-personalized learning paths
- Greater integration with LMS and hybrid learning environments
- Continuous evolution through teacher feedback loops

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Compliance Challenges Overview

- Why compliance matters
 - Legal, financial, and ethical obligations
- Key regulations



- **Challenge:** Keeping up with evolving standards.

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FERPA compliance

- What it is
 - Protects student educational records
- Requirements
 - Secure storage, limited access, breach notifications
- Penalties
 - Loss of federal funding, lawsuits
- **Tip:** Regular audits ensure FERPA compliance

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GLBA compliance

- What it is
 - Protects student financial aid data
- Requirements
 - Qualified individual (QI), risk assessment, penetration testing, policies and procedures, oversight, incident response plan
- Penalties
 - Loss of Title IV funding

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GDPR compliance

- What it is
 - Protects data of EU students/staff
- Requirements
 - Consent, data minimization, website cookies, breach reporting within 72 hours
- Challenge
 - Applies to institutions with international students
- **Best practice:** Data protection impact assessments

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HIPAA compliance

- What it is
 - Protects health-related data (e.g., campus health centers)
- Requirements
 - Encryption, access logs, staff training
- Risk
 - Breaches lead to fines up to \$1,500,000 per violation
- **Solution:** Partner with compliance experts

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PCI compliance

- What it is
 - Protects credit card data
- Requirements
 - Demonstrate compliance through annual completion of applicable self-assessment questionnaires (SAQ)
- Challenge
 - Reducing PCI scope and identifying applicable SAQs

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Other compliance standards

- NIST 800-171
 - For institutions with federal research contracts
- CMMC
 - Cybersecurity Maturity Model Certification for DoD projects
- State Laws
 - Vary by region, adding complexity
- **Key takeaway:** Compliance requires a layered approach

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The cost of non-compliance

- Fines
 - Up to millions for GDPR/HIPAA violations
- Loss of funding
 - Federal funds revoked
- Lawsuits
 - From affected students or staff
- Reputational harm
 - Loss of enrollment and funding

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Strategy #1: Risk assessments

- Purpose
 - Identify risks to data, systems, and processes
- Process
 - Adopt a framework, identify safeguards in place, evaluate residual risk
- Benefit
 - Prioritize resources for maximum impact
- **Recommendation:** Conduct annually or after major changes

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Strategy #2: Employee training

- Why it matters
 - Human error causes 90% of breaches
- Focus areas
 - Phishing awareness, password hygiene, data handling
- Format
 - Workshops, simulations, online modules
- **Impact:** Reduces successful phishing attacks by 70%

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Strategy #3: Multi-Factor Authentication

- What it is
 - Requires multiple credentials for access
- Benefits
 - Prevents unauthorized access even if passwords are stolen
- Implementation
 - Across email, LMS, and administrative systems
 - Phishing Resistant MFA
- **Fact:** MFA drastically reduces account compromises

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Strategy #4: Incident Response Plans

- Components
 - Detection and containment
 - Communication protocols
 - Recovery steps
- Goal
 - Minimize damage and downtime
- **Best practices:** Test plans annually with simulations and develop specific playbooks

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Strategy #5: Regular audits

- Purpose
 - Ensure compliance and identify gaps
- Types
 - Internal, third-party, regulatory
- Outcome
 - Actionable insights for improvement
- **Tip:** Use audit findings to justify budget increases

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Strategy #6: Partner with experts

- Why partner?
 - Augment limited in-house resources
- Benefits
 - Access to expertise, 24/7 monitoring, scalability
- Example
 - Dean Dorton's Cybersecurity Risk and Compliance Services

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Dean Dorton's cybersecurity risk and compliance services overview

- Mission
 - Protect higher education from cyber threats
- Virtual Information Security and Compliance Office(r)
 - Governance
 - Risk assessments
 - Compliance support
 - Incident response and forensics
 - Training programs
- Scalability
 - Solutions for small colleges to large universities.

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Governance

- Process
 - Risk Register, Security Metrics, and KPI
- Deliverables
 - Executive dashboards and briefs
- Benefits
 - Improve the maturity of the program

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Risk assessments

- Process
 - Cybersecurity framework adoption, cybersecurity assessment, penetration testing, control framework gap analysis, policy reviews, threat modeling
- Deliverables
 - Detailed reports, prioritized recommendations, comprehensive multi-year roadmap
- Benefits
 - Demonstrate diligence, manage, and ultimately reduce risk

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Compliance support

- Coverage
 - FERPA, GLBA, GDPR, HIPAA, NIST, PCI and more
- Services
 - Audits, policy development, breach response planning
- Outcome
 - Avoid fines and maintain compliance

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Training programs

- Customized
 - For faculty, staff, and students
- Topics
 - Phishing, secure data handling, incident reporting
- Delivery
 - In-person, virtual, or e-learning

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Incident response

- Features
 - 24/7 monitoring
 - Rapid containment
 - Post-incident analysis
- Benefits
 - Minimizes damage and speeds recovery

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Case studies (national headlines)

- Lincoln College
 - In 2022 permanently shuts down due to a ransomware attack
 - Ransom was paid and systems were recovered months later
 - Other factors were involved in closure, but ransomware was the final nail
- University of Michigan
 - In 2023 hackers gained PII for 230,000 individuals
 - Data for students, applicants, alumni, donors, employees and contractors
 - University recovered, cause unknown

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Case studies (local headlines)

- Institution "A"
 - IT person installed a device that circumvented MFA and allowed external access to systems
 - Hacker deleted almost everything, including backups
 - Nearly an extinction level event, but university recovered
- Institution "B"
 - Hackers gained PII for 32,000 individuals
 - Institution recovered, cause unknown
 - Offered 24 months of complimentary credit monitoring to those effected

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Case study on how we can help

- Berea College
 - PCI
 - GLBA
 - Security Assessment
 - Disaster Recovery
 - Incident Response Plan
 - Tabletop exercise
 - GDPR

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Case study on how we can help

- Morehead State University
 - PCI
 - GLBA
 - Data Inventory
 - IT Risk Assessment

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Case study on how we can help

- Multiple
 - Outsourced Information & Security Compliance Office
 - Governance
 - Compliance
 - Policies and procedures
 - Security and compliance training
 - Incident response
 - Security assessments

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Questions?

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Thank you

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Strategies and Best Practices for Financial Stability

Megan H. Crane
Assurance
Associate Director
and Higher
Education Industry
Leader



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Two ways to participate in polls

TEXT

1. Dial 22333
2. Enter message "deandorton"
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2. Type your first name, last initial and select "Continue"
3. Once poll is activated, during the seminar, select your response

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Polling question

- How long have you been in higher education?
 - a. Less than 5 years
 - b. 6 – 10 years
 - c. 11 – 15 years
 - d. 15 – 20 years
 - e. 20+ years



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Highlights of our team

- All staff trained
 - Attend specialized Higher Education training including Student Financial Aid and Single Audits in their first year and after
- Active leaders
 - Members of multiple Higher Education industry Associations, such as NACUBO, SACSCOC, SACUBO, and ACUA
- Significant experience
 - Works directly on projects surrounding Student Financial Aid, Department of Education, GLBA and IT compliance



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Objectives

- Gain an understanding of strategic planning and financial management
- Review data-driven decision making and enrollment management
- Discuss in detail innovation and adaptability

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StateCollege.com

December 11, 2018

The Year in Closures and Mergers

At least 16 nonprofit institutions announced closures this year as the sector grapples with...

Penn State Board of Trustees Sets Closed-Door Meeting to Discuss Recommendation on Campus

Bloomberg

US College Closures Are Expected to Soar, Fed Research Says

Fed research created predictive model of college stress

Worst-case scenario forecasts 80 additional closures

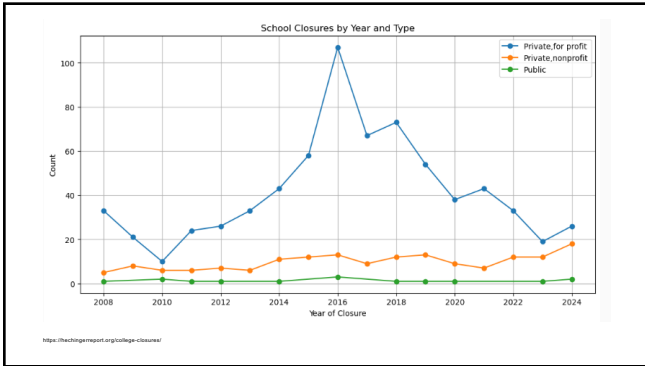
Higher Ed Dive

St. Andrews University announces abrupt closure

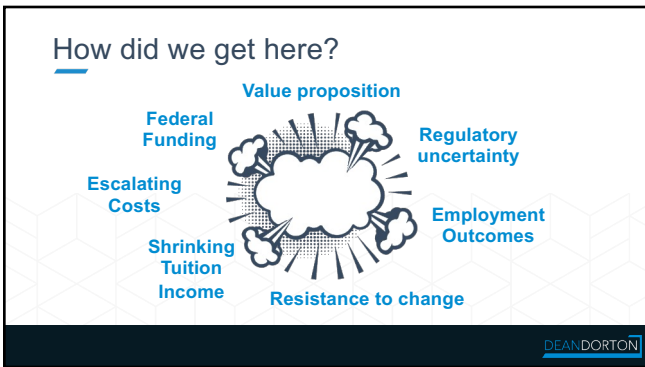
Tracking College Closures and Mergers

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Penn State

- “We cannot continue with business as usual... The challenges we face — declining enrollments, demographic shifts and financial pressures — are not unique to Penn State, but they require us to make difficult choices. Across higher education, institutions are grappling with similar headwinds, and we have reached a moment where doing nothing is no longer an option.”
 - Penn State President, Neeli Bendapudi

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- ## You are a business
- Strategic planning and financial management
 - Data-driven decision making and enrollment management
 - Innovation and adaptability
-
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- ## Polling question
- Do you feel that your institution has adopted a business-like mindset?
 - a. Yes
 - b. Somewhat
 - c. No
 - d. Unsure
-
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Strategic planning & financial management

- Aligning mission and vision with business principles
- Strategic planning frameworks for sustainability and growth
- Financial management essentials

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Strategic planning & financial management

- Aligning mission and vision with business principles

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Strategic planning & financial management

- Strategic planning frameworks for sustainability and growth
 - Vision
 - Mission
 - SWOT
 - Core Values
 - SMART Goals
 - Objectives
 - Action Plans
- Struggle between viability and educational quality

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Polling question

- Does your institution have strategic plan in place and actively working on it?
 - a. Yes and I can tell you all the pillars of success
 - b. I know we have one
 - c. I do not know
 - d. We do not have one in-place or it is not updated

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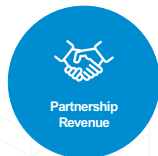
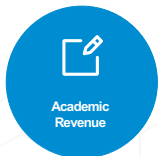
Strategic planning & financial management

- Financial management essentials
 - Diversifying and properly managing revenue streams
 - Cost control strategies

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Diversifying and generating revenue



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Strategic planning & financial management



- Rarely has a business become a success by cost-cutting alone

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Data-driven decision making

- Factual, verifiable information
- Identify trends, projections
- Empower the people



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Data-driven decision making



- Examples:
 - Gather and analyze data on student performance, faculty satisfaction, and resource utilization
 - Use insights to inform policies, optimize resource allocation, and track progress towards strategic goals

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Benefits of data-driven decisions

- Break down silos
- One language
- Validate your gut
- Consistency
- Freedom to access
- Speed
- Establish predictive practices
- Retain students
- Streamline processes



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Polling question

- Your institution using data to make decisions
 - a. All the time
 - b. Some of the time
 - c. Rarely
 - d. Never

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Leveraging data

- Strategize based upon facts
 - Prioritize funding
 - Cost-benefit analysis
 - Resource Optimization
- Measure your SMART goals
- Improve student outcomes
- At-risk students
 - Where can you intervene earlier?
- Retention by program
- Succession Planning
- Improved marketing and recruitment strategies
- Evaluate
- Retain Students
- Optimizing Resources
 - Utilization of classrooms
 - Faculty workload management
 - Program effectiveness

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Deans and provosts

- New program investments
- Evaluating teaching effectiveness
- Streamlining operations
- Managing enrollments
- Outcome-focused curriculum

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Polling question

- Share the most useful metric your institution has started using.

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Innovation and adaptability

- We **must** adapt and change
- What are the novel ideas to propel you forward?
- Encouraging innovation in academic programs and operations.
- How can AI increase efficiency?
 - Analyze transfer credits
- What is the inflection point between online learning and student engagement/connectivity?

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29