

Enterprise Risk Management Report

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I. EXECUTIVE SUMMARY

The Montana University System (MUS) mission is to serve students through the delivery of high quality, accessible postsecondary educational opportunities, while actively participating in the preservation and advancement of Montana’s economy and society.

The MUS implements enterprise risk management to enhance our understanding of systemwide risks, increase visibility and transparency of activities related to mitigating risk, share information across the System, and support informed decision-making. The systemwide enterprise risk management process seeks to complement and support risk management processes and activities across the MUS.

The MUS Enterprise Risk Management (ERM) Program continues to mature.

II. ABOUT THE MUS ENTERPRISE RISK MANAGEMENT PROGRAM

Per the systemwide [Charter](#), ERM is a disciplined process to identify, assess, respond to and report on key risks/opportunities to advance the MUS mission and create value for stakeholders. ERM helps inform MUS senior management and the Board of Regents (BoR) of the most critical risks to the strategic success of the MUS.

The ERM Program is implemented to:

- Build a common view of enterprise risks and risk management strategies
- Broaden communication and information sharing across the System
- Enhance the understanding of risk exposure across the System
- Increase understanding of how effectively the System mitigates risk
- Better inform decision-making
- Identify ways to share services in the management of risks

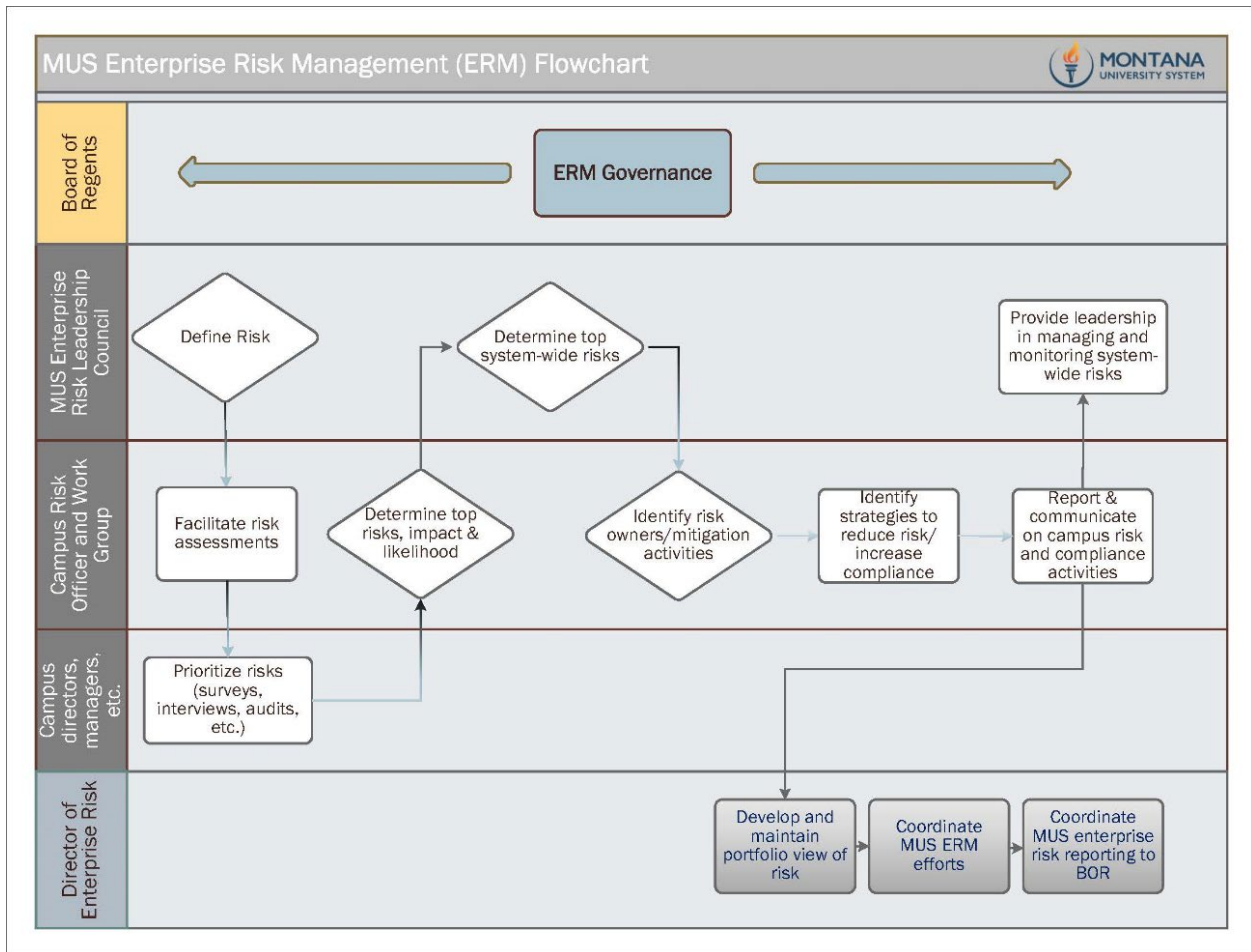
A. GOVERNANCE STRUCTURE

- **Board of Regents:** The Board of Regents supports the systemwide ERM Program and provides direction and guidance to the Program. The Regent’s Budget, Administration, Audit and Planning Committee receives regular updates on the Program.
- **Commissioner’s Cabinet:** The Commissioner’s Cabinet consisting of the Commissioner, the Deputy Commissioners, and the Chief Legal Counsel supports the ERM Program, providing direction and guidance as needed.
- **The Enterprise Risk Leadership Council:** Composed of senior leaders across the System whose roles within MUS campuses and the Commissioner’s Office allow informed insights regarding enterprise risks within and across their areas of responsibility.

- Risk Officers: Risk Officers at each campus assemble the campus Enterprise Risk Working Groups.
- Campus Enterprise Risk Workgroups: Membership varies from campus to campus. Campus workgroups are responsible for identifying, assessing, and mitigating campus-level risks.

B. ERM PROCESS

The MUS Enterprise Risk Leadership Council Charter is the governing document that outlines the purpose, organization, and responsibilities of ERM stakeholders across the system. The Charter establishes a formal, principles-based approach to identifying, managing, and monitoring risks across the MUS. Risk assessments from campuses are compiled by the Director of Assurance and Enterprise risk and presented to the Budget Committee of the Board of Regents annually. The diagram below depicts the systemwide ERM process.



C. MUS ERM FUNDING

The goal of the MUS ERM program is to create value through enterprise-wide integrated and holistic risk management. OCHE continues to incentivize campus participation in the ERM program by providing targeted funding (as available) for projects, equipment, software, training, or other services that may support the management of risks at campuses and across the MUS.

D. RISK MANAGEMENT AND TORT DEFENSE DIVISION – ERM DISCOUNT PROGRAM

The Department of Administration, Risk Management and Tort Defense Division (RMTD), in consultation with the OCHE, offers a 2.5% general liability insurance premium discount to campuses that implement effective ERM programs. Discounts are applied against the participant's budgeted general liability insurance premium in the next fiscal year.

III. FY 24 SYSTEMWIDE ERM PROGRAM ACTIVITIES

A. RISK MANAGEMENT AND TORT DEFENSE DIVISION ERM DISCOUNT PROGRAM PARTICIPATION

Eight campuses and OCHE participated in the fiscal year 2024 enterprise risk management program. Since the executive proposed an insurance premium holiday for the 2025 biennium (i.e., zero premium assessments) and the Legislature approved the holiday, there were no discounts received.

B. SYSTEMWIDE COORDINATION AND INITIATIVES

Over the last fiscal year, OCHE has played a critical role in advancing our systemwide ERM efforts by facilitating and financially supporting the hiring of two key positions, each dedicated to strengthening the affiliations within our system. Specifically, a Director of Environmental Health and Safety was hired to support the MSU affiliation, while a Director of Crisis and Emergency Management was hired to support the UM affiliation. Additionally, OCHE remains committed to offering coordination and support as needed to ensure the smooth and effective implementation of ERM initiatives and risk management strategies across the system.

IV. FY 24 TOP SYSTEMWIDE RISKS

Each risk officer works with their campus work group to identify and prioritize their top risks. The risks from each campus are submitted to OCHE and then combined to make the systemwide risk register. Over the past year, certain risks have gained prominence, while others have been redefined or de-emphasized. Cybersecurity/Data Security has risen in priority, reflecting heightened concerns in the digital realm. Similarly, the focus on Attracting, Recruiting, and Retaining, Faculty and Staff has broadened to Talent Management, emphasizing quality and long-term retention. New risks, such as Lab Safety, indicate emerging priorities within the MUS risk profile.

Rank	Name	Definition
1	Cybersecurity/Data Security	Inability to safeguard data and/or information systems to prevent unauthorized access - whether intentional or unintentional - by foreign or domestic actors or vendors with whom the MUS conducts business.
2	Talent Management	Inability to attract, recruit, and retain qualified, skilled, and reputable faculty and staff.
3	Financial Sustainability/Business Model	Inability to adapt the MUS business model to ensure financial sustainability, mitigate risk, and adjust to changing circumstances that influence funding or revenue.
4	Facilities and Deferred Maintenance	Inability to maintain facilities, including the prioritization of ongoing and deferred maintenance, and/or develop facilities and infrastructure to attract and retain students, staff and faculty, and to support critical research.
5	Enrollment Management	Inability to sustain and/or increase enrollment of in-state, out of state, international, residential, commuter, undergraduate and/or graduate students.
6	Student Health and Mental Health Support	Inability to maintain capabilities and resources to support students' physical and mental health, development, and well-being.
7	Leadership Development and Succession	Lack of strategies and resources to maintain operations when key leaders or staff resign, retire, or move on abruptly.
8	Brand Management	Challenges with academic and mission alignment, including effective brand management.
9	Campus Safety	Inability to maintain preparedness, response and mitigation plans and capabilities related to any threat that could impact the health and safety of the campus community or require the evacuation of a facility, a portion of a campus, or an entire campus.
10	Inflation	Inability to control increasing prices and decreasing purchasing power.
11	Compliance and Regulatory Burden	Challenges to comply with increasing federal, state, and local regulations.
12	Lab Safety	Ensuring that all laboratory environments comply with safety protocols to prevent accidents, injuries, or hazardous incidents that could harm personnel, students, or the institution.

V. FY24 ERM FUNDING

OCHE offers funds (as available) for projects, equipment, software, training, or other services that may support the management of risks at campuses and across the MUS. Funding for ERM projects is tied to campus risk assessments and preference is given to campuses that work across the affiliation and/or system to identify shared strategies for managing risk.

Campus	Funding Area	Risks/Opportunities Identified	Amount
MSU Bozeman	Title IX & Clery Compliance	Professional training across the MSU affiliation required to comply with new Title IX regulations. Addresses need across the MSU affiliation.	\$ 42,000
MSU Northern	Campus Safety	Fire alarm replacement project needed to improve campus safety.	\$ 25,000
MSU Billings	Campus Safety	Install new cameras to improve security and safety for students, faculty, and staff on the MSU Billings and City College Campuses.	\$ 45,000
Great Falls MSU	Employee Management and Retention	Facilitated listening session and follow-up to survey conducted in 2022 to continue efforts to improve employee retention and management.	\$ 10,700
Tech	Campus Safety	Enhance lab procedures establish material safety data sheets, and provide training to the dedicated lab safety manager	\$ 25,000
UM Western	Campus Safety	Continue efforts to strategically install new surveillance cameras to improve campus safety.	\$ 25,000
Helena College UM	Campus Safety	Upgrades to light fixtures at Helena College airport campus to improve safety, security, and energy savings over time.	\$ 7,000
UM Missoula	Student Well- Being	Funding for counselor-in-training interns expands capacity to train counselors and enables UM to extend mental health services to a greater number of students.	\$ 24,000
UM Missoula	Student Well- Being	Continuing the successful Wellbeing Support Coordinator Pilot Program Stipends which supports student well-being by focusing on prevention and referral, offering consultations, peer support groups, and other efforts.	\$ 25,000
UM Missoula	Employee Management and Retention	Tailored learning programs for managers to improve employee morale and commitment to UM.	\$ 8,000
Total ERM Funding			\$ 236,700