

HR Trends & Risk Management

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Agenda

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AI Revolution in HR

Opportunities, legal landmines and practical frameworks

2

Benefits and Flexible Work Models

Risk management and competitive strategies

3

Employee Well-being

Cost-effective programs that work

4

Case Law, Compliance and Q&A

Essential updates and your questions

The AI Revolution in HR

Opportunity & Legal Landmines



AI in Schools: Already Here

Common AI Uses

- Resume screening and candidate ranking
- Interview scheduling automation
- Chatbots for applicant questions
- Predictive analytics for retention

The Reality Check

Efficiency promise vs. compliance reality

"Too small to worry" is the most dangerous assumption your school can make

The Generational Technology Divide

Veteran Faculty

20-30+ years tenure
May resist or distrust AI

Young Mission-Driven Staff

Expect modern tools
Value transparency

Creating Inclusive Policies

- Involve different generational voices in policy development
- Provide training for varying tech comfort levels
- Balance opt-in flexibility with operational needs

Data Privacy: Schools' Unique Challenge

The Student-Family Intersection

- HR and student data in shared systems
- Family member employees
- FERPA implications
- Community size = less anonymity

Essential Safeguards

- System architecture decisions
- Role-based access controls
- Clear separation protocols
- School-specific vendor questions

Decision Tree: Should We Use This AI Tool?

Does it make automated decisions about people?

NO

Lower risk
Still review contract

YES

Continue to
next assessment

Can we audit and explain its decisions?

YES → Proceed with governance

NO → DO NOT USE

Vendor Contract Red Flags



"Proprietary algorithm we can't share"



Indemnification for discrimination claims



Access to audit AI training data



Vendor retains or sells your data



Clear data deletion policy

The Three-Legged Stool: HR + Legal + IT

Why All Three Must Be at the Table

HR

- Use case definition
- Impact assessment
- Policy implementation
- Training & communication

Legal

- Compliance review
- Contract negotiation
- Liability assessment
- Risk mitigation

IT

- Security evaluation
- Data integrity
- System architecture
- Technical feasibility

Action Item: Create approval process requiring all three sign-offs

Benefits & Flexible Work Models

Risk Management & Competitive Strategies

The Post-Pandemic Reality for Schools

Your Competition

- Corporate employers offering remote work flexibility and higher salaries
- Higher education institutions with robust benefits packages and academic calendars
- Public schools with pension systems and union protections
- Other independent schools competing for the same mission-driven talent pool
- Tech companies and startups attracting young educators with innovative perks

The Post-Pandemic Reality for Schools

Your Opportunity

- Mission-driven culture that resonates with purpose-oriented professionals
- Flexibility in benefits design without bureaucratic constraints
- Smaller, close-knit community atmosphere
- Creative compensation packages (tuition remission, extended breaks, sabbaticals)
- Autonomy and innovation in teaching/work approaches
- Direct impact visibility on student outcomes

Benefits Strategy for Flexible Models

Tiered Benefits Approach

- **Core tier:** Health insurance, retirement matching, PTO
- **Flexibility tier:** Remote work options for administrative roles, compressed summer schedules, flex hours during non-instructional time
- **Choice tier:** Technology stipends (\$500-1000/year), professional development funds, wellness allowances

Technology Stipends

- Home office setup for hybrid roles (\$750 one-time)
- Annual technology refresh (\$500/year)
- Internet/phone reimbursement for remote-eligible positions

Mental Health Integration

- Teletherapy access through EAP enhancement
- Mental health days separate from sick leave (3-5 annually)
- Manager training on mental health awareness
- Reduce stigma through leadership modeling

Independent School-Specific Vulnerabilities

Limited HR Infrastructure

Board Governance Implications

Reputational Risk Amplifiers

The Insurance Connection: What You Need to Know

EPLI Trends

- Teletherapy access through EAP enhancement
- Mental health days separate from sick leave (3-5 annually)
- Manager training on mental health awareness
- Reduce stigma through leadership modeling

Real Claims Scenarios

- **Age discrimination via resume screening:** School's ATS automatically filtered out candidates with >20 years experience, resulting in \$180K settlement
- **Retaliation claim:** Employee complaint about benefits led to "performance concerns" flagged by predictive analytics, \$95K settlement
- **Failure to accommodate:** Scheduling AI didn't account for ADA accommodations, \$125K defense costs + policy changes

Risk Management in Benefits Design

Compliance Considerations

- *Remote work across state lines*
- *ERISA considerations*
- *Communication strategies*

Action Items

- Audit current remote work arrangements for compliance gaps
- Review vendor contracts for indemnification clauses
- Document AI tool usage policies with approval workflows
- Train managers on consistent application of flexible work policies
- Create decision trees for accommodations and exceptions
- Establish HR + Legal + IT sign-off for new benefits technology

Employee Well-Being

Cost-Effective Programs That Work



The Well-being Imperative in Schools

The Challenge

- Emotional labor and mission intensity
- Always "on" culture
- Teacher/staff turnover costs
- Direct impact on student experience

The Business Case

Retention ROI

Replacing a teacher costs 1-2× their salary

Productivity & Culture

Burned out staff can't deliver mission

Living Your Mission

Authenticity starts with caring for your own people

Generational Approach to Well-Being

Veteran Faculty

Work-life boundaries • Retirement transition support •
Recognition & legacy

Mid-Career Staff

Caregiving support (children + parents) • Career
development • Flexible scheduling

Young Staff

Mental health resources • Student loan support • Career
growth paths

Key: Offer choice without creating inequity

Practical Wellness Programs

Mental Health That Works

- EAPs (and why they often fail)
- Teletherapy partnerships
- Manager mental health training
- Reducing stigma in small communities

Low-Cost / High-Impact

- Flex time & compressed schedules
- Professional development as wellness
- Community building (not forced)
- Sabbatical or extended break policies

Measuring ROI Without Being Invasive

- Utilization metrics (are people using it?)
- Retention data (are people staying?)
- Engagement surveys (how do people feel?)
- Exit interview themes (why are people leaving?)

Cost Management & Mission Alignment

Smart Spending Strategy

Start: Under \$5K

Flex scheduling, recognition programs, clear boundaries

Scale: \$5-15K

EAP partnership, teletherapy, manager training

Invest: \$15K+

Comprehensive mental health, sabbaticals, coaching

Walking the Talk

- Well-being as values reinforcement
- Making the case to your board
- Transparency about priorities
- Leveraging existing resources
- Consortia opportunities

"Start small. Measure. Scale what works."

Case Law You Need to Know

Legal Implications & School Vulnerability

Age Discrimination Case: The Deel Example

What Happened

The case specifics

- *How AI created disparate impact*
- *The outcome/settlement*
- *What went wrong]*

Why It Matters for Schools

Implications:

- *Protected class concerns*
- *Why schools are vulnerable*
- *Preventable mistakes*
- *Cost of defense/settlement]*

Vendor Liability: UnitedHealthcare Network Case

The Case

- UnitedHealthcare shared employee health data with third-party wellness vendors

The Legal Principle: Respondeat Superior

"We didn't know" Isn't a Defense

Why Contracts Don't Eliminate Your Liability

Why These Cases Should Terrify Small Schools

Single Incident = Existential Threat

Parent/Alumni Lawyer Risk

Limited Legal Budget Reality

What Insurers Are Seeing Right Now

Emerging Claim Patterns

- AI-related discrimination claims up 340% year-over-year (2023-2024)
- Common fact patterns: age discrimination in screening, disability accommodation failures in scheduling, retaliation claims linked to performance analytics
- Settlement ranges: \$50K-250K for small institutions
- Defense costs averaging \$125K even for dismissed claims
- New category: "algorithmic harassment" claims

Coverage Gaps

- Standard EPLI policies written before widespread AI adoption
- "Algorithmic discrimination" may not be explicitly covered
- Cyber liability and EPLI coverage gaps for AI-related data breaches
- Vendor liability exclusions increasingly common
- "Wrongful collection of biometric data" often excluded

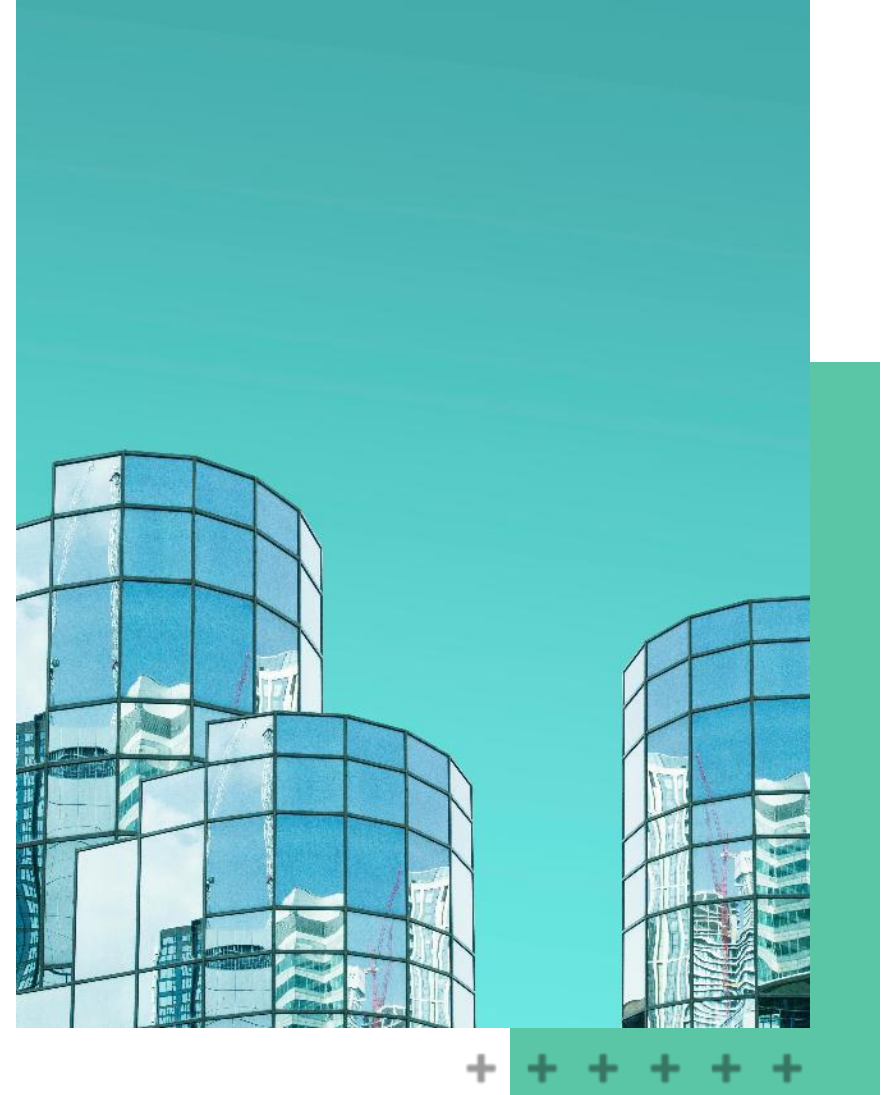
Q1 2026 Compliance & Risk Audit Readiness

- Form 5500 Deadlines
- ACA Reporting Updates
- I-9 Audit Readiness
- AI System Audit Trails
- Cybersecurity in HR

Risk Audit Checklist handout

Key Takeaways

- + Explainability is non-negotiable for AI tools
- + Policies must work across all generations and tech levels
- + Schools have unique data privacy complications
- + Compete on mission and creativity, not just salary
- + You own the liability even with vendor contracts
- + Start small, measure impact, scale what works



Thank you.

