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# Risk Alert

Meaningful. Actionable. Timely.

## Generative AI: A Game Changer or a Risk Multiplier for Higher Ed?

Generative AI is rapidly transforming the higher education landscape, offering unprecedented opportunities for personalized learning, research, and administrative automation. However, without proper oversight, these advancements come with significant risks—from AI-facilitated cheating and data privacy concerns to biased decision-making and workforce disruptions. Universities that fail to proactively address these challenges risk compromising academic integrity, legal compliance, financial stability, and institutional trust. This risk alert outlines the key threats, consequences of inaction, and strategic steps FAMU must take to harness AI’s potential while safeguarding the university’s mission.

### Why This Matters to FAMU’s Strategic Priorities:

Generative AI introduces both opportunities and risks to FAMU. Generative AI’s impacts to FAMU’s strategic priorities include:

- **Student Success:** AI-driven learning tools can enhance student engagement, personalized learning, and academic support, but unchecked AI use may enable academic misconduct and undermine degree credibility. FAMU must establish clear AI policies and integrate AI literacy programs to ensure students use AI ethically and effectively in their education.
- **Academic Excellence:** While AI can streamline research and grading processes, bias in AI decision-making poses a risk to fair admissions, grading, and faculty evaluations. Implementing AI oversight frameworks and bias mitigation strategies will protect academic integrity and institutional credibility.
- **Leverage the Brand:** Responsible AI adoption positions FAMU as a leader in ethical and secure AI practices, attracting industry partnerships, research grants, and top-tier faculty. Demonstrating AI governance excellence will reinforce trust among students, employers, and research collaborators, strengthening FAMU’s competitive edge.
- **Fiscal Sustainability:** AI automation can reduce administrative costs and enhance operational efficiency, but failure to secure AI systems may lead to costly data breaches, legal fines, and loss of federal funding. By implementing AI risk management strategies, FAMU can maximize AI-driven efficiencies while safeguarding financial stability.
- **Organizational Effectiveness:** AI tools can enhance decision-making, streamline workflows, and improve service delivery across university operations. However, without proper training and governance, AI adoption may create compliance gaps, data security vulnerabilities, and workforce disruption, requiring a structured AI implementation approach.



Alert Type

Awareness

Watch

**Warning**



*"Generative AI is not just a technological shift—it's a fundamental transformation in how universities operate, educate, and secure their future. Institutions that embrace AI with strategic governance will thrive, while those that ignore its risks will face academic, financial, and reputational fallout. The time to act is now."*

*– Deidre Melton, FAMU Deputy COO & Chief Risk Officer*

## Potential Consequences of Inaction:

Failure to proactively address the risks associated with Generative AI could result in significant academic, financial, operational, and reputational damage to the university. The key consequences of inaction include:

- **Erosion of Academic Integrity** – Unchecked AI-driven cheating can undermine degree credibility, student learning, and employer trust.
- **Regulatory & Legal Violations** – Non-compliance with FERPA, HIPAA, and federal AI guidelines could result in lawsuits, fines, and loss of funding.
- **Loss of Research & Funding Opportunities** – Failure to meet AI governance standards may disqualify FAMU from federal grants and industry partnerships.
- **Cybersecurity & Data Privacy Risks** – AI misuse can expose sensitive student, faculty, and research data, leading to breaches, identity theft, and reputational damage.
- **Bias & Ethical Issues in Decision-Making** – AI can reinforce discrimination in admissions, hiring, and grading, exposing the university to civil rights violations.
- **Job Disruptions & Workforce Instability** – AI-driven automation may eliminate administrative roles, requiring urgent workforce reskilling to avoid job displacement.
- **Reputational Damage & Loss of Public Trust** – A high-profile AI failure or security breach could harm FAMU's standing, affecting enrollment, partnerships, and stakeholder confidence.

## Call to Action: Leadership, IT, Research, and Assurance Must Lead the Charge

Universities that fail to act now risk falling behind in academic integrity, compliance, cybersecurity, and workforce readiness. Leadership must embrace a proactive AI risk strategy to turn this challenge into an opportunity.

### ▣ Board of Trustees must:

- ✓ **Prioritize AI Risk Oversight** – Ensure AI governance is a standing agenda item to safeguard academic integrity, cybersecurity, and compliance.
- ✓ **Align AI Strategy with Institutional Goals** – Support responsible AI adoption that enhances student success, operational efficiency, and financial sustainability.

### ▣ Senior Leadership & Administration must:

- ✓ **Establish a University-Wide AI Governance Framework** – Develop clear policies to regulate AI use in classrooms, research, and administrative processes.
- ✓ **Prioritize Ethical & Responsible AI Use** – Implement bias mitigation strategies, transparency standards, and accountability measures to prevent unethical AI-driven decisions.
- ✓ **Align AI Policies with Compliance & Cybersecurity Standards** – Ensure AI tools meet FERPA, HIPAA, GDPR, and federal research grant requirements to avoid legal and financial repercussions.

### ▣ Faculty & Academic Affairs must:

- ✓ **Integrate AI Literacy into Curriculum & Assessments** – Equip students with the skills to use AI ethically and effectively while redesigning assessments to prevent AI-facilitated cheating.
- ✓ **Monitor AI's Impact on Learning & Academic Integrity** – Use AI detection tools and update academic policies to protect the credibility of degrees.



### ***FAMU's AI Vision Statement:***

At Florida A&M University, we envision AI as a transformative force in education, research, and community engagement. By integrating AI responsibly and ethically, we empower our diverse community to drive innovation, enhance decision-making, and tackle global challenges. As the nation's leading public HBCU, we leverage AI to advance academic excellence, workforce development, and institutional efficiency. Through interdisciplinary programs, strategic partnerships, and significant investments in AI research, FAMU will cultivate AI-literate leaders ready for the evolving digital landscape. By 2030, we aim to be recognized as a leader in AI-driven education, ensuring technology strengthens institutional resilience, improves student outcomes, and promotes societal progress.

#### **📌 Researchers must:**

- ✓ **Ensure Ethical AI Use in Research & Teaching** – Apply AI responsibly in academic work, preventing bias, data misuse, and ethical violations.
- ✓ **Strengthen AI-Driven Research Compliance** – Protect research funding by ensuring AI tools align with federal grant and data security requirements.

#### **📌 Staff must:**

- ✓ **Adopt AI for Efficiency, but Manage Risks** – Leverage AI for administrative improvements while implementing safeguards against data breaches and job displacement.
- ✓ **Engage in AI Training & Policy Compliance** – Stay informed on university AI policies to ensure responsible usage across academic and operational functions.

#### **📌 IT & Data Governance Teams must:**

- ✓ **Enhance Cybersecurity & Data Privacy Protections** – Ensure AI-driven processes do not expose sensitive university data to unauthorized access or exploitation.
- ✓ **Implement AI Risk Monitoring & Incident Response** – Establish continuous monitoring and early warning systems to detect AI misuse before it escalates into a crisis.

### **Final Words: A Unified Approach to AI Governance**

Generative AI presents unparalleled opportunities for innovation in higher education, but without proactive governance, it can become a major risk multiplier. Ensuring academic integrity, data security, and responsible AI use requires a collaborative effort from leadership, faculty, researchers, and staff.

By taking strategic action now, FAMU can leverage AI as a competitive advantage, safeguard its reputation, and position itself as a leader in ethical and responsible AI adoption. The future of AI in higher education is being shaped today—will FAMU lead the way or risk falling behind? The time to act is now.

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