

The Hidden Cost of Ineffective Compliance Training: Making the Business Case for Better Education

Webinar Overview

This webinar makes the business case for investing in high-quality, engaging compliance education rather than “check-the-box” training. It walks through the institutional risks and hidden costs of ineffective compliance training, shares real-world legal cases and settlements, and offers a framework for building a cost-benefit argument that supports better training investment on campus.

Presenter

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Learning Objectives

- Identify the institutional risks and hidden costs associated with ineffective or “check-the-box” compliance education.
- Describe how high-quality compliance education supports student safety, reduces institutional risk, and strengthens campus culture.
- Develop key talking points to help build a business case for investing in more engaging and effective compliance education.

Core Content

Live poll: Attendees were polled at this point in the session; specific poll questions and results were not captured in the source material.

Goals for Compliance

Effective compliance programs are built around three goals:

- Meet legal obligations.
- Reduce risk and, in turn, decrease liability.
- Create an appropriate educational environment for the campus community.

Three Guiding Principles

- Principle #1: You can't prevent a risk you don't see coming. This is how new rules get made in the first place.
- Principle #2: Once a risk is visible, the institution needs a plan for how to avoid it.
- Principle #3: Build a culture that actively promotes less risky behavior.

These principles connect directly to how training affects compliance: completing training may itself be a legal requirement (Principle #1), training creates awareness of legal requirements and promotes compliant behavior (Principles #1 and #2), and it engages the campus community in its own health and safety (Principle #3).

What Good Compliance Training Achieves

Strong training moves a community through three stages:

- Know it – understand the rule.
- Do it – apply the rule in practice.
- Embrace it – internalize the rule as part of institutional culture.

Case Studies: The Cost of Getting It Wrong

The webinar reviews several real legal outcomes that illustrate the financial and human cost of ineffective or absent compliance training:

Case / Outcome	What Happened	Key Takeaway
Clery Act fine — \$4.5 million (2019)	A Clery Coordinator of five years confirmed the institution did not know how many Campus Security Authorities (CSAs) it had and had not coordinated or trained them. Training that existed was only a memo, a slide deck, and a quiz, with no confirmed completion or reporting.	Training without tracking and accountability does not satisfy legal compliance obligations.
Jury verdict — \$4.8 million (2026)	A high school football heat-stroke case: school officials were not trained on, or did not follow, guidance on when to stop practice in heat and humidity.	Training must translate into changed behavior in real, high-stakes moments.
Jury verdict — \$2.8 million (2013)	An elementary school had a policy limiting student release to people on an approved pick-up list. An office manager made an exception that seemed reasonable in the moment; the student was kidnapped out of the country and has never been recovered.	Even well-designed policies fail if staff don't understand why the rule exists and aren't equipped to hold the line under pressure.
Court ruling (2026)	A state supreme court found a university had a duty of care to a fraternity pledge because the fraternity was known to have a history of alcohol misuse and hazing.	Awareness of an ongoing risk creates a legal duty to act — institutions can't rely on “we didn't know.”

Other Hidden Costs of Ineffective Compliance

Beyond fines and jury verdicts, ineffective compliance carries additional institutional costs:

- Discomfort – injuries, facility downtime, and related disruption.
- Administrative staff time – when everyone is trained, there's less friction in a process, which means fewer staff are needed to manage it, resulting in lower staffing needs, better service, and happier people.
- Investigations – both internal and external investigations cost money and create distractions.
- Insurance premiums – costs can rise following incidents or poor compliance track records.
- Public relations – compliance failures affect the satisfaction of current community members (who may “vote with their feet”) and affect donors, while also attracting outside scrutiny that amplifies the impact.

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Partners in Compliance

Building a strong compliance program involves multiple stakeholders:

- Campus stakeholders.
- The institution's insurance company.
- Outside compliance-related vendors, such as training and legal providers.
- Other outside vendors, through contractual provisions that require compliance.

Getting From Check Mark to Actual Compliance

To move beyond box-checking, institutions should be able to answer:

- What are the rules?
- Why do they matter?
- How can we interpret situations where the rules should be followed?
- What do we do if the rules aren't being followed?
- How do we build a system that makes the rules easier to follow?
- How do we make the rules “stick”?

Best Practices and Format Considerations

When designing training, institutions should weigh a range of format and design trade-offs:

- Pre-recorded vs. live
- Online vs. in-person
- Policy-focused vs. prevention education
- Individual-focused vs. environmental
- Personalized vs. generalized
- Mandatory vs. optional
- Passive vs. active
- Role-specific
- Bystander-focused
- Ongoing (rather than one-time)

- Systematic and tracked

Building a Cost-Benefit Argument

Costs to weigh may include:

- Software costs.
- Training program costs.
- Staff time.
- Marketing.
- Other institution-specific costs.

Benefits to weigh may include:

- Student retention.
- Employee retention, replacement, and productivity.
- Insurance benefits.
- Fine avoidance.
- Fewer lawsuits.

The basic formula for a benefit-cost ratio is $(\text{Benefits} - \text{Costs}) \div \text{Costs}$, with the goal of achieving a ratio greater than 1.

It's also worth considering the flipside: what would it cost the institution if it didn't provide the training, and is that a risk the institution is willing to assume? A backwards calculation – identifying what unexpected costs could have been avoided, and what it would cost to prevent them from happening again – can help make that case concrete.

Gathering Data to Make the Argument

To show that better training is needed – and later, that it's working – institutions can track:

- Training completion rates.
- Enrollment and retention rates.
- Student conduct cases.
- Civil rights cases.
- Disciplinary rates.
- Health and safety statistics.
- Climate survey results.

Innovative Educators Compliance Training Resources

The presentation closed with an overview of Innovative Educators' (IE) own compliance training products, offered as an example of the type of engaging, effective training discussed throughout the session.

Student Learning Outcomes

Student survey data shows that IE's training resources are effective at giving students the information and support they need. One student survey response after completing IE's Title IX training read, in part: a student described feeling better equipped to help someone they believed to be in danger, after learning the steps to take.

Compliance Essentials for Students

IE's Compliance Essentials for Students program is built around the themes of prevent, protect, and empower.

Title IX Training

Key features of IE's Title IX training include:

- Customizable content.
- Commonly encountered scenarios and student voices woven throughout.
- Quick, easy deployment for onboarding incoming students.
- Design that meets accessibility standards.
- Ease of data collection.

Faculty and Staff Resources

IE also offers a version of its Title IX training designed specifically for faculty and staff.

Discussion Prompt From the Webinar

Presenter Melissa Carleton posed a discussion question to attendees: What is the wildest “rule” you have ever had to make up (at home, on the job, or elsewhere)? This exercise was used to illustrate Principle #1 – that new rules are typically created only after an unanticipated risk becomes visible.

Next Steps

- Review current compliance training formats against the best-practice considerations outlined above (e.g., live vs. pre-recorded, role-specific vs. generalized, tracked vs. untracked).
- Identify what data the institution currently tracks (completion rates, conduct cases, climate surveys, etc.) and where there are gaps.
- Use the cost-benefit framework to build a talking-points document for leadership that quantifies the risk of inaction alongside the cost of improved training.

Resources

Contact the presenter with questions:

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Interested in exploring how your students and faculty could benefit from Innovative Educators' resources? A post-webinar survey and scheduling contact (Katie) were provided for institutions wanting to learn more about opportunities for their program.

References

Legal case and settlement details referenced in this summary (Clery Act fine, heat-stroke jury verdict, student release jury verdict, and fraternity hazing court ruling) were cited by the presenter during the webinar as illustrative examples of the cost of ineffective compliance training.