

FOUR CAMPUSES UNITED
ALL FOUR: COLORADO

Regent Finance Committee
FY 2016-17 Operating Efficiencies Report
January 17, 2018



University of Colorado

Boulder | Colorado Springs | Denver | Anschutz Medical Campus

Introduction

The university reports annually on its ongoing efforts to increase efficiency and delivery greater value. These efforts result in savings to students, departments, campuses, and employees. Current efforts include:

- Student savings include reduced pricing for journals, databases, and eBooks shared across the five libraries of the four CU campuses negotiated by the CU Libraries Electronic Resources Team.
- Department savings include the Boulder College of Arts and Sciences transferring stewardship of the ASSETT program, reducing the administrative cost of the program.
- Campus savings include the use of the in-house trades staff and resources instead of contracting third-party vendors for Autoclave and Construction Services work.
- Employee savings were accomplished through the University of Colorado Health and Welfare Trust by renegotiating the third-party administrator rate and recovering funds from vendors through performance measures.



CU Operating Efficiencies Overview

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	41	\$9,724,774
Cost Savings to Campus/ System	57	\$18,018,398
Cost Savings to Department/ Unit	93	\$11,005,542
Cost Savings to Student	27	\$1,991,319
Reallocation of Resources	1	\$0
Other	3	\$28,261
TOTAL	222	\$40,768,294
Redirect Savings to Area of Need outside Department/Unit	23	\$8,210,878
Redirect Savings to Area of Need within Department/Unit	102	\$13,063,327
Reduce Ongoing Costs of Operation	89	\$19,060,271
Other	8	\$433,818
TOTAL	222	\$40,768,294



Colorado Springs Efficiencies

- The Village at Alpine Valley is pending LEED Gold status. This will continue to generate cost savings and efficiencies through the life of the building.
- Parking Services has instituted online parking permit management software which is expected to save the department \$9,000. They have also converted visitor parking meters to take credit card payments for a savings of \$5,000. A new app for “Pay by Cell” for payment of hourly parking is expected to generate additional cost savings of \$5,000.
- Orientation has implemented a mobile phone application for distribution of information to reduce ongoing costs of operations.
- The Wellness Center put into practice an Electronic Record system which sends text message reminders and insures immunization compliance and access to patient portals. This system is estimated to save the department \$2,500.
- Emergency phones are being converted to radio frequency which reduces operating costs to the department.



Colorado Springs Efficiencies

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	0	\$0
Cost Savings to Campus/ System	0	\$0
Cost Savings to Department/ Unit	14	\$84,300
Cost Savings to Student	0	\$0
Reallocation of Resources	0	\$0
Other	0	\$0
TOTAL	14	\$84,300
Redirect Savings to Area of Need outside Department/Unit	0	\$0
Redirect Savings to Area of Need within Department/Unit	0	\$0
Reduce Ongoing Costs of Operation	14	\$84,300
Other	0	\$0
TOTAL	14	\$84,300



Denver | Anschutz Efficiencies

- Energy Efficiency measures continue, totaling \$3.1 million in savings to the campuses for FY 2017:
 - The single largest savings for this fiscal year (\$1.3 million) was achieved on the Anschutz campus (Research Building) through a number of energy efficiency projects that not only produced savings but resulted in a CO2 reduction of 5,793 metric-tons.
 - Both Denver and Anschutz campuses received Xcel energy rebates of \$124,434 by making Variable Frequency Drive replacements and LED lighting improvements.
 - CU Denver/Anschutz Medical Campus received 2 Energy Efficiency awards from Xcel Energy for efficiency efforts. These were awarded for energy savings of 6,100,000 kWh annually. The related reduction in CO2 emissions was 3,500 metric-tons.
 - Facilities Management saved \$918,459 by purchasing natural gas directly from the supplier.



Denver | Anschutz Efficiencies

- Strategies such as the use of internal resources vs external contracting, student employment and redistributing duties produced savings of \$1,348,663 in FY 2017:
 - Facilities Management avoided costs of \$642,003 using their own staff members for construction projects instead of contracting.
 - Colorado School of Public Health produced \$200,000 in savings by restructuring and reorganizing administrative areas.
 - The College of Arts and Media saved \$135,000 by eliminating a position and redistributing their duties.
 - Multiple units across both campuses generated \$114,000 in cost savings by utilizing student work study workers in lieu of full time staff
- Technology improvements and paperless initiatives continue, yielding a savings of \$99,700 in FY 2017.



Denver | Anschutz Efficiencies

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	9	\$2,178,281
Cost Savings to Campus/ System	11	\$2,845,103
Cost Savings to Department/ Unit	24	\$930,664
Cost Savings to Student	8	\$1,800
Reallocation of Resources	0	\$0
Other	1	\$0
TOTAL	53	\$5,955,848
Redirect Savings to Area of Need outside Department/Unit	11	\$4,915,816
Redirect Savings to Area of Need within Department/Unit	25	\$374,512
Reduce Ongoing Costs of Operation	17	\$665,520
Other	0	\$0
TOTAL	53	\$5,955,848



Boulder Efficiencies

Cost Savings to Students – \$2.2 million

Some examples include:

- CU System Libraries Electronic Resources Team (CLERT) negotiates system shared costs and reduced pricing for journals, databases and eBooks for a cost savings of \$593,208.
- Increased employment of student workers, providing direct work experience and reducing annual labor costs by \$374,915.
- Outsourcing and modernizing student printing and scanning services which reduced the cost to print for the student and the Office of Information Technology's subsidy of the program resulting in annual savings of \$300,000.
- Thirteen classes moved to digital course materials delivery and students saved approximately 60% off the cost of purchasing new and the purchase was added to their tuition bill resulting in savings of \$300,000.
- A contract with Lyft to shuttle students and staff to and from Wilderness Place instead of a dedicated shuttle. This resulted in an annual savings of \$150,000.
- Virtual parking permits for students and online purchasing of those permits resulted in annual savings of \$38,000.



Boulder Efficiencies

Space and Infrastructure– \$818,000

Some examples include:

- Installation of fiber across campus which will be covered by Verizon in exchange for small cell towers across campus. Total Savings \$375,200.
- Increasing disaster recovery abilities by utilizing dedicated data center space with CU Denver and CU Colorado Springs resulting in cost avoidance of \$100,000 from commercial hosting facilities.
- Real Estate Services developed a model for establishing rental rates utilizing space and operating expenses resulting in a cost savings to the campus of \$189,000.



Boulder Efficiencies

Operational Efficiencies– \$1.7 million

Some examples include:

- Integrated Construction Supply Chain that encourages vendors to utilize the University's strategic purchasing contracts. The program has been implemented for carpeting with an overall savings of 34% off list price or \$350,000. Plans are being developed to expand this program to other commodities.
- In-house development of a wayfinding technology to effectively navigate campus buildings for faculty, staff, students and visitors saved the campus \$50,000.
- The Technology Transfer Office implemented a multi-tiered prioritization scale to make decisions on where to use available agreement review resources for pending license and option agreements for a savings of \$274,450.



Boulder Efficiencies

Leveraging Technology– \$318,014

Some examples include:

- Student Affairs implemented various technology improvements (migrated SQL databases to cluster base, eliminated unnecessary licenses and annual fees, new vendor for recovery back-up system, and development of nutritional information into digital menus) for a savings of \$79,314.
- College of Engineering and Applied Sciences captured departmental savings of \$188,500 for implementation or agreements with Confluence, MyKiosk and Altium for various data, software and print needs.
- Bulk computer purchases for various departments with a savings of \$15,000.
- LEEDS Business School created paperless process for new hire/current staff changes, Faculty Personnel Review process, and print materials in academic advising for a savings of \$17,700.



Boulder Efficiencies

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	14	\$827,398
Cost Savings to Campus/ System	11	\$1,072,500
Cost Savings to Department/ Unit	40	\$1,146,478
Cost Savings to Student	19	\$1,989,519
Reallocation of Resources	0	\$0
Other	1	\$3,120
TOTAL	85	\$5,039,015
Redirect Savings to Area of Need outside Department/Unit	0	\$0
Redirect Savings to Area of Need within Department/Unit	57	\$3,770,997
Reduce Ongoing Costs of Operation	23	\$834,200
Other	5	\$433,818
TOTAL	85	\$5,039,015



System Administration Efficiencies

Actions taken at System Administration are often recurring activities such as debt refinancing, third party collections, and contract renegotiation. FY 2017 activities include:

Procurement Service Center \$13.9 million

- Increased use of electronic invoicing (\$1.1 million) and CU Marketplace catalog items (\$4.1 million) along with advance airline ticket purchases (\$1.0 million).

Treasury \$3.3 million

- Several refinancing actions generate FY 2017 savings of \$3.3 million, while total net present value savings totaled \$35.2 million. An upgrade by Moody's of CU's credit rating will generate future savings.

University Controller \$0.9 million

- Administered the CU Innovation & Efficiency (formerly CUSP) recognition program to promote employee accomplishments (cost savings, enhancement of CU business processes and employee satisfaction). Training, production, and help desk functions are shared by multiple offices.



System Administration Efficiencies

Actions taken at System Administration, continued:

University Information Systems \$1.0 million

- In collaboration with the CU Advancement IT team, University Information Systems extended services to the CU Foundation and CU Advancement, at a savings of \$247,000 annually from the former third party vendor.

University Risk Management \$10.7 million

- Risk Management calculates annually the increased savings under CU Property/Casualty/Workers' Compensation self-insurance program as a result of third-party recovery, vendor contract agreements, and aggressive claim negotiations.



System Administration Efficiencies

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	18	\$6,719,095
Cost Savings to Campus/ System	35	\$14,100,795
Cost Savings to Department/ Unit	15	\$8,844,100
Cost Savings to Student	0	\$0
Reallocation of Resources	0	\$0
Other	1	\$25,141
TOTAL	69	\$29,689,131
Redirect Savings to Area of Need outside Department/Unit	11	\$3,295,062
Redirect Savings to Area of Need within Department/Unit	20	\$8,917,818
Reduce Ongoing Costs of Operation	35	\$17,476,251
Other	3	\$0
TOTAL	69	\$29,689,131

