

FOUR CAMPUSES UNITED **ALL FOUR: COLORADO**

Operating Efficiencies Report

November 10, 2016



University of Colorado

Boulder | Colorado Springs | Denver | Anschutz Medical Campus

Introduction

Last year, the university committed to reporting annually on its ongoing efforts to increase efficiency and delivery greater value. These efforts result in savings to students, employees, and campuses. Current efforts include:

- Student savings include adding the ability for CU Boulder students to bill their textbooks, course materials, school supplies and technology accessories to their student tuition and fee bill, resulting in lower costs for the students
- Employee savings were accomplished through the University of Colorado Health and Welfare Trust by renegotiating administrative contacts and employing claims utilization management. As a result, employee premiums increased less (2.9%) than Colorado benchmark (5.3%) and Trust reserves are tracking to be 'fully-funded' at fiscal year end.
- Campus savings include ongoing savings from Energy Conservation Measures (ECM) at the Anschutz campus. Projects completed to date reduced FY 2016 costs by \$1.3 million and reduced CO2 emissions by 6,425 metric-tons.



CU Operating Efficiencies Overview

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	49	\$3,620,809
Cost Savings to Campus/ System	38	\$18,028,831
Cost Savings to Department/ Unit	110	\$6,606,885
Cost Savings to Student	20	\$2,042,945
Reallocation of Resources	5	\$1,686,274
Other	0	\$0
TOTAL	222	\$31,985,743
Redirect Savings to Area of Need outside Department/Unit	14	\$5,620,864
Redirect Savings to Area of Need within Department/Unit	112	\$9,319,616
Reduce Ongoing Costs of Operation	91	\$16,501,817
Other	5	\$543,447
TOTAL	222	\$31,985,743



Colorado Springs Efficiencies

- Merging auxiliary custodial and grounds with general fund units under the Associate Vice Chancellor for campus planning & facilities saved \$124,000 and streamlined the operations.
- Contracted to purchase natural gas to heat nine buildings on campus through a third party provider for an estimated savings of \$120,000.
- Installing license plate reader and software for parking and transportation services saved an estimated \$45,000 and will greatly improve efficiency.
- In cooperation with City of Colorado Springs a shared bike route was built on university property, utilizing an easement, with the city covering the cost of \$240,000.
- Creating a book rental system for students created a cost savings directly to those students of \$237,257.
- Using Digital Measures software for reporting faculty activities and Qualtrics software to administer online surveys is saving \$80,000.



Colorado Springs Efficiencies

Efficiency Type	Actions	Estimated
Cost Avoidance	2	\$20,000
Cost Savings to Campus/ System	14	\$434,000
Cost Savings to Department/ Unit	20	\$188,200
Cost Savings to Student	2	\$237,257
Reallocation of Resources	0	\$0
Other	0	\$0
TOTAL	38	\$879,457
Redirect Savings to Area of Need outside Department/Unit	0	\$0
Redirect Savings to Area of Need within Department/Unit	2	\$60,000
Reduce Ongoing Costs of Operation	34	\$582,200
Other	2	\$237,257
TOTAL	38	\$879,457



Denver | Anschutz Efficiencies

- Energy Efficiency measures continue, totaling nearly \$2 million in savings to the campuses for FY 2016. Both Denver and Anschutz campuses received Xcel energy rebates and have made use of motion sensor lighting.
- The single largest savings for this fiscal year (\$1.9 million) was realized by Health Science Library. This was achieved through a consolidation of academic resource subscriptions across CU campuses, known as CLERT – Colorado Libraries Electronic Resources Team.
- Many units have avoided costs by utilizing resources within their own department:
 - Facilities Management avoided costs of \$693,144 using their own staff members for construction projects instead of contracting.
 - Office of International Affairs saved a total of \$36,500 by utilizing staff members for services that would have normally been outsourced. Examples include in-house photography and printing.



Denver | Anschutz Efficiencies

- Facilities management also saved the campus \$345,000 by purchasing natural gas directly from the supplier.
- Cost avoidances and savings of \$571,575 were seen through redistribution of duties to current full-time staff and faculty members.
 - Colorado School of Public Health - \$315,000 in savings by restructuring and reorganizing administrative areas.
 - School of Public Affairs saved \$120,000 by eliminating two positions and redistributing their duties.
- Paperless initiatives through replacing paper-consuming processes with technology based procedures continue, yielding a savings of \$82,920 in FY 2016.



Denver | Anschutz Efficiencies

Efficiency Type	Actions	Estimated
Cost Avoidance	14	\$1,946,496
Cost Savings to Campus/ System	4	\$1,981,303
Cost Savings to Department/ Unit	56	\$2,979,723
Cost Savings to Student	0	\$0
Reallocation of Resources	0	\$0
Other	0	\$0
TOTAL	74	\$6,907,522
Redirect Savings to Area of Need outside Department/Unit	5	\$2,509,655
Redirect Savings to Area of Need within Department/Unit	69	\$4,397,867
Reduce Ongoing Costs of Operation	0	\$0
Other	0	\$0
TOTAL	74	\$6,907,522



Boulder Efficiencies

Cost Savings to Students – \$1.8 million

Some examples include:

- Increased employment of student workers, providing direct work experience and reducing annual labor costs by \$316,800.
- Providing students with the ability to bill textbooks, course materials, school supplies, and technology to student tuition and fee bill has reduced credit card processing fees and increased convenience for students. Annual savings of \$155,000.
- Housing & Dining uses purchasing price programs and rebate programs to negotiate and reduce costs of supplies, resulting in annual cost savings of \$736,600.



Boulder Efficiencies

Space and Infrastructure– \$4.4 million

Some examples include:

- Participation in rebate programs offered by Xcel Energy allowed for cost reductions for installation of energy efficient equipment, design assistance and study reimbursements resulting in annual savings of \$1,581,966.
- Use of Performance Contracts at campus buildings allowed for lighting upgrades, replacement of major equipment and controls producing energy savings and cost avoidance of \$1,115,234.
- Co-location of functions within Student Affairs, of CU Bookstore data center, and renovation of Textbook Office allowed for energy savings, improved workflow and labor savings totaling \$97,673.
- Tying campus buildings in to district cooling system provided electrical and steam cost savings of \$505,000.



Boulder Efficiencies

Operational Efficiencies– \$580,000

Some examples include:

- Implementation of shared services for administrative, IT, and marketing functions within the Retail Services department reduced need for additional staffing and provided savings of \$76,000.
- Dynamic scheduling of labor during rush week at the CU Bookstore reduced required labor by 1,000 hours and provided savings of \$20,000.
- Strategies such as reuse of materials, purchase of used furniture, use of internal resources vs external contracting, student employment, etc. resulted in savings of \$174,626.



Boulder Efficiencies

Leveraging Technology– \$240,000

Some examples include:

- Introduction of automated systems (DocuSign, databases) for notification, data entry, and sponsored contract approval is saving the campus \$79,308.
- Increased use of virtualization by the CU Bookstore has reduced costs of equipment, utilities, and labor by \$125,000.
- The Office of Financial Aid began emailing estimated financial aid information to students vs. U.S. mail, resulting in reduced costs for printing, supplies, and postage. Annual savings of \$10,500.
- Changes to the billing cycle will result in the alignment of 1098T reporting with semesters in the reported tax year and save the Bursar's Office \$16,000 annually in printing and mailing costs.



Boulder Efficiencies

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	8	\$779,100
Cost Savings to Campus/ System	5	\$2,394,734
Cost Savings to Department/ Unit	14	\$391,999
Cost Savings to Student	18	\$1,805,688
Reallocation of Resources	5	\$1,686,274
Other	0	\$0
TOTAL	50	\$7,057,795
Redirect Savings to Area of Need outside Department/Unit	4	\$1,153,600
Redirect Savings to Area of Need within Department/Unit	14	\$1,983,773
Reduce Ongoing Costs of Operation	32	\$3,920,422
Other	0	\$0
TOTAL	50	\$7,057,795



System Administration Efficiencies

Actions taken at System Administration include:

Procurement Service Center \$2.3 million

- Increased use of electronic invoicing and CUMarketplace catalog activity, while eliminating online ticketing fees for air travel.

Treasury \$2.0 million

- Refinanced existing bonds (2011A) using Series 2016B Tax Exempt bonds and secured a yield on Series 2014A Bonds of 3.5%.

University Controller \$500,000

- Administered the CU Innovation & Efficiency (formerly CUSP) recognition program to promote employee accomplishments (cost savings, enhancement of CU business processes and employee satisfaction). Efficiency initiatives are shared across CU System.



System Administration Efficiencies

Actions taken at System Administration, continued:

University of Colorado Health and Welfare Trust \$500,000

- Reduced administrative spending and aligned dental risk tolerance with medical risk tolerance by self insuring Dental coverage under the Trust.

University Information Systems \$900,000

- Increased Resource Utilization through streamlined processes and lessons learned; less time (2,330 hours) was utilized to plan and execute on maintenance projects.

University Risk Management \$10.7 million

- 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
Cost Avoidance	25	\$875,213
Cost Savings to Campus/ System	15	\$13,218,794
Cost Savings to Department/ Unit	20	\$3,046,963
Cost Savings to Student	0	\$0
Reallocation of Resources	0	\$0
Other	0	\$0
TOTAL	60	\$17,140,970
Redirect Savings to Area of Need outside Department/Unit	5	\$1,957,609
Redirect Savings to Area of Need within Department/Unit	27	\$2,877,976
Reduce Ongoing Costs of Operation	25	\$11,999,195
Other	3	\$306,190
TOTAL	60	\$17,140,970