



Operating Efficiencies Report

November 5, 2015



University of Colorado

Boulder | Colorado Springs | Denver | Anschutz Medical Campus

Introduction

The university periodically reports on its ongoing efforts to increase efficiency and delivery greater value. These efforts result in savings to students, employees, and campuses.

Recent efforts include:

- Student savings include a textbook rental program saving nearly \$4 million at the Boulder campus and a mobile application allowing students to change schedules or check grades at the Colorado Springs campus.
- Employee savings include a new retirement vendor platform that will reduce participation fees by as much as \$4.5 million, and health, life and dental premiums that are consistently below the national average.
- Campus savings include multiple energy efficiency efforts resulting in savings in excess of \$2 million at CU Denver | Anschutz this year, along with numerous other efficiencies listed below.
- Systemwide collaborations on technology have resulted in over \$1 million of savings in the first year of implementation.



CU Operating Efficiencies Overview

Many efforts are a collaboration among campuses including the system office. These include:

- Four Campus Identity Management has been implemented by managing a person's digital identity and providing resources based on that identity. By not duplicating efforts at each campus, CU realizes expanded capabilities and efficiencies and a savings of manpower and equipment.
- IT contract consolidation for all four campuses.
- Telephone technology standardization across campuses for a unified vendor for telephony services. This has resulted in deeper discounts from the vendor as well as a deeper knowledge base across the system in supporting the technology.
- Network vendor standardization across the system for greater discounts on hardware and software from Cisco as well as create a deeper expertise and knowledgebase across the system.
- Video technology standardization across the system so that true infrastructure-based shared services become possible.



CU Operating Efficiencies Overview

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	30	\$11,797,980
Cost Savings to Campus/ System	38	\$24,250,257
Cost Savings to Department/ Unit	42	\$2,293,753
Reallocation of Resources	4	\$363,000
Other	12	\$1,010,000
TOTAL	126	\$39,714,990

Redirect Savings to Area of Need outside Department/Unit	\$2,230,000
Redirect Savings to Area of Need within Department/Unit	\$4,431,954
Reduce Ongoing Costs of Operation	\$24,209,036
Other	\$8,844,000
TOTAL	\$39,714,990



Colorado Springs Efficiencies

- Merging auxiliary custodial and grounds with general fund units under the Assistant Vice Chancellor for administration saved \$124,000 and streamlined the operations.
- Increased space utilization during summer term via conferencing redirected \$125,000 to areas of need on campus.
- Increased class offerings on Saturdays reduces on going costs of operation through better space utilization.
- Sustainability efforts have included LED lighting conversions on Alpine Field, in parking lots, exterior signage, and exterior building lighting saving approximately \$13,000.
- Athletics negotiations for bus contracts, travel, and hotel accommodations saving \$35,000.



Colorado Springs Efficiencies

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	1	\$125,000
Cost Savings to Campus/ System	11	\$42,100
Cost Savings to Department/ Unit	21	\$284,000
Cost Savings to Student	0	\$0
Reallocation of Resources	0	\$0
Other	1	\$10,000
TOTAL	34	\$461,100

Redirect Savings to Area of Need outside Department/Unit	\$0
Redirect Savings to Area of Need within Department/Unit	\$0
Reduce Ongoing Costs of Operation	\$461,100
Other	\$0
TOTAL	\$461,100



Denver | Anschutz Efficiencies

- Anschutz has implemented Efficiency projects resulting in energy savings of \$999,718 for FY 2015. A Third Phase is underway and will complete in 2015 for additional energy savings. The running total of energy savings since October, 2010, is just under \$4 million.
- CU Denver | Anschutz developed a program for evaluating and forecasting gas purchases directly from suppliers to meet current and future demand and has resulted in a savings of \$1,055,000 for FY 2015.
- Through the effort of several staff (Facilities Projects, Building Department, the Legal Offices and Legislative Liaison) legislation was passed and went into effect on July 1, 2015 so that all electrical and plumbing inspections can be performed by CU Denver's Building Department providing better service in a more timely manner. The projected annual savings/cost avoidance of this change is \$344,000.
- The Event Management Program provides faculty, staff, and students efficiencies in scheduling rooms while also having an energy savings component as well.



Denver | Anschutz Efficiencies

- Denver's Student Commons Building Xcel rebate for energy totaled \$134,486 in rebates in 2014 from Xcel on the equipment incorporated into the facility. Total rebates for the university in FY 2015 were \$192,703 for implementing various energy efficient improvements.
- CU Denver and other AHEC institutions are collaborating with the Governor's Colorado Energy Office to bid for Energy Performance Contractors on the Auraria Campus. A preliminary study shows that AHEC is expected to save several million dollars in investment costs which will be covered by utility savings.
- Implementation of Office 365 has resulted in reduction of 1 FTE in support of messaging and collaboration, roughly \$90,000 in compensation annually. This resource has been directed to new efforts.
- The implementation of Office 365 has also reduced the on-site equipment costs and the 5-year upgrade costs. Over 5 years will save approximately \$611,824 or \$122,364 annually.



Denver | Anschutz Efficiencies

- Voice Over IP Implementation (New Phone System) will save approximately \$20,000 annually in network switch costs.
- The Denver Campus implemented a new student fee to replace the former, inefficient matriculation fee which was difficult to track and allocate to the correct source. This resulted in a modest increase in revenue for student services, reduced cost for students who rarely request transcripts, and more transparency.
- Implemented charge by course, which differential tuition to be charged equally to all students taking the course. Implementing course and fee changes and linearity is more transparent to students, and linearity has allowed payment for each course taken without increasing the base rate beyond inflation.



Denver | Anschutz Efficiencies

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	2	\$344,000
Cost Savings to Campus/ System	6	\$3,484,421
Cost Savings to Department/ Unit	3	\$232,365
Cost Savings to Student	0	\$0
Reallocation of Resources	0	\$0
Other	2	\$0
TOTAL	13	\$4,060,786

Redirect Savings to Area of Need outside Department/Unit	\$1,055,000
Redirect Savings to Area of Need within Department/Unit	\$1,661,786
Reduce Ongoing Costs of Operation	\$1,000,000
Other	\$344,000
TOTAL	\$4,060,786



Boulder Efficiencies

Cross Campus Collaborations

- Managed the purchase of online library catalog for the entire CU System centrally, saving the entire system \$115,000.
- Office of Information Technology partnered with System's University Information Systems to leverage Oracle database expertise savings \$30,000 annually.
- Consortia library purchases for the entire system saves \$3.6 million annually.

Leveraging Technology

- Implemented DocuSign across campus – estimated time savings valued at \$576,000.
- University Communications is providing a self-service web development product which has allowed for departmental savings. For example, the Libraries were able to eliminate a vacant web developer position, saving \$50,000.



Boulder Efficiencies

Operational Efficiencies

- Green Labs Programs uses a team approach to minimize the use of energy, water, material goods, and hazardous chemicals. Savings include:
 - 720,000 kWh/yr electricity savings
 - 5 million gallons/year of water savings
 - Total financial cost avoidance - \$163,000
- Volunteer Resource Center oversees several campus-wide volunteer initiatives to help coordinate and manage volunteers for large campus events as opposed to hiring external temporary help. Avoids \$213,000 in labor costs.
- In-house rental fleet decommissioned in favor of utilizing external vendors through negotiated price agreements, saving \$200,000 annually.



Boulder Efficiencies

Cost Savings to Students – \$7.3 million

Some examples include:

- Renting textbooks vs. Purchasing textbooks – Saved students \$4 million.
- Innovative bookstore delivery services (self-service pick-up for online orders, digital shelf tags, billing textbooks through bursar office) - \$170,000 savings.
- Housing & Dining has coordinated its purchasing with food brokers, manufacturers, and distributors to achieve nearly \$700,000 in savings, offsetting needs for increased housing rates.
- Bursar's Office replaced its in-house two-payment plan with Nelnet's payment plans that allow for multiple, interest-free payments each term. Allows students to spread the cost of education over several months and reduces operating costs by \$29,000.



Boulder Efficiencies

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	11	\$3,743,980
Cost Savings to Campus/ System	8	\$1,465,000
Cost Savings to Department/ Unit	13	\$1,621,388
Reallocation of Resources	4	\$363,000
Other	0	\$0
TOTAL	36	\$7,193,368

Redirect Savings to Area of Need outside Department/Unit	\$0
Redirect Savings to Area of Need within Department/Unit	\$2,620,168
Reduce Ongoing Costs of Operation	\$4,573,200
Other	\$0
TOTAL	\$7,193,368



System Administration Efficiencies

Actions taken at System Administration include:

Employee Services

- Restructured employee retirement benefit plans saving employees \$4.5 million, implemented pay cards, off-cycle payroll

Procurement Service Center

- Strategic Procurement Benefits in temporary labor, desktop computers, office supplies, and furniture

Treasury

- Present value savings of \$4.5 million on the Series 2015C Refunding Revenue Bonds; refinanced the 2014B, 2015A, and 2015B Series.

University Controller

- Absorbed accounting and reporting services for the University of Colorado Health & Welfare Trust and CU Real Estate Foundation; Developed an online version of CU's Annual Financial Report and new accompanying Illustrated Guide



System Administration Efficiencies

University of Colorado Health and Welfare Trust

- Negotiated new contract for prescription drug services, saving the health plan in excess of \$7,000,000 annually starting July 1, 2015; negotiated new performance guarantees and administrative contracts

University Information Systems

- Consolidated vendors resulting in savings systemwide; implemented new campus student-facing interfaces; and provided campus support for new paperless and self-service efficiency efforts.

University Risk Management

- Total CU Property/Casualty/Workers' Compensation self-insurance program savings of nearly \$8,000,000 in FY 2014 as a result of third-party recovery, vendor contract agreements, and aggressive claim negotiations; also reduced total workers' compensation and general liability claim costs reduced by almost \$1,000,000 for FY 2014.



System Administration Efficiencies

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	16	\$7,585,000
Cost Savings to Campus/ System	13	\$19,258,736
Cost Savings to Department/ Unit	5	\$156,000
Reallocation of Resources	0	\$0
Other	9	\$1,000,000
TOTAL	43	\$27,999,736

Redirect Savings to Area of Need outside Department/Unit	\$1,175,000
Redirect Savings to Area of Need within Department/Unit	\$150,000
Reduce Ongoing Costs of Operation	\$18,174,736
Other	\$8,500,000
TOTAL	\$27,999,736

Does not include employee savings of \$4.5 million