

FOUR CAMPUSES UNITED **ALL FOUR: COLORADO**

Operating Efficiencies Report

March 7, 2019



University of Colorado

Boulder | Colorado Springs | Denver | Anschutz Medical Campus

Introduction

In 2018, the university's Board of Regents adopted metrics to measure progress toward its goals. Operating efficiencies are one metric reported annually to support the university's Fiscal Sustainability. Current efforts include:

- Student savings were achieved through continued digitization of course materials on the Colorado Springs campus, and technology advancements such as wireless technology infrastructure in residence halls on the Boulder campus.
- In-house facilities expertise was used to create parking efficiencies in construction projects on the Anschutz Medical Campus.
- University Treasurer launched a Commercial Paper program (a short-term variable rate debt instrument) designed to save the university millions of dollars in interest payments related to university construction projects.
- Campus submissions to the CU Innovation & Efficiency recognition program promote employee accomplishments (cost savings, business process improvements, employee satisfaction) and increases engagement and retention.



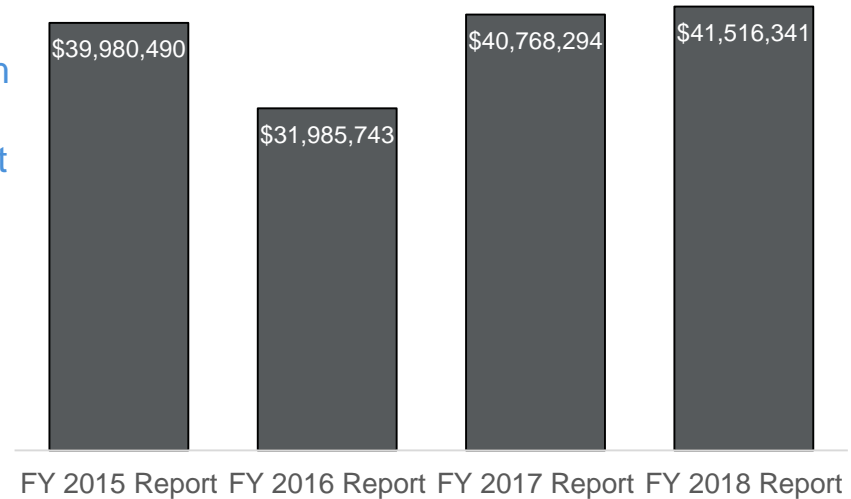
The university reports annually on its ongoing efforts to increase efficiency and delivery greater value. These efforts result in savings to students, departments, campuses and employees.

\$154 million
FY 2015 to FY 2018

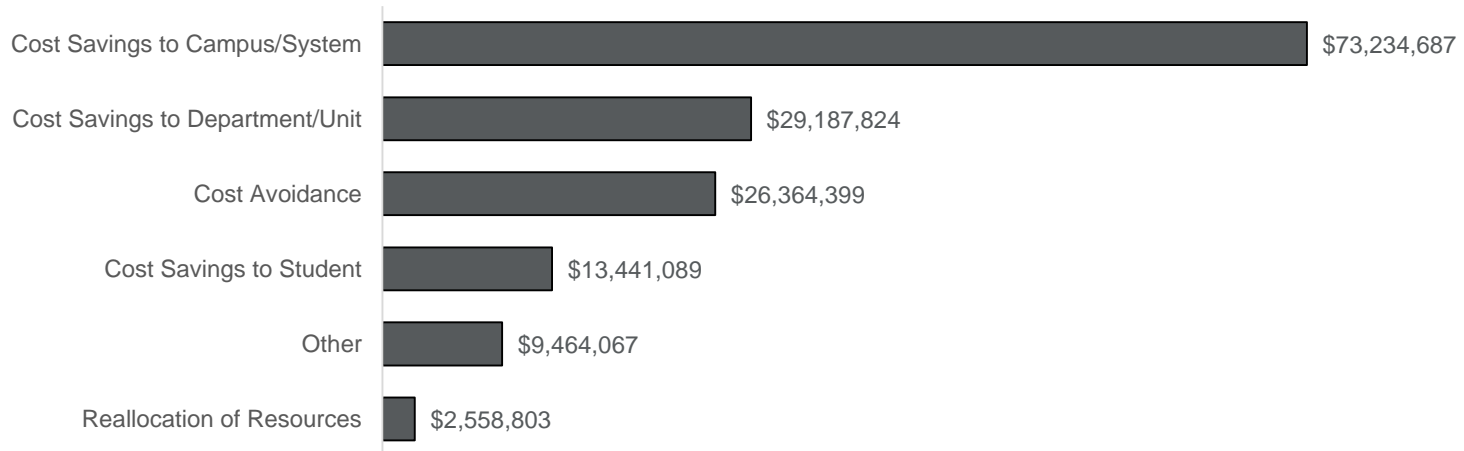
Source: CU System Budget & Finance, Operating Efficiencies Report



- Cost Savings to Campus/System
- Cost Savings to Department/Unit
- Cost Avoidance
- Cost Savings to Student
- Other



FY 2015 through FY 2018



CU Efficiencies Overview

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	66	\$10,137,613
Cost Savings to Campus/ System	44	\$14,381,401
Cost Savings to Department/ Unit	98	\$10,166,184
Cost Savings to Student	14	\$2,395,809
Reallocation of Resources	7	\$3,725,806
Other	16	\$709,529
TOTAL	245	\$41,516,341
Redirect Savings to Area of Need outside Department/Unit	16	\$13,404,562
Redirect Savings to Area of Need within Department/Unit	58	\$10,719,124
Reduce Ongoing Costs of Operation	88	\$14,491,064
Other	83	\$2,901,592
TOTAL	245	\$41,516,341

Colorado Springs Efficiencies

Cost Savings to Students – \$894,355

- Several initiatives to lower the cost of textbooks and course materials including electronic course materials and textbook rentals.

Space and Infrastructure– \$34,919

- Installed solar photovoltaic array on University Center and Gallogly Events Center.

Operational Efficiencies– \$50,385

- Cancelled or renegotiated online resource subscriptions based on usage.

Leveraging Technology– \$20,900 (quantified to date)

- Utilization of CU system-wide OnBase imaging and workflow system to better manage documents.



Colorado Springs Efficiencies

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	0	\$0
Cost Savings to Campus/ System	4	\$11,633
Cost Savings to Department/ Unit	18	\$94,571
Cost Savings to Student	6	\$894,355
Reallocation of Resources	3	\$0
Other	3	\$0
TOTAL	34	\$1,000,559
Redirect Savings to Area of Need outside Department/Unit	4	\$784,555
Redirect Savings to Area of Need within Department/Unit	6	\$30,900
Reduce Ongoing Costs of Operation	18	\$85,104
Other	6	\$100,000
TOTAL	34	\$1,000,559



Denver|Anschutz Efficiencies

Space and Infrastructure— \$4,956,494

Examples include:

- Evaluated each of our existing parking lots and found ways to increase our parking capacity, standardized drive lanes and parking stalls, and removed unnecessary islands. Another 214 parking stalls were created at an average cost of \$1,250 per stall instead of the standard rate of \$5,000 per stall.
- Continuing annual savings for energy savings projects completed to date. Savings include actual metered energy consumption and reduced CO2 for the research building.



University of Colorado

Boulder | Colorado Springs | Denver | Anschutz Medical Campus

FOUR CAMPUSES UNITED

Denver|Anschutz Efficiencies

Operational Efficiencies– \$1,876,554

Some examples include:

- By moving food service operations from a blend of in-house and 3rd party vendors, to completely 3rd party vendors, money was saved from labor, food management and storage issues, and losses due to outside competition. The savings was measured by taking the average of the last 3 years of blended in-house food service actuals compared to 2018 food service actuals and adding back renovation investment.
- By moving bookstore operations from in-house to a 3rd party vendor (Barnes & Noble), money was saved from labor, inventory management issues, and losses due to competition from online book sales. The savings were measured by taking the average of the last 5 years of in-house bookstore actuals compared to 2018 bookstore actuals.



Denver|Anschutz Efficiencies

Leveraging Technology– \$114,880

Some examples include:

- All files are now either received in electronic format or scanned and processed digitally. This has eliminated the need for 182 sq. ft. of storage space to maintain hardcopy files and reduced the potential for lost files as they are now automatically backed up. This has allowed Graduate School space to be used to incorporate the Medical Scientist Training Program. Documents can also be shared more efficiently between administrators.
- An annual average of 400 design and construction related contracts were switched to DocuSign routing versus physical routing in 2018. Estimated savings is 1 hour of administrative time at \$28.19/hour allowing time for other critical needs.



Denver|Anschutz Efficiencies

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	20	\$1,430,386
Cost Savings to Campus/ System	11	\$2,556,610
Cost Savings to Department/ Unit	20	\$2,716,803
Cost Savings to Student		
Reallocation of Resources	7	\$244,129
Other	0	\$0
TOTAL	58	\$6,947,927
Redirect Savings to Area of Need outside Department/Unit	9	\$2,986,901
Redirect Savings to Area of Need within Department/Unit	15	\$2,683,725
Reduce Ongoing Costs of Operation	34	\$1,277,302
Other		
TOTAL	58	\$6,947,927



Boulder Efficiencies

Cost Savings to Students – \$1,501,454

Some examples include:

- Housing & Dining Services capitalized on evolutions in wireless technology by reducing the connectivity infrastructure required in each residence hall room, thereby avoiding \$943,014 in renovation costs.
- A service was implemented by the CU Book Store that enabled better-informed purchasing decisions and estimated annual savings of \$13,000.
- The CU Student Government (CUSG) leveraged BuffConnect (OrgSync) technology, which had been purchased by the Center for Student Involvement, to support its student government elections, resulting in cost savings over previous election systems of \$2,375.



Boulder Efficiencies

Space and Infrastructure— \$707,534

Some examples include:

- Facilities Management's Integrated Construction Supply Chain program has encouraged vendors to utilize the University's strategic purchasing contracts when pricing is more advantageous than that which the vendor is ordinarily able to receive. This program, which is being actively expanded into other commodities, achieved savings of 34% off of list price, totaling \$250,000 saved in 2017-18.
- The College of Engineering and Applied Science achieved annual energy cost savings of \$22,294 by installing high-efficiency windows in its main building lobby and LED lighting throughout its Engineering Center Environmental Sustainability (ECES) Wing.
- Investment in a new research supercomputer has generated a 50% reduction in power consumption, saving \$50,000 annually, while also providing twice the computing power of the previous model and thus enhancing mission productivity. Another \$20,000 in energy costs were saved when INSTAAR shifted its research computing needs onto the supercomputer and other campus computing services.



Boulder Efficiencies

Operational Efficiencies— \$1,680,586

Some examples include:

- Veteran & Military Affairs leveraged a program offered by the federal Veterans Administration to fund \$88,000 of its pay to the veteran student employees who work in its office.
- The Leeds School of Business Undergraduate Advising Office instituted a peer advising program to provide an enriched experience for both advisors and advisees; an added benefit of this effort was a \$69,000 reduction in staffing costs.
- The Office of CU Presents was formed to provide ticketing and marketing support for the College of Music, the Department of Theatre and Dance, and Colorado Shakespeare Festival, each of which had previously run its own operation. In addition to cost efficiencies from the newly shared infrastructure, it enabled cross-marketing to potential audiences and paved the way for \$200,000 in additional combined revenue generation.



Boulder Efficiencies

Leveraging Technology– \$2,394,242

Some examples include:

- Parking Services sought and was awarded grants to defray the cost of its continued expansion of electric charging stations around campus, totaling \$17,528.
- The Office of Data Analytics (ODA), in collaboration with the Office of Information Technology (OIT), utilized cloud-based resources in order to avoid a \$150,000 initial outlay for physical server infrastructure and preserve flexibility for its Analytics 360 application.
- Real Estate Services executed a contract to install 10 small cell antennas on light poles around campus. Cell coverage was improved, thereby enhancing safety in cases of emergency in campus areas with weaker coverage in the past. The vendor covered the \$200,000 cost of the project, which also included additional fiber for future campus use.



Boulder Efficiencies

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	10	\$1,523,528
Cost Savings to Campus/System	8	\$2,024,984
Cost Savings to Department/Unit	22	\$932,396
Cost Savings to Students	8	\$1,501,454
Reallocation of Resources		\$0
Other	1	\$200,000
TOTAL	49	\$6,182,362
Redirect Savings to Area of Need outside Department/Unit	2	\$1,404,000
Redirect Savings to Area of Need within Department/Unit	17	\$1,804,565
Reduce Ongoing Costs of Operation	24	\$1,414,118
Other	6	\$1,559,679
TOTAL	49	\$6,182,362



System Administration Efficiencies

University Information Services – \$1,496,270

- Consolidated Service Desk and Business Applications management under existing Business Operations team to reallocate funding for technical resources.
- Replaced existing Information & Event Management platform with open-source software, eliminating vendor support obligations.

Procurement Service Center – \$11,500,243

- Renegotiated university contract with Dell Computer and other vendors.
- Offered university staff on-site TSA Precheck status saving CU's frequent travelers time and expense.

Employee Services – \$357,000

- Opened competition for CU's retirement savings plans record-keeping, lowering the cost for university benefits.



System Administration Efficiencies

University Treasury – \$9,471,019

- Refinanced annualized savings from seven existing bond issues for FY 2018 savings of \$5.8 million.
- Implementation of Goldman Cash Portal which allows later in the day setting of cash position and more daily funds invested of average of \$250,000 per day and implementation of enhanced cash manager May 2018- \$3.0 million.
- Fee reductions from investment managers- \$300,500

University Risk Management – \$3,829,961

- Reduced projected claims cost through campus risk management program efforts, favorable loss experience, and aggressive in-house claims management.



System Administration Efficiencies

Efficiency Type	Actions	Estimated Savings
Cost Avoidance	36	\$7,183,699
Cost Savings to Campus/ System	21	\$9,788,174
Cost Savings to Department/ Unit	38	\$6,422,414
Cost Savings to Student	0	\$0
Reallocation of Resources	4	\$3,725,806
Other	5	\$265,400
TOTAL	104	\$27,385,493
Redirect Savings to Area of Need outside Department/Unit	1	\$8,229,107
Redirect Savings to Area of Need within Department/Unit	20	\$6,199,934
Reduce Ongoing Costs of Operation	12	\$11,714,540
Other	71	\$1,241,913
TOTAL	104	\$27,385,493