



Operating Efficiencies

April 2013



CU Operating Efficiencies Overview

- Operations are continually reviewed for new efficiencies at all levels.
- Each campus has a culture of promoting ideas for change that result in more efficient operations.
- Periodically, ongoing and new efficiencies are implemented and reported to the Board of Regents.



Colorado Springs Efficiencies

- Pursued firm natural gas rates for 14 buildings; savings \$36,000+ first three months.
- Toilet retrofit project in all general fund buildings; saved ~45% in water usage.
- Implemented a schedule adjustment approach for the Physical Plant to reduce all non-paid compensation time and minimize paid overtime.
- Replacing police vehicles with either hybrid vehicles or motorcycles; fuel cost savings ~\$6,000 per year.
- Sharing administrative services between the University Center, Housing, Recreation Center, Public Safety and the Bookstore.
- Created new and efficient online workflows to streamline processes in Admissions and Records.
- Colleges pursuing entrepreneurial activities (non-credit executive programs, online programs, extended studies, grants and contracts, etc.), to meet budget cuts and still provide a high level of service.



Denver Campus Efficiencies

- Negotiated with AHEC on allocation of facilities costs, saving \$410,000 annually.
- Worked with AHEC to adjust time slots to improve offerings on the Denver Campus for working adults.
- Increase faculty teaching loads for instructors in Architecture, Arts & Media, Education, and Liberal Arts & Sciences.
- Cost share with Metro State and AHEC for telecom usage; \$523,000 savings.
- Expanded use of Thin Client technology; \$214,000 savings for both campuses.
- Changing the approach for Network switch deployment saved \$174,000 annually for both campuses.
- Created an online only rate for out of state students to expand enrollment of these students and to increase course enrollment efficiency.
- Created sponsor-level billing to improve timeliness of tuition and fee payments for international students and to lift enrollment barriers for current students.



Anschutz Medical Campus Efficiencies

- Significant utility cost savings have occurred from water reduction and total energy reduction, 12% and 16% respectively, over 3 years.
- Natural gas purchasing directly from suppliers; gross commodity cost savings of \$1.4 million over 3 years.
- Research Building 1 energy efficiency projects resulting in energy cost savings of \$700,000 per year.
- Purchase of Central Utility Plant saved \$1 million in boiler costs and \$2.6 million in debt financing over 13 years.
- Xcel Energy rebates of \$454,000 for energy efficiency projects; energy cost savings of \$846,000 over last 3 years.
- Re-evaluation of cleaning requirements and re-bidding of custodial contract cost savings of \$406,000 annually on both Denver and Anschutz Medical Campus.



Boulder Campus Efficiencies

- Consolidated multiple research computing locations to increase security, reduce technical support needs, and expand capacity.
- Housing and Dining Services monitored utility bills (~\$250,000); negotiated freeze in price for furniture and appliances for residence halls with multi-year contract and also saved 5% of total price for five years (~ \$200,000).
- Consolidated the Colorado Diversity Initiative; savings of \$145,000 annually.
- Eliminated approximately 70 A&S core curriculum courses; continually reviewing courses for further reductions.
- Introduced revenue-sharing incentive program with academic departments to develop professional Master's programs intended to serve workforce and market demand.
- Centralized software licenses to simplify purchasing and decrease costs.
- Police patrol division implemented platoon staffing model; improved police coverage and reduced overtime need.
- Transition to online transaction processing for Parking Services.



System Administration Efficiencies

- Saved a total of \$13.4 million on refinancing bonds in calendar year 2012. Similar savings were achieved in 2011, while also reducing the fixed cost of issuance.
- Creation of University of Colorado Health and Welfare Trust (PBS) lowered year-over-year cost increase from fully- to self-insured at inception and at the end of the first year's operation, 15% to 12%, then 5.7% respectively.
- Property/Casualty self-insurance program results in an estimated annual savings of \$4,298,401 (22%) for FY 2013 when compared to a commercially-insured program.
- Strategic Sourcing: Key products added include computers (\$1.8 million first-year savings) and "green" chemicals & paper (\$214,000 first-year savings). New contracts include Colorado Correctional Industries (estimated \$460,000 savings) and temporary labor agreements (\$360,000).
- Co-location of service centers: Procurement Service Center, Payroll and Benefits, and University Information Systems.
 - Combined footprint of service centers reduced by 9,000 sq. ft.
 - Rental rate was reduced by an average \$5/sq. ft.
 - Shared services are possible with all offices in one facility.

