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OPINION | COMMENTARY

Giving College Administrators a Business Education

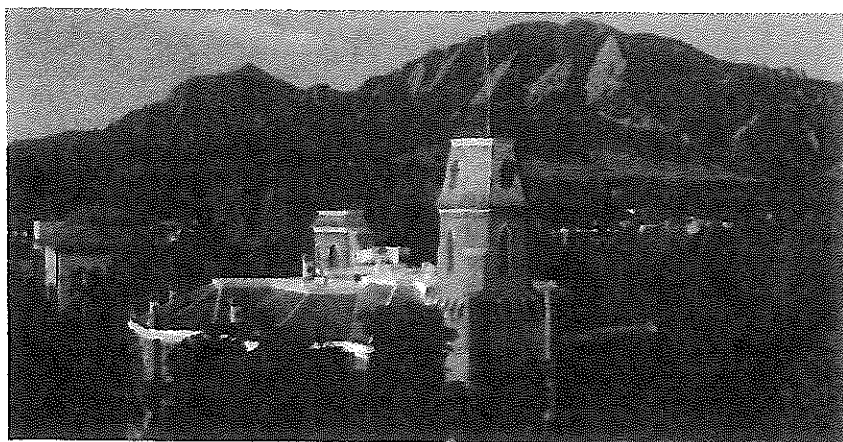
When state funding at the University of Colorado began drying up, we quickly found cuts that saved millions.

By **BRUCE D. BENSON**

Aug. 26, 2015 6:35 p.m. ET

The days of flush state funding for higher education are gone, and public universities are slowly recognizing that they must do better than approach state legislatures each year with hats in hand, asking for more.

At the University of Colorado, we have been dealing with steep drops in state support for eight years, from \$229 million in 2008 to \$184 million today, with a low of \$146 million in 2011. When I took over as president of the university in March 2008, the storm clouds of recession were beginning to gather. I knew our four-campus system of nearly 60,000 students was headed for a downturn, but, like most people, I didn't anticipate its severity.



The University of Colorado campus in Boulder. PHOTO: UNIVERSITY OF COLORADO/COLLEGIATE IMAGES/GETTY IMAGES

Nearly 50 years in business, beginning in oil and gas exploration, taught me that tough economic times force measures you should be taking anyway. The recession's silver lining was the opportunity to introduce a more fiscally responsible institutional mindset. We took a three-pronged approach: find efficiencies, build collaboration and generate new revenue.

Universities aren't known for economic efficiency, and prerecession CU was no different—which meant there were plenty of cost savings to be found throughout the system. In fiscal 2010-11, we streamlined bureaucracy and let go of 148 administrative staff—a painful down-sizing for some, yes, but a right-sizing for the school that helped preserve many other jobs. After hearing about CU's dire financial situation, about a quarter of the faculty volunteered to teach one additional course for modest compensation increases of about \$4,000 each.

We cut red tape, trimming the school's administrative policies to 86 from 210—or to 260 pages from 650. For instance, we raised the cost threshold at which an official event requires paperwork approval to \$500 from \$100, eliminating 8,000 forms—and the work of processing them—annually.

CU persuaded Colorado legislators to let the university opt out of the state procurement system and rely on our more efficient internal system, saving \$8.3 million since fall 2010. Another piece of legislation has saved millions by allowing volunteer real-estate experts (mostly alumni) to guide the university system's property evaluations and negotiations, so we don't have to pay the state for that service. We sold more than \$50 million in unnecessary assets, such as a conference center in Aspen and CU's former medical campus in Denver.

With an audit of our insurance-plan participation, we found dependents on CU plans who weren't eligible for coverage. Total savings: \$2.3 million annually. We moved to a system of self-insurance and kept a lid on premiums. Revamping the prescription-drug benefit by leveraging CU's buying power to get better rebates and reduced wholesale prices saved \$7 million annually. We aggressively refinanced our bonds, freeing up \$60 million in cash over the next 25 years.

The result of these changes is that the university system's administrative overhead is 37% below that of national peers, according to data from the U.S. Education Department.

At the same time, we sought new revenue. Marketing online education—now at 42,000

annual enrollments, up from 34,000 six years ago—expanded CU's reach. We convinced state legislators to remove the cap on international students (without limiting the number of Coloradans) and doubled enrollment from abroad to 2,140 in 2014 from 1,005 in 2010, which has increased revenue by more than \$30 million to date at the Boulder campus alone.

Most on our campuses realized that financial straits made change necessary, which smoothed the turnaround, but that's not to say there wasn't pushback. We closed a popular newspaper for faculty and staff, with 11 employees and a \$600,000 annual budget, and replaced it with an electronic weekly, saving a half a million dollars annually. We didn't need to be in the newspaper business, but there were protests. Moving fundraising from the separate CU Foundation to the university was a bit rocky, given the culture shock of integrating 175 fundraisers from a different organization. Yet the result speaks volumes: 20% increases in money raised in each of the past two years. The increased emphasis on online education offends some teachers, who want classrooms with 20 students and a blackboard, nothing more. The key to overcoming dissent was communicating intent, listening to protests to separate serious concerns from plain old grumbling, and taking heat but hanging tough.

There is always more work to do. A school-wide change in CU management has made it more likely that finding fresh ways to pare costs and improve efficiency will be possible: Nearly 90% of those in top leadership positions are new to their jobs or to the university in the past eight years. If public institutions want to remain a viable option for all students, they must learn to operate more like businesses—because easy state money is not coming back.

Mr. Benson is the president of the University of Colorado.

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University of Colorado Efficiency Measures

July 31, 2015; Aug. 26, 2015

Overview

The University of Colorado comprises four campuses with 59,000 degree-seeking students and another 8,000 taking courses for credit. Its flagship CU Boulder campus was founded in 1876 and is a member of the prestigious Association of American Universities. The CU Colorado Springs campus is an anchor in southern Colorado and is among the fastest-growing campuses in the West. The CU Denver campus is a vibrant urban university in the heart of downtown that grants more master's degrees than any Colorado public university. The CU Anschutz Medical Campus in Aurora is one of the only medical campuses in America where teaching, research and clinical practice happen on one site (the campus is less than 15 years old and occupies the site of a decommissioned US Army Medical Garrison). CU employs 29,000 people (Colorado's third-largest employer) and has an annual budget of \$3.55 billion. The university receives slightly more than 5 percent of its annual budget from state funding. By comparison, Wisconsin Gov. Scott Walker proposes cutting \$250 million from the state's higher education budget over the next two years. If that should happen, per student state funding at the University of Wisconsin-Madison would still be more than four times that of the University of Colorado – Boulder. CU in 2008 undertook a concerted effort to operate more efficiently, resulting in the items below.

Efficiency Highlights:

- University of Colorado policies were reduced from 210 in 2008 to 86 today, substantially reducing red tape and multiple-step reporting. Additionally, the number of pages in policies was reduced from 650 to 260. As one example of the effect, changing the requirement for dollar threshold for filing an official function form from \$100 to \$500 eliminates the need for 8,000 forms annually.
- A branding initiative started in 2008 reduced the number of campus- and unit-based logos and visual identities from more than 400 to our unifying interlocking CU (along with athletic marks on two campuses), substantially saving in costs related to agency fees, graphic design, web page production, photography and video. The branding initiative was based on the premise that the University of Colorado is one university with four campuses. Clearly defining brand architecture continues to lead to efficiencies and eliminates visual confusion among constituents.
- The entire fundraising operation of the university was restructured in 2013, moving some 200 fundraisers to report to units within the university rather than to the CU Foundation, a separate 501 C3 organization. The restructuring has led to more efficiency and accountability. CU closed the 2015 fiscal year (June 30) at a record \$375.5 million in private support, continuing an upward trend. Fundraising records have been set in each of the past six years. University annual fundraising totals have increased from \$205 million in FY 2008 to \$375.5 million today.
- The University of Colorado was the lead on securing legislation in each of the past seven legislative sessions that allows it (and in most cases, other Colorado public colleges and universities) to operate more efficiently and effectively. Legislation includes opting out of burdensome and inefficient state procurement requirements, opting out of state fiscal rules, which reduces administrative work on routine transactions, the ability to streamline the approval process for cash-funded capital construction projects, and the ability for the university to conduct its own plumbing and electrical inspections on large projects, leading to efficiencies and savings. A complete list of legislation begins on page 10.

- Legislation secured also leads to revenue gains, particularly the bill that allows CU to increase the number of international students without affecting caps on non-resident students, thus increasing enrollment and revenue. International student enrollment at the CU-Boulder campus has increased from four to eight percent since legislation passed, adding some \$30-35 million in additional revenue.
- Efficiencies have helped the university limit tuition increases. Most recently, increases averaged 3.4 percent across campuses, the lowest increases in nearly a decade. Additionally, CU internally generates some \$140 million in financial aid, up from \$86 million in 2006.
- In FY 14 64 percent of CU students had debt, below the national average of 69 percent. Average debt was \$26,263, compared with \$28,400 nationally. CU graduates had a loan default rate of 4.1 percent, below the national average of 13.7 percent.
- Student savings include a textbook rental program saving nearly \$2 million at the Boulder campus and a mobile application that allows 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 for employees by 31 percent and lead to considerable efficiencies in the university's management of its retirement program.
- Through creation of a university health trust, health, life and dental premiums are consistently below the national average. Since moving to self-insurance, the university has saved \$6.3 million annually.
- The university has engaged industry leader Salesforce to implement a constituent relationship management (CRM) data platform across all campuses, which will connect CU's primary databases of record (student information, HR, alumni/donor, finance) and lead to efficiencies and greater coordination in all interactions with the university's internal and external constituents.
- CU has reduced and consolidated programs, leading to efficiencies, while also adding revenue-generating programs. The university closed its Journalism School and created the first new college in nearly five decades, the College of Media, Communication and Information. It consolidated programs from several disparate colleges and departments to realize academic and administrative efficiencies.
- CU has implemented Cisco Telepresence technology, allowing for effective videoconferencing among personnel on four campuses and at system administration. The technology has led to substantial savings in travel time among campuses and a system office that are separated by five miles at the least and 60 miles at most.
- ERA: by moving to an electronic grants submission software, CU has successfully submitted over \$1B in Federal competitive submissions S2S via Grants.Gov and have eliminated many of the administrative errors that typically occur as well as reducing the amount of information our faculty need to supply.
- CU reorganized its intercollegiate athletics department for more efficient and effective operation. Additionally, the department is in the middle of a \$105 million fundraising campaign to fund scholarship endowments and capital improvements (the \$156 million project will be financed by a combination of bond financing and private contributions). To date, the campaign has raised \$18.1 million for endowments and \$57.6 million for enhancements/additions to athletics facilities.
- Campus savings include multiple energy efficiency efforts resulting in savings of more than \$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.

Employee-initiated efficiency highlights:

CU Shared Practices ("CUSP") is a 4-year-old recognition program encouraging CU employees to develop and implement efficiencies throughout the CU system. Employees have developed practices, tools and innovations to create efficiencies.

- Universitywide project green cleaning: A targeted Request for Proposals (RFP) for green cleaning products leveraged the university's buying power to reduce costs for a projected a 23 percent annual product cost reduction.
- CU-Boulder Green Labs Program: Between 2009 and the end of the 2014 the program resulted in \$79,000 a year in electricity savings, \$34,000 a year in water savings, \$50,000 a year in heating and cooling savings, 28,000 pounds of foam, pipette tip boxes, & plastic film recycled, and 500 gallons of solvents recycled.
- CU CPAs earning CPE: University certified public accountants (CPA) earn up to 64 continuing professional education (CPE) credits a year with little cost to the university, since the program draws on the knowledge and skills of existing staff. A minimum of 30 employees per course, each day (track) of each quarter, results in over \$86,000 in savings annually.

Efficiencies through legislation

Operational Flexibility

- Procurement card – CU has contracted for replacement of procurement and travel cards using flexibility granted from recent state legislation. CU expects to generate \$7.5 million over five years.
- Strategic Sourcing Contracts – CU competed for its own scientific supplies contract resulting in a savings of \$800,000 in the first year over the existing state contract.
- Opt out of fiscal rules – the Board of Regents voted to opt out of State Fiscal Rules, reducing administrative efforts for routine transaction processing. This relieves the burden on purchasing staffs that have been reduced due to budget constraints.
- Colorado Correctional Industries (CCI) – Adds flexibility when disposing of surplus state property or purchasing goods and services from CCI.
- Redundant Reporting Elimination – eliminates redundant reporting to the Colorado Commission on Higher Education, the Department of Personnel and State Buildings Division, and the state's information office.
- Change requirement for dollar threshold for filing an official function form from \$100 to \$500 eliminates the need for 8,000 forms annually.

Capital Construction and Facilities

- Property acquisition – the Board of Regents approved the purchase of a property on CU Boulder's East Campus using the new flexibility granted in flexibility legislation. This building was built in the Boulder research park for Sybase with mechanical and electrical systems that are well-suited to address the deficit of research space on the Boulder campus.
- Capital Construction - the State Building Division's small construction "public project" threshold was increased from \$150,000 to \$500,000, eliminating burdensome procedures and accelerating completion on small construction projects.
- Cash Funded - SB 09-290 streamlined the approval process for cash funded capital construction projects. It also reduces redundancies in reporting by changing expenditure reporting from a quarterly to annual basis.
- Construction Bonds: Cleans up the bonding statute to provide flexibility to use surplus revenues for other capital facility construction and maintenance uses.
- Process Efficiency: Clarifies the definition of "capital construction" to exclude education-related scientific equipment.

Systemwide Collaboration

- 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 potential savings of manpower and equipment in excess of \$350,000 a year.
- IT contract consolidation for all four campuses. Substantial savings of approximately \$597,000 annually.
- Telephone technology standardization across campuses for a unified vendor for telephony services resulted in deeper discounts (from 48 percent to 76 percent on certain items) and 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 create a deeper expertise and knowledgebase across the system.
- Video technology standardization across the system so that shared services become possible for video-switching, redundant voice, and video-based conference calls between campuses using CU-owned infrastructure.
- Device and application management software across the university has saved \$50,000 annually, which has been re-invested in other equipment and technologies.

Boulder Campus Efficiencies

- A comprehensive study of space with the expectation that it will reduce the need for new space and improve the revenue generating opportunities of existing space.
- The campus is using ESCO's to help improve the energy efficiency of existing aging facilities. The first phase of the program was approved for \$50 million. The cost of this program will be repaid through energy savings, resulting in campuswide energy cost reductions.
- Implemented DocuSign electronic signature for all HR documents and processes. A fully paperless process was implemented in late 2014. The result has been the elimination of a file room approximately 1,000 sq. ft. in size, and improved workflow efficiency and effectiveness: tasks that once took a week are more and completed within two days.
- A new HR Business Partner Model is expected to provide a higher level of service and more effectively utilize technology, which will result in more specialized positions and fewer positions that have HR processing as a portion of their job.
- In FY 2016 a campuswide dedicated desktop support model will be implemented for better power in computer purchases and to ensure the appropriate level of machine and software is purchased for the user.
- Further implemented a textbook rental program saving students close to \$2 million in 2014.
- Restructured administrative support including:
 - CU Police Department restructured and eliminated three positions in 2014.
 - Parking and Transportation eliminated an administrative layer for a reduction of \$100,000 that allowed the department to keep its parking rates low.
- The Creative Writing Program was restructured to no longer be a stand-alone academic unit resulting in decreased overhead.
- The campus rental fleet of vehicles was decommissioned in favor of an external vendor. Expected to save approximately \$200,000 annually.

Colorado Springs Campus Efficiencies

- Installation of solar panels on the Alpine Parking Garage saves about \$2,000/month
- The replacement of shower heads in resident halls from 3.0 G.P.M to 1.5 G.P.M. is saving water and an estimated \$10,600 each year.
- The LED light retrofit of two buildings and three parking lots saves \$8,550 each year.
- The parking lighting in the Alpine Garage and Field has both motion and light level sensors so they are only on when needed by light level and/or by motion.
- Replacing 233 toilets saves 1.5 gallons/flush and is expected to save \$15,500 annually. The old toilets were crushed and used as base underneath the Village at Alpine Valley.
- Consolidation of auxiliary facilities with general fund facilities to create one Facilities Services department in 2014 is saving the university \$124,000 annually plus benefits.
- Floating holidays consolidated to assigned holidays at Christmas and New Year provides continuity of service for student clients and saves in utility costs as buildings are shut down over the extended holiday closure.

CU Denver | Anschutz Campus Efficiencies (Note: Denver and Anschutz campuses are administratively consolidated)

- Anschutz has implemented two phases of the energy efficiency projects for Research 1, resulting in an energy savings of \$897,000 for the 2014 calendar year. Phase III will complete the phased project in 2015 for additional energy savings.
- Denver's Student Commons Building Xcel rebate for energy efficient design of over \$133,000 in 2014 on equipment incorporated into the facility.
- CU Denver, Metropolitan State University of Denver, Community College of Denver, and AHEC are collaborating with the Governor's Colorado Energy Office to start a bid process for Energy Performance Contractors on the Auraria Campus.
- A CU Denver | Anschutz program evaluates and forecasts gas purchases directly from suppliers to meet current and future demand. Purchasing gas bypassing Xcel has resulted in a savings of \$1,085,000 for the 2014 calendar year.

System Administration

Procurement Service Center

Strategic Procurement Benefits

- Temporary Labor (3 contracts): \$1.3 million in savings.
- Executed a 2 year contract extension with Dell; \$90,000 savings on desktop computers.
- Green Cleaning Chemicals & Paper: \$394,000 in savings.
- Renewal of Colorado Correctional Industries (CCI) furniture contract: \$268,000 in savings.

CU Marketplace

- 93 percent of purchase orders are processed the day they are created (2 percent increase).
- 73 percent of purchase orders are placed with catalog suppliers (4 percent increase).
- 52 percent of invoices are received electronically (5.5 percent increase).

- 6 percent reduction in procurement card transactions due to CU Marketplace efficiency.

Established Long-Term Agreements

- Office of Naval Research approved procurement system through September 2016.
- Renegotiated the university's commercial card contract with US bank through April 2019.
- Negotiated a contract renewal with SciQuest for CU Marketplace through 2020.

Campus Services

- Developed IT and Facilities Commodity Manager positions to enhance customer service outreach to large-spend departments; campuses report significant savings.

Employee Services

- Implemented paycards and eliminated the mailing of paper checks as of July 1, 2014, estimated to save CU \$190,000 the next five years.
- Created an off-cycle payroll that runs weekly, eliminating data entry of corrected payroll by Employee Services. Each hand-drawn check process costs about \$25 in university resources, allowing Employee Services to redirect \$112,000 annually to other initiatives.
- Reviewed current retirement plans to move CU participants in the 401(a) and 403(b) to the new best-in-class investment lineup, saving \$4.5 million in participation fees.
- Completed the Tower Watson HR Effectiveness study, which measured FTE dedicated to HR throughout CU and also the perception of HR from various stakeholders. The final report has recommendations to streamline and create efficiencies in the CU HR landscape.
- Assisted in the creation of a national High Potential Leadership Program for individuals in HR in higher education to send up to three individuals to develop talent to assist in their HR career. TIAA CREF is sponsoring the program with design input from CU and eight other institutions.

University Information Systems

Vendor Consolidation Efforts

- Established CU-Wide Oracle Agreement
 - Planned cost avoidance of over \$1,000,000 for the next four years.
 - CU labeled as a strategic account for Oracle and created opportunity to achieve "Core School" status for Oracle employment of CU graduates and research dollars.
 - Established CU-Wide VMware Technology License Agreement: Estimated cost savings up to \$1.8 million over 5 years.
- RAVE Emergency Notification System: Consolidated four campuses, resulting in cost savings and contracting efficiencies.

Student Support

- Prospective Student ID and Password Reset Near-Real Time Solution
 - Prospective students who forget their ID/Password when applying to CU were given a near-real time solution saving students and staff critical waiting time.
 - New functionality that drastically reduces support burden on campus admission staff by about 90 percent during admission peak season in this area.

- **UCCS2Go Mobile Application Deployment**
 - Students can register, check grades and other common functions on the go from iOS and Android devices.
 - CU-Boulder and CU Denver are expected to roll-out the mobile application this year.
- **Added Payment Plans for Students**
 - Improve convenience for payers.
 - Increase access and affordability for students.
 - Streamline business office functions, such as a reduction in campus support calls.
- **eSign Student Agreement Added to CU-Boulder Portal**
 - Boulder Financial Aid office brought into compliance with the U.S. E-Sign Act for student self-service transactions and communications related to federal financial aid.
 - Students opting in to electronic delivery of 1098T tax forms, resulting in significant savings for the university in costs to mail the forms and time to administer.

Campus Support

- **Implemented Multi-Factor Authentication on HCM Self-Service through the campus portals, such as direct deposit changes, requiring a second authentication to increase security on faculty/staff personal data.**
- **Campus and Departmental efficiency improvements in Singularity**
 - Automated batch importing of Royal documents for CU Denver and UCCS admissions.
 - New integration with Electronic Research and Administration System with document management resulting in paperless processes and saving university significant dollars in paper storage and handling.
- **Implemented eBenefits Self-Service in Campus Portals**
 - Drastically reduced paperwork and administration in benefit changes or new setups.
 - More efficient benefit processing, particularly for new hires.
- **Single Sign-On Technology Standardized**
 - Removed fully custom code to leverage vendor-supported technology, greatly reducing the risk in accessing CU-wide services and support as applications change.
 - Enabled Degree Audit and Reporting Services (DARS) for single sign-on from the student portal, delivering a better user experience.
- **Growth in Electronic Research and Administration at CU Denver**
 - In CY2013, CU Denver submitted proposals of over \$47,000,000. In CY2014, proposals were over \$740,000,000
 - CU-Boulder is expecting to roll-out the eRA solution this year.

Internal Efficiencies

- **UIS Reorganization**
 - Improved process and tools allowed positions to be redefined and reallocated to add 8.0 FTE value for more efficient services to customers, including adding the additional CRM line of business, while remaining budget neutral.
 - UIS Network Connections Moved to Leverage CU Denver, annual savings \$48,000.

Capital Planning

- **Campus facility departments have shared services such as the administration of the As-Needed Architectural, Engineering & Consultant Services program for the Colorado**

Springs and Boulder campuses, while the Office of the State Architect has given the Boulder campus additional flexibility to acquire consultant services.

- HB 14-1387 revised procurement thresholds to increase the dollar amount that will trigger the publication of certain notices, the need for contractor bonds, and how a design team is selected for a project. Changes are anticipated to streamline smaller construction projects; the bill also allowed CU-Boulder to continue plumbing and electrical inspections.

Treasury

Financing Activity

- Saved a total of \$18.2 million on the refinancing when it issued the Series 2014B, 2015A, and 2015B Refunding Revenue Bonds.
- Achieved present value savings of \$4.5 million on the Series 2015C Refunding Revenue Bonds.
- Secured a yield of 3.5 percent on the Series 2014A Revenue Bonds that is being used to fund five CU-Boulder construction projects.

Investment Activity

- Shortened the duration of the University's Treasury Pool to reduce asymmetric interest rate risk. Despite reducing this risk, the three- and five-year investment returns through Dec. 31, 2014, were above the benchmark at 7.6 percent and 6.2 percent, respectively.

Campus Support

- Provided training for the Controller's Continuing Professional Education program. The training focused on treasury topics relevant to the university's financial professionals.
- Provided credit card security training for campuses' IT personnel to encourage campus participation, reduce the costs for training and the risk of a damaging security breach.

University Risk Management

CU can measure its overall total cost of risk (property and casualty losses and program operating costs) using a standardized methodology. The results include:

- Total cost of risk reduction of \$1,642,425 for FY 2014.
- Cumulative total reduction of \$13,105,468 (53 percent) since FY 2006; an average total cost of risk reduction of \$1,638,184 annually.

Property/Casualty/Workers' Compensation

- Total CU Property/Casualty/Workers' Compensation self-insurance program savings of \$7,977,514 in FY 2014 (an increase of 59 percent over FY 2013) as a result of third-party recovery, vendor contract agreements and aggressive claim negotiations.
- Workers' compensation and general liability claim costs reduced by \$901,993 (23 percent) for FY 2014.
- Average workers' compensation and general liability per claim costs reduced \$6,429 (35 percent) for FY 2014 through campus risk management program efforts, favorable loss experience and aggressive in-house claims management.

University Controller

- Controller's Office absorbed accounting and reporting services for the University of Colorado Health and Welfare Trust and the University of Colorado Real Estate Foundation (CUREF) – earning \$12,000 annually in fees previously paid to external accounting firm and funding three salaried positions for \$155,000 annually.
- Negotiated new RFP for external audit services required for CU's Annual Report resulting in fee reduction and savings of \$14,000 annually over a five-year contract.
- Developed an online version of CU's Annual Financial Report and new accompanying Illustrated Guide earning a national (NACUBO) award for innovation in effectively communicating financial information and saving \$6,000 annually by eliminating print publication-related costs.
- Sponsored the CU Shared Practices (CUSP) Program recognizing innovative employees from all campuses who devised ways to save university resources. CU-wide resulting savings are significant but difficult to estimate.
- Continuing Professional Education (CPE) helping employees understand and fulfill their fiscal roles/responsibilities and obtain no-cost professional development saving campuses an estimated \$86,000 annually.

Health and Welfare Trust

Structural Efficiencies

- Held health plan premium rates below the national average every year since 2010 by managing plans efficiently and aggregating resources across CU, UCHHealth and UPI.

Vendor Agreements

- Launched RFP for prescription drug services for savings to the health plan in excess of \$7 million annually starting July 1, 2015.
- Saved over \$1 million last fiscal year by negotiating robust performance guarantees, tracking and holding vendors accountable when they failed to meet CU's standards.
- Anthem and Kaiser, the Trust's administrative services partners, adjudicate the claims on behalf of the health Trust. Negotiated lower administrative contracts with these service providers yielding over \$500,000 savings annually beginning in 2014.

Compliance

- Identified prescription drug pricing errors during 2014 and negotiated a direct payment to CU for approximately \$3 million.
- Uncovered billing error in 2014, which yielded a recovery to the Trust of \$5 million.
- Most recent Trust financial audit completed by an independent outside CPA firm, yielded solid financial protocols with no material negative findings.

Other Benefits

- Continue to add health-related features to the CU Health Plan, including how to become healthier through weight reduction, fitness activities, smoking cessation and regular prevention checks and how to teach small children good fitness habits. The latter children's fitness program, Brussels and Mussels, the first of its kind by an employer in the country has generated much good publicity for CU and can lead to healthier employees and their families, which in turn, reduces cost to CU.

Legislation passed by the Colorado General Assembly that Fosters Efficiencies at the University of Colorado

<p>HB09-290 Higher Ed Capital Construction Approval Sponsors: Bacon/Riesberg</p>	<p>Cash Funded Capital Construction Process</p> <ul style="list-style-type: none"> -Repealed requirements that projects constructed using cash funds in excess of \$2 million must be approved by the legislative Capital Development Committee and Joint Budget Committee. -Instead, the university annually submits 2-year projections for all cash-funded projects over \$2 million -Exempted 'total projects' under \$1 million or 'professional services' under \$100,000 from the public notice requirements. -Authorized institutions to use the internet to invite bids for construction projects -Authorized the use of an electronic medium for publishing notice of final settlements
<p>HB10-1181 DPA Administrative Clean-up Sponsors: Todd/Bacon</p>	<p>Procurement Card</p> <ul style="list-style-type: none"> -Allowed the university to negotiate and participate in its own procurement card program <p>Strategic Sourcing Contracts</p> <ul style="list-style-type: none"> -Allowed the university to negotiate our own contracts for purchasing supplies and other goods <p>Post Audit Review</p> <ul style="list-style-type: none"> -Exempted the university from Department of Personnel post audit review of reclassified positions
<p>SB10-003 Higher Education Flexibility Sponsors: Penry/Morse</p>	<p>Tuition Flexibility</p> <ul style="list-style-type: none"> -Gave governing boards flexibility to raise tuition for resident undergrads up to 9 percent without legislative or Colorado Commission on Higher Education (CCHHE) approval for five years -Established CCHHE approval process for increases in tuition above 9 percent threshold <p>International Students</p> <ul style="list-style-type: none"> -Excluded foreign students from current statutory limits on nonresident enrollment <p>Financial Aid</p> <ul style="list-style-type: none"> -Permitted schools to award state financial aid according to institutional policies and procedures, not CCHHE policy <p>State Fiscal Rules</p> <ul style="list-style-type: none"> -Allowed governing boards to adopt their own fiscal procedures and opt out of state fiscal rules <p>PERA retirees employment</p>

-Increased from 110 to 140 the number of days a PERA retiree may work for a state institution (up to 10 retirees per campus)

Separation Incentives

-Allowed employees who have worked for the university for less than five years to receive a separation incentive

IT Systems

-Clarified that higher education IT systems do not require state oversight

Centralized contract management system

Exempted the university from the requirement to use the state's centralized contract management system

Capital Construction and Real Estate

-Streamlined CCHE approval for all acquisitions of real property that are cash funded

HB11-1301 Higher Education Institution Efficiency Sponsors: Waller/Schwartz

Guaranteed Tuition

-Allows the university to pursue a resident undergraduate guaranteed tuition plan without the FAP approval process

-Provides students with additional input on the development of student fee policies

-Clarifies that student fees are not annually appropriated by the legislature

Creation of Nonprofit entities

-Allows the university to create a nonprofit entity without approval from CCHE

Indemnification

-Allows the university to indemnify and hold harmless a contractor when it is in our best interest

Information Security Plan reporting

-Simplifies reporting requirements to the state for information security plans

Special Event Liquor Permits

-Allows the university to serve alcohol for fundraising gatherings with a special event permit rather than a full liquor license

Surplus State Property and Furniture Purchases

-Adds flexibility when disposing of surplus state property or purchasing goods and services from CCI.

Professional , Auxiliary-, and Restricted-Funded positions

-Clarifies the definition of professional positions and amends the definition to include positions funded by restricted or auxiliary funds

Contracts for Personnel Services Contracts

-Removes state limitations on certain contracts for personnel services

Employee Idea Recognition Program

-Exempts the university from the state employee idea recognition program and allows the university to use existing programs

Group Benefit Plans

-Authorizes the university to offer group benefit plans to classified employees in lieu of plans approved by state if certain conditions are met

Employee Incentive Program

-Reinforces university authority to offer incentives to classified employees

Capital Construction

-Clarifies use of streamlined review process for cash funded projects approved prior to passage of SB 290

-Exempts purchases of cash funded scientific equipment from State and Legislative review

-Removes limits on how the university may use surplus of income that were pledged to build auxiliary facility