University of Colorado strengthens state's economy[1]
[2]

As the University of Colorado carries out its mission of providing exceptional teaching, research and health care, it also generates an annual economic impact of $14.2 billion for the state of Colorado.

That total for the 2018-19 fiscal year is showcased in a new study[3] completed by the Business Research Division of the CU Boulder Leeds School of Business. The report was delivered today to the Finance Committee of the CU Board of Regents.

"CU not only serves the state by delivering on our mission in teaching, research, service and health care, but the university is also an economic powerhouse that has a substantial impact throughout Colorado," said CU President Mark Kennedy. "We are a critical economic driver in our state, and the direct impact and ripple effects from CU are tremendous."

The $14.2 billion total reflects the impact of expenditures and payroll – in education and research, and at clinics – across CU's four campuses and its hospital affiliates on the CU Anschutz Medical Campus in Aurora, including UCHealth University of Colorado Hospital and Children's Hospital Colorado.

The economic impact study was conducted in cooperation with the University of Colorado system and the four campuses. Economic contributions were estimated by examining operating expenditures and capital expenditures, including employee salaries and benefits.

The study was conducted well before the onset of the COVID-19 pandemic, the economic effects of which are having a significant impact on the university. However, even in this challenging environment, CU's impact continues to be significant.

Research an engine: CU operated on $4.6 billion in revenue for the year, with a significant portion tied to sponsored programs and other restricted fund activity. Sponsored program awards totaled $1.4 billion in FY2019; nearly 55% of the sponsored research awards came from the federal government, with the predominant funding agencies being NASA, the National Science Foundation, Health and Human Services, and the Department of Defense. Some federal research laboratories (e.g., joint institutes) are located in the state because of CU, which has helped create the relatively high concentration of federal research laboratories in Colorado. They are often located on campus, and staff may include university employees.

Funding from tuition, grants, contracts, gifts and appropriations is turned around and largely spent in private industry. These purchases, ranging from food services to energy to equipment, generated an economic impact of $9.7 billion on the state of Colorado in FY2019 (nearly $4.5 billion from direct university spending). Of this, research expenditure activities alone had nearly a $2.1 billion impact.

Third-largest employer: In FY2019, CU directly employed 38,975 faculty, staff, and student workers, making it the third-largest employer in the state. When adding that number to a calculation of employees who support the direct, indirect and induced effect of university spending in Colorado, including affiliated hospitals, the total employee figure reaches 89,475.

Powering hospitals: CU Anschutz faculty are the primary health care providers at the University of Colorado Hospital and Children's Hospital Colorado, and maintain a clinical practice billing arm through a 501(c)(3) known as CU Medicine. The additional economic contribution of University of Colorado Hospital and Children's Hospital Colorado is estimated to be $4.5 billion for the Colorado economy in FY2019.

Student and visitor impact: Student ($927 million) and visitor ($43.5 million) spending at and around the four campuses also is tallied in the study. The economic impact of athletics and related events is not included.

Construction: As of June 30, 2019, the close of the fiscal year, progress continued on CU construction projects valued at $683 million; more than 48% was related to CU Boulder. The two largest projects systemwide were the CU Anschutz

Health Sciences Building and the CU Boulder Aerospace Engineering Sciences Building.

The breakdown by campus of economic impact:
CU Boulder, $4.2 billion CU Anschutz Medical Campus, $3.9 billion CU Denver, $823 million UCCS, $591 million CU system administration, $200 million
Educated workforce: CU serves the state, nation and world through leadership in high-quality education and professional training, public service, advancing research and knowledge, and state-of-the-art health care. With education as a core element of this mission, CU enrolled 67,386 students in the fall of 2019 and awarded 16,917 degrees in FY2019.

Nearly 278,000 alumni live in the state, contributing to Colorado's economic and social vitality. Evidence of the university's educational impact can be found in the leadership of private businesses, teachers in classrooms, health care professionals, and policymakers. These alumni are an integral part of the Colorado labor force, particularly in the high-tech workforce, and contribute to the state's rank as second in the nation for educational attainment.

The study is posted here: https://www.cu.edu/doc/fy2019cuimpactstudypdf[3]

Work changes brought on by pandemic expected to continue[4]

[5]

Remote working, budget challenges, furloughs and a hiring chill – side effects of the coronavirus pandemic – will continue to shape the work lives of staff at CU system administration for the foreseeable future.

Employees received that message from President Mark Kennedy and members of his leadership team during Monday's virtual town hall, attended via Zoom by about 300 staff members at 1800 Grant St., Broomfield advancement offices and CU Health Plan offices.

"We are in times of unprecedented turbulence," Kennedy said, noting a "trifecta of massive issues," given the pandemic, the ensuing economic fallout and a civil rights reckoning. "It does put uncertainty and stress on each of us, and I appreciate and empathize with you."

Kennedy thanked staff for their hard work and dedication under the circumstances, which has meant a shift to remote work for most system staff, along with furloughs.

There is no expectation that furloughs for the current fiscal year will be shortened in duration, said Kathy Nesbitt, vice president of administration. Further furloughs during this current year also aren't anticipated, Nesbitt said, but that might change depending on final enrollment numbers from the campuses during the spring 2021 semester.

A hiring chill – limiting new hires to positions determined by leadership to be critical – also remains in effect throughout the year.

In-office safety protocols are in place and have been communicated to employees who may need to return to the office for work now or in the near future. CU and its staff members were geared up for remote work, Nesbitt said, and that work can be done securely so long as those logging in always use the system VPN and strong passwords.

Even after the pandemic is under control, many staff members will prefer to continue to work remotely, based on a recent survey.

“We found out that a lot of employees are interested in working from home from one to five days a week,” said Todd Saliman, senior vice president of strategy, government relations and chief financial officer. “We’re taking those survey responses into consideration along with the needs of the university.”

Work production must be maintained, and teams must be able to work collaboratively. Office hoteling is likely as in-office work increases; to make the best use of office space at 1800 Grant St., construction might eventually be needed, though budget constraints limit immediate action. The need for office space beyond 1800 Grant might be reduced, Nesbitt said.

“The world is changing,” Kennedy said. “There will be opportunities for people to work remotely whether it’s part-time or full-time. We have to learn how to manage this most efficiently. But I’m optimistic that we’re going to be able to allow for remote working post-pandemic, which will be a positive outcome for employees and the university.”

An office space planning team will eventually engage managers on how best to meet space needs.

“One thing that’s clear is that we’re going to be able to use 1800 Grant more efficiently,” Saliman said. “It’s great, because it’s going to save us money and people will be able to work from home more often. It’s also great for our sustainability effort.” Parking logistics remain a puzzle yet to be solved.

Budget challenges will continue to loom in the months ahead, lasting not only this fiscal year but into 2021-22, Saliman said.

CU alters relationship with Colorado Correctional Industries[6]
[7]

CU will continue to consider Colorado Correctional Industries (CCI) as a vendor for its furniture contracts across the four campuses and system administration, but it will no longer use it as an exclusive provider.

The decision came after President Mark Kennedy accepted the recommendation of a working group he had convened to examine the university’s relationship with CCI in light of concerns about its use of inmate labor and associated issues.

The working group, comprising students, faculty and staff, delivered its recommendation to Kennedy early this week after more than two months of work. CCI, a business operating under the auspices of the Colorado Department of Corrections, has been an exclusive provider of furniture across CU’s four campuses and system administration since the 1970s. The university is one of CCI’s largest clients, spending an average of $7 million to $10 million annually (a cumulative $56 million since 2013).

The CCI working group was charged with determining whether CU would continue to do business with CCI as its exclusive furniture vendor in light of business, ethical and moral concerns related to the use of inmate labor. It was chaired by Todd Saliman, senior vice president for government relations, strategy and CFO. The concerns were initially brought forward by the CU Boulder Black Student Alliance and echoed by faculty and student governance groups.

“I applaud the working group’s efforts – particularly from our student, faculty and staff shared governance members – in arriving at an equitable solution to a complex issue,” Kennedy said.

Members of the CCI working group representing shared governance groups (Isaiah Chavous, Intercampus Student Forum president; Stephen Hartnett, Faculty Council; and Andrew Rotz, Staff Council) said although the topic was challenging, it had a positive result.

“The recommendation is a subtle and complicated one, where we’re not severing our relationship, but we’re also not privileging our relationship,” said Hartnett, a CU Denver communication professor. “What we're saying is that CCI can apply to us as a vendor through a public call for proposals. They’re allowed to participate in the call for proposals, but they’re not a favored vendor. That seems eminently fair to me.”

CU is issuing an RFP this week that will allow other bidders to compete for the university’s furniture contracts. It will solicit pricing on specific furniture items and lines for offices, classrooms, conference space and lobby applications.

“CU Procurement’s mission is to provide value and choice to the university. I am pleased that the shared governance working group arrived at a good solution on these complex issues,” said Ed Mills, CU’s chief procurement officer. “This allows for continuity of service while enabling a full breadth of choice for our customers.”

Hartnett, who has taught in prisons and studied them for some 30 years, said the issues brought forward regarding inmate labor are legitimate.

“I’ve been pretty familiar with the CCI operations because as those of us who do prison education have known for years, there are deep ethical questions surrounding prison labor,” he said. “As a prison educator and a prison activist, I’ve been following these questions of prison labor for a couple of decades now.”

Chavous, a CU Boulder senior, said what seemed to be a relatively straightforward issue was much more complicated once the working group dug into it.

“This was a very complex judgment call with a lot of scenarios where the data and my opinion did not necessarily align,” he said. “This process has been a tremendous opportunity to learn and grow, not only as an individual, but as a group, and it represents what CU should really stand for going forward and how we should operate in solving these issues.”

Still, Chavous does not have illusions that everyone will applaud the recommendation.

“I think there’ll be significant dissatisfaction with the outcome that will be, I believe, the public opinion of the students. What I believe, though, is that the outcome is suitable to create further change,” Chavous said. “And there was a perspective that said, ‘Hey, if we pull out of CCI entirely, we lose our ability to influence change within their system.’ The conclusion really resulted in more doors opening.”

As part of its due diligence, the group met virtually with leadership from the Colorado Department of Corrections, professional management of the CCI furniture program and inmates in the program (who also wrote to committee members to share their experiences). It also reviewed CCI’s annual reports, state audits, the organization’s statutory standing, as well as CU’s procurement policies and procedures.

Dawn Bulbula, CU Student Government chief of staff and also co-president of the CU Boulder Black Student Alliance, said that while the recommendation may be unsatisfying to some, it is a move in the right direction.

“I want students, faculty and staff to see that this decision is the first step. It’s not the end of the work that needs to be done in order to fix the CU system, to fix things that really impact those who are people of color on campus and in the entire state of Colorado,” she said. “I want people to see that this decision is really an opportunity for them to know that as long as they have persistence and understanding, nothing is really out of one’s reach and no decision is ever final.

“The decision that we made as a working group, I believe, was the best middle ground and best fit for the entire CU system. I think there are a lot of doors that we have now opened and a lot of conversations that are now acknowledged that need to be held,” she said.

The working group determined that there were issues inherent in the CCI program, which were generally beyond CU's scope to change, such as extremely low inmate wages, a small number of opportunities for released inmates to gain furniture industry employment, problems with CCI's business operations and outcomes, and a lack of educational opportunities for inmates.

The working group also cited the program's positive aspects, noting that it provides inmates with positive and productive ways to spend their time, gives them valuable lessons about formal work environments, helps them help themselves and their families with wages, and provides hard skills (craftsmanship, electrical skills, management) and soft skills (teamwork, time management, professionalism).

The working group also noted that continuing a relationship with CCI can help influence change in the program and extend its educational mission into prisons.

After the recommendation was delivered, Hartnett and other statewide leaders in inmate education met with the CU Board of Regents University Affairs subcommittee to discuss more CU engagement in correctional facilities.

"My role on the committee all along has been to advocate that the CU system, instead of approaching the prisons as the providers of materials for us, that we should approach the prisons as the providers of education," he said. "I think that's where we're going to end up in the long run. I'm very hopeful that this process is going to have a really positive outcome. I think there's momentum within the state to say that education is a human right.

"And even those men and women who have committed crimes and gone to prison, still enjoy that human right. That perhaps even more than others, they can benefit from what the CU system has to offer."

Audio from Ken McConnellogue, CU On the Air Podcast[8].

CU taps Alpha Education to advise CU Online business model[9]

University leadership has enlisted the services of Alpha Education LLC to advise CU as it moves forward on the CU Online systemwide, centralized operations.

The move will allow the CU Online fall 2021 launch to remain on track after the Online Acceleration Committee (OAC) was put on hold when it was determined that the proposed financial model was unsustainable.

"The primary goal is to surface areas within the financial model that can be modified to make it a win-win for the campuses and system office," said Scot Chadwick, interim associate vice president for online learning.

To that end, Alpha is reviewing the initial business plan developed by EY-Parthenon and the university's core online principles, and will then recommend a strategy to move the initiative ahead. Per the six-week contract, the advisers are examining the institutional resources and the needs and goals around online program development and growth. They will provide recommendations for competitive and differentiated online offerings that create value for CU, and offer suggestions to assist in the implementation of all recommendations.

OAC committee co-chairs Sheana Bull, interim senior faculty fellow for online learning, and Chadwick will be helping to facilitate Alpha's discussions and working with the campuses, financial working group, system office and Office of Digital Education staff to provide Alpha the materials and insights.

"The Alpha Education team has access to all of the work done to date on the initiative, which allows them to be highly efficient and additive to the great work already done to date," Chadwick said. "They're also coordinating with EY-Parthenon on modifications to the financial model EY-P built with the inputs from across the university."

The contract, signed on Aug. 12, will continue through late-September. Chadwick said that Alpha will provide a final report at the conclusion of the engagement.

The move came after the president and chancellors agreed to bring in external advisers who are familiar with financing online efforts. The OAC had initially intended to make its structure recommendations in October.

“This initiative has been rapidly evolving, and it is important to have a fresh set of eyes to ensure we’re aligned,” said CU President Mark Kennedy. “I appreciate the chancellors’ and the online team’s commitment to working together with Alpha Education to find the right path forward.”

A team of faculty, staff and administrators worked with vendor EY-Parthenon throughout the 2019-20 academic year to look at CU’s current offerings and compare against market demand and opportunity. It found that market demand is significant and diverse (by discipline, degree level and cost), and that CU’s offerings align at points with that demand. Yet it also found that despite “pockets of excellence,” on the whole, CU lags national market leaders in market-aligned program offerings and capabilities.

In parallel to this engagement with Alpha Education and the Online Accelerator Committee work, the fall/spring online marketing and recruiting campaign across the four campuses (as highlighted in previous communications[10]), will continue without interruption. Find out more here[11].

Three systemwide policy changes approved[12]

The Office of Policy and Efficiency (OPE) has announced revisions to the following administrative policy statements (APSs):

1. 3002-Capital Construction Planning and Projects (Effective Aug. 14, 2020)

2. 5014-Sexual Misconduct, Intimate Partner Violence, and Stalking (Effective Aug. 14, 2020)
Related Article: CU begins implementation of new Title IX rules[13]
3. 8012-Special Tuition Status (Effective date expected to be Sept. 10, 2020)
Pending approval of related Board of Regents resolution.
These changes were reviewed by the campus chancellors and approved by President Mark Kennedy on Aug. 6, 2020.

For more detailed information, go to https://www.cu.edu/ope/aps/latest-changes[14].

For more information on systemwide APSs, go to: http://www.cu.edu/ope[15].

CU Boulder, Jeffco Schools Foundation announce scholarships[16]

August Town Hall focuses on safe return to campus[17]

Welcome back town hall highlights commitment to campus community, plans moving forward [18]

Scientists win grant to unravel mystery of how animals track scent [19]

Woman duo creates COVID-19 contact tracing program [20]

Benight on resilience: 'We're going to get through this'[21]

14 UCCS faculty and staff selected as Ethics Fellows [22]

Links
[1] https://connections.cu.edu/spotlights/university-colorado-strengthens-state-s-economy[2] https://connections.cu.edu/sites/default/files/economic_feat.jpg[3] https://www.cu.edu/doc/fy2019cuimpactstudypdf[4] https://connections.cu.edu/stories/work-changes-brought-pandemic-expected-continue[5] https://connections.cu.edu/sites/default/files/town_hall_general.jpg[6] https://connections.cu.edu/stories/cu-alters-relationship-colorado-correctional-industries[7] https://connections.cu.edu/sites/default/files/cci_feat_0.jpg[8] http://cuontheair.blubrry.net/[9] https://connections.cu.edu/stories/cu-taps-alpha-education-advise-cu-online-business-model[10] https://connections.cu.edu/stories/cu-substantially-ramp-online-education-efforts[11] https://www.cu.edu/all-four-cu-online/faqs-campaign[12] https://connections.cu.edu/stories/three-systemwide-policy-changes-approved[13] https://connections.cu.edu/stories/cu-begins-implementation-new-title-ix-rules[14] https://www.cu.edu/ope/aps/latest-changes[15] http://www.cu.edu/ope[16] https://connections.cu.edu/stories/cu-boulder-jeffco-schools-foundation-announce-scholarships[17] https://connections.cu.edu/stories/august-town-hall-focuses-safe-return-campus[18] https://connections.cu.edu/stories/welcome-back-town-hall-highlights-commitment-campus-community-plans-moving-forward[19] https://connections.cu.edu/stories/scientists-win-grant-unravel-mystery-how-animals-track-scent[20] https://connections.cu.edu/people/woman-duo-creates-covid-19-contact-tracing-program[21] https://connections.cu.edu/people/benight-resilience-we-re-going-get-through[22] https://connections.cu.edu/people/14-uccs-faculty-and-staff-selected-ethics-fellows