

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES**

**Agenda Item Summary Sheet**

**Name:** Finance and Facilities Committee

**Date:** June 17, 2015

**Title:** Campus Service Cooperative Status Report

**Purpose (check one):**

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Proposed<br>New Policy or<br>Amendment to<br>Existing Policy | <input type="checkbox"/> Approvals<br>Required by<br>Policy | <input type="checkbox"/> Other<br>Approvals |
| <input type="checkbox"/> Monitoring /<br>Compliance                                   | <input checked="" type="checkbox"/> Information             |   |

**Brief Description:**

This session will provide the Finance and Facilities Committee with a status report on the Campus Service Cooperative (CSC). The report will include a review of the new funding and governance model as well as the shared services projects identified by the Leadership Council.

The Committee will be introduced to Michael Noble-Olson, the interim chief procurement officer, who will provide a report on the CSC procurement program and Kari Campbell, director of innovations, who will provide a report on the CSC shared services program

**Scheduled Presenter(s):**

Phil Davis, Associate Vice Chancellor, Campus Service Cooperative  
Michael Noble-Olson, Interim Chief Procurement Officer  
Kari Campbell, Interim Director of Innovations

**BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

<b>INFORMATION ITEM</b>
<b>Campus Service Cooperative Status Report</b>

**BACKGROUND**

This session will provide the Finance and Facilities Committee with a status report on the Campus Service Cooperative (CSC). The report will include a review of the new funding and governance model as well as the shared services projects identified by the Leadership Council.

The Committee will be introduced to Michael Noble-Olson, the interim chief procurement officer, who will provide a report on the CSC procurement program and Kari Campbell, director of innovations, who will provide a report on the CSC shared services program

*Date presented to the Board of Trustees: June 17, 2015*

# Update on the Campus Service Cooperative



Finance and Facilities Committee  
June 2015

## Minnesota State Colleges and Universities

The Minnesota State Colleges and Universities system is an Equal Opportunity employer and educator.



# Purpose of the Campus Service Cooperative

The Campus Service Cooperative (CSC) is a campus-driven organization that advances MnSCU's strategic goals through:

- **Sourcing and Procurement**

Leverages the buying power of our 31 colleges and universities through contracts for goods and services. (Examples: office and custodial supplies, managed print services, computer peripherals, refund management system and purchasing cards)

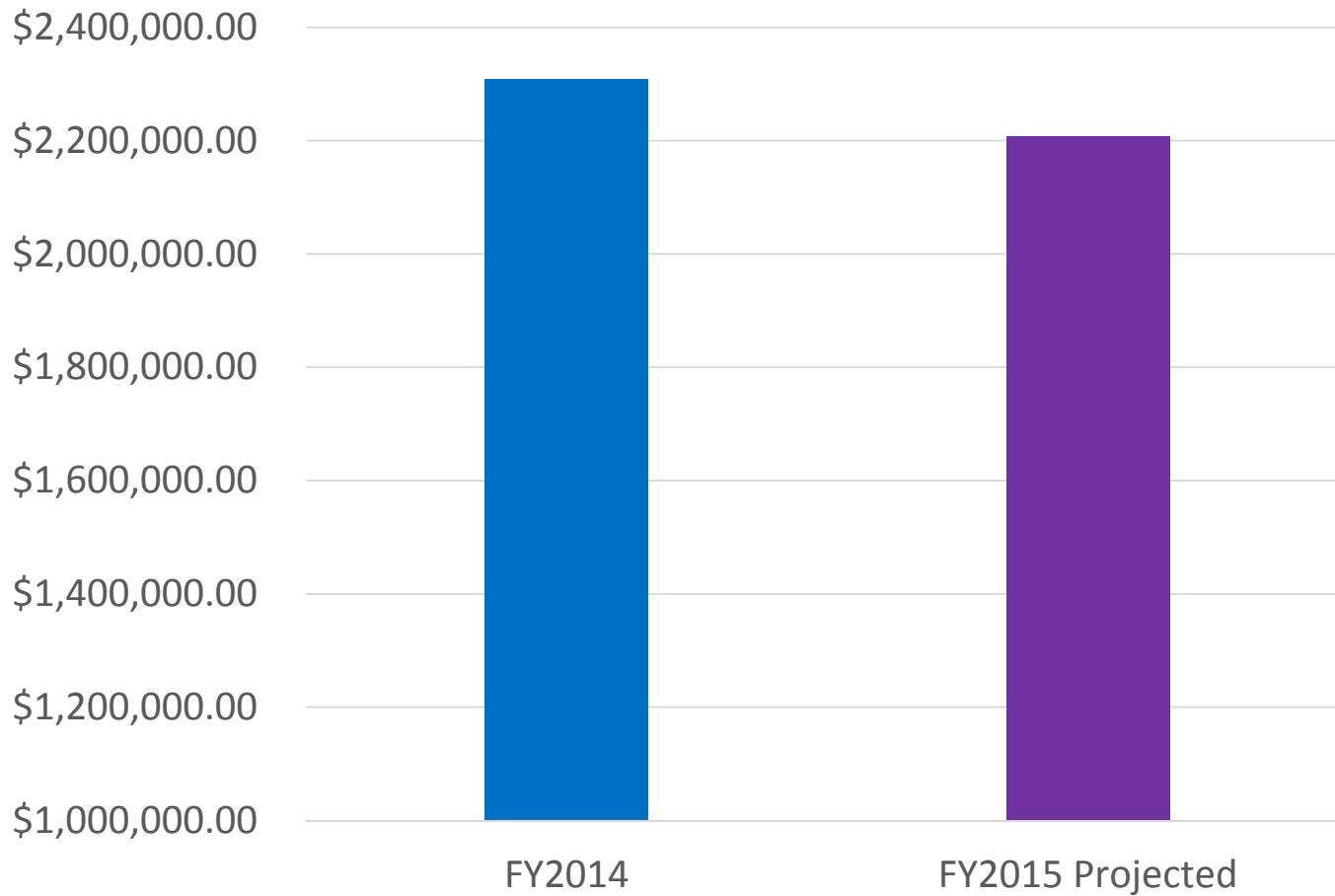
- **Shared Services**

Brings together campuses with common needs and supports efforts to share programs and talent; improve quality; reduce costs; and mitigate risks. (Example: regional payroll processing hubs)

# Accomplishments in FY2015

- ✓ Completed a valuation of the IBM engagement; identified a \$1.4 million return on investment.
- ✓ Strengthened representation of presidents on the committee that guides the CSC.
- ✓ Adopted a value-driven funding model for the CSC.
- ✓ Identified the Leadership Council's shared services priorities for 2015.
- ✓ Improved communication with internal and external constituents.
- ✓ Built a sustainable staffing model; hired leaders for the procurement and shared services programs.

# Savings Produced by CSC Projects



# Savings (continued)

- FY15 savings from CSC projects is four times greater than the total operating expense.
- Savings result from the collective enthusiasm of purchasing officers, business managers, chief human resources officers, chief information officers, chief financial officers, presidents and many other faculty and staff.
- Factors in FY15 Savings:
  - System wide spending on goods and services (excluding capital expenses) is projected to be \$425 million.
  - Year-end spending is a projection.
  - Reduced spending on office supplies and IT equipment accounts for the reduced savings.
  - Use of US Bank PCard increased among current users; adoption of US Bank PCard by a large user was delayed.

# Sourcing and Procurement Program

- Goals
  - Leverage the buying power of the 31 colleges and universities to produce savings.
  - Unify the system procurement efforts, including those of the system office and the Collaborative Sourcing Team.



# Sourcing and Procurement Savings

Project	FY2014	FY2015 Projected
IT Hardware/Software	399,473	225,000
Maintenance, Repairs & Operations	42,251	45,000
Office, Paper and Janitorial Supplies	466,566	329,500
Paint	4,034	4,279
Purchasing Card	314,885	368,365
Managed Print Services	794,825	945,047
Financial Aid Processing	81,000	83,430
Payroll Processing	206,489	206,489
<b>TOTAL SAVINGS</b>	<b>\$ 2,309,526</b>	<b>\$ 2,207,111</b>

# Shared Services Program

- Goals
  - Provide colleges and universities with the talent, tools and environment to support enterprise solutions and multi-campus collaborations.
  - Reduce costs and mitigate risks through improvements to program effectiveness and efficiency.
  - Improve the student experience.

# Shared Services Program

Current Shared Service Projects	Local	Regional	Statewide
Financial Aid Processing			√
Payroll Processing		√	
Transactional HR Delivery Model		√	√
Investigative Services	√	√	√
Talent Registry	√	√	√
Shared Services Infrastructure	√	√	√

Proposed Shared Service Projects	Local	Regional	Statewide
Institutional Research	√	√	
Accreditation Consulting	√		
Grant Writing	√	√	
Project Management	√	√	
Employee Expense Reporting		√	√
Staff Professional Development	√	√	√

## What Lies Ahead?

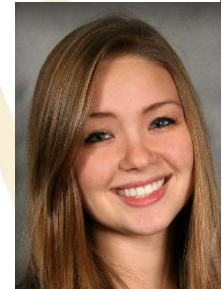
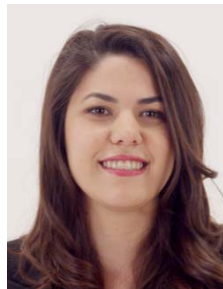
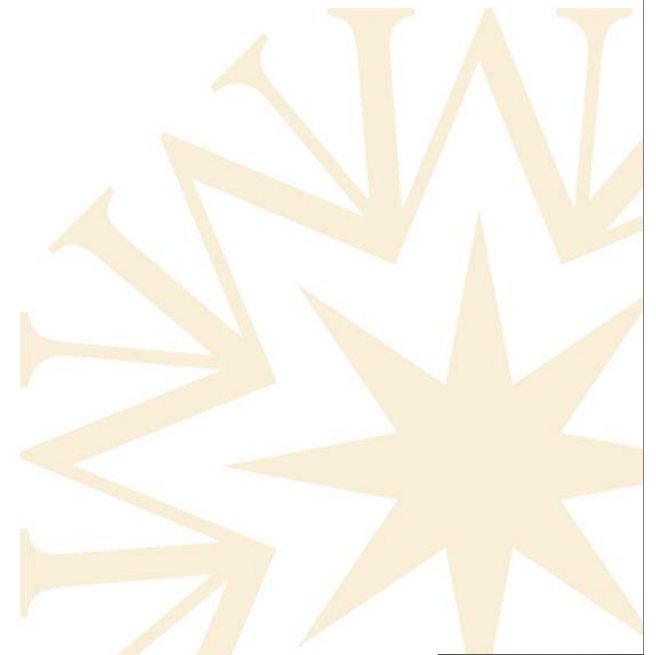
- How can the Campus Service Cooperative help to implement the Charting the Future recommendations?
- Should we expand our improvement initiatives to include academic and student services?
- Do we have the right model for making systemic change? Can a model that relies on voluntary participation achieve the Board's goals?



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