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ANNUAL REPORT

THE STEERING COMMITTEE

The activities of the Partnership to Advance Collaboration and Efficiency (PACE) are directed by the PACE Steering Committee. The Steering Committee consists of three state university presidents, three community college presidents, the Executive Officer of the State Universities Council of Presidents; the Executive Officer of the Community Colleges Council of Presidents; a representative of the Massachusetts Department of Higher Education (ex officio) and the Executive Director of PACE (convener, ex officio).

Current Members of the PACE Steering Committee include:

President William Messner of Holyoke Community College, Chair;

President Daniel Asquino of Mount Wachusett Community College;

President Gail Carberry of Quinsigamond Community College;

President Barry Maloney of Worcester State University;

President Patricia Meservey of Salem State University;

President Dana Mohler-Faria of Bridgewater State University;

President John Sbrega of Bristol Community College;

Vincent Pedone, Executive Officer, State Universities Council of Presidents;

William Hart, Executive Officer, Community Colleges Council of Presidents;

Sean Nelson, Deputy Commissioner, Department of Higher Education; and

Judith Silvia, Executive Director, PACE.



PACE is an initiative of the nine Massachusetts state universities and the fifteen Massachusetts community colleges.

PACE was founded on the shared belief that systematic cooperation among the Massachusetts state universities and community colleges carries with it tremendous benefits for each institution, its students and the public at large. By working together, the 24 institutions can bolster levels of efficiency, increase productivity, improve delivery of services to constituents, mitigate short- and long-term risks, enhance compliance, and instill best management practices. This commitment to collaboration generates savings for every campus – both in the form of actual reduced costs and in avoided costs, which are difficult to estimate but can amount to significant savings. These savings can be targeted to students in need of financial assistance making a college education both affordable and accessible.

PACE builds upon our individual institution's efficient structures and strong commitment to ensuring that public resources are responsibly invested and protected. In carrying out its mission, PACE has undertaken numerous initiatives that benefit each institution, their geographic region and the Commonwealth by bolstering operational efficiencies, increasing productivity, improving service delivery and reducing long-term risks and vulnerabilities. Current PACE initiatives are focused on joint purchasing of goods and services, improving operational efficiencies, bolstering IT security, optimizing investments, improving risk management, enhancing training and professional development, and expanding academic and social opportunities for students.

PACE is funded by an assessment to its 24 member institutions. PACE also receives funding from the Department of Higher Education for targeted projects and initiatives.

COMING TOGETHER IS A BEGINNING,

STAYING TOGETHER IS PROGRESS,

WORKING TOGETHER IS SUCCESS.

- HENRY FORD

PACE DIRECT COST SAVINGS AND EFFICIENCIES

2014 SAVINGS

1. COLLABORATIVE PROCUREMENTS (RFPs)

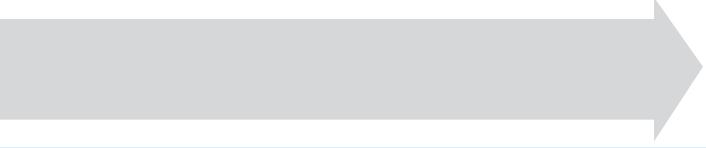
- A. IT Assessment
- B. IT Security Assessment
- c. Enterprise Resource Planning
- D. Bookstore (phase 1)
- E. Insurance (phase 1)
- F. Energy (5 pilot institutions)

2. EDUCATION AND TRAINING

- A. Title IX Training
- B. CIO IT Security Training
- c. Employee Security Training

3. NEGOTIATED VENDOR AGREEMENTS

GRAND TOTAL



\$260,000
\$205,000
\$ 65,000
\$460,000
\$250,000
\$ 95,000

\$1,335,000

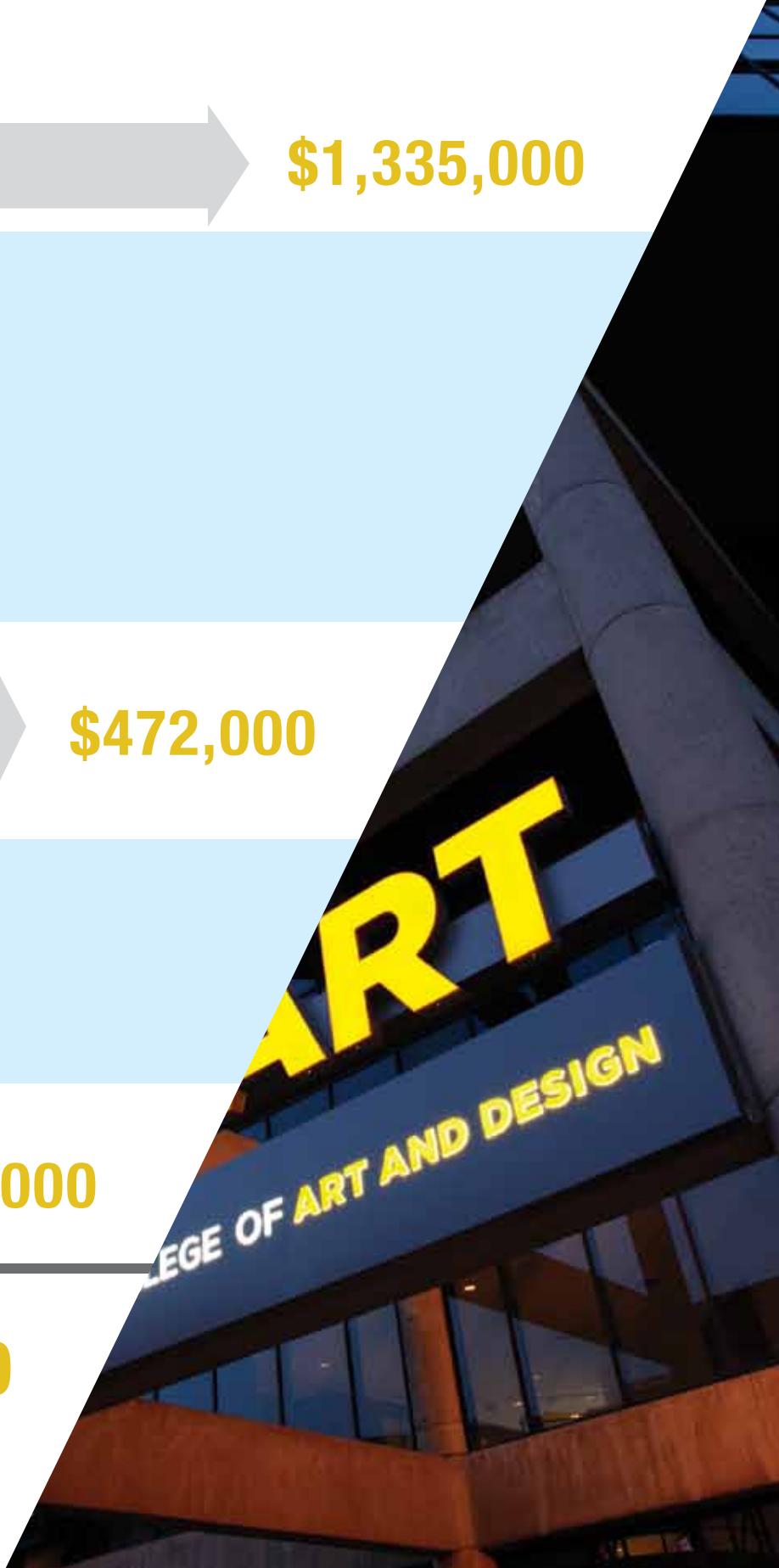


\$327,000
\$120,000
\$ 25,000

\$472,000



\$2,132,000



THE POWER OF 24

Whether collaborating on training and educational opportunities, issuing a request for proposals (RFP), sharing knowledge and best practices or jointly purchasing software licenses, PACE members achieve greater efficiencies in the procurement of goods and services through increased buying power and reduced transaction costs. This buying power also affords PACE members the opportunity to take advantage of negotiated agreements which offer price reductions and discounted upgrades.

This annual report highlights collaborative efforts resulting in greater efficiencies and cost savings for the 2014 calendar year. The report also details collaborative efforts to manage risks more proactively, bolster IT security, enhance compliance and instill best practices. These efforts are critical to responsible and effective management. Although the dollar savings are difficult to estimate, we know that when these risks are not properly managed, they can cost institutions in the tens of millions of dollars and damage their reputation and ability to focus their attention and resources on the mission of educating students.

It is important to note as well that the savings described in this report are the ones which directly result from the collaborative efforts coordinated and directed through PACE. Each of our 24 institutions is also committed to providing the highest quality education to our collective students in the most efficient manner possible. Over the past five years, our individual campuses have saved over **\$170 million** in measures which have reduced costs and improved productivity.

Either on their own accord or by working with PACE, our institutions, as responsible stewards of public investment, are continuously looking for opportunities to improve operations and reduce costs.

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In the coming year, PACE will continue to look for cost savings opportunities. At the conclusion of this report, initiatives are identified that are in various stages of review. It is the intent of PACE to fully investigate each of these opportunities and to continue to find ways in which our 24 member institutions can collectively lower costs and improve services.

1. COLLABORATIVE PROCUREMENTS AND ASSESSMENTS

A) Information Technology Assessment

Through funding by the Department of Higher Education (DHE), PACE commenced an Information Technology (IT) initiative which began with a Request For Proposals (RFP) for an IT assessment of the 24 PACE member institutions. As a result of the RFP process, Berry Dunn, a New England based firm of CPAs and consultants, was selected to conduct the IT assessment.



The focus of the work was to identify the following:

- Possible cost savings opportunities
- Potential operating efficiencies
- Recommendations that benefit from both shared and local services
- IT investments
- A framework for implementing the recommendations

The Berry Dunn IT Assessment identified 15 opportunities for consideration grouped into five different categories:

- Professional Development
- Coordinated Purchasing
- Shared Services
- Improved Data Standards and Information Sharing
- Enterprise Application and Business Process Improvements

The PACE Steering Committee prioritized the following recommendations, which have been completed or are currently in process:

1. Professional Development and Shared Training
2. Creation of an IT Purchasing Position
3. Development of an overall Enterprise Resource Planning (ERP) Strategy
4. Development of an RFP for a Security Posture Assessment.

PACE SAVINGS - \$260,000

COLLABORATIVE PROCUREMENTS AND ASSESSMENTS (cont.)

B) IT Security Posture Assessment

PACE issued a Security Posture Assessment RFP and requested proposals from security consulting firms for an information security assessment of each of the 24 institutions. McGladrey LLP was ultimately selected to lead this assessment. The goal of the information security assessment was to identify the security posture of each institution along with any remediation plans. The McGladrey IT Security Assessment reviewed the policies, procedures and internal controls of individual member institutions designed to prevent the unauthorized access to institutional and personal data. The results of the evaluation utilized the System Administration, Audit, Networking and Security (SANS) Top 20 Controls to categorize and classify observed control weaknesses and to measure the potential severity of any control weaknesses. During the examination, severe high risk deficiencies were corrected immediately while longer term efforts are being addressed in a collaborative, systematic approach. The collaboration between institutions should result in significant cost savings and a much more rapid resolution of issues.

PACE's IT Security efforts are extensive and a top priority for our institutions. No security measure can ever provide total assurance or 100 percent protection against possible control failures or security threats. However, the collaborative efforts of our 24 institutions in this area will give us the knowledge and tools to react quickly to identify and remedy a security breach and will certainly minimize the impact and scope of an inevitable data security incident. These collaborative IT security related efforts could result in avoided costs totaling more than \$100 million based on recent incidents at the University of Maryland, Auburn University, Indiana University and North Dakota University, which have been extraordinarily costly to resolve.

PACE SAVINGS - \$205,000

C) Enterprise Resource Planning (ERP) Strategy

PACE has engaged Gartner, a national information technology research and advisory company, to conduct a survey of public higher education systems which attempted to share an ERP solution. The objectives of the study are to:

- Identify which ERP implementation models and approaches have worked well (or not worked well) at systems similar to the PACE membership.
- Identify best practices and lessons learned which should guide subsequent efforts, particularly related to the development of an ERP strategy.
- Increase the likelihood of project success by establishing a foundation of good practices.
- Increase project credibility by providing real-life points of comparison.

The final report will be completed in April 2015.

PACE SAVINGS - \$65,000

D) Bookstore Assessment (Phase 1)

PACE members recognize that the traditional college/university bookstore business is in a transformational period and understand the need to transition from a traditional bookstore to a state-of-the-art, consumer centric model. Fourteen PACE members participated in Phase 1 of the bookstore assessment. An extensive financial, contractual and operational analysis was done and a process was developed to ensure an effective long-term bookstore solution. After reviewing the assessments, nine schools will move forward with Phase 2 and participate in an RFP for a bookstore service provider. Participating schools are seeking a partner to guide them through the transition with the overall goals of improving textbook/course affordability for students, leading the transformation from traditional to digital course materials, and improving customer satisfaction, to name a few. This RFP was released in October. Responses are presently under review and PACE anticipates substantial savings will be achieved at the conclusion of Phase 2. Substantial savings were also realized in Phase 1 by undertaking the assessment collectively rather than just on an institutional basis.

PACE SAVINGS - \$460,000

E) Insurance Assessment (Phase 1)

PACE members also engaged in an independent, objective review of insurance coverage and liability. Through a survey instrument, an extensive analysis of insurance coverage was performed. From this effort, joint purchasing opportunities were identified. With ten participants, Phase 2 will involve reviewing insurance coverages that can be jointly procured, as well as reviewing and revising insurance contracts to create a more risk informed process. Phase 2 is underway and should be completed in the second quarter of 2015. Significant savings are anticipated.

PACE SAVINGS - \$250,000

F) Energy Procurement

An electricity procurement was completed in August 2014 and was a pilot in which five institutions participated. Participation was determined by contract end dates. Due to the extremely high electricity prices over the summer, the five participants entered into six-month contracts.

PACE SAVINGS - \$95,000

EDUCATION AND TRAINING



2. EDUCATION AND TRAINING

A) Title IX Training and Awareness Programs

Due to new compliance requirements under Title IX, the Violence Against Women Act/Campus SAVE Act and the Clery Act, our 24 institutions will be required to provide training for employees who will be responsible for implementing the requirements concerning sexual violence. The audience for such training must include Title IX coordinators, deputy coordinators, equal opportunity officers, administrative investigators, review and appellate board members, officials from campus police, designees from HR, counseling services, and potentially other employee categories.

By meeting together either in a central or regional location, significant cost savings will be achieved. National firms will travel to Massachusetts, eliminating out of state travel costs. Furthermore, participants will have the opportunity to share their experiences and learn from each other.

A further requirement of the Campus SAVE Act is that every institution must provide incoming students and new employees primary prevention and awareness programs. Through a joint purchase, PACE members are implementing an online awareness tool for students and employees. The first year implementation costs are at no charge and year two charges are deeply discounted. These efforts will continue through 2015.

PACE SAVINGS - \$327,000

B) Chief Information Officer (CIO) IT Security Training

Earlier this year, 24 CIOs participated in the SANS Institute Top 20 IT security training in concert with the University of Massachusetts (UMass) system. This training prepared our institutions for security posture assessments. SANS designed a comprehensive course on how to implement the 20 Critical Security Controls, a prioritized, risk-based approach to security. Designed by private and public sector experts from around the world, the Controls are the best way to block known attacks and mitigate damage from successful attacks. They have been adopted by the U.S. Department of Homeland Security, state governments, universities, and numerous private firms. SANS in-depth, hands-on training assisted our 24 institutions with the specific techniques and tools needed to implement and audit the Critical Security Controls. It helped us to understand not only how to stop a threat, but why the threat exists, and how to ensure that security measures deployed today will be effective against the next generation of threats.

In October, PACE CIOs and IT staff participated in Data Classification Risk Assessment training. The SANS Institute presented a documented methodology utilizing simple questionnaires to measure and map areas within the college or university that have the highest risk of exposing private and confidential data. This method allows the college or university to determine actual usage of Personally Identifiable Information (PII) from all sources - electronic, verbal and on paper - and institute prompt corrective action to reduce risk and improve efficiency. Utilizing this methodology, institutions can measure risk and then target training resources to increase individual security awareness. Repeating the process over several years can help identify and reduce risk exposure through awareness training and consequently avoid a costly data loss remediation effort.

PACE SAVINGS - \$120,000

C) Employee IT Security Training

PACE recently rolled out the SANS “Securing the Human” training product for employees. These training modules will assist staff with understanding current data security threats and how to avoid becoming trapped or exploited.

PACE SAVINGS - \$25,000

3. NEGOTIATED VENDOR AGREEMENTS

PACE is in the process of working with vendors to identify cost savings and efficiencies. Most recently an emergency notification vendor that provides services for a majority of our institutions offered price reductions upon contract renewal as well as deep discounts on new products.

PACE SAVINGS - \$325,000



POTENTIAL OPPORTUNITIES FOR 2015



Below are some of the many initiatives underway at PACE. These initiatives are at various stages of review and process.

Bookstore Phase 2 and Insurance Phase 2

As discussed responses for the Bookstore RFP are currently under review. Anticipated savings are estimated to be more than \$3,000,000. RFPs for insurance services will be released in the second quarter with estimated savings of more than \$200,000 for participating institutions.

External Audit RFP

Each institution is required to have their financial reports audited. PACE will be issuing an RFP for External Audit Services. Participating auditing firms will be required to provide discounted prices and services.

Helpdesk Service Desk RFP

PACE released an RFP in February for outsourced helpdesk services. These services assist faculty, students and staff with technology related issues. Working with PACE member CIOs, an analysis of the cost to provide an internal central service desk was completed. PACE will therefore be able to compare the costs of internal vs. external helpdesk services and determine the most cost-effective method to deliver these services.

Closed Captioning for Online Courses

Video segments and recorded lectures have become an integral component of many college courses. ADA requires that videos and recorded lectures be accompanied by closed captions. PACE is exploring creative and collaborative ways to incorporate captioning into our course offerings.

Classroom Technology Options/Vendors

PACE is examining the feasibility of standard design specifications as well as reviewing vendor offerings that would provide discounted pricing to participating institutions for classroom technology.

Lecture Capture

PACE is also reviewing vendor offerings that would provide a standardized methodology to record, capture and caption faculty lectures for students at a reduced cost.

Learning Management System (online learning resources for students)

PACE is examining the feasibility of establishing a simplified statewide licensing model to provide member institutions with preferred services and/or deeply discounted optional features and functionality.

Energy Preferred Vendor List

PACE is considering releasing an RFP that would require energy suppliers to meet certain criteria to be listed on a preferred energy supplier list.

Energy Conference

PACE is working with the Clean Energy Center to organize a conference that would educate members and provide potential clean energy opportunities and ways to lower overall energy costs.

Advancement/Fundraising

PACE is working with vendors in the college advancement space to examine software that can enhance fundraising opportunities and reduce transaction costs.

Education and Training

PACE will continue to identify collaborative training/education opportunities at a central or regional location to reduce travel and training costs.

Printing and Copying Services

PACE will work with vendors on a sustainability plan that reduces paper consumption through enhanced deployment of technology which also encourages the transmittal of learning material electronically.

Data Loss Prevention and Data Classification

PACE will continue to work with our institutions to enhance and implement critical security controls that will prevent the unauthorized and most often inadvertent movement of highly sensitive data (data loss preventions) as well as implement a comprehensive inventory of which critical data is collected and who has access to it (data classification).

Hardware Virtualization Software (allows one physical device to become many)

PACE will negotiate with major vendors to obtain blanket licensing at a reduced cost, expand the efficient and effective use of particular software applications, and develop a systemwide best practices.

Digital Signage

PACE is reviewing a digital signage system, which would allow participating institutions to establish message centers at no cost while creating a source of revenue for the participating intuitions.

Hearing Impaired Services

PACE will explore opportunities in which regional collaboration could increase efficiencies and reduce costs associated with hearing impaired services for students, faculty and staff.

Electronic Transcripts

PACE is working with vendors to determine the feasibility of implementing a system-wide electronic transmittal of transcripts. Electronic collection and delivery can increase efficiency and reduce costs at numerous points in the educational system.

Grant Opportunities

PACE will aggressively look at potential public and private grant opportunities that will further our mission and bring benefits to the higher education community at large.

A TRUE STATEWIDE PARTNERSHIP



Acknowledgements

The work of PACE could not be accomplished without the support of our 24 member institutions. PACE expresses sincere gratitude to:

- the PACE Steering Committee for its advice, counsel, encouragement and dedication to the PACE mission;
- the 24 college presidents for their leadership, passion and deep commitment to providing an affordable, quality education to all students;
- the PACE IT Steering Committee for helping us navigate through complex issues and for working with us to bring these initiatives to completion;
- the CFOs, CIOs, HR Directors and all individuals at our 24 institutions who assisted PACE throughout the year. You bring us innovative ideas and opportunities and work with us to ensure our initiatives are successful.

PACE also acknowledges and appreciates our partnership with the Department of Higher Education. Their funding of the IT, energy and employee training initiatives has given us the ability to take advantage of these valuable opportunities.

The work continues . . .



**State Universities
of Massachusetts**

Bridgewater State University

Fitchburg State University

Framingham State University

Massachusetts College of Art & Design

Massachusetts College of Liberal Arts

Massachusetts Maritime Academy

Salem State University

Westfield State University

Worcester State University



Massachusetts Community Colleges

Berkshire Community College

Bristol Community College

Bunker Hill Community College

Cape Cod Community College

Greenfield Community College

Holyoke Community College

MassBay Community College

Massasoit Community College

Middlesex Community College

Mt. Wachusett Community College

Northern Essex Community College

North Shore Community College

Quinsigamond Community College

Roxbury Community College

Springfield Technical Community College

Partnership to Advance Collaboration and Efficiency

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