

STATE OF COLORADO
DEPARTMENT OF HIGHER
EDUCATION PERFORMANCE
CONTRACT

This Performance Contract is by and between the Department of Higher Education (hereinafter referred to as the "Department") and the Board of Colorado Mesa University (hereinafter referred to as the "Governing Board").

RECITALS

WHEREAS, the General Assembly enacted the College Opportunity Fund Act, title 23, Article 18, Section 101 *et seq.*, Colorado Revised Statutes, which states that performance contracts should provide for greater flexibility and a more focused accountability for institutions to students and the people of Colorado.

WHEREAS, Title 23, Article 1, Section 108(1.5)(a), Colorado Revised Statutes, requires that the Colorado Commission on Higher Education (hereinafter referred to as the "Commission") shall develop and submit to the Governor and General Assembly, a new master plan (hereinafter referred to as the "Master Plan") for Colorado postsecondary education, which shall be developed in collaboration with the governing boards and chief executive officers of the state institutions of higher education.

WHEREAS, Title 23, Article 1, Section 108(1.5)(f), Colorado Revised Statutes, requires the Commission to ensure that the Master Plan is implemented through the performance contracts authorized pursuant to Sections 23-5-129 and 23-41-104.6 by negotiating with the governing boards individualized goals and expectations for the public institutions of higher education, which goals and expectations support achievement of the statewide goals identified in Section 108(1.5)(c) and in the Master Plan.

WHEREAS, Title 23, Article 1, Section 108(1.7), Colorado Revised Statutes, requires that the Commission, working with the governing boards and the institutions of higher education, shall collect data, including but not limited to research conducted by national policy organizations and agencies or institutions of higher education in other states, as necessary to support development and implementation of the Master Plan and to use in negotiating the performance contracts authorized pursuant to Sections 23-5-129 and 23-41-104.6.

WHEREAS, Title 23, Article 1, Section 108(1.9), Colorado Revised Statutes, requires the Commission to create a performance-based funding plan on or before December 1, 2013, to appropriate to each governing board, including the governing boards for the junior colleges and area vocational schools, a portion of the performance funding amount for the applicable state fiscal year based on the success demonstrated by the institutions under each governing boards' control in meeting the goals and expectations specified in the institutions' respective performance contracts. Pursuant to Title 23, Article 1, Section 108(1.9)(c)(I), Colorado Revised Statutes, the "performance funding amount" means twenty-five percent of the amount by which the general fund appropriation for the state system of higher education, excluding any amount appropriated for student financial aid, exceeds six hundred fifty million dollars when total general fund appropriations have reached or exceed the "restored level" of seven hundred six million dollars. Performance funding will not be implemented until after fiscal year 2015-16 per Section 23-1-108(1.9)(b), Colorado Revised Statutes.

GENERAL PROVISIONS

1. Effective Date and Term of Contract. This Performance Contract shall be effective after execution by the Governing Board and the Department and on the date the Performance Contract is approved by the Commission, and shall remain in effect until June 30, 2017.
2. Scope of Contract. This Performance Contract, and Addenda A and B, which are expressly incorporated herein, sets forth the mutually agreed-upon performance goals and expectations of Colorado Mesa University (hereinafter referred to as the "Institution" or "CMU"), as well as the measurements for determining progress towards those goals. The goals and expectations set forth in this Performance Contract reflect the statewide goals set forth in Title 23, Article 1, Section 108(1.5)(c), Colorado Revised Statutes, and the Master Plan, and are tailored to the role and mission of the Institution. This Performance Contract also sets forth the mutually agreed-upon resource, programmatic and management flexibility for the Institution, as set forth in Addendum B.
3. Authority to enter Performance Contracts. The Institution is a state institution of higher education pursuant to Title 23, Article 5, Section 129(1)(b), Colorado Revised Statutes, and this Performance Contract is authorized by Title 23, Article 5, Section 129(2)(a), and Title 23, Article 1, Section 108(1.5)(t).
4. Prior Agreements. This Performance Contract supersedes and replaces any previously executed performance contract, including amendments and modifications thereto, entered into by the Parties.
5. Performance Goals and Measurements. The Institution agrees to make those efforts and implement the performance goals and expectations set forth in Addendum A, within the time frames established in Addendum A. The Institution agrees and understands that its progress towards those performance goals and expectations shall be evaluated based on the measurements set forth in Addendum A. Two years following the adoption of the Performance Contract, during the period from January 2015 to June 2015, the Department and the Institution shall evaluate the efficacy and appropriateness of the Institution's performance goals and metrics as set forth in Addendum A. The Department and the Institution shall work in consultation to determine if changes or modifications to Addendum A are necessary in order to effectuate the Department's proposed performance funding method. If changes are mutually endorsed, the parties shall renegotiate the Institution's performance goals and metrics in an amendment to this Performance Contract, as provided in paragraph 20.
6. Performance Goal Achievement. This Performance Contract sets forth those goals, standards and requirements upon which the Department and the Governing Board have mutually agreed.
7. Resource, Programmatic and Management Flexibility. As authorized by Title 23, Article 5, Section 129(2)(a), Colorado Revised Statutes, the Institution's compliance with the goals set forth herein are in lieu of many of the requirements of Article 1 of Title 23 for the period of the Performance Contract, as set forth in Addendum B.
8. Academic and Vocational Program Approval. Pursuant to Title 23, Article 5, Section 129(6)(a)-(b), Colorado Revised Statutes, and the Commission's Policy 1-V, while operating pursuant to this Performance Contract, the Governing Board shall continue to operate as the Governing Board for the Institution, and shall not be required to consult with or obtain approval from the Commission to create, modify, or eliminate academic and vocational programs offered by the Institution, so long as such creations, modifications, and eliminations are consistent with the Institution's statutory role and mission. The Commission shall have the authority to override the creation or modification of an academic or

vocational program if the change made by the Governing Board is inconsistent with the Institution's statutory role and mission.

9. Tuition and Other Increases. During the period this Performance Contract remains in effect, the authority of the Governing Board for the Institution to set tuition shall be as set forth in Title 23.

10. Institution's Eligibility for State Funding. Pursuant to Title 23, Article 5, Section 129(7)(a), Colorado Revised Statutes, while operating pursuant to this Performance Contract, the Institution shall remain eligible for state-funded capital construction projects and controlled maintenance projects as provided in Title 23, Article 1, Section 106.

11. Resident Applicant Admission Requirements. Pursuant to Title 23, Article 5, Section 129(7)(b), Colorado Revised Statutes, while operating pursuant to this Performance Contract, the Institution shall continue to admit Colorado resident applicants within the requirements of Title 23, Article 1, Section 113.5 who meet the admissions criteria of the Institution.

12. Data Reporting Requirements. The Governing Board shall transmit to the Department all annual reports and data required in this Performance Contract including those set forth in Addendum A, in the form and manner prescribed herein or as required by Commission policy. The Governing Board shall provide the Department of Higher Education with data upon formal request, including data requested pursuant to Title 23, Article 1, Section 108(1.7), Colorado Revised Statutes, and shall continue to report information through the Commission for the Student Unit Record Data Systems (SURDS) and the Integrated Post-secondary Education Data System (IPEDS) of the United States Department of Education.

13. Issue Resolution. The parties agree to use their best efforts to resolve any disputes that may arise with respect to performance of the terms and conditions set forth herein. In the event that a party to this Performance Contract has reason to believe that the other party is not complying with the terms and conditions set forth herein, that party shall first provide written notice to the non-complying party setting forth the nature of the alleged failure to act or perform. If the dispute is not resolved, the official representatives of the parties shall meet to discuss a remediation plan or modification of this Performance Contract as may be required by the circumstances.

14. Performance Report. Performance on this Performance Contract shall be reported by the Department to the Governor and General Assembly pursuant to Title 23, Article 5, Section 129(5). The Institution understands that, pursuant to Title 23, Article 1, Section 108(1.9)(b) and (c), Colorado Revised Statutes, after the 2015-16 state fiscal year, in each state fiscal year in which the general assembly appropriates the restored level of general fund appropriations for the state system of higher education, the Commission, based on the performance-based funding plan adopted in the Master Plan, shall recommend to the joint budget committee the portion of the performance funding amount to be appropriated to the Governing Board, based on the demonstrated performance of the Institution in meeting the goals and expectations set forth in this Performance Contract. Pursuant to Title 23, Article 1, Section 108(1.9)(c)(II), Colorado Revised Statutes, the "restored level of general fund appropriations" means an amount of general fund appropriations for the state system of higher education, excluding any amount appropriated for student financial aid, that equals or exceeds seven hundred six million dollars.

15. Notice and Representatives. For the purposes of this Performance Contract, notices required under this Performance Contract shall be in writing and shall be sent by prepaid certified mail, return receipt requested, by facsimile, with confirmation of transmission, by overnight delivery such as Federal Express, or by hand delivery, with confirmation of receipt, to the individuals identified below

who are hereby designated as the official representatives of the respective Parties. Either Party may from time to time designate in writing a new or substitute representative or address.

For the Department:
Lt. Gov. Joseph A. Garcia
Executive Director
Colorado Department of Higher Education
1560 Broadway, Suite 1600
Denver, CO 80202

For Colorado Mesa University
Tim Foster
President
Colorado Mesa University
1100 North Ave
Grand Junction, CO 81501

16. No Third-Party Beneficiary. Nothing in this Performance Contract shall be construed or implied to confer third-party beneficiary status on any person or entity. Any services or benefits which third parties receive as a result of this Agreement are incidental and do not create rights for such third parties.

17. Assignment. The rights and obligations of each Party hereunder are personal to such Party and may not be transferred, assigned or subcontracted without the prior, written consent of the other Party.

18. Severability. To the extent that this Performance Contract may be executed and performance of the obligations of the parties may be accomplished within the intent of the Performance Contract, the terms of the Performance Contract are severable, and should any term or provision hereof be declared invalid or become inoperative for any reason, such invalidity or failure shall not affect the validity of any other term or provision hereof.

19. Renewal of Agreement. The Governing Board and the Department may agree to renew this Performance Contract prior to its expiration. Any such renewal must be approved by the Commission.

20. Entire Agreement. This Performance Contract, including the Addenda hereto and any documents to be delivered hereunder, are intended as the complete integration of all understandings between the parties regarding performance contracts authorized by Title 23, Article 5, Section 129 and Title 23, Article 1, Section 108(1.5)(t). No prior or contemporaneous addition, deletion or other amendment hereto shall have any force or effect whatsoever, unless embodied herein in writing. No subsequent novation, renewal, addition, deletion or other amendment hereto shall have any force or effect unless embodied in a writing executed and approved by both Parties to this Performance Contract and the Commission.

21. Modification. This Performance Contract shall be subject to such modifications as may be required by changes in federal or state law or regulations or as may be agreed to by the parties and approved by the Commission. Any such modifications shall be agreed to by the parties in writing and incorporated into and made a part of this Performance Contract as if fully set forth herein. Any modification or addition to this Performance Contract shall not become effective until approved by the Commission and the Governing Board.

22. Force Majeure. Neither party shall be considered to have materially failed to perform its obligations under this Performance Contract, including, for the Institution, its failure to meet a Performance Goal, to the extent that such failure arises out of causes beyond the reasonable control of a party. Such causes may include, but are not limited to, acts of God or of the public enemy, acts of the state or the United States in either its sovereign or contractual capacity, fires, floods, epidemics, strikes, and unusually severe weather, but, in every case, delay or failure to perform must be beyond the reasonable control of and without the fault or negligence of the party.

SIGNATURE PAGE

THE PARTIES HERETO HAVE EXECUTED THIS PERFORMANCE CONTRACT

<p>GOVERNING BOARD Board of Trustees for COLORADO MESA UNIVERSITY</p> <p>BY:  Tim Foster, President</p> <p>DATE: <u>8-23-13</u></p>	<p>DEPARTMENT COLORADO DEPARTMENT OF HIGHER EDUCATION</p> <p>BY:  Lt. Gov. Joseph A. Garcia, Executive Director</p> <p>DATE: <u>8-26-13</u></p>
<p>APPROVED</p> <p>BY:  Dan Robinson, Chair, Board of Trustees for Colorado Mesa University</p> <p>DATE: <u>8/23/2013</u></p>	<p>APPROVED</p> <p>BY:  Richard Kaufman, Chair, Colorado Commission on Higher Education</p> <p>DATE: <u>August 26, 2013</u></p>

Addendum A

This Addendum A sets forth those goals, standards and requirements upon which the Department and the Governing Board have mutually agreed.

The Institution agrees to make those efforts and implement the performance goals and expectations set forth in this Addendum A, within the time frames established in Addendum A. The Institution agrees and understands that its progress towards those performance goals and expectations shall be evaluated based on the measurements set forth in Addendum A.

NOW THEREFORE, the Parties agree as follows.

Performance Funding Metrics for Colorado Mesa University

		Required Indicators	Indicator Number	Colorado Mesa University Performance Contract Worksheet	Weight (As %)
Credential Completion	Minimum of two indicators and 20 total points.	11 selected	1.1	Increase undergraduate credentials awarded by one percent per year*	15%
			1.7	Increase the average number of undergraduate degrees awarded in STEM and healthcare-related disciplines by one percent per year until the University has increased completions to 110% of the base year*** completions average, and then maintain a level of completions at or above 110% of the base year.	10%
			1.8	Increase the base year** average of six-year graduation rates for first-time, full-time, baccalaureate-seeking undergraduates until the six-year graduation rate average is at or above the average for CCHE-defined peer institutions.	10%
			1.9	Increase the average number of undergraduate degrees awarded in disciplines that support regional workforce needs by one percent per year until the University has increased completions to 110% of the base year*** completions average, and then maintain a level of completions at or above 110% of the base year.	10%
			Subtotal Credential Completion		
Student Momentum and Success	Minimum of two indicators and 20 total points.		2.6	Increase the average base year percentage of baccalaureate-seeking students by one percent per year who successfully complete introductory, college-level courses in English and mathematics to 110% of the base year** average and then maintain a level of course completion at or above 110% of the base year.**	5%
			2.7	Increase the base year average number of first-time, full-time, associate- and baccalaureate-seeking students who accumulate at least 30 credit hours by the end of their third semester until CMU has reached 110% of the base year** average, and then maintain the level of credit hour completion at or above 110% of the base year.	15%
			Subtotal Student Momentum and Success		
Closing Progress and Attainment Gaps	Minimum of two indicators and 20 total points.	3.1 selected	3.1	Annually reduce disparities in graduation rates between resident underserved and resident non-underserved students****	3%
			3.9	Increase the average number of newly-enrolled resident students from underserved populations***** by one percent per year above the base year average** or until the University's average underserved, undergraduate population is five percent higher than the base year average and then maintain an average number at five percent or above that of the base year.	17%
			Subtotal Close Gaps		

Financial Stewardship	Minimum of two indicators and 15 total points.	4.5	Maintain excellence by ensuring that CMU remains in the top 25 percent of CCHE-defined peer institutions as measured by the average percentage of expenditures allocated to instruction, beginning with the base year** average.	7.5%
		4.6	Increase institutional financial aid awards (per FTE) to students with demonstrated need using state, federal, and institutional guidelines at a rate at or above tuition percentage increases for resident undergraduate students.	7.5%
		Subtotal Financial Stewardship		
Total (Must Total 100%)				100%

* until the University has increased credentials to 110% of the base year average**

** The base year average will be calculated by averaging the following years of data: FY2009-1010, FY 2010-1011, and FY2011-12. For each subsequent year's rates, the three-year average will roll forward one year, thereby dropping the oldest year's data and adding the most recent year. Subsequent rolling averages will not override the base year average as it pertains to the goals. The timeframe exception for the yearly base calculation is for the six-year graduation rate average, with the initial average based on students entering in Fall 2004, Fall 2005, and Fall 2006.

***For 1.7 and 1.9 due to an expansion in CMU's nursing program, the years used to calculate the base year average will be based on data from FY2008-09, FY2009-1010, and FY 2010-1011. For each subsequent year's rates, the three-year average will roll forward one year, thereby dropping the oldest year's data and adding the most recent year. Subsequent rolling averages will not override the base year average as it pertains to the goals.

****For 3.1, Underserved is defined as students who self-report as being Black, Hispanic, and/or American Indian origin until the University has decreased the disparity in completion rates of underserved students to within 5% and then maintain or exceed that level of performance. This would be calculated by comparing the percentage of underserved students who receive a credential in an academic year to the percentage of all students who receive a credential in the same academic year, using the base-year average**.

*****For 3.9, Underserved students are defined as students who self-report as being Black, Hispanic, Asian, Pacific Islander, and/or American Indian origin

ADDENDUM B

RESOURCE, PROGRAMMATIC AND MANAGEMENT FLEXIBILITY

This Addendum B describes the resource, programmatic, and management flexibility that the Department agrees to provide or support for the Governing Board operating under this Performance Contract.

Pursuant to Title 23, Article 5, Section 129(2)(a), as of the Effective Date of this Performance Contract, compliance with the terms set forth in this Performance Contract will be in lieu of the following statutory requirements of Article 1 of Title 23, as they may hereinafter be revised or renumbered, and any policies promulgated by the Commission thereto.

STATUTORY REQUIREMENTS

C.R.S. § 23-1-105.5. Duties and powers of the Commission with respect to student fee-report.

Provided that the governing board continues to adopt an institutional fee plan pursuant to 23-5-119.5, the Governing Board shall be exempt from any Commission policies promulgated pursuant to this section.

C.R.S. § 23-1-106. Duties and powers of the Commission with respect to capital construction and long-range planning -legislative declaration – definitions.

The Governing Board shall continue to comply with the provisions of this section except that: (1) the Governing Board shall not be subject to facilities master plan approval described in subsection (3) or (4) of this section, provided the Governing Board approves each plan, notifies the Commission of its approval and makes the plan available to the Commission, and, for projects the cost of which will not exceed two-million dollars, the Governing Board shall not be subject to subsection (5) of this section; and (2) Projects for auxiliary facilities that are to be acquired or constructed and operated and maintained solely from cash funds held by the institution and projects to be acquired or constructed solely from cash funds held by the institution and operated and maintained from such funds or from state moneys appropriated for such purpose, or both, shall not be required to be submitted to the Commission pursuant to subparagraph 7(b) provided that the institution annually submits a report substantially similar to the report described in subsection (6)(b) of this section to the capital development committee for approval.

C.R.S. § 23-1-107. Duties and powers of the commission with respect to program approval, review, reduction, and discontinuance.

As provided in C.R.S. 23-5-125, the Governing Board need not consult with or obtain approval from the Commission to create, modify, or eliminate academic and vocational programs offered by the Institution, so long as such creations, modifications, and eliminations are consistent with the Institution's statutory role and mission.

COMMISSION POLICIES

Exemptions

Pursuant to Title 23, Article 5, Section 129(6)(a)-(b), as of the Effective Date of this Performance Contract, compliance with the terms set forth in this Performance Contract will be in lieu of the following policies promulgated by the Commission, as they may be hereinafter revised or renumbered:

I. Academic Affairs:

Part B: Approval of New Academic Programs

Part C: Review of Academic Programs

Part D: Approval of New Vocational Degree Programs in State-Supported Institutions of Higher Education in Colorado

Part G: Low Demand Program Review

Part H: Designating Programs of Excellence

Part I: Review of Proposals for Coordinated Academic Programs

Part L: Statewide Transfer Policy

The structure of the "state's guaranteed general education curriculum" (aka "gtPathways approved core curriculum") described in Part 5.02 shall not be mandatory for undergraduate students enrolled at the Institution. The Institution shall continue to comply with the requirements of C.R.S. 23-1-125 and CCHE policy Section I, Part L, notwithstanding the provision concerning the "state's guaranteed general education curriculum" described above. The Institution will continue to offer a full gtPathways approved core curriculum. The Institution will clearly communicate on its general education website that students planning to transfer should choose the gtPathways approved courses and curriculum if they want to guarantee transfer credit. The Institution will continue to participate in the process described in section C.R.S. 23-1-125 and C.R.S. 23-1-108.5 established to identify transferable core courses within the Institution's arts and sciences bachelor degree programs and to accept those core courses approved through such process for guaranteed transfer.

Part O: Academic Planning

Part Q: Policy on Affirmative Action

Part S: Newly Approved Degree Programs

Capital Assets:

Part D- Guidelines for Long-Range Facilities/Infrastructure Master Planning

- 1.00- Scope of a Long-Range Facilities/Infrastructure Master Plan
 - I. Institutional Data (to become guidelines only)
 - II. Facilities Master Plan
 - A. Planning Concepts (to become guidelines only)
 - B. Facilities Construction and Renovation Economic Studies and Project Cost Estimates
- 2.00- Approvals of Long-Range Facilities, Infrastructure Plans
- 3.00- Periodic Updating of a Long-Range Plan
- 4.00- Information Technology Strategic Planning
- 5.00- Governing Board and Institutional Planning

Budget Data Book:

Organization Chart

Campus Map

General information page

Format 40: Reporting of ASCII data by Classification of Instructional Program (CIP) area

Format 9999

Consolidated Supplemental Financial Information

- Format A
- Format B
- Format C
- Format D
- Format E

Administrative Salary Survey report

Decision Items requests for mandatory cost increases

CCHE approval of decision items above mandated costs

Maintenance of Status Quo

Pursuant to Title 23, Article 5, Section 129(2)(a), the Governing Board shall continue to be subject to the following policies in the form they exist as of the Effective Date of this Performance Contract, attached and expressly incorporated herein, unless the parties expressly agree that future revisions are less restrictive to the Institution than current policy:

I Academic Affairs

Part E: Statewide Remedial Education Policy

Part F: Admissions Standards

It is expressly agreed that the Governing Board may alter its admissions standards according to the process set forth in current Commission Policy I, Part F.

It is expressly agreed that modifications to the Statewide Remedial Education Policy and the Admissions Standards policy that conform to the requirements of 23-1-113 (5)-(7) are acceptable, provided that those changes do not affect the University's admissions standards or right to administer secondary assessments of its choosing.