

## FEE-FOR-SERVICE CONTRACT AMENDMENT

<b>Amendment #</b> 12	<b>Original Contract CMS (CLIN) #</b> 06-00009	<b>Amendment CMS #</b> 48209
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**1) PARTIES**

This Amendment to the above-referenced Original Contract ("Contract") is entered into by and between the Governing Board for Adams State University ("Institution"), and the STATE OF COLORADO ("State") acting by and through the Department of Higher Education ("Department").

**2) EFFECTIVE DATE**

This Amendment shall not be effective or enforceable until it is approved and signed by the Colorado State Controller or designee (hereinafter called the "Effective Date").

**3) FACTUAL RECITALS**

a. The parties entered into the Contract with a made date of June 1, 2005 (CLIN #06-00009), the First Amendment (CLIN #06-00012), the Second Amendment (CLIN #07-00005), the Third Amendment (CLIN #08-00001), the Fourth Amendment (CLIN #09-00001), the Fifth Amendment (CLIN #09-00016), the Sixth Amendment (CMS #1304), the Seventh Amendment (CMS #18535), the Eighth Amendment (CMS #21430), the Ninth Amendment (CMS #33697), the Tenth Amendment (CMS #33757), and the Eleventh Amendment (CMS #45126) for the purchase of higher educational services.

b. Additional funds have been budgeted, appropriated and otherwise made available for the purchase of additional higher education services for the residents of the state of Colorado for FY 2011-12.

c. Additional funds have been budgeted, appropriated and otherwise made available for the purchase of additional higher education services for the residents of the state of Colorado for FY 2012-13.

d. Prior to the Eleventh Amendment and FY2011-12, Adams State University was known as Adams State College. The change was made by the General Assembly in HB12-1080 with an effective date of May 19, 2012.

**4) CONSIDERATION-CONTINGENCY**

The Parties acknowledge that the mutual promises and covenants contained herein and other good and valuable consideration are sufficient and adequate to support this Amendment. The funding of this Contract is contingent upon the Department's funding from the Joint Budget Committee of the Colorado General Assembly (JBC). The JBC reserves the right to adjust the funding amount of the Contract in accordance with changes in student enrollment at the Institution.

**5) LIMITS OF EFFECT**

This Amendment is incorporated by reference into the Contract, and the Contract and all prior amendments thereto, if any, remain in full force and effect except as specifically modified herein.

**6) MODIFICATIONS**

**a. FY2011-12 close out**

The Department has adjusted the FY 2011-12 amount by an additional twenty-two thousand, one hundred and ninety-six dollars (\$22,196) for a total contract amount of sixty million, eight hundred eighty-nine thousand, one hundred and eighty-one dollars (\$60,889,181) through the end of FY 2011-12. This adjusted the earlier agreement by 50 credit hours of courses that assist student in career development, retraining and specialized high cost education at a FY 2011-12 rate of \$445 per credit hour.

**b. FY2012-13 allocation**

The Department will transfer an additional eight million, thirteen thousand, ninety-one dollars (\$8,013,091), for a total contract amount of sixty-eight million, nine hundred and two thousand, two hundred and seventy-two dollars (\$68,902,272) through the end of FY 2012-13 for the purchase of the higher education services set forth in **Exhibit A-12, attached hereto and incorporated by reference**, under Fund Number 100, Appropriation Account FFS. Upon the commencement of the Twelfth Amendment, the Department will transfer this amount in monthly payments (1/12 of total) within the first week of each month of the term of the contract.

**c. Intercept Program**

In accordance with SB08-245, if the Institution participates in the Intercept program the Institution is required to notify the Department of the Treasury (hereinafter referred to as the "Treasury") when the Institution is unable to make a required bond payment. The Treasury will make the required payment on behalf of the Institution and the Treasury is authorized to intercept the System's Fee-For-Service payment to recoup expended funds. Any payments made under the Contract (even if intercepted by a third party) are considered to be payments made to the Institution for services provided under the terms of the Contract.

**7) START DATE**

This Amendment shall take effect on the later of its Effective Date or July 1, 2012.

**8) ORDER OF PRECEDENCE**

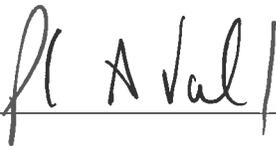
In the event of any conflict, inconsistency, variance, or contradiction between the provisions of this Amendment and any of the provisions of the Contract, the provisions of this Amendment shall in all respects supersede, govern, and control.

**9) AVAILABLE FUNDS**

FINANCIAL OBLIGATIONS OF THE STATE PAYABLE AFTER THE CURRENT FISCAL YEAR ARE CONTINGENT UPON FUNDS FOR THAT PURPOSE BEING APPROPRIATED, BUDGETED, AND OTHERWISE MADE AVAILABLE.

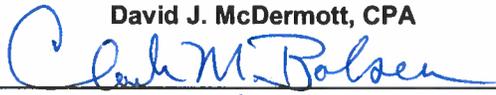
**THE PARTIES HERETO HAVE EXECUTED THIS AMENDMENT**

\* Persons signing for Contractor hereby swear and affirm that they are authorized to act on Contractor's behalf and acknowledge that the State is relying on their representations to that effect.

<b>CONTRACTOR</b> Adams State University	<b>STATE OF COLORADO</b> John Hickenlooper. GOVERNOR Department of Higher Education
By:  By: David Svaldi Title: President	By:  By: Lt. Gov. Joseph A. Garcia, Executive Director
 By: Stephen A. Valdez Title: Chair, Board of Trustees	

**ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER**

CRS §24-30-202 requires the State Controller to approve all State Contracts. This Contract is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

<b>STATE CONTROLLER</b> David J. McDermott, CPA
By: 
Date: <u>8/29/12</u>

**EXHIBIT A-12**  
**STATEMENT OF WORK**  
**Adams State University**

The General Assembly has found that some services which are offered by institutions of higher education go beyond the scope of undergraduate services and are not part of the College Opportunity Fund stipend program. Instead, the General Assembly has determined that it is in the best interests of the state of Colorado for the Department to purchase these selected educational services for the benefit of students. In accordance with 23-1-109.7 Colorado Revised Statutes (C.R.S.) these services may include, but need not be limited to:

- (a) Educational services in rural areas or communities in which the cost of delivering the educational services is not sustained by the amount received in student tuition;
- (b) to (d) repealed;
- (e) Educational services required of the commission to meet its obligations under reciprocal agreements pursuant to section 23-1-112, C.R.S.;
- (f) Graduate school services;
- (g) Educational services that may increase economic development opportunities in the state, including courses to assist students in career development and retraining; and
- (h) Specialized educational services and professional degrees, including but not limited to the areas of dentistry, medicine, veterinary medicine, nursing, law, forestry, and engineering.

**Graduate and Other Educational Services**

In order to purchase graduate educational services the Department has developed a cost model that identifies expenses incurred by this Institution in educating graduate students. Based upon this cost information, the department shall purchase services on a per credit hour basis. The per credit hour basis is a common method of determining costs and is easily identifiable and auditable under this contract.

Such services are purchased in order to provide advanced degrees in various fields of study. Each degree is designed to provide a specific field of knowledge to students that benefit the educational mission of the student and the state. A highly educated workforce attracts businesses and people to the state and helps create a diverse and robust economy. Further, these services allow citizens the opportunity to improve their educational knowledge and career opportunities by learning new skills. The Department finds that people who are highly trained and specialized in a field of study are more easily employed and desirable in the workplace, The Department therefore finds that the purchase of these services benefits all citizens and ensures the economic vitality of the state.

The Institution shall provide graduate and other educational services to the Department consistent with its statutory role and mission. The Department on a credit hour cost basis shall purchase graduate services. The Institution shall ensure that any Graduate or Other Educational Service purchased by the Department on a per credit hour basis will benefit all students for which the service is being purchased.

Other educational services shall be purchased in accordance with Title 23, Article 1, Section 109.7, Colorado Revised Statutes. Specifically, the following services shall be purchased:

**Career Development, Retraining, and Specialized Education**

The Department shall purchase career development, retraining and specialized education programs that provide focused educational training for students improving or changing careers. Additionally, the department shall purchase specialized education programs in which job retraining and career development opportunities provided by the institution require smaller class sizes with increased costs. The purpose for purchasing such services is to aid in providing a workforce that possesses the skill set necessary to meet the employment demands of state and local businesses. Such services shall be purchased by the Department on a credit hour cost basis as identified in the cost model developed by the Department and Institution as set forth in **Exhibit C-12**.

During the period of this agreement, the Department will purchase from the Institution the following units of graduate or other educational services:

- a) The Department shall purchase 22,636 credit hours for courses that assist students in career development, retraining, and specialized high cost education. The rate at which such credit hours are purchased is three hundred fifty-four dollars (\$354) per credit hour for a total of eight million, thirteen thousand, ninety-one dollars (\$8,013,091).
- b) The Department shall purchase 0 credit hours for Graduate I (Master level) services. The rate at which such credit hours shall be purchased will be zero dollars (\$0) per credit hour in accordance with costs identified in Exhibit C for a total of zero dollars (\$0).

In order to ensure that such services are provided in a reasonable and fiscally responsible manner, the Institution shall report annually, through the Student Unit Reporting Data System (SURDS), and the Final Student Enrollment Report, or by other means noticed and established by the Department, on the number of student FTE served and credit hours provided by each category listed in this exhibit. If such reporting shows an amount of credit hours lower than is purchased herein, the Department shall adjust the payments under this contract accordingly. Further, the Department may audit such services periodically to ensure contract and statutory compliance including, but not necessarily limited to ensuring that the number of credit hours purchased has been provided.

Nothing in this section shall prevent the Institution from enrolling students above and beyond the units contracted for under Other Educational Services.

**Exhibit C-12 2012-2013**  
**The Colorado Commission on Higher Education**  
**Undergraduate/Graduate Cost Study**

Adams State University  
 FY 2013 Data (Est.)

Source: Budget Data Book

**Student and Faculty FTE**

	FTE Student		FTE Faculty		Student to Faculty Ratio
Undergraduate	1,967.12	80%	134.21	77%	14.66
Graduate I	492.38	20%	39.46	23%	12.48
Graduate II		0%	-	0%	
<b>Total</b>	<b>2,459.50</b>	<b>100%</b>	<b>173.67</b>	<b>100%</b>	<b>14.16</b>

FTE Source: Census Report FY12 Final

Faculty FTE Source: Computed from Format 30, Line 20

**E&G Expenditures**

	E&G Expenditures
Instruction	\$ 13,886,176
Research	\$ -
Public Service	\$ -
Academic Support	\$ 2,369,496
Student Services	\$ 2,519,500
Institutional Support	\$ 3,091,667
O&M of Plant	\$ 3,003,735
Scholarships and Fellowships	\$ 2,236,155
Hospitals	\$ -
Transfers	\$ 4,170,177
<b>Total</b>	<b>\$ 31,276,906</b>

Source: FY13 Proposed Budget

**Undergraduate vs. Graduate Costs Per FTE**

**Fixed Costs**

Methodology: Sum of (Research, Public Service, Student Services, Institutional Support, O&M, Scholarships and Fellowships, Hospitals Expenditures, and Transfers) / Total Student FTE

Undergraduate	\$ 6,107
Graduate I	\$ 6,107
Graduate II	

**Variable Costs**

Methodology: ((Instruction+Academic Support) \* % Faculty FTE)/Student FTE

Undergraduate	\$ 6,386
Graduate I	\$ 7,501
Graduate II	

**Total Costs**

	Methodology: Fixed Costs + Variable Costs	Per Credit Hour	Less COF Stipend
Undergraduate	\$ 12,493	416	354
Graduate I	\$ 13,608	454	
Graduate II			